

CIBC

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Engagement Team:

Manali Vaidya, Manali.Vaidya@morningstar.com, (+1) 416 861 0403

Katherine Jacome, Katherine.Jacome@morningstar.com, (+1) 647 265 0835

Introduction

In 2020, CIBC (or the “Issuer”) issued a green bond (the “Green Bond”) based on the CIBC Green Bond Framework¹ (the “2020 Framework”). Between 2021 and 2023, CIBC issued market-linked guaranteed investment certificates (MLGICs), structured notes and capped leveraged index return notes based on the CIBC Sustainability Issuance Framework (the “2021 Framework”).² The MLGICs, Structured Notes and Capped Leveraged Index Return Notes are hereinafter collectively referred to as the “Green Instruments”.^{3,4} The Green Bond and Green Instruments are intended to finance or refinance renewable energy and green building projects that are expected to create positive environmental impacts. In 2024, CIBC engaged Sustainalytics to review the projects financed with proceeds from the Green Bond and Green Instruments and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in their respective frameworks.

Evaluation Criteria

Sustainalytics evaluated the projects and assets financed between 01 August 2022 and 31 July 2023 with proceeds from the Green Bond and Green Instruments based on whether they:

1. Met the use of proceeds and eligibility criteria defined in the respective frameworks; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the respective frameworks.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs in the 2021 Framework

CIBC has communicated to Sustainalytics that it has allocated proceeds from the Green Instruments to projects in the following use of proceeds categories.

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Clean Energy	<p>Proceeds may be allocated to the development, construction, acquisition, operation, maintenance and distribution of the following renewable energy sources:</p> <ul style="list-style-type: none"> • Solar • Offshore and onshore wind • Geothermal with direct emissions <100gCO₂/kwh • Tidal • Hydrogen generated using renewable energy 	<ul style="list-style-type: none"> • CO₂ emission avoided (tCO₂e) • Total installed capacity (MW)

¹ CIBC, “Green Bond Framework”, (2020), at: https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/debt_info/cibc-green-bond-framework-en.pdf

² CIBC, “Sustainability Issuance Framework”, (2021), at: https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/debt_info/cibc-sustainability-issuance-framework-en.pdf

³ Sustainalytics, “CIBC Green Bond Framework Second-Party Opinion”, (2020), at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/cibc/cibc-green-bond-framework-second-party-opinion/cibc-green-bond-framework-second-party-opinion-pdf>

⁴ Sustainalytics, “CIBC Sustainability Issuance Framework Second-Party Opinion”, (2021), at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/cibc/cibc-sustainability-issuance-framework-second-party-opinion-\(2021\)/cibc-sustainability-issuance-framework-second-party-opinion](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/cibc/cibc-sustainability-issuance-framework-second-party-opinion-(2021)/cibc-sustainability-issuance-framework-second-party-opinion)

	<ul style="list-style-type: none"> • Small scale (<25 MW) and run-of-river hydroelectric projects, as well as the refurbishment, operation or maintenance of existing hydroelectric facilities • Waste biomass and renewable biofuels whose sources include sustainable agriculture and forestry residues with direct emissions <100gCO₂/kwh 	
Green Buildings	<p>Proceeds may be allocated to the development, construction, acquisition, operation and maintenance of residential or commercial buildings that meets any of the following:</p> <ul style="list-style-type: none"> • Received, or expect to receive based on design or construction, certification according to third party verified building standards: <ul style="list-style-type: none"> ○ Leadership in Energy and Environmental Design (LEED) Gold or Platinum or equivalent levels in other certification programs such as BOMA BEST (Gold or Platinum), or BREEAM (Excellent or above), ○ ENERGY STAR (85 or above) ○ Passive House Institute - EnerPHit, ○ Toronto Green Standard (v3) Tier 2 or higher, ○ BC Step Code (Step 3 or above) • The development, construction, acquisition, operation and maintenance of industrial buildings that have received or are expected to receive LEED Silver certification will also be confirmed to have been designed to achieve at least a 20% energy efficiency improvement compared to ASHRAE 90.1-2010 	<ul style="list-style-type: none"> • Energy savings (kWh) • CO₂ emission avoided (tCO₂e), with reference to specific certification schemes where relevant • Floor space of green real estate (m²)

Table 2: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs in the 2020 Framework

CIBC has communicated to Sustainalytics that it has allocated proceeds from the Green Bond to projects in the following use of proceeds categories.

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Renewable energy	<p>Proceeds may be allocated to the development, construction, acquisition, operation, maintenance and distribution of the following renewable energy sources:</p> <ul style="list-style-type: none"> • Solar • Offshore and onshore wind • Geothermal with direct emissions <100gCO₂/kwh 	<ul style="list-style-type: none"> • CO₂ emission avoided (tCO₂e) • Total installed capacity (MW)

	<ul style="list-style-type: none"> • Tidal • Small scale (<25 MW) and run-of-river hydroelectric projects, as well as the refurbishment, operation or maintenance of existing hydroelectric facilities • Waste biomass that does not deplete existing carbon pools 	
Green Buildings	<p>Proceeds may be allocated to the development, construction, acquisition, operation and maintenance of residential or commercial buildings that have:</p> <ul style="list-style-type: none"> • Received, or expect to receive based on design or construction, certification according to third party verified building standards, including Leadership in Energy and Environmental Design (LEED) Gold or Platinum or equivalent levels in other certification programs such as BOMA BEST, BREEAM or ENERGY STAR 	<ul style="list-style-type: none"> • Energy savings (kWh) • CO₂ emission avoided (tCO₂e), with reference to specific certification schemes where relevant • Floor space of green real estate (m²)

Issuer’s Responsibility

CIBC is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from the Green Bond and Green Instruments. The work undertaken as part of this engagement included collection of documentation from CIBC and review of said documentation to assess conformance with the respective frameworks.

Sustainalytics relied on the information and the facts presented by CIBC. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by CIBC.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the respective use of proceeds criteria and reporting commitments in the respective frameworks. CIBC has disclosed to Sustainalytics that the proceeds from the Green Bond and the Green Instruments were fully allocated as of 31 July 2023.

⁵ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 3: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the Green Bond and the Green Instruments to determine if projects aligned with the use of proceeds criteria outlined in the 2020 Framework and 2021 Framework respectively.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the Green Bond and the Green Instruments to determine if impact of projects was reported in line with the KPIs outlined in the 2020 Framework and 2021 Framework respectively.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendix: Allocation and Reported Impact

CIBC raised USD 500 million from the Green Bond issuance and USD 85.9 million from the issuance of the Green Instruments. The tables below include details related to the amount allocated to and environmental impact achieved from the financed projects.

Table 4: Allocation and reported impact for the Green Bond

Use of Proceeds Category	Eligibility Criterion	Impact KPIs ⁶								Allocated amount (USD in Million)
		Number of Eligible Assets	Total installed capacity (MW)	Renewable energy generated (MWh)	tCO ₂ e emission avoided	Energy savings (KWh/m ² of GBA)	Gross building area (GBA – m ²)	kgCO ₂ /m ² of GBA	m ³ of water saved/m ² of GBA	
Renewable Energy	Wind energy projects	10	4,269.1	20,563,046	4,341,302					256.5
	Solar energy projects	7	399	852,180	346,593					95.4
Green Buildings ⁷	LEED Platinum	1			723	142	176,000	11.4	0.35	148.1
Total allocation of net bond proceeds (USD in Million)										500.0
Total net bond proceeds raised (USD in Million)										500.0
Balance of unallocated net bond proceeds (USD in Million)										0

Table 5: Allocation and reported impact from the Green Instruments

Green Instrument	Use of Proceeds Category	Eligibility Criterion	Impact KPIs				Allocated amount (USD in Million)
			Number of Eligible Assets	Total installed capacity (MW)	Renewable energy generated (MWh)	tCO ₂ e emission avoided	
Canada Structured Notes	Clean Energy	Wind energy project	1	100	316,348	1,678	1.5
Capped Leveraged Index Return Notes							4.0
MLGICs							6.0
MLGICs	Clean Energy	Wind energy projects	4	480	1,456,996	2,185	57.5
	Green Buildings ⁷	LEED Platinum	1				16.9
Total allocation of net proceeds (USD in Million)							85.9
Total net proceeds raised (USD in Million)							85.9
Balance of unallocated net proceeds (USD in Million)							0

⁶ The reported impact for the Green Bond includes expected impact of two projects (one solar energy and one wind energy project) that are under construction. CIBC has communicated to Sustainalytics that it is committed to reporting on the actual impact of these two projects upon completion.

⁷ The green building project was financed using the proceeds of the Green Bond and the Green Instruments and, as a result the impact mentioned for the Green Building project in Table 4, is combined impact of proceeds from the Green Bond and the Green Instruments.

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