



Accelerating climate action Our Net-Zero Approach

Version 3.0



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About this document

Our Net-Zero Approach provides an overview of our ambition to achieve net-zero greenhouse gas (GHG) emissions from our operational and financing activities by 2050. It outlines our methodology for measuring our progress, including details on our sector-specific 2030 interim financed emissions reduction targets. We have prepared this document primarily to keep our investors, industry partners, and other stakeholders apprised of our efforts.

Our Net-Zero Approach (Version 3.0) has been amended as of February 21, 2025 to reflect our departure from the Net-Zero Banking Alliance (NZBA) as of January 17, 2025. References to the NZBA throughout the document have been removed accordingly.

We intend to update this document going forward as we develop additional sector targets and evolve our methodological approaches to net-zero target setting, and as new information and guidance become available.

Our Net-Zero Approach was informed by net-zero target-setting and reporting guidance from industry initiatives, United Nations Environment Programme Finance Initiative (UNEP FI), Partnership for Carbon Accounting Financials (PCAF), Glasgow Financial Alliance for Net Zero (GFANZ) and Sustainable Markets Initiative's (SMI) Financial Services Taskforce (FSTF).

Industry memberships and signatories



Learn more

- [CIBC's Sustainability Report](#)
- [CIBC's Task Force on Climate-related Financial Disclosures \(TCFD\) Report](#)
- [CIBC's CDP Climate Change Questionnaire Response](#)

Introduction

Climate change presents both risks and opportunities as we transition to a low carbon future. In its 2021 report, the Intergovernmental Panel on Climate Change (IPCC) affirmed that the world needs to transition to net-zero GHG emissions by 2050 to avoid average global temperature rising above 1.5°C and to reach the goals laid out in the Paris Climate Agreement.¹ Unaddressed, climate change could lead to significant, irreversible environmental, social, and economic impacts.²

At CIBC, we understand the urgency with which climate solutions are needed and the integral role that the financial sector has in the transition to a low carbon economy. As a bank and major Canadian financial institution, we are doing our part in supporting the economic transition towards net-zero emissions in the real economy.

In August 2021, CIBC announced our ambition to achieve net-zero GHG emissions associated with our operational and financing activities by 2050.³ This builds on our leadership and enhances our ability to continue creating long-term shareholder value as the landscape of climate-related risks and opportunities evolves. It also positions us to grow stakeholder relationships and work closely with our clients towards a low carbon future.

We recognize that embarking on this journey requires clear goals, ambitious action and effective collaboration across a variety of stakeholders, including our clients, governments, financial institution peers, industry bodies, regulators, and others. We believe that success lies in aligning our efforts, mobilizing our clients by supporting their own strategies to achieve net-zero, and remaining accountable by reporting transparently on our progress.

We are setting interim net-zero targets to reduce the carbon intensity of our financed emissions by 2030. Recognizing the scale and urgency of climate change, we are prioritizing establishing paths to net-zero for carbon-intensive sectors as soon as possible. This document details the methodologies we developed to measure our baseline financed emissions and set our initial interim net-zero targets, leveraging the best available science, data, industry standards and emerging practices.

Going forward, we will continue to publish our targets and methodologies in subsequent versions of this document. We are now working to accelerate our climate aspirations by embedding net-zero considerations throughout our business practices and financing activities.



Overview



Achieving net-zero emissions means reducing our GHG emissions as close to zero as possible, while balancing any remaining GHG emissions by removing an equivalent amount of GHGs from the atmosphere.

Financial institutions emit comparatively few GHG emissions from our operational activities. However, as we finance the activities of others through loans, corporate finance solutions and principal investments, we play a large, integrated role as change agents, helping to direct capital flows towards activities aligned with a low-carbon economy, and away from those that are not. Herein lies both the net-zero opportunity and challenge for financial institutions: to leverage our influence and expertise to support our clients on their net-zero transitions, while at the same time managing our exposure to high-emitting sectors and avoiding undue climate risks.

CIBC’s role in achieving net-zero

As a leading North American financial institution with 14 million personal banking, business, public sector and institutional clients, CIBC plays a multi-faceted role in enabling the successful transition to net-zero.

Figure 1: CIBC’s activities that support our net-zero ambition

| | Operational eco-efficiency | Sustainable finance | Net-zero transition |
|-------------|---|--|---|
| Our role | We lead by example by taking responsibility for the environmental impacts associated with our operations. | We play a role in scaling up financial advice, products and services that address critical environmental challenges – such as climate change – and promote sustainability. | As lenders and investors, we support the transition of our clients to achieve net-zero emissions, especially those in carbon-intensive sectors. |
| Our actions | In 2019, we committed to being carbon neutral by the end of 2024. ⁴ | In 2021, we set a goal towards mobilizing \$300B in sustainable financing by 2030. ^{5,6} | In 2021, we announced our ambition to achieve net-zero GHG emissions associated with our operational and financing activities by 2050. ³ |

CIBC's net-zero ambition

Our target-setting framework

CIBC's net-zero target-setting framework is guided by four principles:



Science-aligned

Informed by credible climate science⁷ and aligned with widely accepted decarbonization pathways that limit warming to 1.5°C with no/low overshoot.⁸



Comprehensive

Captures the majority of our GHG emissions within our boundaries and strives for full coverage as soon as possible.



Transparent

Provides transparency in our methods, metrics and reporting of our GHG emissions calculations and targets, as well as in our progress towards our net-zero ambition.



Iterative

As new information becomes available, we will ensure our targets are consistent with the best available climate science, standards, guidance, data and industry best practices.

In 2021, with the objective of creating improved transparency related to our lending and investing, CIBC joined PCAF. Endorsed by the Task Force on Climate-related Financial Disclosures (TCFD), PCAF is an industry-led initiative that helps financial institutions assess and disclose GHG emissions from their loans and investments through a standardized measurement and reporting framework.

In addition, the TCFD recommendation guides how we report on our progress towards our targets and address our climate risks and opportunities.

Oil and gas

Publication date: March 31, 2022

Our oil and gas interim 2030 net-zero targets

CIBC has established interim targets to reduce the financed emissions associated with our oil and gas portfolio:

- We are targeting a 35% reduction in the operational emissions intensity of our oil and gas portfolio compared to a 2020 base year, including Scope 1 and 2 emissions from upstream production and downstream refining of oil and gas products.
- We are targeting a 27% reduction in the end use emissions intensity of our oil and gas portfolio compared to a 2020 base year, including Scope 3 emissions from the combustion of hydrocarbon-derived fuels sold into the market.

We have included the emissions associated with our corporate lending commitments and facilitated financing, which is CIBC's share of actual economic allocation for equity capital markets and debt capital markets underwritings.

We chose two different target types (refer to Figure 2) to distinguish between corporate operational emissions and the end use GHG impacts of the energy products produced. This approach allows for increased customization and aligns with how many companies in the sector are developing their net-zero transition strategies.

Figure 2: Oil and gas interim 2030 net-zero targets summary

| 2030 targets | Base year | Emission scopes | Activities | Intensity metric | Scenario alignment | Data sources |
|---------------|-----------|-----------------|---|-------------------------|--------------------|---|
| 35% reduction | 2020 | Scope 1 and 2 | Upstream production and downstream refining | g CO ₂ e /MJ | IEA NZE2050 | <ul style="list-style-type: none"> • Wood Mackenzie • Company disclosures |
| 27% reduction | 2020 | Scope 3 | End use emissions associated with the use of oil and gas products | g CO ₂ /MJ | IEA NZE2050 | <ul style="list-style-type: none"> • Wood Mackenzie • Company disclosures |

Figure 3: CIBC's oil and gas interim 2030 net-zero target - operational emissions intensity

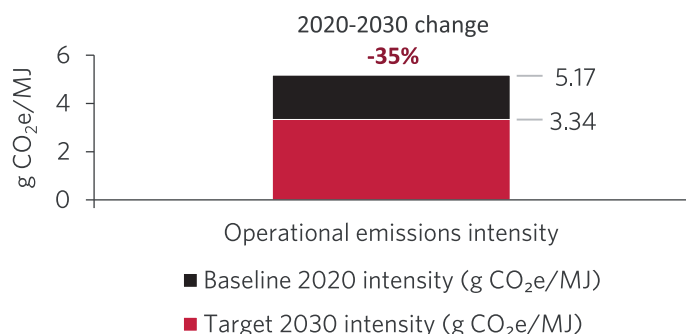
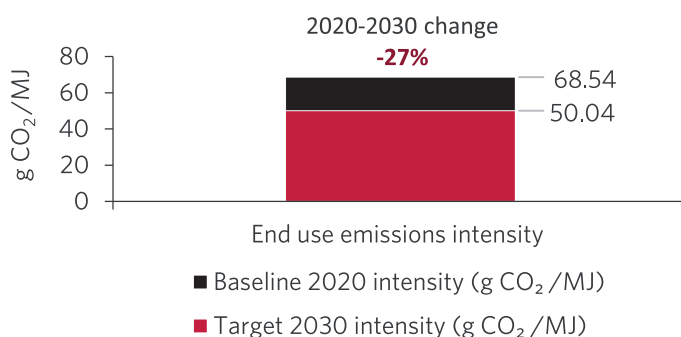


Figure 4: CIBC's oil and gas interim 2030 net-zero target - end use emissions intensity



Source: CIBC (2022). *Our Net-Zero Approach*. All rights reserved.

We developed our oil and gas targets together with Environmental Resources Management (ERM), the world's largest global pure-play sustainability consultancy, with deep sectoral, technical and business expertise in the low carbon energy transition.

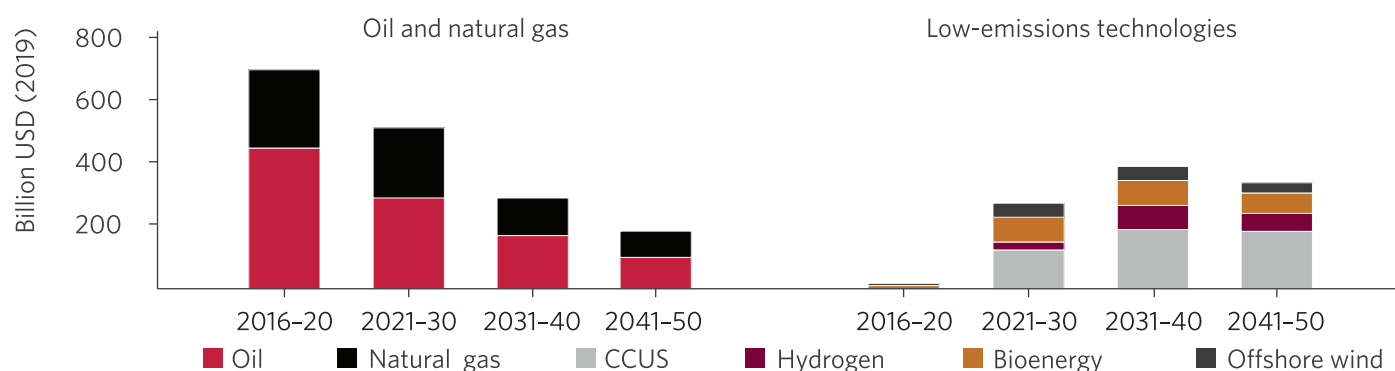
Sector selection

Achieving net-zero will be challenging for all economic sectors, and this is particularly true for the oil and gas sector, where activities involve the extraction, production, refining and combustion of fossil fuel energy. We chose our oil and gas portfolio to prioritize one of the most carbon-intensive sectors.

The oil and gas sector is a major contributor to global GHG emissions and is Canada's largest emitting sector, representing 26% of total national GHG emissions.⁹ As a long-standing partner to oil and gas companies through our facilitated financing and lending activities, we have a responsibility to support our clients in their transition. Most of our oil and gas lending — which at the end of 2021 accounted for approximately 1% of our total drawn and undrawn lending commitments — is located in Canada where many are heavily exposed to transition risks, such as policy and regulatory changes. For example, the Government of Canada has pledged to reduce economy-wide emissions 40-45% below 2005 levels by 2030 and achieve net-zero by 2050.

As the world transitions to new sources of energy, there is an opportunity for us to leverage our position as a capital provider, expert advisor and responsible climate steward to influence positive outcomes in the energy sector. For example, we can support the scale-up and commercialization of low carbon energy technologies such as hydrogen, carbon capture, utilization and storage (CCUS) and biofuels (refer to Figure 5). In supporting low carbon innovation and offering sustainable financing solutions to oil and gas companies looking to transition, we can have a measurable impact on emission reductions in one of the most carbon-intensive sectors in the economy and accelerate low carbon energy transition pathways in alignment with the International Energy Agency's IEA Net-Zero Emissions by 2050 scenario (NZE scenario).

Figure 5: Annual average investment in oil and gas and low-emissions technologies with synergies for the oil and gas industry in the NZE



Source: IEA (2021) *Net Zero by 2050: A Roadmap for the Global Energy Sector*. All rights reserved.

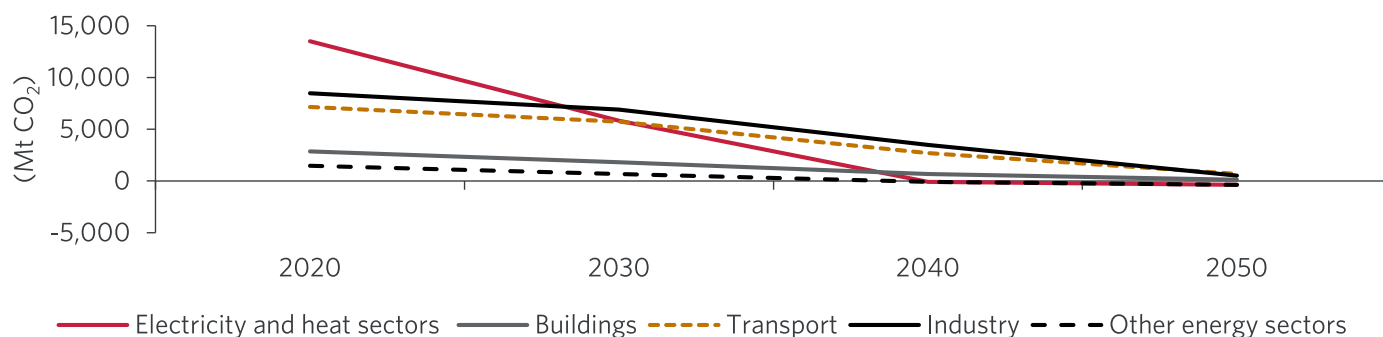
Target type

We chose a carbon intensity-based metric to calculate our oil and gas interim targets, which measures emissions relative to a unit of energy output. This allows us to measure whether a company or entire portfolio is making progress in applying strategies and technologies to reduce operational and end use emissions, regardless of changes in overall production. Furthermore, because the metric adjusts for energy output, it enables cross-company comparisons for firms of different sizes as we prioritize capital to enable the sector's transition.

Scenario alignment

CIBC selected the NZE scenario as the basis for our oil and gas interim target development. The NZE scenario represents an ambitious transition in the global energy system with a rapid shift to renewable energy and a significant acceleration in the pace of change compared to other IEA scenarios. The NZE scenario aims to limit average global temperatures rise to 1.5°C with a 50% probability. In addition, it is also favoured by investors and other stakeholders.

Figure 6: Carbon dioxide (CO₂) emissions by sector in the NZE



Source: IEA (2021) *Net Zero by 2050: A Roadmap for the Global Energy Sector*. All rights reserved.

The NZE scenario assumes emissions reductions will be required across all sectors of the economy to achieve net-zero by 2050, and these reductions will depend on rapid advancements in low-carbon technologies (refer to Figure 6). The scenario also assumes advanced economies will implement carbon prices that rise to USD \$130 per metric tonne of carbon (tCO₂) by 2030, and USD \$250 by 2050¹⁰, while fossil fuel demand will decline sharply as a percentage of total energy use by 2050, with demand for oil declining by 75% and gas by 55% over the next few decades.¹¹ Furthermore, renewable energy sources are assumed to account for almost 90% of global electricity generation in 2050, a 425% increase.¹² These scenario assumptions will have major implications for our oil and gas clients, who will need access to transition financing and expert advice as they work to decarbonize their products and processes, respond to demand reductions and navigate more stringent regulatory environments.

Emission scopes

Our oil and gas interim targets include emissions from pure-play upstream producers, pure-play downstream refiners and integrated companies with both upstream and downstream operations.¹³ These components of the oil and gas sector are responsible for most emissions across the value chain. For each company, we included Scope 1, 2 and 3¹⁴ emissions.

Service providers are excluded in our current approach. This segment represents a small portion of CIBC's oil and gas portfolio and cannot be meaningfully compared to oil and gas companies. This is because they do not produce oil and gas, thereby making a target based on the emissions intensity of energy produced inappropriate. While Scope 3 emissions and associated intensities could be calculated for companies providing services to direct oil and gas production, CIBC has chosen to focus its approach on the companies that produce energy. We may consider expanding our methodology to include these segments going forward.

We included direct financing (our lending commitments, such as revolving credit facilities) and facilitated financing (our economic share of underwritten and arranged financings in the debt and equity capital markets) to provide a more comprehensive view of our activities. We chose to use lending commitments to eliminate potential year-over-year volatility related to drawn loan amounts and reflect credit commitments we provide to the industry. We also use direct financing and facilitated financing to provide a more complete view on our overall portfolio emissions.

We believe that this approach offers a more complete understanding of our exposure and enables a more comprehensive strategy towards net-zero that our investors will value.

Base year and interim target calculation methodologies

To calculate our base year emissions intensity for our oil and gas portfolio, we used fiscal 2020 data representing all lending and facilitated financing.

- **Operational emissions intensity calculation:** measures the efficiency of producing oil and gas that is ultimately delivered to the market.¹⁵
- **End use emissions intensity calculation:** measures the GHG intensity of energy products produced by companies in the oil and gas portfolio, including reductions in the overall carbon content of fuels produced by expanding renewable resources and other forms of carbon-free energy.

Operational emissions intensity calculation

$$\text{Company Operational Intensity} \left(\frac{gCO_2e}{MJ} \right) = \frac{\text{Scope 1 + 2} - \text{Credits} (gCO_2e)}{\text{Embedded energy in O\&G} + \text{Low carbon fuels} (MJ)}$$

End use emissions intensity calculation

$$\text{Company End Use Intensity} \left(\frac{gCO_2}{MJ} \right) = \frac{\text{Scope 3} - \text{Credits} (gCO_2)}{\text{Embedded energy in O\&G} + \text{Low carbon fuels} + \text{Renewable energy} (MJ)}$$

CIBC's portfolio-level operational and end use intensities are calculated as exposure-weighted averages of the portfolio company intensities.

$$\text{Portfolio Intensity} \left(\frac{gCO_2e}{MJ} \right) = \sum_{client} \text{Company Intensity}_{client} * \frac{\text{Exposure}_{client}}{\text{Exposure}_{sector}}$$

Portfolio intensity calculations were used to set a target for CIBC's entire oil and gas portfolio. We calculated our 2030 operational emissions carbon intensity target by applying absolute reductions to three categories of portfolio company baseline emissions — methane, flaring CO₂ and other CO₂ — aligned with projected declines in the NZE scenario. The relative contribution of each emission category to total emissions determined the 2030 intensity value for each portfolio company. We then calculated an exposure-weighted intensity representing the 2030 portfolio target.

We calculated our 2030 end use emissions intensity target by using the per cent change (e.g., -27% for NZE) from a calculated IEA 2020 to IEA 2030 GHG intensity. The per cent change between the two calculated IEA intensities was applied to CIBC's portfolio baseline GHG intensity to determine the final 2030 target value.

Data sources, considerations and challenges

The GHG emissions data for upstream and downstream oil and gas companies was sourced from Wood Mackenzie (WoodMac) and from company disclosures for refinery input and production data. We selected WoodMac data because it provides a breakdown of emission estimates by specific categories, including methane and flaring. Operational and end use emissions intensity proxies were developed for approximately 20% and 25% of portfolio exposure, respectively, in cases where company data are not currently covered by WoodMac data.¹⁶

Going forward, we will work to improve data quality, accuracy, and completeness by expanding portfolio data coverage, refining our calculations and reducing the use of proxy data.

Power generation

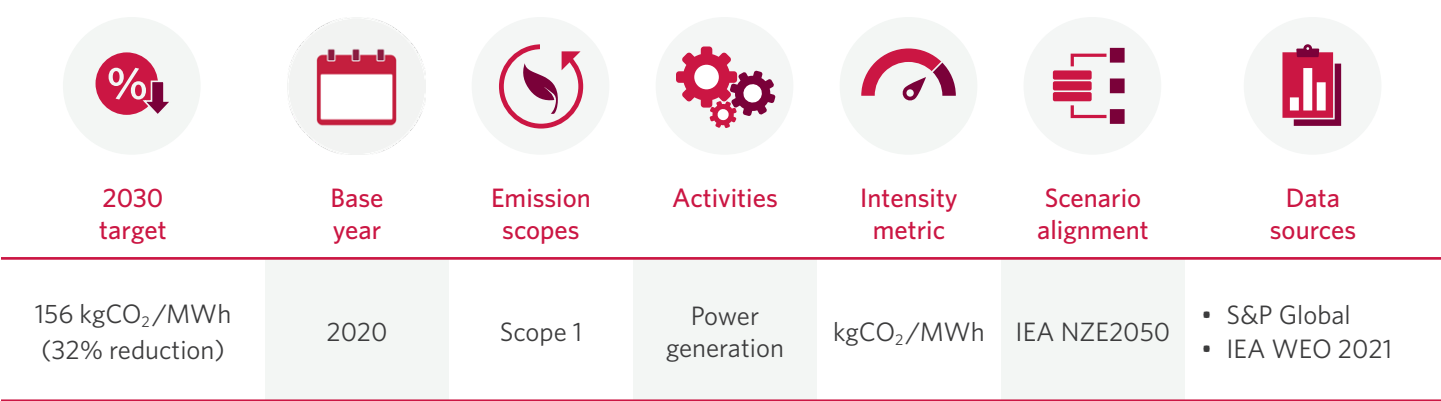
Publication date: September 29, 2022

Our power generation interim 2030 net-zero target

CIBC has established an interim target to reduce the financed emissions associated with our power generation portfolio. We are targeting an emissions intensity of 156 kgCO₂/MWh associated with direct Scope 1 emissions from power generation activities by 2030, which represents a 32% reduction in emissions intensity compared to our 2020 base year. Our target includes portfolio companies with owned power generation, such as independent power producers and the power generation share of combination (power and gas) utilities and integrated (generation, transmission and distribution) utilities.¹⁷

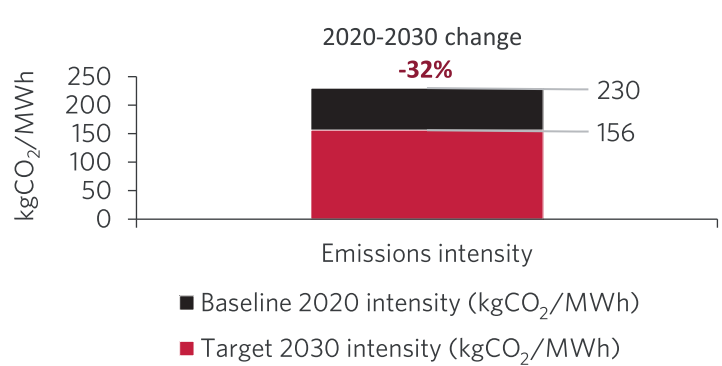
We have included the emissions associated with our corporate lending commitments and facilitated financing, which is CIBC's share of actual economic allocation for equity capital markets and debt capital markets underwritings. We have also included project financing¹⁸ in our power generation interim target.

Figure 7: Power generation interim 2030 net-zero target summary



We developed our power generation target together with Environmental Resources Management (ERM), the world's largest global pure-play sustainability consultancy, with deep sectoral, technical, and business expertise in the low-carbon energy transition.

Figure 8: CIBC's power generation interim 2030 net-zero target



Source: CIBC (2022). *Our Net-Zero Approach*. All rights reserved.

Sector selection

Decarbonizing the power generation sector is fundamental to achieving economy-wide net-zero emissions by 2050. We chose to set an interim target for our power generation portfolio to prioritize one of the most carbon-intensive sectors. Electricity generation is responsible for 36% of energy-related CO₂ emissions globally, making it one of the largest single sources of energy-related emissions.¹⁹ In 2020, the power sector accounted for 25%²⁰ of US and nearly 10%²¹ of Canadian total GHG emissions, respectively. Minimizing power sector emissions is also a critical step in achieving systemic emissions reductions across the economy, as many sectoral decarbonization pathways are premised on zero-emitting electricity.

Global power systems are currently undergoing a transformation. Electricity demand is projected to rise significantly under the NZE scenario, a result of increasing economic activity and economy-wide electrification. By 2050, zero-emissions energy is projected to account for almost all global electricity generation, with nearly 70% sourced from solar and wind.²² Many governments in North America and across the globe are increasing their renewable energy capacity to achieve their climate commitments, ensure long-term decarbonized energy security and meet increasing demand for zero-emissions power.

These trends present a twofold opportunity for CIBC: firstly, to increase our lending support to companies already generating zero-emissions power, and secondly, to support clients as they reduce their emissions intensity and transition to cleaner power. As at October 31, 2020, CIBC's power generation lending accounted for approximately 2% of our total drawn and undrawn lending commitments.²³ Additionally, of this lending exposure, 29% of the exposure is zero-emitting or renewables based. We continue to be a leader in scaling the renewable energy sector, ranking top 10 in financing for the renewable industry across North America in 2021.²⁴ We also continue to finance hydropower and nuclear power projects, as well as accelerate the scale-up and commercialization of alternative low-carbon technologies, such as CCUS, biofuels, energy storage and hydrogen-based fuels. Growing our suite of sustainable finance products and expertise will help facilitate power sector decarbonization in line with the NZE scenario.

Target type

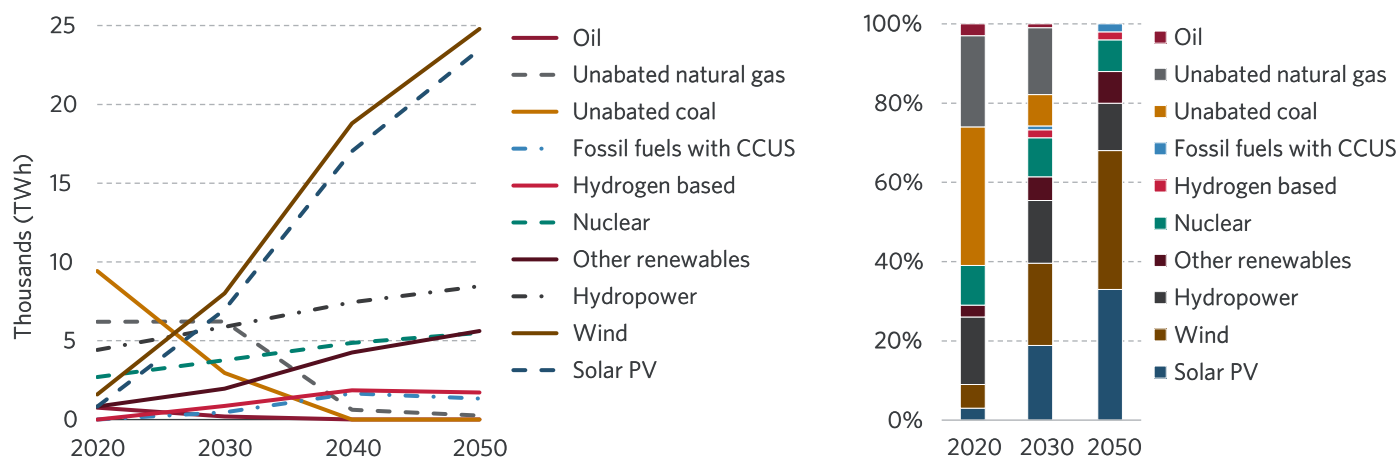
We chose a physical intensity-based metric to calculate our interim target, which measures carbon emissions relative to a unit of electricity generated. Intensity metrics are well-suited to track emissions for an expanding power generation portfolio, which normalize emissions based on electricity production. This will be increasingly important as CIBC accelerates financing to low-carbon power providers, as other sectors of the economy electrify, and as the demand for power — in particular zero emissions power — continues to grow.

CIBC's power generation interim target is based on the 2030 emissions intensity of the power generation sector projected in the NZE scenario. This type of target is referred to as a convergence target, whereby companies within a given sector reduce their emissions intensity to a common value determined by global emissions pathways,²⁵ which is 156 kgCO₂/MWh by 2030 for the electricity sector in the NZE scenario. Under a convergence target, the per cent reduction of our financed emissions intensity depends on our baseline carbon intensity compared to the rest of the sector.

Scenario alignment

CIBC selected the NZE scenario as the basis for our power generation interim target, which represents an ambitious transition compared to other IEA scenarios and is favoured by investors and other stakeholders. The NZE scenario projects a 69% reduction in global CO₂ emissions intensity of power generation by 2030.²⁶ This reduction is the result of a 40% projected increase in global electricity generation and 57% reduction in global CO₂ emissions associated with power generation (refer to Figure 9).²⁷ The rapid and aggressive integration of renewables and the phase-out of high-emitting power sources, in particular coal, contribute to this trend. Under the NZE scenario, CO₂ emissions from electricity generation reach net-zero by 2040 globally,²⁸ signaling the speed with which this transformation needs to take place to meet our global climate commitments.

Figure 9: Global electricity generation by source in the NZE



Source: IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector. All rights reserved.

Emission scopes

Our power generation target includes direct Scope 1 emissions from power generation activities, which represent the majority of emissions from the sector. Scope 3 emissions associated with purchased power for resale by integrated utilities are currently excluded from our target-setting methodology and baseline. However, CIBC has many integrated utility clients that both generate and deliver electricity and may purchase electricity — via wholesale power purchases and power purchase agreements, or PPAs — to meet customer demand. As clients are increasingly incorporating purchased electricity into their climate targets and transition planning, CIBC believes including Scope 3 emissions from purchased power more comprehensively captures the role utilities can play in decarbonizing the power market. As data quality and reporting improves, CIBC intends to include the option of incorporating Scope 3 emissions from purchased power into the power sector portfolio calculations. Scope 2 emissions resulting from electricity used to operate power generation facilities are excluded from our target, as these emissions are not material.

Pure transmission and distribution utilities are excluded from our current approach, as they do not significantly contribute to GHG emissions. Clients with committed exposure less than \$5 million are also excluded as they are primarily power services companies, generally do not generate power, and represent a small share of CIBC power sector lending in aggregate.

We include both direct and facilitated financed emissions in our target-setting approach. Facilitated emissions correspond with economic participation in debt and equity capital markets, which provide a more complete view of our overall emissions associated with the sector and a more comprehensive strategy towards net-zero.²⁹ We also use total lending commitments rather than drawn loan amounts to reduce year-over-year volatility in allocated emissions and to more accurately reflect our decisions to allocate financing to our power sector clients.

Our power generation target also includes project finance, as many such investments are associated with specific power projects that will, or already do, generate electricity.³⁰ We chose to include project finance in our target because it includes investments in renewable or lower carbon-intensity power projects, which contribute to reducing the emissions intensity of our portfolio.

Base year and interim target calculation methodologies

To determine our base year emissions intensity, CIBC developed a methodology to calculate direct Scope 1 emissions from power generation for each portfolio company.

- **Power generation emissions intensity calculation:** measures the amount of carbon dioxide released into the atmosphere per megawatt hour (MWh) of electricity generated

Power generation emissions intensity calculation

$$\text{Company Intensity} \left(\frac{\text{kgCO}_2}{\text{MWh}} \right) = \frac{\text{Direct Scope 1 CO}_2 \text{ emissions from power generation} - \text{Credits (kgCO}_2\text{)}}{\text{Power generation (MWh)}}$$

Company emissions intensities were calculated by multiplying power generation for each fuel type by the associated emissions factor (kgCO₂), divided by total power generation from all fuel types (MWh). Installed power capacity data and a capacity factor were used if generation data were unavailable. Refer to [Data sources, considerations and challenges](#) for details.

CIBC's portfolio-wide power generation intensity is the exposure-weighted average of portfolio company intensities.

$$\text{Portfolio Intensity} \left(\frac{\text{kgCO}_2}{\text{MWh}} \right) = \sum_{\text{client}} \text{Company Intensity}_{\text{client}} * \frac{\text{Exposure}_{\text{client}}}{\text{Exposure}_{\text{sector}}}$$

CIBC's power generation interim net-zero target was derived from the Global NZE scenario trajectory for direct Scope 1 emissions intensity of the power generation sector in 2030: 156 kgCO₂/MWh. For more information on characteristics of the target, refer to power generation [Target type](#).

Data sources, considerations and challenges

CIBC used S&P Global data to source installed power capacity and power generation by fuel type at the asset level. We used IEA World Energy Outlook (WEO) 2021 data to derive emissions and capacity factors by fuel type and region. Our baseline emissions intensity was calculated using North American emissions factors and actual capacity factors, as most of our clients operate in North America.

Generation and capacity data were available for most clients. In cases where data were not available, we used a proxy to represent the client's direct Scope 1 emissions. Going forward, we will work to improve data quality, accuracy and completeness by expanding our data coverage where possible and refining our calculations as new data emerge.



Automotive Manufacturing

Publication date: March 12, 2024

Our automotive manufacturing interim 2030 net-zero target

CIBC has established an interim target to reduce the financed emissions associated with our auto manufacturing portfolio. We are targeting an emissions intensity of 106 gCO₂/km associated with Scope 1 and 2 manufacturing emissions and Scope 3 tank-to-wheel (TTW) emissions by 2030, representing a 27% reduction compared to our 2021 baseline of 146 gCO₂/km. Our target specifically focuses on original equipment manufacturers (OEMs) for light-duty vehicles (LDVs).

In addition to our manufacturer lending commitments, our target scope includes captive financing,³¹ capturing the lending commitments and facilitated financing that we have to OEM wholly owned subsidiaries that provide financing to wholesale and retail customers.

Figure 10 : Automotive manufacturing interim 2030 net-zero target summary

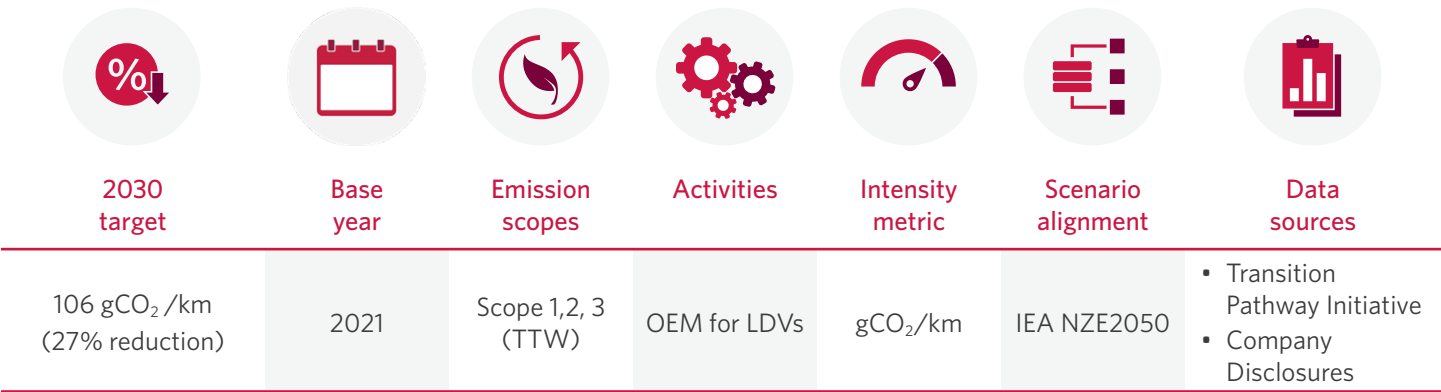
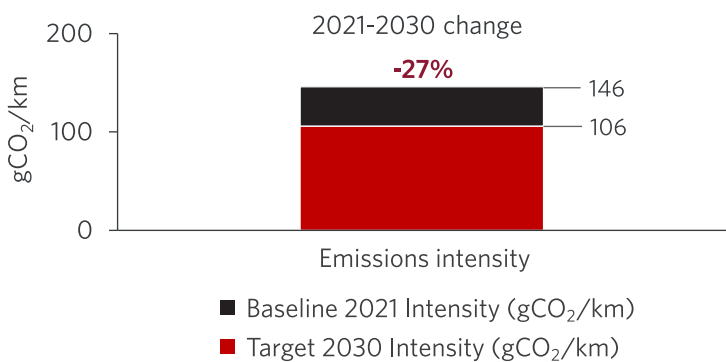


Figure 11: CIBC's automotive manufacturing interim 2030 net-zero target



Source: CIBC (2024). Our Net-Zero Approach. All rights reserved.

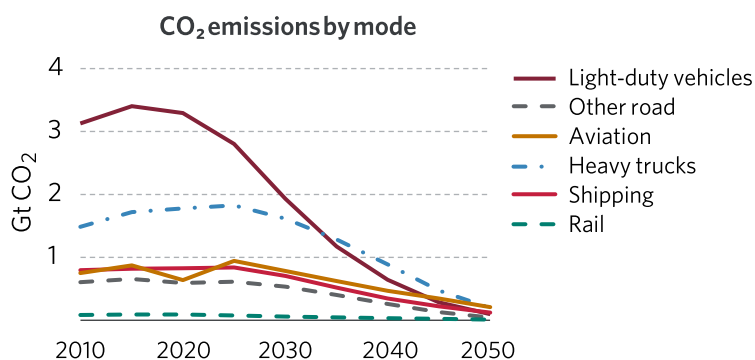
Sector selection

Decarbonization of the transportation sector is critical in achieving net-zero, as it currently is responsible for approximately 20% of global emissions, with LDVs accounting for half of these or 10% of total global emissions.³² We chose to set an interim net-zero target for our automotive manufacturing portfolio, prioritizing OEMs for LDVs.

The decarbonization of the automotive sector will depend on multiple external factors, mainly driven by the shift away from internal combustion engine (ICE) vehicles to electric vehicles (EVs). The mass-shift towards electrification will result in the production of EVs a priority for auto manufacturers to help them achieve their net-zero ambitions.

With the transition to electrification across the sector, CIBC has the opportunity to continue supporting its OEM clients who have committed to increased production of EVs and reaching their net-zero goals. At the CIBC portfolio level, we can actively facilitate decarbonization efforts by shifting our suite of products (lending commitments, DCM, securitization, etc.) toward existing, low intensity clients and/or investing in new, low-intensity clients.

Figure 12: Global CO₂ transport emissions by mode and share of emissions reductions to 2050



Source: IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector. All rights reserved.

Target Type

We chose a physical intensity-based metric (gCO₂/km) to calculate our automotive manufacturing interim target, measuring carbon emissions relative to vehicle kilometers travelled. Compared to an absolute emissions metric, an intensity metric is better suited for an expanding automotive manufacturing sector portfolio, whether that be through lending to new clients or the future increased manufacturing of electric vehicles by clients. In these scenarios, it is possible that absolute emissions of CIBC's portfolio could increase in the near-term even as the emissions intensity of the portfolio declines. This approach is similar to the approach we have taken for our Oil & Gas and Power Generation targets.

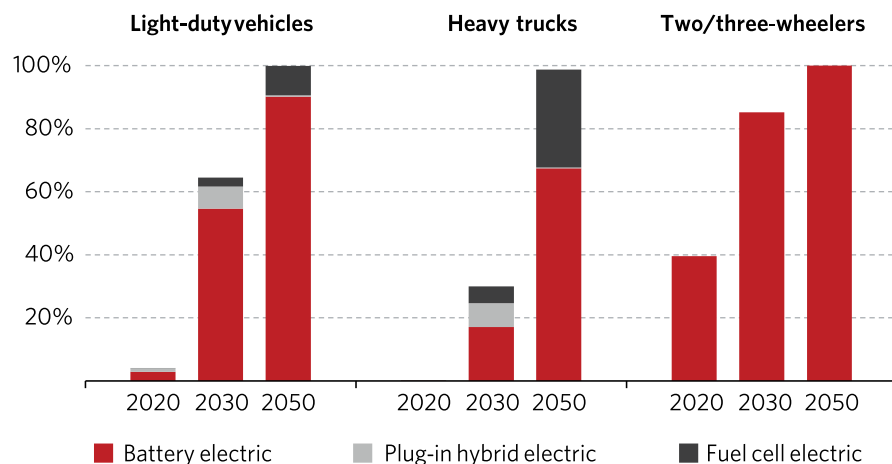
CIBC's automotive manufacturing target is based on the NZE2050 scenario 2030 emissions intensity projection for the automotive manufacturing sector. We used a convergence target approach and aligned our 2030 emissions intensity endpoint to the NZE2050 scenario 2030 projection of 103 gCO₂/km. A convergence target was best suited for our automotive manufacturing portfolio as our portfolio metrics align to those of the NZE2050 benchmark used, allowing for a direct comparison.

The NZE2050 scenario is only modeled for Scope 3 TTW emissions. To account for Scope 1 and 2 operational emissions, which have an estimated contribution of 3% of the sector's emissions, the NZE2050 scenario 2030 endpoint, was adjusted, resulting in CIBC's 2030 target intensity of 106 g CO₂/km.

Scenario Alignment

CIBC chose to align our automotive manufacturing target with the NZE2050 scenario. The NZE2050 scenario allows us to model at a specific transport model level (i.e. passenger vehicles), which other scenarios did not offer. Decarbonization of the sector in the NZE relies heavily on the shift towards electric mobility, forecasting that approximately 60% of all new car sales in 2030 will be electric (zero emissions), with passenger travel and global passenger car fleet steadily increasing. Moreover, the NZE2050 scenario, makes an assumption that all new passenger vehicle sales will be zero-emissions by 2035. Our assessment of the NZE2050 indicates that global CO₂ emissions intensity of passenger vehicles under the IEA NZE forecasted scenario declines from 193 gCO₂/km in 2020 to 103 gCO₂/km in 2030 (46% reduction).

Figure 13: Global share of battery electric, plug-in hybrid and fuel cell electric vehicles in total sales



Source: IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector. All rights reserved.

Emission Scopes

CIBC's automotive manufacturing target includes Scope 1, 2 and 3 emissions associated with light duty vehicle OEMs. This corresponds with the inclusion of direct emissions from manufacturer plant operations (Scope 1), indirect emissions from utilities purchased to support plant operations (Scope 2) and end-use emissions from tank-to-wheel (Scope 3) occurring via tailpipe emissions. Although all three scopes of emissions are included in our target, Scope 3 TTW emissions represent the vast majority of GHG emissions associated with the automotive sector and are consistent with applicable benchmark emission pathways. Tailpipe emissions are captured in our target methodology and assigned to manufacturers due to their significant role in the types of vehicles that are manufactured and sold.

Emissions from all heavy duty vehicles (HDVs) are excluded from our target methodology at this time as there are several complexities (market, regulations and technology) associated with them, including different and slower decarbonization pathways. Additionally, there is a lack of data for HDVs and CIBC's exposure to LDVs is more significant when compared to HDVs.

As the shift towards EVs continues within the automotive sector, Scope 3 emissions associated with supply chain³³ are expected to increase as the resulting associated emissions are greater than ICE vehicles, primarily due to battery production. Currently, the data for these emissions is not readily available. As data reporting improves, CIBC intends to explore the option of incorporating scope 3 emissions from supply chain into the Automotive sector framework methodology and portfolio calculations.

Similar to our previous interim targets, we include both direct and facilitated financial exposure to allow for a more comprehensive strategy towards net-zero. We use total commitment rather than drawn amounts, including corporate banking and securitization commitments.

In addition to manufacturer lending, CIBC's target includes captive financing. The inclusion of captive financing allows for a holistic view of financing automotive OEMs and ensures a significant portion of CIBC's exposure to the automotive sector is reflected in this target. Overall, the inclusion of captive finance ensures that a more comprehensive target is set for CIBC's automotive portfolio.

Base year and interim target calculation methodologies

To calculate our 2021 baseline emissions intensity for our automotive manufacturing portfolio, we used fiscal 2021 data representing all OEM lending (manufacturer and captive financing), dated as at October 31, 2021. We developed a methodology to calculate Scope 1, 2 and 3 tailpipe emissions from manufacturing for each portfolio company.

- Automotive manufacturing emissions intensity calculation: measures the amount of carbon dioxide released into the atmosphere per vehicle kilometer travelled of new vehicles manufactured

Automotive manufacturing emissions intensity calculation

$$\text{Company intensity} \left(\frac{gCO_2}{km} \right) = \frac{\text{Scope 1 + Scope 2 } CO_2 \text{ emissions from manufacturing (g } CO_2)}{\text{Lifetime kilometers of global LDV production for year (km)}} + \text{Scope 3 TTW emissions (g } CO_2 km)$$

$$\text{Lifetime km} = \text{vehicle sales or production} * 10 \text{ years} * 15,000 \text{ yearly km}^{34}$$

Company emissions intensities were calculated by adding all Scope 1, 2 and 3 emissions divided by the lifetime vehicle kilometer (km).

The portfolio-wide Automotive Manufacturing emissions intensity is the weighted average of all company-specific emission intensities that are calculated for the portfolio. Company emission intensities are weighted by their respective share of total cumulative exposure of CIBC's Automotive sector portfolio and summed, using the following summary equation:³⁵

$$\text{Portfolio Intensity} \left(\frac{gCO_2}{km} \right) = \sum_{client} \text{Company Intensity}_{client} * \frac{(\text{Lending} + \text{DCM} + \text{Securitization})_{client}}{(\text{Lending} + \text{DCM} + \text{Securitization})_{sector}}$$

Data sources, considerations and challenges

CIBC used Transition Pathway Initiative (TPI) to source Scope 3 TTW emissions intensity data at the individual OEM level. TPI utilizes data from Worldwide Harmonized Light Vehicle Test Procedures (WLTP) to calculate OEM emissions intensities. We used IEA's Net Zero by 2050 (2021) data to derive emissions data relating to global vehicle projections. Client Scope 1 and 2 emissions are obtained from each portfolio clients' public disclosures.

CIBC will utilize emissions data provided by OEM clients and incorporate verified financing deals dedicated to hybrids and EVs to ensure lending activities dedicated to low and/or zero-emissions vehicles are reflected in the target where applicable, such as 100% EV securitization deals.



Key decisions and rationales

Setting net-zero targets across a complex set of financing activities is an emerging practice. Our methodology is informed by international standards and current industry best practices. For reference and further context, we have included additional information on our rationales and decision-making process.

Alignment with PCAF

To satisfy PCAF disclosure requirements, we calculate and report our absolute financed emissions in our Climate Report. We believe the combination of using intensity-based targets and disclosing absolute financed emissions for our portfolios represents a robust approach to managing and disclosing the bank's financed emissions.

To calculate our Scope 3 absolute financed emissions associated with our lending and investing, we adopted the PCAF methodology. Under PCAF, absolute financed emissions are calculated by multiplying an attribution factor by the emissions of the borrower or investee company, and then summing these emissions as described by the PCAF methodology. The attribution factor represents the proportional share of a given company — that is, the ratio of the drawn amount to total equity and debt for private companies and Enterprise Value Including Cash (EVIC) for listed companies.

$$\text{Financed Emissions} = \sum_c \text{Attribution factor}_c \times \text{Company emissions}_c$$

(with c = borrower or investee company)

Figure 14 presents our 2020 Scope 3 (our Clients' Scope 1 and 2) absolute financed emissions for the oil & gas and power generation sectors for which we have published our first interim 2030 net-zero financed emission targets for in 2022. Figures 15 and 16 presents our 2021 Scope 3 absolute financed emissions for the automotive manufacturing sector, which we published our fourth interim 2030 net-zero financed emission target for, released in this version (3.0). PCAF developed a scoring methodology to provide transparency related to our calculations, scoring data on a scale from 1 (more certain) to 5 (less certain). To learn more about the methodology behind the calculation of our absolute financed emissions, please reference our most recent [Climate Report](#).

Oil and Gas and Power Generation

Figure 14: 2020 Clients' Scope 1 and 2 absolute financed emissions

| Sector | Outstanding amount (CAD Millions) | Total emissions kilotonnes CO ₂ e (ktCO ₂ e) | PCAF data quality (1-5)* |
|------------------|-----------------------------------|--|--------------------------|
| Oil & gas** | \$5,460 ³⁶ | 2,838 | 2.2 |
| Power generation | \$2,084 | 861 | 2.1 |

* Total emissions and PCAF data quality numbers have been updated to reflect the restatement made in the March 2022 Climate Report. Refer to 2023 Climate Report.

** At the time of target-setting we did not calculate clients' scope 3 emissions. Refer to 2023 Climate Report.

Automotive Manufacturing

Figure 15: 2021 Clients' Scope 1 and 2 absolute financed emissions

| Sector | Outstanding amount (CAD Millions) | Total emissions kilotonnes CO ₂ e (ktCO ₂ e) | PCAF data quality (1-5)* |
|--------------------------|-----------------------------------|--|--------------------------|
| Automotive manufacturing | \$789 | 12 | 2.2 |

* Score 1 represents the highest quality data whereas Score 5 represents the lowest quality data.

Figure 16: 2021 Clients' Scope 3 absolute financed emissions

| Sector | Outstanding amount (CAD Millions) | Total emissions kilotonnes CO ₂ e (ktCO ₂ e) | PCAF data quality (1-5)* |
|--------------------------|-----------------------------------|--|--------------------------|
| Automotive manufacturing | \$789 | 450 | 2.2 |

* Score 1 represents the highest quality data whereas Score 5 represents the lowest quality data.

Use of carbon removal credits

Our net-zero approach prioritizes emissions reductions and allows for the incorporation of verified carbon dioxide removals in our interim target calculation methodologies. CIBC supports the development of carbon dioxide removals as a tool to balance residual emissions, especially where there are limited technological options or financially viable alternatives to eliminate emissions. Our approach is focused on permanent removals, such as through CCUS, and certain high-quality nature-based solutions like regenerative agriculture and reforestation. Based on guidance and precedents set by internationally recognized organizations, such as the Science Based Targets initiative (SBTi), and in alignment with PCAF, if CIBC incorporates carbon dioxides removal credits, we will only accept portfolio companies' use of carbon dioxide removal credits from projects that have been verified in accordance with standard GHG accounting protocols and registered on a recognized platform.

The inclusion of carbon dioxide removals creates opportunities for our clients to complement their reduction efforts and reduce their overall emissions intensities. Currently, third-party carbon reduction offsets unrelated to removals projects are not recognized under our methodology. As guidance and industry standards for the use of carbon dioxide removals and carbon offsets in net-zero transition strategies evolves, we will adapt our overall approach and revise our methodology, as appropriate.



Achieving our net-zero ambition

At CIBC, we understand that the transition to net-zero is a complex, multi-sectoral challenge that will require systemic economic, societal and technological changes. Navigating these changes successfully will require collective action by governments, companies, consumers and other institutions across the globe. We are committed to doing our part by supporting our clients to expedite their net-zero journeys, and collaborating with other key stakeholders to make meaningful progress.

We acknowledge that there are factors outside of CIBC's control that will influence our ability to achieve our targets. The evolution of decarbonization efforts across sectors and economies, the development of new technologies, industry-specific solutions, shifts in consumer behaviour, and the impact of geopolitical events will all significantly influence the pace and scale of the net-zero transition. Emerging climate policy and the development of regulations and international frameworks will also impact the extent to which we can achieve our targets. For example, the [IEA Net Zero Emissions by 2050 scenario](#) assumes government support to ensure the viability of low carbon technology development at scale, as well as the development of policy and regulatory measures to support the transition to a low carbon economy.

We also understand that our facilitated and financed emissions exist outside of our direct control and that achieving our targets will depend on our clients' abilities to innovate, reduce their emissions intensities, decarbonize their products and services, and invest in carbon removals. This is why supporting our clients to achieve net-zero is central to our approach. Finally, as a long-standing partner to companies across carbon-intensive sectors, we know we need to achieve our ambition while positioning our clients, team, communities and shareholders to take advantage of new innovations, markets, supply chains, purposeful work, and quality jobs. We will consider a balanced, people-centered approach to ensure a just transition that supports workers and communities impacted by the low carbon transition, while creating opportunities for a more sustainable, inclusive economy.

We developed our interim targets based on the best information available and forward-looking assumptions aligned with our selected scenarios. With this in mind, we will continue to accelerate our climate action and adapt our net-zero approach as new information becomes available to ensure we remain on track to achieving our net-zero ambition.



Governance

Our climate governance structure, which forms part of our Environmental, Social, and Governance (ESG) governance framework, supports the effective oversight, management and execution of our net-zero ambition. The summary below demonstrates how our net-zero targets are governed and operationalized across the enterprise. More information about our ESG governance framework can be found in our [2024 Management Proxy Circular](#), [2023 Sustainability Report](#) and [2023 Climate Report](#).

CIBC Board of Directors

- Our Board's Corporate Governance Committee leads oversight of CIBC's net-zero ambition, climate strategy and broader ESG strategy, including how the enterprise is measuring, evaluating and monitoring progress against our strategic goals. Other Board committees oversee the execution of specific components of our ESG strategy, which includes our climate strategy, and ESG governance based on respective mandates.

Executive Committee and Senior Executive ESG Council

- Our Executive Committee is accountable for the advancement of CIBC's ESG agenda and is responsible for management and decision-making around our net-zero efforts and progress, including approving our interim net-zero targets. Accountability for leading and coordinating our climate strategy is held with our Executive Vice-President and Chief Legal Officer (EVP and CLO), as the horizontal owner of ESG across the enterprise. Our Senior Executive Vice-President and Chief Risk Officer also plays a critical function as the executive accountable for initiatives that manage climate risk.
- Our Senior Executive ESG Council, chaired by our EVP and CLO, is comprised of Executive and Senior Vice Presidents from across the banks, and supports the coordination of ESG activities across CIBC, including our net-zero by 2050 ambition.

Governance and execution support

- Our Enterprise ESG team facilitates the execution of CIBC's climate strategy and net-zero ambition, which is delivered through strategic business units and functional groups. Our Global Operational and Enterprise Risk Management function, which includes a dedicated Environmental Risk team, also works alongside other teams to advance CIBC's net-zero ambition, including regularly monitoring and assessing progress and measuring our financed emissions on an annual basis.
- Our Strategic Business Units and functional groups are engaged in ESG activities and will be responsible for accelerating and incorporating climate action into business strategy and execution as applicable.

Looking ahead

Establishing our net-zero ambition and setting our interim targets for carbon-intensive sectors are the initial steps on our journey to align with the Paris Climate Agreement.

In implementing our ambition, we will:

- Continue to evaluate targets for priority sectors, where material and where data allows us to do so;
- Continue to assess data coverage and methodologies which apply to our priority sectors;
- Disclose our progress towards achieving our established net-zero targets;
- Report transparently as we continue to improve our approach and performance over time; and
- Participate in industry initiatives and partnerships, such as the United Nations Environment Program – Finance Initiative (UNEP-FI) and PCAF.

Given the urgency and magnitude of climate change, the governance structures and measurement protocols around net-zero commitments are rapidly evolving. Informed by evolving standards, methodologies, industry best practices, climate science and regulations, we will continue to evaluate and transparently update our approach to net-zero over time. This will include reviewing our targets every five years at a minimum and setting subsequent interim targets with an aim to increase our financed emissions coverage iteratively.

Contact

As a relationship-oriented bank, we value the perspectives and expectations of our stakeholders to inform our net-zero efforts. CIBC will continue to engage with our stakeholders openly and regularly on this topic, and welcome feedback on how we can enhance our approach, governance practices and communication about our net-zero ambition.

Contact us

sustainability@cibc.com

Glossary

- **Absolute target:** a reduction in absolute emissions attributed to a financial institution's lending and investing activity over time.^{*}
- **Attribution factor:** the share of total GHG emissions of the borrower or investee that are allocated to the loan or investments.^{**}
- **Carbon capture, utilization and storage (CCUS):** the process of capturing GHG emissions from fuel combustion, industrial processes or directly from the atmosphere. Captured GHG emissions can be stored in underground geological formations, onshore or offshore or used as an input or feedstock to create products.^{***}
- **Convergence target:** emission reduction target whereby companies within a given sector reduce their emissions intensity to a common value, determined by global emissions pathways, by an agreed-upon date. Reduction ambitions for a company depend on the sectoral decarbonization pathway and a company's initial carbon intensity and growth rate compared to other companies within a given sector.^{****}
- **Emissions removal:** the action of removing GHG emissions from the atmosphere and store it through various means, such as in soils, trees, underground reservoirs, rocks, the ocean, and even products like concrete and carbon fiber.^{**}
- **Facilitated emissions:** GHG emissions that are a result of off-balance sheet facilitated financing (the economic share of underwritten and arranged financings in debt and equity capital markets) which take the form of a flow of transaction activity rather than financing held on book.^{*****}
- **Financed emissions:** absolute emissions that banks and investors finance through their loan commitments and investments.^{**}
- **GHG Protocol:** establishes comprehensive global standardized frameworks to measure and manage GHG emissions from private and public sector operations, value chains and mitigation actions.^{*}
- **Greenhouse gas (GHG) emissions:** the six gases listed in the Kyoto Protocol: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆).^{*}
- **Intensity target:** a reduction in the ratio of emissions attributed to a financial institution's lending and investing activity, and a business metric over time.^{*}
- **Scope 1 emissions:** direct emissions from owned or controlled sources.^{**}
- **Scope 2 emissions:** indirect emissions from the generation of purchased energy.^{**}
- **Scope 3 emissions:** all other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions that occur in the supply chain (for example, from production or extraction of purchased materials) and downstream emissions that occur as a consequence of using the organization's products or services.^{**}

^{*} GHG Protocol Corporate Standard

^{**} PCAF

^{***} IEA Net Zero by 2050: A Roadmap for the Global Energy Sector

^{****} SBTi Foundations of Science-based Target Setting

^{*****} PCAF Capital Market Instruments Discussion Paper 2021

A note about forward-looking statements

From time to time, Canadian Imperial Bank of Commerce and its subsidiaries (CIBC, we, us or our) make written or oral forward-looking statements within the meaning of certain securities laws, including in this document, in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications. All such statements are made pursuant to the “safe harbour” provisions of, and are intended to be forward-looking statements under applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to our priorities, targets, metrics, sustainability commitments and goals (including with respect to our \$300 billion by 2030 sustainable finance goal and 2050 net-zero financed emissions targets and reducing operational GHG emissions), as well as our economic and environmental, social and governance (ESG) related impacts and objectives. We have included forward-looking information in this document to assist our stakeholders in understanding our priorities, targets, commitments and goals, as well as our economic and ESG related impacts and objectives. Forward-looking statements are typically identified by the words “believe”, “expect”, “expectation”, “aim”, “anticipate”, “intend”, “estimate”, “commit”, “forecast”, “goal”, “target”, “strive”, “objective” and other similar expressions or future or conditional verbs such as “will”, “may”, “should”, “would” and “could”.

By their nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties that may be general or specific, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our priorities, targets, commitments and goals, and economic and ESG related impacts and objectives will not be achieved. Moreover, many of the assumptions, metrics and methodologies used in preparing this document continue to evolve and are based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. In addition, our climate risk analysis, net-zero strategy, scenario alignment to the NZE scenario for a number of our interim targets and ESG governance framework remain under development, and the data underlying our analysis, strategy and scenario alignment remain subject to evolution over time. A variety of factors, many of which are beyond our control, could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements and may require CIBC to adapt its initiatives and activities or adjust its targets as the quality and completeness of its data and methodologies continue to improve. These factors include but are not limited to: inflationary pressures, global supply-chain disruptions, geopolitical risk, including from the war in Ukraine and conflict in the Middle East, the occurrence, continuance or intensification of public health emergencies, such as the impact of post-pandemic hybrid work arrangements, and any related government policies and actions, the failure of third parties to comply with their obligations to us and our affiliates or associates, our ability to implement various sustainability-related initiatives internally and with our clients under expected time frames, our ability to scale our sustainable finance products and services, and strategic, reputation and legal, conduct, regulatory compliance, and environmental and social risk and other risks disclosed in the “Management of risk” section of our 2023 Annual Report, as updated by our quarterly reports. In addition, as we work to advance our ESG goals, external factors outside of CIBC’s reasonable control may act as constraints on achieving these goals, including but not limited to the availability of comprehensive and high-quality GHG emissions data (including from CIBC’s clients) and standardization of ESG-related measurement methodologies, the evolution of our lending portfolios over time, the need for active and continuing participation, cooperation and collaboration from various stakeholders (including enterprises, financial institutions, governmental and non-governmental organizations and individuals), deployment of new technologies and industry-specific solutions, the evolution of consumer behaviour, varying decarbonization efforts across economies, the need for thoughtful climate policies globally, the challenges of balancing interim emissions goals with an orderly transition, and the continuing development and evolution of regulations, guidelines, principles, and frameworks internationally and CIBC’s compliance thereto, which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines.

For CIBC to meet its ambition to achieve its sector-specific 2030 interim financed emissions reduction targets and net-zero GHG emissions associated with its operational and financing activities by 2050, and for CIBC’s clients to meet their GHG emissions reduction goals and commitments, CIBC and its clients may need to purchase voluntary and/ or compliance carbon and renewable energy instruments (“Carbon Compliance Instruments”). The market for these instruments is still developing and their availability may be limited. Some Carbon Compliance Instruments are also subject to the risk of invalidation or reversal, and CIBC provides no assurance of the treatment of any such Carbon Compliance Instruments in the future. There may also likely be changes to applicable regulations and standards that impact the market for Carbon Compliance Instruments. The maturity, liquidity and economics of regulated and voluntary carbon markets may make it more difficult for CIBC and its clients to achieve their goals and may impact CIBC’s ambition to achieve its 2030 interim targets and net-zero GHG emissions associated with its operational and financing activities by 2050.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting our stakeholders in understanding our objectives and strategic priorities, and may not be appropriate for other purposes. While certain matters discussed in this document may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with securities laws and regulations, even if we use the word “material”. We do not undertake to update any forward-looking statement that is contained in this document or in other communications except as required by law.

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This document is provided solely for informational purposes, and does not constitute an offer or a solicitation to buy or to sell any security, product or service in any jurisdiction; nor is it intended to provide investment, financial, legal, accounting, tax or other advice, and such information should not be relied or acted upon for providing such advice.

After the date of this document, CIBC does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise.

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Climate metrics and data and other information contained in this document, including but not limited to those relating to scenario analysis (including alignment to the NZE scenario for a number of CIBC's interim targets), GHG emissions, financed emissions, carbon-related assets and emissions from our own operations are or may be based on significant assumptions, estimates and judgements. In addition, as discussed herein, some of the information provided, including regarding financed emissions associated with our oil and gas, power generation and auto manufacturing portfolios, is based on estimated data with very limited support. Given their inherent uncertainty and complexity, and the significant issues with some of the underlying data, assumptions, estimates and judgements believed to be reasonable at the time of preparation of the document may subsequently turn out to be inaccurate. In addition, many of the assumptions, estimates, standards, methodologies, scenarios, metrics and measurements used in preparing this document continue to evolve and may differ significantly from those used by other companies and those that may be used by us in the future. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could materially affect the assumptions, estimates, standards, methodologies, scenarios, metrics and measurements used by us and/or other companies, and could materially affect the comparability of the information and data across industries or companies and from one reporting period to a subsequent reporting period, as well as our ability to achieve our priorities, targets, metrics, commitments and goals. Any priorities, targets, metrics, commitments and goals discussed in this document, including but not limited to our 2030 interim and 2050 net-zero emissions commitments, metrics, targets and goals, are aspirational, depend on the collective efforts and actions across a wide range of stakeholders outside of our control, and there can be no assurance that any such commitments, metrics, targets and goals will be achieved. Refer to "A note about forward-looking statements" above.

This document and the information contained within it is unaudited. Certain metrics and data contained in this document have been subject to limited assurance. You can read more about the data sources, considerations and challenges on pages 11, 16 and 21 of this document.

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This document is intended to provide information from a different perspective and in more detail than that required to be included in mandatory securities filings and other regulatory reports, including filings with Canadian securities regulators and the SEC. While certain matters discussed in this document may be of interest and importance to our stakeholders, the use of the terms "material", "significant", "important" or similar words or phrases should not be read as necessarily rising to the level of materiality used for the purposes of securities laws and regulations or other laws.

All data and examples in this document reflect activities undertaken during the 2020 and 2021 fiscal years (November 1st – October 31st), unless otherwise noted.

All amounts in this document are in Canadian dollars unless otherwise noted. The CIBC logo is a trademark of CIBC.

- ¹ Intergovernmental Panel on Climate Change (IPCC). 2021. *Climate Change 2021: The Physical Science Basis*. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.
- ² Intergovernmental Panel on Climate Change (IPCC). 2022. Press release | Climate change: a threat to human wellbeing and health of the planet.
- ³ Financing activities captured in our net zero ambition relates to the specific sectors and their boundaries where we have set interim targets and include our lending commitments and facilitated financing, which is CIBC's share of actual economic allocation for equity capital markets and debt capital markets underwritings, where applicable.
- ⁴ We plan to use a mix of renewable energy credits and carbon offsets to achieve carbon neutrality.
- ⁵ Sustainable financing largely relates to various CIBC products and services that support client activities such as renewable and emission-free energy, energy efficiency, sustainable infrastructure or technology, sustainable real estate, affordable housing and basic infrastructure; as well as sustainability linked and green financial products. Sustainability linked financial products are designed to incentivize the client to achieve pre-determined ESG targets with pricing implications (i.e., linkages to interest charged or credited). Our sustainability linked financial products are aligned to relevant guidelines, principles and frameworks such as the Asia Pacific Loan Market Association, Loan Market Association, Loan Syndications and Trading Association Sustainability Linked Loan Principles or International Capital Markets Association Sustainability Linked Bond Principles. The products and services offered by CIBC included in our sustainable finance commitment include loans and loan syndications, debt and equity underwritings, M&A advisory and principal investments. Loans and investments that enable affordable housing activities also meet our obligations under the *U.S. Community Reinvestment Act*. In 2023, our methodology was updated prospectively to include transactions relating to securitization. We did not restate our cumulative performance from 2018 to 2022.
- ⁶ Although sustainable finance products may assist and support clients in their decarbonization journeys, they in some cases do not explicitly aim to achieve CIBC's interim net-zero targets. That said, sustainable finance may still support CIBC's interim net-zero targets in cases where financing activities are in line with the priority sectors where CIBC has developed targets. In providing these sustainable financing solutions, we understand that our financed emissions may fluctuate in the short-to-medium term as we support companies in carbon-intensive industries to transition to lower-carbon operations. However, given the important role that sustainable finance plays in mitigating climate change, we do not regard a short-term increase in financed emissions as inconsistent with our climate strategy. We expect the road to achievement of our goal will not be a linear reduction year over year, however we expect the long-term trend to align with our goal.
- ⁷ Intergovernmental Panel on Climate Change (IPCC). 2018. *Global Warming of 1.5°C*. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.
- ⁸ The term 'overshoot' refers to global warming in excess of 1.5°C. Temperature trajectories which overshoot the 1.5°C target will result in higher impacts and associated challenges compared to pathways that limit global warming to 1.5°C with no or limited overshoot (Intergovernmental Panel on Climate Change (IPCC). 2018. *Global Warming of 1.5°C*).
- ⁹ Government of Canada. 2021. Healthy Environment and Healthy Economy: Canada's strengthened climate plan to create jobs and support people, communities and the planet.
- ¹⁰ International Energy Agency. 2021. *Net Zero by 2050: A Roadmap for the Global Energy Sector*.
- ¹¹ Ibid
- ¹² Ibid
- ¹³ The emissions scope for our oil and gas sector interim targets closely aligns with our current financial reporting, therefore midstream companies (e.g., pipelines) are not included. While service providers are included in the oil and gas sector financial reporting category, these segments are excluded from the target.
- ¹⁴ The methodology captures Scope 3 category 11 emissions from the Use of Sold Products; other categories of Scope 3 emissions are not material and are therefore excluded.
- ¹⁵ Includes emissions from equipment and flaring, and methane emissions from vented and fugitive sources.
- ¹⁶ To develop proxy data, companies were first categorized by business segment and then the 75th percentile performer was selected (as a conservative proxy) from CIBC clients with data within the corresponding segment. The same approach was taken for operational and end use carbon intensity metrics. The proxy data approach was applied to baseline and target calculations.
- ¹⁷ The geographic scope of our power generation sector target includes our lending activity in Canada, US, UK and Australia, which account for the vast majority of our generation clients.
- ¹⁸ Tax equity financing is included in the project finance component of our power generation target.
- ¹⁹ International Energy Agency. 2021. *Net Zero by 2050: A Roadmap for the Global Energy Sector*.
- ²⁰ United States Environmental Protection Agency (EPA). 2020. *Sources of Greenhouse Gas Emissions*.
- ²¹ Government of Canada. 2022. *Greenhouse Gas Emissions: Canadian Environmental Sustainability Indicators*.
- ²² International Energy Agency. 2021. *Net Zero by 2050: A Roadmap for the Global Energy Sector*.
- ²³ The geographic scope of our power generation sector target includes activity in Canada, US, UK and Australia, which account for the vast majority of our power generation clients. Power Generation activity in FCIB has been excluded. Also, excluded are pure transmission and distribution utilities as they do not significantly contribute to GHG emissions, and clients with committed exposure less than CAD \$5 million as they are primarily power services companies, generally do not generate power, and represent a small share of CIBC power sector lending in aggregate. Lending commitments include standby and performance letters of credit.
- ²⁴ North American Renewables Leagues Tables by Inframation. Refer to page 6 of CIBC's 2021 Annual Report for more information.
- ²⁵ Science-based Targets Initiative (SBTi). 2019. *Foundations of Science-based Target Setting*.
- ²⁶ International Energy Agency. 2021. *Net Zero by 2050: A Roadmap for the Global Energy Sector*.
- ²⁷ Ibid
- ²⁸ Ibid
- ²⁹ Only facilities online and generating electricity in the applicable year are included in portfolio intensity calculations.
- ³⁰ For project finance, projects are only included in the portfolio intensity calculations if the commercial operations date (COD) is achieved in the applicable year.
- ³¹ Captive financing includes the following activities with the captive finance subsidiaries: lending commitments, debt issuance and securitization.
- ³² International Energy Agency (IEA). 2021. *Net Zero by 2050 – A Roadmap for the Global Energy Sector*.
- ³³ The result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain.
- ³⁴ Lifetime km is based on global assumptions; in the future, this may be re-assessed to identify opportunities to use regionalized (i.e. by country or global region) data, where possible.
- ³⁵ Financed or facilitated activities purely to EVs will be weighted with zero Scope 3 emissions.
- ³⁶ Includes upstream and downstream clients only. Excludes pipelines, and oil and gas-related services. Data is as at October 31, 2020.