

CIBC

Type of Engagement: Annual Review

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Introduction

In October 2020, CIBC (or the “Issuer”) issued a green bond (the “Green Bond”) based on the CIBC Green Bond Framework¹ (the “Framework”). In March 2020, Sustainalytics provided a Second-Party Opinion² on the Framework. The Green Bond intended to finance or refinance projects (collectively, the “Eligible Projects”) that are expected to create positive environmental impacts. In 2021, CIBC engaged Sustainalytics to review the projects funded through the Green Bond and to provide an assessment as to whether the Eligible Projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the Eligible Projects funded between 2020 and 2021 based on whether the Eligible Projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (“KPIs”) for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	KPIs
Renewable Energy	Development, construction, acquisition, operation, maintenance and distribution of the following renewable energy sources: <ul style="list-style-type: none"> • Solar • Offshore and onshore wind • Geothermal with direct emissions • Tidal • Hydroelectric projects, as well as the refurbishment, operation or maintenance of existing hydroelectric facilities • Waste biomass 	<ul style="list-style-type: none"> • CO₂ emission avoided (tCO₂e) • Total installed capacity (MW)
Energy Efficiency	Activities that reduce energy consumption or mitigate greenhouse gas (GHG) emissions by more than 20%, or help manage and store energy: <ul style="list-style-type: none"> • Energy efficient investments in new or refurbished buildings such as lighting, retrofit, building envelope, or upgrade of air conditioning • Energy storage systems • Energy efficient district heating and cooling systems • Smart grid investments for more efficient electricity transmission and distribution 	<ul style="list-style-type: none"> • CO₂ emission avoided (tCO₂e) • Expected energy savings per year (MWh)

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 Sustainalytics, “Second-Party Opinion - CIBC Green Bond Framework”, at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/cibc-green-bond-framework-second-party-opinion.pdf?sfvrsn=5ee11819_3

Pollution Prevention and Control	Activities that contribute to soil remediation, upgrading recycling plants, diverting waste from landfills	<ul style="list-style-type: none"> • CO₂ emission avoided (tCO₂e) • Waste diverted from landfill (tonnes)
Environmentally Sustainable Management of Living Natural Resources and Land Use	Activities that contribute to the sustainable management of living natural resources and land use and natural ecosystem protection including: <ul style="list-style-type: none"> • Sustainably managed forests and forest products certified by credible third-party certification systems such as Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest certification (PEFC) • Environmentally sustainable agriculture certified by a recognized third-party certification such as Canada Organic, USDA Organic or Rainforest Alliance • Environmentally sustainable animal husbandry certified by a recognized third-party certification such as Rainforest Alliance • Environmentally sustainable fishery and aquaculture, certified by a recognized third-party certification such as Marine Stewardship Council 	<ul style="list-style-type: none"> • Total surface financed (hectares), with reference to specific certification schemes where relevant
Terrestrial and Aquatic Biodiversity Conservation	Activities that contribute to the enhancement or conservation or terrestrial or aquatic biodiversity, such as: <ul style="list-style-type: none"> • Protection of coastal, marine and watershed environments certified by credible third-party certifications such as the Marine Stewardship Council 	<ul style="list-style-type: none"> • Total surface financed (hectares), with reference to specific certification schemes where relevant
Clean Transportation	Development, construction, acquisition, operation and maintenance of facilities or systems dedicated to low carbon transport such as: <ul style="list-style-type: none"> • Private Transport: electric vehicles, hybrid vehicles (with CO₂ emission threshold of • Public transport: train (rolling stock and vehicles for electrified public transport, such as electrified rail, trams and trolleybuses), buses with no direct emissions (electric or hydrogen), hybrid buses (with CO₂ emission threshold of <75gCO₂/p-km), or transportation infrastructure (expansion of metro/train network, station upgrade) 	<ul style="list-style-type: none"> • CO₂ emission avoided (tCO₂e) • New clean transportation infrastructure built (km)
Sustainable Water and Wastewater Management	Activities that improve water quality, efficiency and conservation such as: <ul style="list-style-type: none"> • Water treatment infrastructure including water recycling and wastewater treatment systems • Infrastructure for flood prevention, flood defence or storm water management • Water metering activities to support conservation initiatives • Water capture and storage infrastructure, including storm water management systems, water distribution systems, aquifer storage, and sewer systems 	<ul style="list-style-type: none"> • Volume of water saved/reduced/treated (m³) • Total Population served by the system
Green Buildings	Development, construction, acquisition, operation and maintenance of residential or commercial buildings that have:	<ul style="list-style-type: none"> • Energy savings (kWh) • CO₂ emission avoided (tCO₂e), with reference to specific

	<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 	<p>certification schemes where relevant</p> <ul style="list-style-type: none"> Floor space of green real estate (m²)
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Issuing Entity’s Responsibility

CIBC is responsible for providing accurate information and documentation relating to the details of the Eligible Projects that have been funded, including description of Eligible Projects, amounts allocated, and the impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of CIBC’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from CIBC employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by CIBC with respect to the Eligible Projects. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct 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 over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,³ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed Eligible Projects, funded through proceeds of the Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework. In the Framework, CIBC has committed to achieving full allocation of the proceeds within 1.5 years of bond issuance. CIBC has disclosed to Sustainalytics that the proceeds of the Green Bond were fully allocated as of July 31, 2021.

³ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Eligible Projects funded by the Green Bond in 2020 and 2021 to determine if Eligible Projects aligned with the Use of Proceeds Criteria outlined in the Framework and above in Table 1.	All Eligible Projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the Eligible Projects funded by the Green Bond to determine if impact of Eligible Projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 1.	All Eligible Projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

Appendix

Appendix 1: Allocation and Impact Reporting of the Eligible Projects⁴

Use of Proceeds Category ⁵	Eligibility Criterion	Impact KPIs (Unit/CIBC's loan share; if the loan share is <100%)						Allocated amount (USD in Million)	
		Number of Eligible Projects	Total installed capacity (MW)	Renewable energy generated (GWh)	tCO ₂ e emission avoided	Energy savings (MWh)	Floor space of green real estate (m ²)		Water conserved (L)
Renewable Energy ⁶	Wind energy projects	9	3,069 (264.5)	14,592.4 (1,119.8)	11,511,493 (831,664.2)			197.8	
	Solar energy projects	10	587 (141.2)	1,462.4 (354.3)	969,487.7 (234,569.3)			154.1	
Green Buildings	LEED Platinum ⁷	1			1,716	13,277	156,500	14,540,069	148.1
Total allocation of net bond proceeds (USD in Million)								500	
Total net bond proceeds raised (USD in Million)								500	
Balance of unallocated net bond proceeds (USD in Million)								0	

⁴ As of July 31, 2021.

⁵ No allocation was made under other categories of the Framework.

⁶ Sustainalytics notes that the Renewable Energy assets include two refinanced assets that were originated in 2017 and are considered eligible for inclusion as they were refinanced between 2020 and 2021.

⁷ Includes buildings which are expected to achieve LEED Platinum.

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