

CIBC Women in Leadership Bond

Type of Engagement: Annual Review

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Engagement Team:

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Introduction

In 2018, Canadian Imperial Bank of Commerce (“CIBC”) issued the CIBC Women in Leadership Bond aimed at financing corporations which have, through action or policy, demonstrated a commitment to women in leadership positions. In accordance with the Women in Leadership Bond Framework, CIBC engaged Sustainalytics to review the loans financed through the social bond and provide an assessment as to whether the companies met the Use of Proceeds criteria and the Reporting commitments outlined in the Women in Leadership Bond Framework.

Evaluation Criteria

Sustainalytics evaluated the loans approved for allocation by the Bond Council in October 2019, based on whether the companies:

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

Table 1 lists the Use of Proceeds and Eligibility Criteria.

Table 1: Use of Proceeds Criteria

Use of Proceeds	Eligibility Criteria	Exclusionary Criteria
Criterion # 1	a) At least 30% of board positions are held by women; or b) At least 30% of executive positions are held by women; or c) The company is a signatory of the Catalyst Accord 2022 ¹	Any corporation that is involved in major environmental, social or governance controversies (Category 5 controversies), as assessed by Sustainalytics.
Criterion # 2	Minimum of one woman on the board and one woman in an executive position	

¹ The Catalyst Accord 2022, implemented by Catalyst Canada, sets a target to “increase the average percentage of women on boards and women in executive positions in corporate Canada to 30% or greater by 2022”.

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Issuing Entity's Responsibility

CIBC is responsible for providing accurate information and documentation relating to the details of the loans financed, including the allocation of proceeds by category per the Eligibility Criteria, allocated assets, and impact reporting.

Independence and Quality Control

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

Sustainalytics has relied on the information and the facts presented by CIBC with respect to the allocated loans. 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,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed allocated loans, funded through proceeds of CIBC's Women in Leadership Bond Framework, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Women in Leadership Bond Framework. CIBC has disclosed to Sustainalytics that the proceeds of the social bond were fully allocated as of October 31, 2019.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the loans financed by the social bond in 2019 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Women in Leadership Bond Framework and above in Table 1, as well as a review of the list of corporations in accordance with Sustainalytics Controversy Assessment Methodology.	All loans reviewed complied with the Use of Proceeds and the Exclusionary criteria. Refer to Appendix 2 for a breakdown of allocations by category.	None
Reporting Criteria	Verification of the loans financed by the social bond in 2019 to determine if impact of projects was reported in line with the KPIs outlined in the Women in Leadership Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	CIBC reported on impacts metrics as committed in the Framework, where applicable.	None

² 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.

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Appendix 1: Impact Reporting

In accordance with the commitments in the Framework, CIBC has made available the following impact reporting data:

Use of Proceeds and Eligibility Criteria Category	Year over Year Change
Percentage change in the number of corporations in CIBC's Corporate loan book that meet the Eligibility Criteria of the Women in Leadership bond:	+ 41% ³
Percentage change in the aggregate number of women in executive ranks of the corporations that have been allocated to the Women in Leadership bond:	N / A ⁴
The percentage change in the aggregate number of women on the boards of the corporations that have been allocated to the Women in Leadership bond:	N / A ⁴

³ This calculation is based on July 2019 vs July 2018.

⁴ The Bank has communicated to Sustainalytics that impact reporting for this category will commence in the 2020 Annual Report since 2019 will be the base year for these calculations.

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Appendix 2: Allocation by Criterion

CIBC has disclosed to Sustainalytics, for their review, the amount allocated to each eligible company. A summary of these allocations, broken-down by eligibility criteria, is provided below.

Eligibility Criteria	Allocated Asset
A minimum of 30% of board positions are held by women, and a minimum of 30% of executive positions are held by women, and a signatory of the Catalyst Accord 2022. (Criteria A, B, and C)	\$52,865,507
A minimum of 30% of board positions are held by women and a minimum of 30% of executive positions are held by women. (Criteria A and B only)	\$72,640,749
A minimum of 30% of board positions are held by women and a signatory of the Catalyst Accord 2022. (Criteria A and C only)	\$76,519,100
A minimum of 30% of executive positions are held by women, and a signatory of the Catalyst Accord 2022. (Criteria B and C only)	\$nil
Minimum of 30% of board positions are held by women (Criterion A only)	\$585,660,963
A minimum of 30% of executive positions are held by women (Criterion B only)	\$114,484,255
A signatory of the Catalyst Accord 2022 (Criterion C only)	\$95,329,425
TOTAL	\$997,500,000

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Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

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