

# CIBC

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## Introduction

In October 2020, CIBC (or the “Issuer”) issued a green bond (the “2020 Green Bond”) based on the CIBC Green Bond Framework<sup>1</sup> and in 2021, it issued market-linked Guaranteed Investment Certificates (GICs) based on CIBC Sustainability Issuance Framework<sup>2,3</sup> (collectively, the “Green Instruments”). Sustainalytics has provided a Second-Party Opinion on both frameworks. The Green Instruments intended to finance or refinance renewable energy and green building projects that are expected to create positive environmental impacts (collectively, the “Eligible Projects”). In 2023, CIBC engaged Sustainalytics to review the projects funded through the Green Instruments and to provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in their respective frameworks.

## Evaluation Criteria

Sustainalytics evaluated the 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 respective frameworks; and
2. Reported on at least one of the key performance indicators (KPIs) for each use of proceeds category outlined in the respective frameworks.

**Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs in the CIBC Sustainability Issuance Framework**

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Clean Energy	<p>Proceeds may be allocated to the development, construction, acquisition, operation, maintenance and distribution of the following renewable energy sources:</p> <ul style="list-style-type: none"> <li>• Solar</li> <li>• Offshore and onshore wind</li> <li>• Geothermal with direct emissions &lt;100gCO<sub>2</sub>/kwh</li> <li>• Tidal</li> <li>• Hydrogen generated using renewable energy</li> <li>• Small scale (&lt;25 MW) and run-of-river hydroelectric projects, as well as the refurbishment, operation or</li> </ul>	<p>CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e) Total installed capacity (MW)</p>

<sup>1</sup> 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](https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/debt_info/cibc-green-bond-framework-en.pdf)

<sup>2</sup> CIBC, “Sustainability Issuance Framework”, (2021) at: [https://www.cibc.com/content/dam/about\\_cibc/investor\\_relations/pdfs/debt\\_info/cibc-sustainability-issuance-framework-en.pdf](https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/debt_info/cibc-sustainability-issuance-framework-en.pdf)

<sup>3</sup> The issuer has communicated to Sustainalytics that the CIBC’s Sustainability Issuance Framework replaces and updates CIBC’s Green Bond Framework. The eligible criteria under the Green Bond Framework have been integrated under the relevant eligibility criteria within the Sustainability Issuance Framework.

	<p>maintenance of existing hydroelectric facilities</p> <ul style="list-style-type: none"> <li>Waste biomass and renewable biofuels whose sources include sustainable agriculture and forestry residues with direct emissions &lt;100gCO<sub>2</sub>/kwh</li> </ul>	
<b>Energy Efficiency</b>	<p>Proceeds may be allocated to activities that reduce energy consumption or mitigate greenhouse gas (GHG) emissions by more than 30%, or help manage and store energy including:</p> <ul style="list-style-type: none"> <li>Energy efficient investments in new or refurbished buildings such as lighting, retrofit, building envelope, or upgrade of air conditioning</li> <li>Energy storage systems (including electromechanical storage such as flywheel, thermal, pneumatic)</li> <li>Energy efficient district heating and cooling systems</li> <li>Smart grid investments for more efficient electricity transmission and distribution</li> </ul>	<p>CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e) Expected energy savings per year (MWh)</p>
<b>Pollution Prevention &amp; Control</b>	<p>Proceeds may be allocated to the construction, development, operation, acquisition and maintenance of land, facilities, systems or equipment used for:</p> <ul style="list-style-type: none"> <li>Collection, treatment/remediation, recycling or reuse of emissions, waste, hazardous waste or contaminated soil</li> <li>Facilities, systems and equipment that are used to divert waste from landfills or reduce emissions</li> <li>Renewable natural gas</li> <li>Methane capture projects used for energy generation or captured from closed /decommissioned landfill with high gas capture efficiency of 75% or more</li> <li>carbon capture and utilisation (CCU) or carbon capture and storage (CCS) technologies that deliver a net reduction in greenhouse gas emissions</li> </ul>	<p>CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e) Waste diverted from landfill (tonnes)</p>
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	<p>Proceeds may be allocated to activities that contribute to the sustainable management of living natural resources and land use and natural ecosystem protection including:</p> <ul style="list-style-type: none"> <li>Sustainably managed forests and forest products certified by credible third-party certification systems Forest Stewardship Council (FSC) and the Programme for the Endorsement of</li> </ul>	<p>Total surface financed (hectares), with reference to specific certification schemes where relevant</p>

	<p>Forest certification (PEFC), Sustainable Forestry Initiative (SFI)</p> <ul style="list-style-type: none"> <li>• Environmentally sustainable agriculture certified by a recognized third-party certification such as Canada Organic, USDA Organic, FAIRTRADE, UTZ, or Rainforest Alliance</li> <li>• Environmentally sustainable fishery and aquaculture, certified by a recognized third-party certification such as Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P for Aquaculture, Best Aquaculture Practices (2 stars or more)</li> </ul>	
<b>Terrestrial and aquatic biodiversity conservation</b>	<p>Proceeds may be allocated to activities that contribute to the enhancement or conservation or terrestrial or aquatic biodiversity, such as:</p> <ul style="list-style-type: none"> <li>• Protection of coastal, marine and watershed environments certified by credible third-party certifications such as the Marine Stewardship Council</li> </ul>	Total surface financed (hectares), with reference to specific certification schemes where relevant
<b>Clean Transportation</b>	<p>Proceeds may be allocated to the development, construction, acquisition, operation and maintenance of facilities or systems dedicated to low carbon transport such as:</p> <ul style="list-style-type: none"> <li>• Private Transport: electric or hydrogen vehicles, hybrid vehicles (with CO<sub>2</sub> emission threshold of &lt;75gCO<sub>2</sub>/p-km), hydrogen fuel or charging stations</li> <li>• 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 CO<sub>2</sub> emission threshold of &lt;50gCO<sub>2</sub>/p-km), or transportation infrastructure (expansion of metro/train network, station upgrade)</li> </ul>	<p>CO<sub>2</sub> emission avoided (tCO<sub>2</sub> e)</p> <p>New clean transportation infrastructure built (km)</p>
<b>Sustainable Water and Wastewater Management</b>	<p>Proceeds may be allocated to activities that improve water quality, efficiency and conservation such as:</p> <ul style="list-style-type: none"> <li>• Water treatment infrastructure including water recycling and wastewater treatment systems</li> <li>• Infrastructure for flood prevention, flood defence or storm water management, subject to appropriate environmental and vulnerability assessments</li> <li>• Water metering activities to support conservation initiatives</li> <li>• Water capture and storage infrastructure, including storm water</li> </ul>	<p>Volume of water saved/reduced/treated (m<sup>3</sup>)</p> <p>Total Population served by the system</p>

	management systems, water distribution systems, aquifer storage, and sewer systems	
<b>Green Buildings</b>	<p>Proceeds may be allocated to the development, construction, acquisition, operation and maintenance of residential or commercial buildings that meets any of the following:</p> <ul style="list-style-type: none"> <li>• Received, or expect to receive based on design or construction, certification according to third party verified building standards: <ul style="list-style-type: none"> <li>○ Leadership in Energy and Environmental Design (LEED) Gold or Platinum or equivalent levels in other certification programs such as BOMA BEST (Gold or Platinum), or BREEAM (Excellent or above),</li> <li>○ ENERGY STAR (85 or above)</li> <li>○ Passive House Institute - EnerPHit,</li> <li>○ Toronto Green Standard (v3) Tier 2 or higher,</li> <li>○ BC Step Code (Step 3 or above)</li> </ul> </li> <li>• The development, construction, acquisition, operation and maintenance of industrial buildings that have received or are expected to receive LEED Silver certification will also be confirmed to have been designed to achieve at least a 20% energy efficiency improvement compared to ASHRAE 90.1-2010</li> </ul>	<p>Energy savings (kWh) CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e), with reference to specific certification schemes where relevant Floor space of green real estate (m<sup>2</sup>)</p>
<b>Circularity</b>	<p>Proceeds may be allocated to finance or refinance projects or businesses which facilitate or carryout circular economy activities, including:</p> <ul style="list-style-type: none"> <li>• Substitution of virgin raw materials with 100% secondary (recycled or reused waste) materials (fabrics, metals, fibers, wood, and plastic) in manufacturing and industrial processes</li> <li>• Production of products that can be recycled or composted, where the input feedstock is from recycled/reused waste</li> </ul>	<p>Volume or percentage of virgin raw materials substituted by secondary raw materials Volume or percentage of circular materials or circular design components produced</p>
<b>Essential Services</b>	<p>Proceeds may be allocated to the construction, development, operation, acquisition and maintenance of publicly available, free or subsidized essential services which are targeted to low-income and underserved communities, including:</p> <ul style="list-style-type: none"> <li>• Education (including public universities, schools and training centres)</li> <li>• Healthcare (public hospitals, medical equipment, mental health facilities and</li> </ul>	<p>Number of essential service projects supported Number of students supported Number of patients supported through Healthcare and Care centre projects Total surface area of parks and public spaces rehabilitated</p>

	<p>programs, homes or health facilities for aged or people with disabilities)</p> <ul style="list-style-type: none"> <li>• Care Centres (childcare centres, community centres, eldercare centres)</li> <li>• Rehabilitation of parks and other public spaces</li> </ul>	
<b>Affordable Housing and Basic Infrastructure</b>	<p>Proceeds may be allocated to the construction, development, operation, acquisition, refurbishment and maintenance of:</p> <ul style="list-style-type: none"> <li>• Housing, shelters, transitional housing, subsidized rentals/ownership homes, that meets accredited or registered affordable housing definitions or that contributes to access for low-income residents (based on relevant definitions within the jurisdiction in which its built, such as Statistics Canada’s low-income definition). For certainty, loans and financing provided for programs which facilitate development of affordable housing (such as CMCHC’s Investment in Affordable Housing Initiative or other similar regional programs) would apply.</li> <li>• Projects for underserved, vulnerable, or rural<sup>4</sup> communities with inadequate existing basic infrastructure, which results in increased access to improved drinking water sources, plumbing and sanitation, electricity transmission and distribution (connected to existing regional power grid), communication networks (including mobile and internet access), or rural transportation infrastructures (including feeder roads).</li> </ul>	<p>Number of projects supported Number of housing units developed, built, or refurbished Number of people with supported with new/improved access to basic infrastructure</p>
<b>Indigenous Communities and Businesses</b>	<p>Lending/financing to an Indigenous government and/or micro-, small-, and medium-sized enterprise<sup>5</sup> majority owned by said government or indigenous individuals</p>	<p>Number of businesses supported Number of communities supported Number of loans provided Value of loans provided Number of jobs supported through businesses supported</p>
<b>Majority Women-owned businesses</b>	<p>Proceeds may be allocated to micro-, small-, and medium-sized businesses<sup>4</sup> that are at least 51% owned and operated by women.</p>	<p>Number of businesses supported Number of loans provided Value of loans provided</p>

<sup>4</sup> Rural community or area is as defined by Statistics Canada which refers to all areas which are outside of Population Centers (an area that has at least a population of 1,000 and a population density of 400 persons or more per square kilometre, based on the most current census).

<sup>5</sup> Micro-, small-, and medium-sized enterprise is as defined by the International Finance Corporation which is determined based on assessment of an enterprise’s employee count, total assets, and annual sales.

## Issuer'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 research and ratings, conducted the verification of use of proceeds from CIBC's Green Instruments. The work undertaken as part of this engagement included collection of documentation from CIBC and review of said documentation to assess conformance with the respective CIBC's frameworks.

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

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

## Conclusion

Based on the limited assurance procedures conducted,<sup>6</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed Eligible Projects financed by the Green Instruments do not conform with the use of proceeds criteria and reporting commitments noted in the respective frameworks. CIBC has disclosed to Sustainalytics that the proceeds from both Green Instruments were fully allocated as of July 31, 2022.

## Detailed Findings

**Table 2: Detailed Findings**

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Use of Proceeds Criteria</b>	Verification of the projects funded with proceeds from the Green Instruments to determine if projects aligned with the use of proceeds criteria outlined in the respective frameworks and above in Table 1. <sup>7</sup>	All projects reviewed complied with the use of proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the projects funded with proceeds from the Green Instruments to determine if impact of projects was reported in line with the KPIs outlined in the respective frameworks and above in Table 1. For a list of KPIs reported, please refer to Appendices 1 and 2.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

<sup>6</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

<sup>7</sup> Sustainalytics notes that Table 1 delineates criteria pertaining to the CIBC Sustainability Issuance Framework (2021) which is applicable to just those issuances that are done in or after September 2021. Sustainalytics additionally notes that the wind, solar and the (expected to be) LEED-certified green building financed by the 2020 Green Bond align with the Use of Proceeds and Reporting criteria noted in the CIBC Green Bond Framework (2020).

## Appendices

### Appendix 1: Reported Impact and Allocation Details for the 2020 Green Bond

Use of Proceeds Category <sup>8</sup>	Eligibility Criterion	Impact KPIs						Allocated amount (USD in Million)	
		Number of Eligible Assets	Total installed capacity (MW)	Renewable energy generated (GWh)	tCO <sub>2</sub> e emission avoided	Energy savings (KWh/m <sup>2</sup> of GBA)	Gross building area (GBA – m <sup>2</sup> )		kgCO <sub>2</sub> /m <sup>2</sup> of GBA
Renewable Energy	Wind energy projects	10	4,269	8,586	6,533,555				237.0
	Solar energy projects	9	599	1,361	882,556				126
Green Buildings	LEED Platinum (expected)	1			723	142	176,000	11.4	148.1
<b>Total allocation of net bond proceeds (USD in Million)</b>									500 <sup>9</sup>
<b>Total net bond proceeds raised (USD in Million)</b>									500
<b>Balance of unallocated net bond proceeds (USD in Million)</b>									0

### Appendix 2: Reported Impact and Allocation Details for the 2021 and 2022 GICs

Use of Proceeds Category <sup>10</sup>	Eligibility Criterion	Impact KPIs			Allocated amount (CAD in Million)	
		Number of Eligible Assets	Total installed capacity (MW)	Renewable energy generated (GWh)		tCO <sub>2</sub> e emission avoided
Renewable Energy	Wind energy projects	4	480	1,312	929,460	84.8
<b>Total allocation of net proceeds from GICs (CAD in Million)</b>						51.5 <sup>11</sup>
<b>Total net proceeds raised from GICs (CAD in Million)</b>						51.5
<b>Balance of unallocated net proceeds from GICs (CAD in Million)</b>						0

<sup>8</sup> No allocation was made under other categories of the frameworks.

<sup>9</sup> Pro-rata computation on proceeds to USD 500 million given that a total of ~USD 511 million was allocated by CIBC to assets (re)financed.

<sup>10</sup> No allocation was made under other categories of the frameworks.

<sup>11</sup> Pro-rata computation on proceeds to CAD 51.5 million given that a total of ~CAD 84.8 million was allocated by CIBC to assets (re)financed.

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