

Second-Party Opinion

CIBC Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the CIBC Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – (i) Renewable Energy, (ii) Energy Efficiency, (iii) Pollution Prevention and Control, (iv) Environmentally Sustainable Management of Living Natural Resources and Land Use, (v) Terrestrial and Aquatic Biodiversity Conservation, (vi) Clean Transportation, (vii) Sustainable Water and Waste Water Management and (viii) Green Buildings – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG Goals 6, 7, 11, 12, 14 and 15.



PROJECT EVALUATION / SELECTION CIBC has established a Green Bond Council which will be responsible for reviewing, approving and monitoring Eligible Assets. The Council will be comprised of representatives from specialist teams in Treasury, Environmental Risk Management, Commercial Banking and Capital Markets. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS CIBC's Treasury team will be responsible for tracking the net proceeds and will earmark an amount equivalent to the net proceeds for allocation to eligible green assets originated or refinanced no more than 24 months prior to issuance. Allocations will be tracked on an annual basis, and pending allocation, the net proceeds will be invested in accordance with CIBC Treasury's existing liquidity management procedures. This is in line with market practice.



REPORTING CIBC has committed to issuing a publicly available allocation report on its website on an annual basis and continuing until full allocation. CIBC will also provide impact reporting, where feasible, that draws on relevant quantitative performance metrics. In addition, CIBC plans to engage both an external auditor and external reviewer to assess the process to ensure that lending activities are aligned with the Framework. Sustainalytics views CIBC's allocation and impact reporting as aligned with market practice.

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Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	10

For inquiries, contact the Sustainable Finance Solutions project team:

Jonathan Laski (Toronto)
Project Manager
jonathan.laski@sustainalytics.com
(+1) 647 264 6640

Tina Ghaemmaghami (Toronto)
Project Support
tina.ghaemmaghami@sustainalytics.com
(+1) 647 264 6680

Melissa Menzies (Toronto)
Client Relations
susfinance.americas@sustainalytics.com
+1 647 317 3678

Introduction

CIBC (“CIBC”, the “Bank”, or the “Issuer”) is one of the largest banks in Canada, serving over 11 million clients across its retail and commercial banking, wealth management, and capital markets operations in Canada, the United States and the Caribbean.

CIBC has developed the CIBC Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance or refinance, in whole or in part, existing or future assets, businesses or projects (“Eligible Assets”) that address critical environmental challenges, including climate change. The Framework defines eligibility criteria in eight areas:

1. Renewable energy
2. Energy efficiency
3. Pollution prevention and control
4. Environmentally sustainable management of living natural resources and land use
5. Terrestrial and aquatic biodiversity conservation
6. Clean transportation
7. Sustainable water and waste-water management
8. Green buildings

CIBC engaged Sustainalytics to review the CIBC Green Bond Framework, dated March 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework will be published on the Company’s website.²

As part of this engagement, Sustainalytics held conversations with various members of CIBC’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of CIBC’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the CIBC Green Bond Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² The CIBC Green Bond Framework is available on CIBC’s website at: <https://www.cibc.com/en/about-cibc/investor-relations/debt-information.html>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the CIBC Green Bond Framework

Summary

Sustainalytics is of the opinion that the CIBC Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of CIBC's Green Bond Framework:

- Use of Proceeds:
 - The eight use of proceeds categories are recognized as impactful by the Green Bond Principles 2018 as having clear environmental benefits.
 - Sustainalytics recognizes that the GBP favours project-based lending and financing, and that there is, in general, less transparency with non-project-based lending. While CIBC's Framework includes project-based lending, it also provides for general corporate financing. By placing a quantitative threshold of 90% of revenue that a company must derive from eligible areas, Sustainalytics believes that CIBC has ensured that proceeds from the green bond will be directed to environmental activities that generate positive impact.
 - Within the "Renewable energy" category, Sustainalytics views positively the inclusion of the following thresholds:
 - Small-scale hydropower projects below 25 megawatts in capacity;
 - Geothermal projects with direct emissions below 100 grams CO₂/kWh.
 - In the "Energy efficiency" category, proceeds may be allocated to projects or activities expected to result in a reduction of more than 20% in energy consumption or greenhouse gas emissions.
 - This category may include allocation to "smart grid investments for more efficient electricity transmission and distribution". While noting the variety of definitions and applications of "smart grid" technology, Sustainalytics views positively investments that are anticipated to deliver tangible efficiency improvements.
 - The category of "Energy efficiency" also includes district heating and cooling systems without excluding the development of heat/cool generation that relies on fossil fuels. Sustainalytics considers this to be a limitation of the framework and encourages CIBC to ensure that activities financed to not contribute to fossil fuel lock-in.
 - Within the "Pollution prevention and control" category, CIBC has identified lending to projects or assets that contribute to soil remediation, the upgrade of recycling plants and/or activities that can be used to divert waste from landfills. Sustainalytics considers these projects to be aligned with market practice.
 - In the "Environmentally sustainable management of living natural resources and land use" category and "Terrestrial and aquatic biodiversity conservation" category, Sustainalytics views positively CIBC's plan to lend to projects obtaining recognized third-party certifications, including:
 - For sustainably managed forestry projects and forest products, certification by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest certification (PEFC). Sustainalytics considers these certifications to be credible and has provided a comprehensive overview in Appendix 2;
 - For environmentally sustainable agriculture assets, certification by Canada Organic, USDA Organic or Rainforest Alliance. Sustainalytics considers these certifications to be credible and has provided a comprehensive overview in Appendix 3;
 - For environmentally sustainable animal husbandry activities, certification by Rainforest Alliance. CIBC has communicated to Sustainalytics that proceeds from the green bond(s) issued under the Framework will not be allocated towards large-scale industrial and/or commercial farms engaging in meat production. Sustainalytics considers the Rainforest Alliance certification to be credible and has provided a comprehensive overview in Appendix 3;
 - For environmentally sustainable fishery and aquaculture projects, including protection of coastal, marine and watershed environments, certification by the Marine

Stewardship Council. Sustainalytics considers this certification to be credible and has provided a comprehensive overview in Appendix 4.

- Regarding the “Clean Transportation” category, CIBC has established a quantitative threshold for hybrid vehicles, both in private and public transport, of less than 75 grams CO₂ per passenger kilometer (gCO₂/p-km). Sustainalytics considers the inclusion of this emissions intensity threshold to be aligned with international trajectories for low-carbon transportation.
- For the “Sustainable water and waste water management” category, Sustainalytics considers each of the potential project areas to provide environmental benefit.
- Within the “Green buildings” category, the Framework specifies that eligible green buildings are those that have received certification from LEED (minimum Gold), or equivalent levels in other schemes such as BOMA, BREEAM or EnergySTAR. Sustainalytics considers these rating schemes to be credible and in line with market practice. See Appendix 1 for a summary of the referenced certification programs.
- Project Evaluation and Selection:
 - CIBC has a dedicated Green Bond Council (the “Council”) who will be responsible for reviewing and approving Eligible Assets. As a part of this process, all Eligible Assets will be screened against CIBC’s Lending Guidelines, Environmental Risk Policy, and any other applicable environmental and social risk management policies to ensure compliance.
 - The Council includes representatives from specialist teams in Treasury, Environmental Risk Management, Commercial Banking and Capital Markets.
 - Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The net proceeds from the Green Bonds issued under the Framework will be deposited in CIBC’s General Fund account, and an amount equal to the net proceeds will be earmarked for allocation to Eligible Assets. CIBC’s Treasury team will track the allocation of the net proceeds from Green Bonds to Eligible Assets on an annual basis.
 - The look back period for Eligible Assets will be up to 24 months prior to a bond issuance.
 - Pending allocation, the net proceeds will be invested in accordance with CIBC’s existing liquidity management procedures.
 - In the event a project is no longer eligible under the Framework, CIBC’s Council will reallocate the proceeds to other Eligible Assets.
 - Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - CIBC has committed to annual reporting so long as there are green bonds outstanding. This report will be made publicly available on its website and will include allocation reporting and impact reporting. The Bank has also committed to engaging an external auditor to provide reasonable assurance that the procedure for tracking and disbursing the bond proceeds conforms with the Framework.
 - The reporting will include one or more impact metrics for each of the eligible use of proceeds categories.
 - CIBC also intends and to obtain an annual review from an external reviewer to ensure all projects funded by the green bond’s meet the Eligible Criteria in the Framework.
 - Based on CIBC’s commitment to annual reporting, including its intention to provide impact reporting that includes relevant quantitative metrics, Sustainalytics is of the opinion that this process is in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the CIBC Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 5: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of CIBC

Contribution of framework to CIBC's sustainability strategy

CIBC demonstrates a strong commitment to integrating sustainability across the scope of its operations. CIBC's 2018 Corporate Responsibility Report³ ("2018 Report") identifies i) responsible finance, ii) responsible investing, iii) climate change and (iv) responsible sourcing as four key focus areas in the Bank's overall approach to environmental management and sustainable growth. The section below focuses on the initiatives, targets and progress achieved in these four areas, as well as the Bank's Environmental Policy.⁴

- Responsible finance:
 - Since 2013, CIBC has provided USD 1.1 billion (\$1.5 billion CDN) in financing towards renewable power projects, with USD 225 million of financing provided in 2018. The Bank also advised its clients on investments and acquisitions valued at over USD 7 billion in renewable energy and sustainable infrastructure initiatives in Canada, the United States and Europe. In 2018, the Bank also completed environmental and social related due diligence reviews on 1,193 transactions, at a value of over USD 20 billion.
 - In 2018, the Bank issued the first Women in Leadership Social Bond and financed eight projects where the Equator Principles were applied and taken into consideration.
- Responsible investing:
 - Through its investment arm, CIBC Asset Management ("CIBC AM"), the Bank has demonstrated its commitment to integrating environmental, social and governance ("ESG") factors into its investment decision by defining a detailed investment process including: 1) evaluation and screening; 2) external research; 3) voting and engagement, and 4) sector exclusion and ethical investing.
 - CIBC AM is also a signatory of the United Nations Principles for Responsible Investment, a registered observer of the Green Bond Principles, a member of the Canadian Coalition for Good Governance and a member of the Responsible Investment Association.
- Climate change:
 - The Bank recognizes the role it can play in mitigating climate change, and has since created the CIBC 'carbon risk management program' which comprises five key elements that allow the Bank to assess and manage its business operations through an analysis that takes into account climate change and climate change-driven regulations: 1) Managing GHG emissions from its operations, 2) Assessing the impacts of climate change regulation on its credit portfolio, 3) Tracking and assessing opportunities in emerging North American carbon markets, 4) Developing screening tools for climate change risk in credit risk assessment and 5) Assessing the physical impacts of climate change on CIBC's operations and on its lending and investment portfolio.
 - In 2018, the Bank met its goal of diverting 100% of electronic waste from landfill, diverting approximately 31,000 kilograms of electronic waste in total.
 - In 2018, the Bank also set new goals, including 10% reduction in GHG emissions from its operations by 2023 compared to a 2018 baseline.
- Responsible sourcing:
 - Regarding its internal operations and in line with its Environmentally Responsible Procurement Standard, 98% of the paper used by the Bank in 2018 was FSC-certified.
 - As part of its supplier management process, the Bank monitors the environmental performance of its suppliers on an ongoing basis and stipulates that all suppliers must complete a questionnaire on a biennial basis. This questionnaire allows the Bank to collate and review data pertaining to its suppliers' environmental management systems, environmental performance and violations, product stewardship, forestry practices and third-party certifications.
- CIBC's Environmental Policy echoes the initiatives and efforts outlined above by stating that the Bank is committed to responsible conduct in all of its activities in order to "protect and conserve the environment", "safeguard the interests of CIBC's stakeholders from unacceptable levels of environmental risk" and "support the principles of sustainable development".

³ CIBC, "2018 Corporate Responsibility Report and Public Accountability Statement", at: https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/cibc-crr-2018-en.pdf

⁴ CIBC, "Corporate Environmental Policy", at: <https://www.cibc.com/en/about-cibc/corporate-responsibility/environment/policies.html>

Sustainalytics is of the opinion that the CIBC Green Bond Framework is aligned with the company's ongoing sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Well positioned to address common environmental and social risks associated with the projects

While the proceeds from CIBC's green bonds will be directed towards Eligible Assets that will deliver overall positive environmental outcomes, Sustainalytics recognizes that all large investments, in particular those related to infrastructure and construction, may be associated with the risk of negative environmental and social impacts. As a financing provider for Eligible Assets, CIBC has limited involvement in the development of specific projects. Nonetheless, CIBC should take steps to mitigate key risks related to the projects that will be financed, including biodiversity loss from infrastructure projects; project-related greenhouse gas emissions; workers' health and safety during construction and/or operation; and increased exposure of local communities to adverse effects.

Sustainalytics is of the opinion that CIBC will be able to manage and/or mitigate potential risks through implementation of the following:

- CIBC's Green Bond Council will monitor and validate ongoing green bond market practices and ensure that all Eligible Assets are screened for compliance with CIBC's Lending Guidelines, Environmental Risk Policy, and any other applicable environmental and social risk management policies as outlined below.
- CIBC has developed Environmental and Social Credit Risk Management Standards and Procedures⁵ which help identify environmental and social risks related to credit evaluation and financing. The standards and procedures stipulate the varying levels of due diligence required depending on the level of risk identified. Once completed, the Bank's Environmental Risk Management team further reviews lending opportunities that may present environmental and social risks for the Bank, and community at large.
- In 2019, CIBC released its first climate-related disclosure aligned to the Task Force on Climate-related Financial Disclosures⁶ (TCFD) guidelines, which is structured in accordance with the TCFD's four key elements: governance, strategy, risk management and metrics and targets. CIBC's Board of Directors' Risk Management Committee and Corporate Governance Committee are jointly responsible for managing this process and overseeing ESG decisions, including climate change.
- CIBC also participates in the Carbon Disclosure Project (CDP), disclosing information related to carbon risks and opportunities through its responses to CDP's annual Carbon Questionnaire.⁷ In its 2019 Climate Change Disclosure Statement,⁸ the Bank outlines its approach to climate change disclosure and commitment to assessing its exposure to climate-related risks and opportunities. This process is governed by an enterprise-wide Environmental Management Committee, which is comprised of senior leaders who meet quarterly to provide ongoing input on the Bank's environmental strategy and ESG-related initiatives.
- Since 2003, CIBC has been a signatory to the Equator Principles, using them to apply environmental and social screening to assess whether a project should receive financing. The Bank's environmental risk management team reviews all applicable transactions and carries out training in order to maintain alignment with the requirements of the Equator Principles.
- CIBC has enacted corporate-wide standards and processes mandating ethical behavior, including through a Code of Conduct,⁹ Supplier Code of Conduct,¹⁰ Global Reputation and Legal Risks policy,¹¹ as well as policies pertaining to anti-money laundering and anti-terrorist financing.
- The Bank is also a member of the United Nations Environment Programme – Finance Initiative (UNEP – FI) which helps in guiding its approach to assessing climate change risks and opportunities. As a part of this process, CIBC conducts climate-scenario analysis and stress-testing simulations, taking

⁵ CIBC, "Environmental and Social Credit Risk Management Standards and Procedures", at: <https://www.cibc.com/en/about-cibc/corporate-responsibility/environment/lending-and-investment.html>

⁶ CIBC, "Building a sustainable future, CIBC's TCFD Report – September 2019", at: https://www.cibc.com/content/dam/about_cibc/inside_cibc/environment/building-a-sustainable-future-report-en.pdf

⁷ CIBC, "2018 Corporate Responsibility Report and Public Accountability Statement", at: https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/cibc-crr-2018-en.pdf

⁸ CIBC, "Climate Change Disclosure Statement", at: https://www.cibc.com/content/dam/about_cibc/inside_cibc/environment/cibc-climate-change-disclosure-statement-mar2019-en.pdf

⁹ CIBC, "CIBC Code of Conduct" (November 2019), at: https://www.cibc.com/content/dam/about_cibc/corporate_governance/pdfs/code-of-conduct-en.pdf

¹⁰ CIBC, "CIBC Supplier code of Conduct" (October 2016), at: <https://www.cibc.com/ca/pdf/about/supplier-code-of-conduct-en.pdf>

¹¹ CIBC, "Responsible Banking": <http://corporateresponsibilityreport.cibc.com/responsible-banking.html>

into account both physical risks¹² and transition risks.¹³ As a member of the UNEP – FI, the Bank maintains engagement with the sustainable banking community at large and contributes to the growth and development of the field.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that CIBC has implemented sufficient measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are recognized as impactful by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

The role of financial institutions in supporting a transition to a low carbon economy

The financial sector is both particularly susceptible to climate change risk, and uniquely positioned to take actions which will have a positive impact.¹⁴ According to a report from the International Energy Agency, in order to achieve the 2°C trajectory envisioned by the Paris Agreement, the amount of annual investment in clean energy and energy efficiency must quickly rise to over \$4 trillion per year between 2018 to 2050.¹⁵ UNEP-FI states that “bank loans are the most important source of external finance for companies and will play a crucial role in steering businesses towards lower emission activities”.¹⁶ Since the launch of its first Environmental Policy in 1993, CIBC positioned itself to address environmental challenges. CIBC continues to integrate environmental considerations in support of the transition to a low carbon economy. The Bank’s Climate Change Disclosure Statement,¹⁷ issued in March 2019, highlights CIBC’s ongoing commitment to mitigating climate change, including helping clients raise a total of USD 1.5 billion in capital towards renewable energy and green bond investments in 2018.

Sustainalytics is of the opinion that the use of proceeds from the CIBC Framework will enable companies to develop projects that will yield positive environmental impacts and support the ongoing decarbonization of the economy.

The environmental impact of the projects funded by CIBC’s green bonds

CIBC’s Framework defines as eligible a range of environmentally beneficial projects, across eight eligibility categories. Sustainalytics is of the opinion that loans to projects within these categories have the potential to deliver positive environmental impacts. Sustainalytics has assessed the below projects areas that are particularly impactful and that have the potential to deliver significant environmental benefits.

Renewable Energy

Greenhouse gas emissions from electricity and heat generation are the largest single source of global emissions, making up 42% of all emissions and 49% of emissions from fuel combustion.¹⁸ In this context, increasing the share of renewable energy generation has the potential to have significant impact on meeting climate goals. A study from the International Energy Agency (IEA) and the International Renewable Energy Agency (IRENA) supports this assessment, estimating that 65-70% of worldwide primary energy demand would need to be met by low-carbon energy sources by 2050 in order to meet the 2°C target.¹⁹ Although in 2017, renewable energy grew more rapidly than other forms of generation, meeting a quarter of the global

¹² Risks related to more frequent extreme weather events and chronic changes in weather patterns.

¹³ Risks related to transitioning to a low-carbon economy, including policy and legal risk, technological risk, market risk and reputational risk.

¹⁴ Global Risk Institute, “Climate Change, Why Financial Institutions Should Take Note”, at: <https://globalriskinstitute.org/publications/climate-change-why-financial-institutions-should-take-note/>

¹⁵ International Energy Agency and International Renewable Energy Agency, “Perspectives for the Energy Transition” (2017), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/Perspectives_for_the_Energy_Transition_2017.pdf

¹⁶ UNEP-FI, “Financial Institutions Taking Action on Climate Change”, at: <http://www.unepfi.org/fileadmin/documents/FinancialInstitutionsTakingActionOnClimateChange.pdf>

¹⁷ CIBC, “Climate Change Disclosure Statement” (March 2019), at: https://www.cibc.com/content/dam/about_cibc/inside_cibc/environment/cibc-climate-change-disclosure-statement-mar2019-en.pdf

¹⁸ International Energy Agency, “Data and statistics”, at: <https://www.iea.org/data-and-statistics>

¹⁹ International Energy Agency and International Renewable Energy Agency, “Perspectives for the Energy Transition” (2017), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/Perspectives_for_the_Energy_Transition_2017.pdf

demand growth,²⁰ this rate of deployment must be ramped up to meet international targets. Sustainalytics considers that CIBC's financing in the area of renewable energy will contribute positively to the global energy transition that is required to meet climate objectives.

Clean Transportation

In 2017, the transportation sector was responsible for approximately 24% of CO2 emissions both globally and in Canada.²¹ According to research from the World Resources Institute, rather than declining, emissions from the transportation sector globally are currently increasing at a faster rate than any other sector.²² Of the countries who have filed Nationally Determined Contributions to meet their commitments under the Paris Agreement, only 60% have included transportation-related GHG mitigation measures and only 10% have included a transportation-related GHG mitigation target.²³ CIBC has identified clean transportation, including financing environmentally friendly mass public transit and low carbon private transport, as areas which can deliver environmental impact in the clean transportation space. Sustainalytics views the financing of projects in this area as providing environmental benefits and notes in particular the role that CIBC could play in large infrastructure projects, such as those required for mass transit by rail.

Green Buildings

In 2017, the most recent year for which data is available, the buildings sector emitted approximately 12% of total emissions in Canada²⁴ (excluding purchased energy). On an energy intensity basis, the International Energy Agency estimates that the energy intensity per unit of floor area in the buildings sector needs to improve by 30% worldwide in order to be aligned with the targets of the Paris Agreement.²⁵ Considering that, according to a report from the US Green Building Council, the average LEED-certified green building uses 25% less electricity than non-certified buildings,²⁶ the financing of certified green buildings has the potential to contribute positively to these goals. In this context, Sustainalytics views positively the Framework's inclusion of LEED, BOMA BEST, BREEAM, and ENERGY STAR certified buildings.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Renewable energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Pollution prevention and control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Environmentally sustainable management of living natural resources and land use	15. Life on Land	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and

²⁰ International Energy Agency and International Renewable Energy Agency, "Perspectives for the Energy Transition" (2017), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/Perspectives_for_the_Energy_Transition_2017.pdf

²¹ Government of Canada, "Greenhouse gas sources and sinks: executive summary 2019" at: <https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/sources-sinks-executive-summary-2019.html#toc3>

²² World Resources Institute, "Everything You Need to Know About the Fastest-Growing Source of Global Emissions: Transport", at: <https://www.wri.org/blog/2019/10/everything-you-need-know-about-fastest-growing-source-global-emissions-transport>

²³ International Transport Forum, "Transport CO2 and the Paris Climate Agreement: Reviewing the Impact of Nationally Determined Contributions", at: <https://www.itf-oecd.org/sites/default/files/docs/transport-co2-paris-climate-agreement-ndcs.pdf>.

²⁴ Government of Canada, "Greenhouse gas sources and sinks: executive summary 2019" at: <https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/sources-sinks-executive-summary-2019.html#toc3>

²⁵ International Energy Agency and UN Environment, "2018 Global Status Report", at: https://wedocs.unep.org/bitstream/handle/20.500.11822/27140/Global_Status_2018.pdf?sequence=1&isAllowed=y.

²⁶ U.S. Green Building Council, "The business case for green buildings", at: <https://www.usgbc.org/articles/business-case-green-building>

		substantially increase afforestation and reforestation globally
Terrestrial and aquatic biodiversity conservation	14. Life Below Water	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
Clean transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Sustainable water and waste water management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Green buildings	11. Sustainable Cities and Communities	11.B By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters

Conclusion

CIBC has developed the CIBC Green Bond Framework under which it will issue green bonds, where the use of proceeds will be used to finance or refinance eligible projects with environmental benefits in the following categories; renewable energy, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use, terrestrial and aquatic biodiversity conservation, clean transportation, sustainable water and waste water management and green buildings. Sustainalytics considers that the projects funded by the green bond proceeds will deliver positive environmental impact.

The CIBC Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the CIBC Green Bond Framework is aligned with the overall sustainability strategy of the Bank and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 11, 12, 14 and 15. Additionally, Sustainalytics is of the opinion that CIBC has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that CIBC is well-positioned to issue green bonds and that that CIBC Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Comparison of Green Building Certification Schemes





	LEED ²⁷	Energy Star ²⁸	BOMA BEST ²⁹	BREEAM ³⁰
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	ENERGY STAR is a U.S Environmental Protection Agency voluntary program that provides independently certified energy efficiency ratings for products, homes, buildings, and industrial plants. Certification is given on an annual basis, so a building must maintain its high performance to be certified year to year.	BOMA BEST, administered by the Building Owners and Managers Association (BOMA) of Canada, is a certification program for existing buildings. The assessment considers performance and operation of buildings in a wide range of performance and operations categories.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • 1-100 score, 75 is minimum for certification 	<ul style="list-style-type: none"> • Certified • Bronze • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy use 	<ul style="list-style-type: none"> • Energy • Water • Air • Comfort • Health and Wellness • Custodial • Purchasing • Waste • Site • Stakeholder Engagement 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation
Requirements	Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level. The rating system is adjusted to apply to specific sectors, such as: New Construction,	1-100 score based on energy use, as calculated through the Portfolio Manager tool. Raw score is adjusted based on location, operating conditions, and other factors. The numerical score indicates performance better than at least 75 percent of similar buildings nationwide.	Minimum requirements independent of level of certification; score based on checklist to determine certification level. The minimum best practices and category scoring is adjusted for seven different asset classes: office, enclosed shopping centres, light industrial, open air retail,	Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their performance score.

²⁷ USGBC, LEED: <https://new.usgbc.org/leed>

²⁸ ENERGY STAR: <https://www.energystar.gov/>

²⁹ BOMA BEST: <http://bomacanada.ca/bomabest/>

³⁰ BREEAM: www.breeam.com

	Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.		universal, MURB, and health care.	BREAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.
Qualitative Considerations	Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.	Accounts only for energy use, not other measures of environmental performance. Is a key component of other green building certification systems.	Most commonly used certification for existing buildings in Canada, and considered less administratively burdensome for existing buildings.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus, lower levels are less strict than LEED.
Performance display				

Appendix 2: Sustainalytics' Analysis of FSC and PEFC Certifications

	FSC ³¹	PEFC ³²
Background	Founded in 1993 after the 1992 Earth Summit in Rio failed to produce any international agreements to fight against deforestation, FSC aims to promote sustainable forest management practice.	PEFC was founded in 1999 in response to the specific requirements of small- and family forest owners as an international umbrella organization providing independent assessment, endorsement and recognition of national forest certification systems.
Basic Principles	<ul style="list-style-type: none"> • Compliance with laws and FSC principles • Tenure and use rights and responsibilities • Indigenous peoples' rights • Community relations and workers' rights • Benefits from the forests • Environmental impact • Management plans • Monitoring and assessment • Special sites – high conservation value forests (HCVF) • Plantations 	<ul style="list-style-type: none"> • Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle • Maintenance and enhancement of forest ecosystem health and vitality • Maintenance and encouragement of productive functions of forests (wood and no-wood) • Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems • Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water) • Maintenance of socioeconomic functions and conditions • Compliance with legal requirements
Governance	<p>The General Assembly, consisting of all FSC members, constitutes the highest decision-making body.</p> <p>At the General Assembly, motions are proposed by one member, seconded by two more, and deliberated and voted on by all members. Members are entitled to vote to amend the bylaws, initiate new policies, and clarify, amend or overturn a policy decision by the board.</p> <p>Members apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers.</p> <p>Each chamber holds 33.3% of the weight in votes, and within each chamber the votes are weighted so that the North and South hold an equal portion of authority, to ensure influence is shared equitably between interest groups and countries with different levels of economic development.</p> <p>The votes of all individual members in each sub-chamber represent 10% of the total vote of the sub-chamber, while the votes of organizational members make up the other 90%.</p> <p>The members vote for the board of directors, which is accountable to the members. There is an</p>	<p>PEFC's governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders.</p> <p>Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each.</p> <p>The Board of Directors supports the work of the GA and together the GA and the Board make the formal approval of final draft standards. Standards are developed by working groups.</p> <p>In general, PEFC's governance structure is more representative of industry and government stakeholders than of social or environmental groups, which gives industry and governments more influence in the decision-making process. However, the organization does include stakeholders from all sectors.</p>

³¹ Forest Stewardship Council, FSC: <https://ca.fsc.org/en-ca>

³² Programme for the Endorsement of Forest Certification, PEFC: <https://www.pefc.org/>

	international board elected by all members and a US board, elected by the US-based members.	
Scope	FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.	Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization (Guide 59) ³³ and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.
Chain-of-Custody	<ul style="list-style-type: none"> The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standards. CoC standard includes procedures for tracking wood origin. CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products. CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC. 	<ul style="list-style-type: none"> Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for chain-of-custody management systems required by PEFC. Only accredited certification bodies can undertake certification. CoC requirements include specifications for physical separation of wood and percentage-based methods for products with mixed content. The CoC standard includes specifications for tracking and collecting and maintaining documentation about the origin of the materials. The CoC standard includes specifications for the physical separation of certified and non-certified wood. The CoC standard includes specifications about procedures for dealing with complains related to participant's chain of custody.
Non-certified wood sources	<p>FSC's Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including:</p> <ol style="list-style-type: none"> Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, Wood harvested in violation of traditional and civil rights, Wood harvested in forests where high conservation values are threatened by management activities, Wood harvested in forests being converted from forests and other 	<p>The PEFC's Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from:</p> <ol style="list-style-type: none"> forest management activities that do not comply with local, national or international laws related to: <ul style="list-style-type: none"> operations and harvesting, including land use conversion, management of areas with designated high environmental and cultural values, protected and endangered species, including CITES species, health and labor issues, indigenous peoples' property, tenure and use rights, payment of royalties and taxes. genetically modified organisms,

³³ ISO, ISO/IEC Guide 59:2019: <https://www.iso.org/standard/23390.html>

	<p>wooded ecosystems to plantations or non-forest uses,</p> <p>e. Wood from management units in which genetically modified trees are planted.</p>	<p>c. forest conversion, including conversion of primary forests to forest plantations.</p>
Accreditation/verification	<p>FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit every year and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.</p>	<p>Accreditation is carried out by an accreditation body (AB). Like a certification body checks a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures.</p> <p>PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF's rules and regulations.</p>
Conclusion	<p>Sustainalytics views both FSC and PEFC as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable forest management practices³⁴ and both have also faced criticism from civil society actors.^{35,36} In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are similar or equal to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.</p>	

³⁴ FESPA, FSC, PEFC and ISO 38200: <https://www.fespa.com/en/news-media/blog/fsc-pefc-and-iso-38200>

³⁵ Yale Environment 360, Greenwashed Timber: How Sustainable Forest Certification Has Failed: <https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed>

³⁶ EIA, PEFC: A Fig Leaf for Stolen Timber: <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>




Appendix 3: Overview of Agriculture Sustainability Certifications

	Canada Organic ³⁷	USDA Organic ³⁸	Rainforest Alliance ³⁹
Background	Canada Organic is a regulatory certification implemented by the Government of Canada's Canadian Food Inspection Agency, based on authorities granted in section 13 of the SFCR regulation. A Canada Organic claim applies to food, feed, or seed that is produced in or imported to Canada.	The USDA Organic label is a US certification system overseen, administered and enforced by the National Organic Program of the United States Department of Agriculture. The US Organic label is regulated by the US Organic Foods Production Act of 1990 and involves input from the National Organic Standards Board (a Federal Advisory Committee made up of 15 members of the public) and the public.	The Rainforest Alliance Seal is a global certification system for Agriculture, Forestry and Tourism. The Rainforest Alliance certification indicates compliance with the organization's standards for environmental, social and economic sustainability. Rainforest Alliance merged with UTZ in January 2018.
Clear positive impact	Promote sustainable agricultural processes and products.	Promoting sustainable farming practices that improve water quality, conserve energy, increase biodiversity and contribute to soil health.	Promoting sustainable practices in agriculture, forestry and tourism.
Minimum standards	The Canada Organic regulation prohibits specific chemicals, and mandates minimum standards for agricultural practices.	The USDA Organic seal sets strict production and labeling requirements: <ul style="list-style-type: none"> • produced without genetic engineering, ionizing radiation or sewage sludge • produced using allowed substances based on a comprehensive list of authorized synthetic and non-synthetic substances overseen by a USDA NOP authorized agent 	Rainforest alliance establishes a minimum threshold for impact through critical criteria, and requires farmers to go beyond by demonstrating improved sustainability on 14 continuous improvement criteria.
Scope of certification or programme	Specific standards apply to crop production, livestock production, aquaculture, chain of custody, and products. The regulations also specifically name prohibited and permitted substances.	The USDA Organic system addresses key risks such as substance use through the regulation of synthetic and non-synthetic substances to preserve soil quality and in line with federal guidelines on animal raising practices, pest and weed control and the use of additives.	Rainforest alliance addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria.
Verification of standards and risk mitigation	Certification of products and processors is granted by CBs, and requires annual verification.	The USDA seal has a twofold enforcement mechanism, one by Organic Certifiers and one by the USDA Agricultural Marketing Services. The two bodies undergo audits to ensure compliance with criteria and continuous improvement at least once a year or unannounced.	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.
Third party expertise and multi-stakeholder process	Developed by the Government of Canada through a consultative legislative process.	The USDA Organic seal is organized by the National Organic Program which develops the rules and	Standard setting is aligned with the ISEAL Standard Setting Code.


³⁷ The Organic Council of Ontario, Certified Organic: <https://www.organiccouncil.ca/organics/organic-certification/>

³⁸ U.S. Department of Agriculture, USDA Organic: <https://www.usda.gov/topics/organic>

³⁹ Rainforest Alliance: <https://www.rainforest-alliance.org/>

		regulations for the production, handling, labeling and enforcement of all USDA organic products. This process receives input from the national Organic Standards Board (a Federal Advisory Committee made of 15 members of the public) and the general public.	
Performance Display			
Third-party verified	Certification Bodies (CBs) are accredited by Conformity Verification Bodies (CVBs), which are in turn accredited by the Canada Food Inspection Agency.	80 certifying agents are USDA accredited and authorized to certify operations under the USDA organic standards. 48 of the 80 certifying authorities are US based and 32 are in foreign countries. Most certifying agents are directly accredited by the USDA National Organic Program, with an additional 21 members being officially authorized through recognition agreements between US and other governments.	<ul style="list-style-type: none"> • Africert • Conservacion y Desarrollo Certified S.A. • Imafloa • IMO India • CERES • IBD • Indocert • NaturaCert • Productos y Procesos Sostenables, A.C. • NEPCon
Qualitative considerations	The Canada Organic certification is the only legally recognized organic scheme in Canada, and applies to both imports and domestically-produced agriculture products.	Under the USDA Organic seal, the US federal legislation allows three levels of organic foods, namely: purely organic products made entirely with certified organic ingredient and labeled 100% organic, products with at least 95% organic ingredients. Both categories are allowed to be certified USDA Organic. A third category with at least 70% organic ingredients may be labeled as “made with organic ingredients”, but cannot display the USDA Organic seal.	Global recognition across 76 countries around the world. There are 763 Rainforest Alliance certified products and more than 1,354,057 people which have conducted training, certification and verification under the Rainforest Alliance standard. Rigorous on the enforcement of minimum standards and strong governance over the implementation of social and environmental mitigation processes.

Appendix 4: Overview of the Marine Stewardship Council

	Marine Stewardship Council ⁴⁰
Background	Marine Stewardship Council (MSC) is a non-profit organization founded in 1996, that issues eco-label certifications for fisheries which are sustainable and well-managed.
Clear positive impact	Promoting sustainable fisheries practices.
Minimum standards	A minimum score must be met across each of the performance indicators. As a condition to certification, low-scoring indicators must be accompanied by action plans for improvement.
Scope of certification or programme	The MSC standard consists of a fisheries standard and a chain of custody standard. The Fishery Standard assesses three core principles: sustainable fish stocks, minimising environmental impact, and effective fisheries management; collectively these account for the major environmental and social impacts. The Chain of Custody standard addresses certified sourcing, product identification, separation, traceability and records, and good management.
Verification of standards and risk mitigation	Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the MSC standard and ISO 17065. Certification is valid for up to five years.
Third party expertise and multi-stakeholder process	Aligned with the UN Code of Conduct for Responsible Fishing, and further informed by the Global Sustainable Seafood Initiative (GSSI), World Trade Organization (WTO), and International Social and Environmental Accreditation and Labelling (ISEAL)
Performance display	
Qualitative considerations	The MSC label is the most widely recognized sustainable fisheries label worldwide, and is generally accepted to have positive impacts on marine environments. Proponents of the label cite the transparent science-based process for approval and its successful engagement with industry groups. Criticism from various observers include lack of focus on preventing by-catch, protecting marine mammals and endangered species, follow-up on conditions, crew safety, and live tracking of supply chains.

⁴⁰ Marine Stewardship Council, The MSC Fisheries Standard: <https://www.msc.org/standards-and-certification/fisheries-standard>

Appendix 5: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	CIBC
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	CIBC Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 2, 2020
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds - (i) Renewable Energy, (ii) Energy Efficiency, (iii) Pollution Prevention and Control, (iv) Environmentally Sustainable Management of Living Natural Resources and Land Use, (v) Terrestrial and Aquatic Biodiversity Conservation, (vi) Clean Transportation, (vii) Sustainable Water and Waste Water Management and (viii) Green Buildings - are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG Goals 6, 7, 11, 12, 14 and 15.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input checked="" type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

CIBC has established a Green Bond Council which will be responsible for reviewing, approving and monitoring Eligible Assets. The Council will be comprised of representatives from specialist teams in Treasury, Environmental Risk Management, Commercial Banking and Capital Markets. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

CIBC's Treasury team will be responsible for tracking the net proceeds and will earmark an amount equivalent to the net proceeds for allocation to eligible green assets originated or refinanced no more than 24 months prior to issuance. Allocations will be tracked on an annual basis, and pending allocation, the net proceeds will be invested in accordance with CIBC Treasury's existing liquidity management procedures. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

CIBC has committed to issuing a publicly available allocation report on its website on an annual basis and continuing until full allocation. CIBC will also provide impact reporting, where feasible, that draws on relevant quantitative performance metrics. In addition, CIBC plans to engage both an external auditor and external reviewer to assess the process to ensure that lending activities are aligned with the Framework. Sustainalytics views CIBC's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): total installed capacity (MW), waste diverted from landfill (tonnes), total surface financed (hectares), new clean transportation |

infrastructure built (km), total population served by the system, floor space of green real estate (m²)

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Company website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

-
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Sustainalytics

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For more information, visit www.sustainalytics.com

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