



Sustainability Issuance Framework

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1. Introduction

CIBC is a leading and well-diversified North American financial institution committed to creating enduring value for all our stakeholders – our clients, team, communities and shareholders. We are guided by our purpose – to help make your ambition a reality, and we are activating our resources to create positive change and contribute to a more secure, equitable and sustainable future.

Across our bank and our businesses – Personal and Business Banking, Commercial Banking and Wealth Management, and Capital Markets and Direct Financial Services – our 48,000 employees bring our purpose to life every day for our 14 million personal banking, business, public sector and institutional clients in Canada, the US and around the world.

CIBC's objective is to support our clients achieve their environmental and social ambitions and enable a more secure, equitable and sustainable future.

CIBC takes decisive action toward helping our clients by offering effective, sectoral, and market-based solutions. Our efforts focus on ensuring our clients have the right advice and access to capital. Sustainable issuances are just one example within CIBC's product offerings that support our clients.

2. Sustainability Issuance Framework

2.1. Framework overview

The Sustainability Issuance Framework ("the Framework") aligns with the International Capital Market Association ("ICMA") Green Bond Principles 2021 ("GBP"), Social Bond Principles 2023 ("SBP"), and Sustainability Bond Guidelines 2021 ("SBG"). It outlines the methodology and associated procedures to be applied to future issuances of sustainable fund raising ("Sustainability Issuances")¹ by CIBC, including but not limited to bonds, notes, certificates, commercial paper, deposits, guaranteed investment certificates ("GIC"), market-linked GICs and Securitizations (e.g. Asset Backed Securities like Collateralized Loan Obligations) which may take the form of either a "Secured Green Collateral Bond" or a "Secured Green Standard Bond," as defined by ICMA in the Green Bond Principles Appendix 1, June 2022. By updating this Framework, CIBC aims to continue to support the mobilization of capital for sustainable businesses, projects and operations.

The Framework outlines:

1. Use of proceeds;
2. The process for asset selection and evaluation;
3. Management of proceeds; and
4. Reporting

2.2 Use of proceeds

The net proceeds from Sustainability Issuances will be used to finance or refinance loans and investments that meet CIBC's criteria for Eligible Green and/or Social Activities ("Eligible Activities") that support the achievement of the United Nations Sustainable Development Goals ("UN SDGs") and the global transition to a low carbon economy. Each Eligible Activity is mapped to the UN SDGs, with a focus on the primary UN SDG contribution from each Eligible Activity. Sustainability Issuance net proceeds may finance or refinance a combination of loans or investments in businesses, projects and assets (together known as "Eligible Assets") that satisfy any of the criteria for the Eligible Activities described in Section 2.3 below. For clarity, a Sustainability Issuance can have proceeds which are allocated across both green and social activities.

Where the financing is a loan or investment in a business, the business must derive 90% or more of its revenues,^{2,3} from the Eligible Activities.⁴




The criteria for classification of Eligible Activities as Green and/or Social follow existing recognized international market standards and practices, and a Second Party Opinion has been obtained (see section 2.7).

2.3 Eligible Green and Social Activities






Eligible Activities listed below include one or more of the following: development, construction, acquisition, operation, maintenance, distribution, renovation, refurbishment, or research and development of facilities, land, services, systems, enabling technologies, or equipment, as may be applicable, including activities along the value chain in support of such Eligible Activities.





Eligible green activities

Activities eligible for financing as green must fulfill the relevant criteria (outlined under the description in the table below) under one or more Eligible Activities.

Eligible activities	Description	UN SDGs alignment
Clean energy	<p>Clean energy sources:</p> <ul style="list-style-type: none"> ▪ Solar ▪ Offshore and onshore wind ▪ Geothermal with direct emissions <100 grams of CO₂e/ kWh on life cycle basis ▪ Tidal ▪ Energy production with feedstock using hydrogen or ammonia generated using clean energy sources, and technologies and infrastructure to support ▪ Small scale (<25 MW), run-of-river hydroelectric projects⁵, as well as the refurbishment, operation or maintenance of existing hydroelectric facilities. For hydroelectric projects >25 MW, power density⁶ or lifecycle emissions thresholds must be met. ▪ Waste biomass and renewable biofuels whose sources include sustainable agriculture (such as RSB⁷ and RSPO⁸ certification) and forestry (such as Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and Sustainable Forestry Initiative (SFI)) residues with direct emissions <100 grams of CO₂e/kWh ▪ Nuclear energy and related facilities, services, systems, or equipment⁹, including enrichment and procurement of nuclear fuel and activities related to component replacement¹⁰ or spent fuel management including recycling and storage <p>Specified transmission infrastructure: Electricity transmission and distribution infrastructure and equipment that complies with at least one of the following criteria:</p> <ul style="list-style-type: none"> ▪ Over 67% of newly enabled generation capacity below the generation threshold value of 100 grams of CO₂e/kWh, over a rolling-five year period; or ▪ Enabling the grid to support the integration of renewable or storage technologies that have an emissions threshold below 100 grams of CO₂e/kWh over a rolling five-year period; or ▪ Average system grid emissions factor below the threshold value of 100 grams of CO₂e/kWh, over a rolling five-year period <p>Investments in research and development that increase the share of low carbon electricity and/or allow the integration of renewable energy¹¹ to the electricity grid by directly connecting renewable energy, such as connection of renewable energy generation (e.g. microgrids), energy storage systems, and battery systems.</p>	 
Clean fuels	<p>Production of renewable and low-carbon intensity fuels, which results in greenhouse gas savings in alignment with EU Renewable Energy Directive II reduction pathways, such as:</p> <ul style="list-style-type: none"> ▪ Hydrogen or ammonia sourced from clean energy¹², ethanol, renewable natural gas, renewable diesel, renewable propane, sustainable aviation fuel, synthetic fuel, renewable biofuels¹³ ▪ Clean energy sourced production of marine fuels (in alignment with the International Maritime Organization’s goal and Poseidon Principles trajectory) in the form of hydrogen or ammonia with no direct emissions, e-methanol, e-gas oil and electricity for use in batteries, bio-diesel and bio-methane ▪ Infrastructure dedicated towards eligible (as defined under the Clean energy section) hydrogen or ammonia conversion and or/disassociation 	

Eligible activities	Description	UN SDGs alignment
Energy efficiency	<p>Activities that (a) increase energy efficiency or reduce energy consumption or mitigate greenhouse gas (“GHG”) emissions by more than 30%, or (b) help manage and/or store energy, as detailed below:</p> <ul style="list-style-type: none"> ▪ Energy efficient investments in new or refurbished properties (residential or commercial) such as lighting, upgrade of HVAC systems, or distributed energy resources and distributed energy storage ▪ Energy storage and battery energy storage systems and upstream enabling activities (including: electromechanical storage such as flywheel, thermal, pneumatic; hydrogen/CO₂ storage; pumped hydro) ▪ Energy efficient district heating and cooling systems that are at least 50% powered by renewable energy or waste heat or both ▪ Smart grid investments and centralized energy control systems for more efficient and/or stabilization of electricity transmission and distribution ▪ Digital controls and sensors for power demand management ▪ Communications network investments, including modernization, reconfiguration and optimization of existing networks, deployment of new networks and improvement of supporting infrastructure, such as 5G, optic fiber, cooling and power modernization, smart management systems, optimization of power storage 	
Pollution prevention and control	<ul style="list-style-type: none"> ▪ Collection¹⁴, treatment/remediation, recycling¹⁵ or reuse of emissions, waste, hazardous waste or contaminated soil ▪ Facilities, systems and equipment that are used to divert waste from landfills or reduce emissions ▪ Methane capture projects used for energy generation or captured from closed/decommissioned landfill with high gas capture efficiency of 75% or more ▪ Carbon capture and utilization or carbon capture and storage technologies that deliver a net reduction in greenhouse gas emissions including direct air capture, bio-energy carbon capture and storage (BECCS¹⁶), biochar for soils, enhanced weathering, ocean fertilization and transport of captured CO₂ by pipeline, including conversion of existing networks and terminals, into CO₂ transportation networks ▪ Waste-to-energy power plants where the source of energy will be household, commercial or market waste 	 
Climate resilience and adaptation	<ul style="list-style-type: none"> ▪ Observation and early warning systems and data systems or infrastructure designed to protect against flooding and other extreme weather events ▪ Increasing resilience against extreme weather events such as flood mitigation barriers, flood prevention, flood defense or storm water management, or wildfire mitigation and management, subject to appropriate environmental and vulnerability assessments and adaptation plans ▪ Climate resiliency measures for residential and commercial properties 	


Eligible activities	Description	UN SDGs alignment
Environmentally sustainable management of living natural resources and land use	<p>Activities that contribute to the sustainable management of living natural resources and land use and natural ecosystem protection as detailed below:</p> <ul style="list-style-type: none"> • Sustainably managed forests and forest products where the fiber input is certified by credible third-party certification systems such as: Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and Sustainable Forestry Initiative (SFI) • Environmentally sustainable agriculture, climate smart farm inputs, or animal husbandry certified by recognized third-party certifications such as: Canada Organic, USDA Organic, FAIRTRADE, UTZ, or Rainforest Alliance • Environmentally sustainable fisheries and aquaculture, certified by recognized third-party certifications such as: Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P for Aquaculture, Best Aquaculture Practices (2 stars or more) • Protected agriculture such as greenhouses and shade houses that save energy and water; and operations for growing crops within their natural cycle or sourcing low-carbon energy for heat and power • Agricultural practices that maintain or improve existing carbon pools such as lowered fertilizer use, including chemical/synthetic fertilizer use, lowered pesticide use, low tillage techniques, rehabilitation and restoration of degraded lands, rangeland management; or collection and use of agricultural waste • Livestock management projects intended to reduce methane or other GHG emissions such as manure management with anaerobic digestion, in alignment with sustainably managed forest practices 	 
Terrestrial and aquatic biodiversity conservation	<p>Activities that contribute to the enhancement or conservation of terrestrial or aquatic biodiversity as detailed below:</p> <ul style="list-style-type: none"> • Protection of coastal, marine and watershed environments certified by credible third-party certifications such as: the Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P for Aquaculture, or Best Aquaculture Practices (2 stars or more) • Nature-based solutions such as afforestation/reforestation, increasing ecological diversity, or restoring ecosystems such as drained peatlands certified by FSC, PEFC, SFI 	 
Clean transportation	<p>Assist low carbon transport for persons or freight¹⁷ as detailed below:</p> <ul style="list-style-type: none"> • Private transport: electric or hydrogen vehicles, hybrid vehicles (with CO₂ emission threshold of <50 grams of CO₂ /p-km)¹⁸, hydrogen fuel or electric charging stations • 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), hydrogen fuel or electric charging stations, hybrid buses (with CO₂ emission threshold of <50 grams of CO₂ /p-km), or transportation infrastructure (expansion of metro/train network, station upgrades) • Manufacturing and/or procurement of components and enabling solutions for electric vehicles and equipment such as batteries, battery cells, fuel cells, electric motors, powertrains and other components used in zero-emission propulsion solutions, as well as remanufacturing and or recycling of these 	 

Eligible activities	Description	UN SDGs alignment
Sustainable water and waste water management	<p>Activities that improve water quality, efficiency and conservation as detailed below:</p> <ul style="list-style-type: none"> • Water treatment infrastructure including water recycling and wastewater treatment systems (including water desalination plants) • Water metering activities to support conservation initiatives • Water capture and storage infrastructure, including storm water management systems, water distribution systems, aquifer storage, and sewer systems 	 
Green buildings	<p>Residential or commercial buildings or construction projects that meet the following criteria:</p> <ul style="list-style-type: none"> • Received, or expect to receive based on design, construction, operation or maintenance, certifications such as: <ul style="list-style-type: none"> • Leadership in Energy and Environmental Design (LEED) Gold or Platinum; or • BOMA BEST (Gold or Platinum); or • BREEAM (Excellent or above); or • ENERGY STAR (85 or above); or • Passive House Institute – EnerPHit; or • Toronto Green Standard (v3) Tier 2 or higher; or • BC Step Code (Step 3 or above) or • National Green Building Standard (Silver or above); or • Achieved, based on third-party assessment, GHG emission performance in the top 15% of their geographic region (city, province/state, country); or • Achieved, based on third-party assessment, at least 30% over baseline reduction in energy consumption or GHG emissions from retrofits and building envelopes. <p>Data center greenfield and refurbishment projects with a design average annual Power Usage Effectiveness (PUE) at or below 1.50</p>	
Circularity	<p>Circular economy activities as detailed below:</p> <ul style="list-style-type: none"> • Substitution of virgin raw materials with 100% secondary (recycled or reused waste) materials (fabrics, metals, fibers, wood, and plastic) in manufacturing and industrial processes; or • Product design and service design for modularity, easy disassembly and repair to facilitate recycling, reuse, or lifetime extension; or • Solutions that extend product-life or cycle of use of goods/materials; or • Minerals-based materials recovery or recycling in mining and industrial materials processes post-production; or • Companies and technologies that support the reduction of virgin material extraction including battery recycling businesses. 	



Eligible social activities

Eligible social activities as outlined in the table below aim to provide clear social benefits and help build more inclusive communities. The following activities will focus on target populations, where applicable, as aligned to the definition in ICMA's Social Bond Principles 2023. Activities eligible for financing as a social activity must fulfill the relevant criteria (outlined under the description in the table below) under one or more Eligible Activities detailed in the table below.

Eligible activities	Description	UN SDGs alignment
Essential services	<p>Essential services that ensures access to publicly available, free or subsidized¹⁹ access to all, including socially vulnerable and historically disadvantaged groups:</p> <ul style="list-style-type: none"> ▪ Healthcare: <ul style="list-style-type: none"> ▪ Public hospitals, clinics, healthcare centres, long-term care facilities, hospices, medical and diagnostic equipment, and digital healthcare ▪ Mental health facilities, programs, and services ▪ Homes or health facilities for elderly or people with disabilities ▪ Public health systems, including emergency response and disease control services ▪ Healthcare and medical research ▪ Health and medical education ▪ Care centres (childcare centres, community centres, eldercare centres, refugee centres, safe houses and organizations that provide care and refuge to target populations such as the homeless and survivors of domestic abuse) ▪ Education: <ul style="list-style-type: none"> ▪ Infrastructure for or improvements to public universities, colleges, schools, and training centres ▪ Digital learning ▪ Activities that support learning and development ▪ In the US, accredited Historically Black Colleges and Universities and Tribal Colleges and Universities ▪ Public facilities: <ul style="list-style-type: none"> ▪ Development of and provision of free or discounted access to recreational centres, cultural centres, museums, and libraries ▪ Rehabilitation or development of parks and other public spaces 	 



Eligible activities	Description	UN SDGs alignment
Affordable housing ²⁰ and basic infrastructure	<ul style="list-style-type: none"> • Housing, shelters, transitional housing, subsidized rentals/ownership homes, that meets accredited or registered affordable housing definitions or that contributes to access for low-income²¹ residents. Loans and financing provided for Canada Mortgage and Housing Corporation (CMHC)'s Investment in Affordable Housing Initiative or other similar regional²² programs which facilitate development of affordable housing would apply. • Projects for rural²³ communities with inadequate existing basic infrastructure and/or unconnected (with no existing mobile service) or underserved (with mobile service by only one operator) communities, 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) 	 
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Organizations, including micro-, small-, and medium-sized enterprises (MSMEs)²⁴ and not-for-profit organizations, that promote the socioeconomic advancement and empowerment of low income populations, visible minorities²⁵, people with disabilities, senior citizens, migrants/displaced persons, vulnerable youth, LGBTQ+, graduates of local entrepreneurial training programs, women, Indigenous Peoples or government²⁶, and/or marginalized populations²⁷; and includes activities that: <ul style="list-style-type: none"> • Expand access to financial education, provide free or discounted financial services, related capability building and services; or • Support access to education, skill development, job placement, professional training, vocational training, and other economic empowerment initiatives 	  
Employment generation	<ul style="list-style-type: none"> • MSMEs where at least 51% ownership is comprised of one or more persons from low income populations, visible minorities, people with disabilities, senior citizens, migrants/displaced persons, vulnerable youth, LGBTQ+, graduates of local entrepreneurial training programs, women²⁸, Indigenous Peoples or government, and/or marginalized populations • MSMEs in regions that economically underperform or suffer from multiple deprivations as measured in the local context²⁹ 	 
Food security and sustainable food systems	<ul style="list-style-type: none"> • Affordable or free access to nutrition (food and potable water) programs that address food insecurity for low income populations, visible minorities, people with disabilities, senior citizens, migrants/displaced persons, vulnerable youth, LGBTQ+, women, Indigenous Peoples and/or marginalized population • Activities that support the development of equipment and supplies for food and water safety such as water purification tablets for low income populations, visible minorities, people with disabilities, senior citizens, migrants/displaced persons, vulnerable youth, LGBTQ+, women, Indigenous Peoples and/or marginalized population • Activities that build technical capacity, knowledge, and skills through training programs and access to facilities and equipment for smallholder farmers³⁰ to increase nutritional quality of produce or increase use of new technology and efficient farming practices 	   

2.4. Project evaluation and selection process

The Sustainability Issuance Council (“SIC”), which is expected to meet quarterly, is comprised of representatives from specialist teams in our Treasury, Finance, Environmental Risk Management, Enterprise ESG, and strategic business units (“SBU’s”) and are responsible for the:

- Review and approval of the Framework and any subsequent amendments
- Review, selection, and approval of the pool of Eligible Assets
- Review and approval of the annual reporting required under this Framework
- Review of the post-issuance assurance report and resolution of any issues therein
- Monitoring ongoing Sustainable Finance market practices

All Eligible Assets are screened for compliance with CIBC’s Lending Guidelines, and any other applicable environmental and social risk management policies.³¹

The Global Environmental and Social Framework outlines roles and responsibilities for risk management of environmental and social risks as a shared responsibility between multiple risk management teams including Global Operational and Enterprise Risk Management, Conduct and Culture Risk Management, and Third Party Risk Management, in addition to regional risk management teams. Within CIBC’s Risk Management function, the Global Operational and Enterprise Risk Management group provides independent oversight of the measurement, monitoring and control of environmental risks. This group is led by the Executive Vice-President, Global Operational and Enterprise Risk Management, who has direct accountability to the Chief Risk Officer (CRO) for environmental risk oversight. This team works closely with the Enterprise ESG team, to ensure that environmental and social risks are integrated into our ESG strategy, as well as with the SBU’s and functional groups to ensure that best practices of environmental responsibility are applied to the banking services that we provide to our clients, the relationships we have with our stakeholders, and to the way we manage our facilities.

Environmental risks, including but not limited to climate-related issues, and social risks are components of reputation and legal risks. These risks are therefore assessed and mitigated according to the policies and related procedures followed for managing reputation and legal risks, including through the Reputation Risk Management Framework, Global Reputation and Legal Risks Policy and business-specific procedures.

In addition, our Corporate Environmental Policy, which is under the overall management of the Environmental Risk Management team, describes our approach to prudent environmental management, including climate-related issues, and assigns responsibilities for managing our environmental impacts. Our Corporate Environmental Policy states that CIBC will develop, implement and maintain standards and procedures to review, assess and manage the environmental risks inherent in lending and investment activities and seek through such activities to promote sound environmental management practices among those with whom business is conducted. For example, environmental and social evaluations are integrated into our credit risk assessment processes, with standards and procedures in place for all sectors. In addition, environmental and social risk assessments in project finance, project-related corporate loans and bridge loans are required, in accordance with our commitment as a signatory to the Equator Principles (adopted in 2003), which are a voluntary set of guidelines for financial institutions based on the screening criteria from the International Finance Corporation. An escalation process is in place for transactions with the potential to have significant environmental and/or social risk, with escalation up to the Reputation and Legal Risks Committee for senior executive review, if required.

2.5. Management of proceeds

CIBC will track Eligible Assets dynamically on a portfolio basis using internal systems, and the Eligible Asset pool will be reviewed quarterly by SIC. The Eligible Asset pool will be monitored to ensure it exceeds the aggregate value of outstanding Sustainability Issuances. CIBC intends to allocate proceeds against any issuance within 18 months. If for any reason the aggregate Eligible Asset pool does not meet or exceed the net proceeds of all relevant outstanding Sustainability Issuances, the excess proceeds of any Sustainability Issuance will be deposited in a general fund account invested in accordance with CIBC Treasury’s existing liquidity management procedures.

Payment of principal and interest on any Sustainability Issuance will be made from CIBC’s general fund account and will not be directly linked to the performance of any Eligible Asset nor will the Eligible Assets be ring-fenced as collateral to the specified Sustainability Issuances.

2.6. Reporting

CIBC intends to report on the allocation and impact of issuances made under this Framework, on an annual basis until the maturity of all issuances. Reporting will be published on CIBC's website and may include the following:

Allocation reporting

CIBC intends to report annually on the allocation of net proceeds. The reporting will include at least the following information:

- Net proceeds raised from each Green, Social and Sustainability issuance
- Aggregate amount of net proceeds allocated by each Eligible Activity
- Allocation by geographic location
- Balance of unallocated proceeds

CIBC intends to obtain independent assurance over the allocation of net proceeds to Eligible Assets, in accordance with the relevant criteria outlined under the description for the Eligible Activities in Section 2.3.

Impact reporting

To the extent available and subject to any applicable confidentiality obligations and any other non-disclosure obligations, CIBC will report on an annual basis information on relevant environmental and social impacts. Reporting for the eligible categories may include but are not limited to the following quantitative performance measures, which, for greater certainty, are solely included as indicative examples described below:

Eligible activities	Potential quantitative performance measures
Clean energy	<ul style="list-style-type: none">• CO₂ emission avoided (tCO₂e)• Total installed capacity (MW)
Clean fuels	<ul style="list-style-type: none">• CO₂ emission avoided (tCO₂e)• Expected energy savings per year (MWh)
Energy efficiency	<ul style="list-style-type: none">• CO₂ emission avoided (tCO₂e)• Expected energy savings per year (MWh)
Pollution prevention and control	<ul style="list-style-type: none">• CO₂ emission avoided (tCO₂e)• Waste diverted from landfill (tonnes)
Climate resilience and adaptation	<ul style="list-style-type: none">• Number of communities that have completed hazard mapping, risk assessments, or adaptation plans• Number of buildings better protected• Number of kilometers of coastline better protected• Number of communities benefiting• Number of structural and/or natural assets with an improved structural capacity to adapt to climate change, disasters, and weather
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none">• Total surface financed (hectares), with reference to specific certification schemes where relevant
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none">• Total surface financed (hectares), with reference to specific certification schemes where relevant
Clean transportation	<ul style="list-style-type: none">• CO₂ emission avoided (tCO₂e)• New clean transportation infrastructure built (km)
Sustainable water and waste water management	<ul style="list-style-type: none">• Volume of water saved/reduced/treated (m³)• Total population served by the system
Green buildings	<ul style="list-style-type: none">• Energy savings (kWh)• CO₂ emission avoided (tCO₂e), with reference to specific certification schemes where relevant• Floor space of green real estate (m²)

Eligible activities	Potential quantitative performance measures
Circularity	<ul style="list-style-type: none"> • Volume or percentage of virgin raw materials substituted by secondary raw materials • Volume or percentage of circular materials or circular design components produced
Essential services	<ul style="list-style-type: none"> • 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 or developed
Affordable housing ³² and basic infrastructure	<ul style="list-style-type: none"> • Number of projects supported • Number of housing units developed, built, or refurbished • Number of people with supported with new/improved access to basic infrastructure
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Number of businesses supported • Number of communities supported • Number of loans provided • Value of loans provided • Number of jobs supported through businesses supported
Employment generation	<ul style="list-style-type: none"> • Number of businesses supported • Number of communities supported • Number of loans provided • Value of loans provided • Number of jobs supported through businesses supported
Food security and sustainable food systems	<ul style="list-style-type: none"> • Number of communities supported • Number of farmers supported

2.7. External review

Second party opinion

Sustainalytics, an independent provider of and global leader in ESG research, analysis and services to investors, has provided a second party opinion on this Framework, which will be made available on CIBC's website³³. This opinion provides an independent assessment of the Framework and ensures alignment with the transparency and reporting requirements of the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Principles.

Annual verification

As outlined in Section 2.6, CIBC intends to obtain independent assurance over the allocation of net proceeds to Eligible Assets, in accordance with the relevant criteria outlined under the description for the Eligible Activities in Section 2.3.

2.8. Amendments to this Framework

The SIC will review this Framework on a regular basis, including its alignment to updated versions of the Green, Social, Sustainability Bond Principles as and when they are released, with the aim of adhering to current industry practices. Such review may result in this Framework being updated and amended. Any updates that are material in nature will be subject to the prior approval of CIBC and an external reviewer. The updated Framework, if any, will be published on CIBC's website and will replace this Framework.

Appendix A: Affordable housing criteria

Canada (CMHC)³⁴

For new construction:

Option A: The total residential rental income of the project must be at least 10% below its potential residential rental income as supported by an appraisal report; and a minimum of 20% of the units must be affordable with rents at or below 30% of the median household income in the subject market (available on Statistics Canada website); or,

Option B: The affordability requirement may be met if the proposal has been approved under other housing programs/initiatives (federal, provincial, territorial, or municipal) that provide support for development of affordable rental housing such as capital grants, municipal concessions or expedited planning processing. In all cases, the borrower must commit to maintain affordability for a minimum of 10 years from the date of first occupancy of the project.

For existing buildings:

Option A: 80% of the units in the project must be at or below the 30th percentile of rents (available on cmhc.ca) in the subject market for units of a similar type (i.e., number of bedrooms); or,

Option B: The affordability requirement may be met if the project has been approved under other housing programs/initiatives (federal, provincial, territorial, or municipal) that provide support for development/maintenance of affordable rental housing such as capital grants or municipal concessions: or,

Option C: Social housing projects with up to 5 years remaining in the operating agreement.

In all cases, the borrower must commit to maintain affordability for a minimum of 10 years from the interest adjustment date.

Source: <https://epdscrmssa01.blob.core.windows.net/cmhcuatcontainer/sf/project/cmhc/pdfs/content/en/reference-guide.pdf>

USA

Affordable housing/affordable rents:

- Outside of high income census tracts, rents charged must be less than HUD (Department of Housing and Urban Development) Fair Market Rent for the area; or
- In high income census tracts, rents charged must be less than or equal to HUD (Department of Housing and Urban Development) Fair Market Rent for the area; or
- Majority of tenants are receiving Section 8³⁵ housing assistance; or
- Development/project with set-a-side units for low- or moderate-income³⁶ (LMI) families (if the set aside is <50% then only the affordable % can be counted); or
- Project utilizing Low Income Housing Tax Credits



Endnotes

- ¹ Issuances cover green, social and/or sustainability issuances.
- ² Note that the 90% revenue threshold does not apply to Eligible Activities which are based on ownership composition (i.e., Employment Generation). For the Employment Generation category, eligible activities outlined in Section 2.3 would need to be met.
- ³ For real estate companies, in the event revenues are not available, an entity would qualify for pure-play corporate financing if over 90% of the Gross Leasable Area (GLA) or Gross Floor Area (GFA) of the entity's portfolio is green building certified (as per credible certifications levels under the Green Buildings category in Section 3).
- ⁴ For all pure-play corporate financing transactions, determination of revenue or GFA/GLA is based on the most recently available audited annual financial statements or Annual Report at the time of the transaction closing. In the event such information is not available in the aforementioned documents, other documents may be relied on such as the most recently available Sustainability / ESG report, applicable Offering Memorandums, and internal documentation by CIBC deal committees etc. In addition, for advisory or financing of a merger or divestiture, the test can be done on a proforma basis using data provided from these sources.
- ⁵ All new hydropower projects (small or large scale) will be subject to an environmental and social impact assessment to ensure that no significant risks, negative impact or significant controversies related to the projects are identified.
- ⁶ For hydroelectric projects with >25MW that were: in operation before 2020, they must have a power density of over 5 W/m² or operate with lifecycle emissions below a threshold of 100 grams of CO₂e/kWh; in operation in 2020 or after, they must have a power density of over 10 W/m² or operate with lifecycle emissions below a threshold of 50 grams CO₂e/kWh.
- ⁷ Roundtable on Sustainable Biomaterials. See here for further information: <https://rsb.org/certification/>.
- ⁸ Roundtable on Sustainable Palm Oil. See here for further information: <https://rspo.org/as-an-organisation/certification/>.
- ⁹ Subject to a strong safety track record, including no significant incidents in the past 10 years, in operation of nuclear facilities and the management of radioactive waste from nuclear power facilities; strong regulation governing nuclear power generation, including regulations to address site selection, operational safety and radioactive waste management, as well as effective monitoring and enforcement of such regulations; processes in place to pursue viable options for secure long-term storage of high-level radioactive waste.
- ¹⁰ Includes procurement of fuel rods and enrichment facilities that are wholly dedicated to enrichment of uranium for the purpose of nuclear power generation.
- ¹¹ Renewable energy includes solar PV, concentrated solar power, wind power, hydropower, tidal power and bioenergy.
- ¹² As described under the Clean Energy section above.
- ¹³ Renewable biofuels certified sources include sustainable agriculture (such as RSB and RSPO certification) and sustainable forestry such as Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and Sustainable Forestry Initiative (SFI).
- ¹⁴ Collection of waste should support segregation at source. In addition, vehicles should be low-carbon i.e. below the threshold of 25 grams of CO₂/tkm.
- ¹⁵ Allocation for chemical recycling of plastic only in cases where:
- mechanical recycling is not feasible;
 - the life cycle emissions of the recycled plastic are lower than virgin plastic production;
 - the projects are not intended for single-use consumer products; and
 - projects are not intended for plastic to fuel conversion.
- ¹⁶ In accordance with Clean Energy activities in line with emissions threshold below 100 grams of CO₂e/kWh and utilizes waste feedstock.
- ¹⁷ No more than 25% of freight transported (in tonne-kilometre) will be fossil fuel cargo.
- ¹⁸ Testing in line with the Worldwide Harmonised Light Vehicle Test Procedure (WLTP), New European Driving Cycle (NEDC), Natural Resources Canada Fuel Consumption Ratings, or other available testing in applicable jurisdictions.
- ¹⁹ Includes public/government institutions, Crown corporations/government agencies, subsidized (greater than 50%) or not-for-profit organizations. In the US, to be eligible under this Framework, greater than 50% of reimbursement for the facility should come from Medicaid or the facility should serve low-income communities as defined by US government agencies (definitions vary depending on local context). For information on Medicaid, see here: <https://www.medicare.gov/medicaid/index.html>.
- ²⁰ As it pertains to any affordable housing lending in this section, loans supporting development of mixed-use housing will be included in the use of proceeds report on a pro-rata basis according to the percentage of affordable housing units in the project.
- ²¹ Based on relevant definitions within the jurisdiction in which it is built, such as Statistics Canada's low income definition.
- ²² See Appendix A for further details on "Affordable Housing" criteria for Canada and US.
- ²³ Where referred to in this Framework, rural community or area in Canada is as defined by Statistics Canada, which refers to all areas which are outside of Population Centers, i.e., an area that has at least a population of 1,000 and a population density of 400 persons or more per square kilometer, based on the most current census. In the US, the Census Bureau identifies two types of urban areas: Urbanized Areas (UAs) of 50,000 or more people; Urban Clusters (UCs) of at least 2,500 and less than 50,000 people. 'Rural' encompasses all population, housing, and territory not included within an urban area.
- ²⁴ Micro-, small-, and medium-sized enterprise is as defined by the International Finance Corporation (IFC) which is determined based on assessment of an enterprise's employee count, total assets, and annual sales. Refer to the IFC definition here: <https://documents1.worldbank.org/curated/en/602291468183841622/pdf/819960BRIOMeas00Box379851B00PUBLICO.pdf>.
- ²⁵ As defined in respective jurisdictions, such as the Employment Equity Act of Canada, which includes people of colour who self-identify as visible minorities in Canada, other than Indigenous Peoples, who are non-white outside of Canada.
- ²⁶ As defined within the respective jurisdiction, such as the Crown-Indigenous Relations and Northern Affairs Canada.
- ²⁷ Where not defined, the target populations under each Eligible Activity shall be as defined within the respective jurisdictions.
- ²⁸ For guidance on the definition of women-owned enterprises, refer to the IFC definition here: <https://documents1.worldbank.org/curated/pt/927591468340470193/pdf/819950BRI0Esta00Box379851B00PUBLICO.pdf>.
- ²⁹ Criteria will vary based on local context. In Canada, the Canadian Index of Multiple Deprivation (published by Statistics Canada) is followed: <https://www150.statcan.gc.ca/n1/en/catalogue/45200001>.
- ³⁰ In the absence of superseding local definitions, smallholder farmers shall be defined in Canada and the rest of the world (except the US) per the definition set by the United Nations Food and Agriculture Organization, i.e., farmers who manage areas varying from less than one hectare to 10 hectares with a family-focused motive. For the full definition, see: https://www.fao.org/fileadmin/templates/nr/sustainability_pathways/docs/Factsheet_SMALLHOLDERS.pdf.
In the US, smallholder farmers shall be defined as managing farms earning an annual gross cash farm income of less than US\$ 350,000 as defined by the US Department of Agriculture. For the full definition, see: <https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure-and-contracting/>.
- ³¹ Relevant disclosures available - <https://www.cibc.com/en/about-cibc/corporate-responsibility/environment/governance-reporting/governance.html>.
- ³² As it pertains to any affordable housing lending in this section, loans supporting development of mixed-use housing will be included in the use of proceeds report on a pro-rata basis according to the percentage of affordable housing units in the project.
- ³³ <https://www.cibc.com/en/about-cibc/investor-relations/debt-information/green-bond.html>.
- ³⁴ Canada Mortgage and Housing Corporation (CMHC), at: <https://eppdscrmssa01.blob.core.windows.net/cmhcuatcontainer/sf/project/cmhc/pdfs/content/en/reference-guide.pdf>.
- ³⁵ Section 8 units are government subsidized housing units for low-income people in the US.
- ³⁶ To determine low- or moderate-income, refer to the definitions provided here: https://www.federalreserve.gov/consumerscommunities/cra_resources.htm.

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