

Second-Party Opinion

CIBC Sustainability Issuance Framework



Evaluation Summary

Sustainalytics is of the opinion that CIBC's Sustainability Issuance Framework is credible and impactful and bonds, notes, and commercial paper align with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021 (the "Use of Proceeds Principles"). This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds¹ are aligned with those recognized by both the Green Bond Principles and the Social Bond Principles. Sustainalytics considers that financing or lending in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 5, 6, 7, 10, 11, 12, 14, 15.



PROJECT EVALUATION / SELECTION CIBC's Sustainability Working Group, comprised of members from the Treasury, Finance, Environmental Risk Management, Enterprise ESG, Commercial Banking and Capital Markets teams, is responsible for the selection and approval of all eligible projects. CIBC's environmental and social risk management systems are applicable for all allocation decisions in the Framework. Sustainalytics considers the risk management systems to be adequate and the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS CIBC will track allocations internally and intends to fully allocate within 18 months of each issuance following a portfolio approach. Pending allocation, the proceeds will be deposited in CIBC's General Fund accounts and managed per existing liquidity policies. This is in line with market practice.



REPORTING CIBC intends to report on the allocation of proceeds on its website and on an annual basis until the maturity of the respective issuance. In addition, CIBC is committed to reporting on relevant impact metrics. Sustainalytics views CIBC's allocation and impact reporting as aligned with market practice.

Alignment of Deposits and GICs with Market Expectations

The CIBC Sustainability Issuance Framework includes deposits, certificates, Guaranteed Investment Certificates (GICs), and market-linked GICs as eligible financial products. Sustainalytics is of the opinion that the principles of impact and transparency that underlie the sustainable investment industry, as well as many of its norms and standards, are applicable to deposits and GICs, and that CIBC's internal processes and the use of funds aligns with those principles.

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Issuer Location	Toronto, Canada

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¹ Use of proceeds categories: Clean 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 Wastewater Management, Green Buildings, Circularity, Essential Services, Affordable Housing, Basic Infrastructure, Indigenous Communities and Businesses and Majority Women-owned businesses.

Introduction

Canadian Imperial Bank of Commerce ("CIBC", or the "Bank") 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 around the world. Established in 1961, it is headquartered in Toronto and has approximately 44,000 employees worldwide.

CIBC has developed the Sustainability Issuance Framework (the "Framework") under which it intends to issue sustainable financial instruments including bonds, notes, certificates of deposits, commercial paper, deposits, GIC and market-linked GICs (collectively referred to as "Sustainability Issuances"), and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that reduce greenhouse gas (GHG) emissions, advance the sustainable management of waste, water and natural resources, and improve access to essential services and basic infrastructure among vulnerable populations.

The Framework defines eligible green categories in the following nine areas:

1. Clean Energy
2. Energy Efficiency
3. Pollution Prevention and Control
4. Environmentally Sustainable Management of Living Natural Resources and Land Use
5. Biodiversity and Conservation
6. Clean Transportation
7. Sustainable Water and Wastewater Management
8. Green Buildings
9. Circularity

The Framework defines eligible social categories in the following four areas:

10. Access to Essential Services
11. Affordable Housing and Basic Infrastructure
12. Indigenous Communities and Businesses
13. Majority Women-owned businesses

CIBC engaged Sustainalytics to review the Sustainability Issuance Framework, dated September 2021, and provide a Second-Party Opinion on the Framework's environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), and Social Bond Principles 2021 (SBP).² The review of alignment with the SBG, GBP and SBP covers only the Framework as it applies to bonds, notes, and commercial paper. Sustainalytics is of the opinion that the principles of impact and transparency that underlie the sustainable investment industry, as well as many of its norms and standards, are applicable to sustainable deposits, certificates, Guaranteed Investment Certificates (GICs), and market-linked GICs, and that CIBC's internal processes and the use of funds align with those principles. The Framework will be published in a separate document.³

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and

² The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

³ The Sustainability Issuance Framework is available on CIBC's website at: <https://www.cibc.com/en/about-cibc/investor-relations/debt-information.html>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.10, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

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 the Framework. CIBC representatives have confirmed (1) they understand it is the sole responsibility of CIBC to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and CIBC.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with proceeds generated from the Sustainability Issuances but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the proceeds from the Sustainability Issuances towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that CIBC has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Sustainability Issuance Framework

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics is of the opinion that the Sustainability Issuance Framework is credible, impactful and the issuance of bonds, notes and commercial papers aligns with the four core components of the GBP and SBP. For detailed information please refer to Appendix 5: Sustainability Bond/ Sustainability Bond Programme External Review Form. Sustainalytics highlights the following elements of CIBC's Sustainability Issuance Framework:

- The eligible categories – Clean Energy, Energy Efficiency, Pollution Prevention and Control, Environmentally Sustainable Agriculture and Sustainable Management of Living Natural Resources and Land Use, Terrestrial and Aquatic Biodiversity and Conservation, Clean Transportation, Sustainable Water and Wastewater Management, Green Buildings, Circularity, Access to Essential Services, Affordable Housing, Basic Infrastructure, Indigenous Communities and Businesses and Majority Women-owned businesses – are aligned with those recognized by the GBP and SBP.
- The Framework outlines that financing may include loans and investments in companies that derive at least 90% of their revenue from sources that meet the Framework's eligibility criteria. While Sustainalytics recognizes that the GBP, SBP and SBG prefer project-based lending and financing, and that there is, in general, less transparency with non-project-based lending, Sustainalytics views the established revenue threshold to ensure that proceeds from the Sustainability Issuances will be directed to environmental and social activities that generate positive impact.

- Green Use of Proceeds:
 - Under the Clean Energy category, CIBC intends to invest in renewable energy projects including solar, offshore and onshore wind, geothermal, tidal, hydrogen, small-scale (<25 MW) and run-of-river hydroelectric, waste biomass and renewable biofuels.
 - CIBC has confirmed that concentrated solar power plants, if financed, will generate at least 85% of electricity from solar sources.
 - Eligible geothermal and waste biomass-based energy projects will have direct emissions less than 100 gCO₂/kWh. In addition, biomass-based energy projects and biofuels will use waste feedstock from agricultural and forestry residues.
 - Eligible projects for hydrogen generation are those using electrolysis and powered by renewable energy.
 - CIBC has communicated that all new hydro projects financed will have an environmental and social impact assessments performed by a third-party.
 - Sustainalytics considers the investments towards eligible projects in this category as aligned with market practice.
 - Under the Energy Efficiency category, CIBC may finance projects or activities that reduce or mitigate GHG emissions including:
 - Retrofitting buildings resulting in 30% emissions reduction. Sustainalytics notes this threshold as being aligned with market best practice.
 - Projects that reduce energy consumption resulting in a decrease of 30% of GHG emissions, such as lighting, insulation and efficient air conditioning. Sustainalytics views positively the Framework's inclusion of a defined energy efficiency threshold for the installations of energy-efficient systems, equipment and technologies.
 - Battery storage, electromechanical and mechanical energy storage systems such as those based on flywheel, thermal and pneumatic technologies.
 - District heating and cooling distribution networks that are at least 50% powered by renewable energy or waste heat.
 - Smart grid investments aimed at improving energy efficiency in electricity transmission and distribution. CIBC has communicated that this includes investments in smart grid components such as advanced metering systems, sensors and load control switches that enable the conversion of regular grids to smart grids for better energy demand management.
 - Sustainalytics considers the expenditures in this category as aligned with market practice.
 - Within the Pollution Prevention and Control category, CIBC intends to finance expenditures related to the collection, treatment, recycle or reuse of waste or hazardous waste. Eligible projects include remediation of contaminated soil, diversion of waste from landfills, generation of renewable natural gas (RNG), methane capture projects, and carbon capture utilization (CCU) or carbon capture and storage (CCS) technologies.
 - Under waste collection, CIBC has confirmed to Sustainalytics that collection vehicles, if financed, will follow the criteria laid out under the Clean Transportation category. In addition, waste collection projects will also support the source segregation of waste.
 - Regarding hazardous waste, CIBC has confirmed to Sustainalytics that it intends to exclude projects related to electronic or chemical waste under this category. In addition, eligible projects should have management plans to mitigate risks associated with hazardous waste. CIBC may also finance soil remediation projects, unrelated to the financed entity's own operations.
 - CIBC has communicated to Sustainalytics that RNG projects may involve the capture of methane from sources such as animal manure from dairies and wastewater treatment plants.
 - Landfill gas projects for energy generation will include the capture of methane from closed or decommissioned landfills with a gas capture efficiency of 75% or more. Sustainalytics notes that recovering methane produced from closed landfill will not prolong the lifespan of the landfill and is a key strategy to reduce methane emissions from waste.

- Regarding CCU/CCS projects, CIBC intends to finance technologies for direct air capture with permanent storage as well the capture of CO₂ for use as feedstock in chemical processes. The Bank has confirmed to Sustainalytics that eligible projects will not relate to fossil fuel operations.
 - CIBC has confirmed that eligible projects under this category will exclude those related to fossil fuel operations, which is in line with market expectations.
 - Based on the eligibility criteria defined, Sustainalytics views investments in this category as aligned with market practice.
- Under the Environmentally Sustainable Management of Living Natural Resources and Land Use category, CIBC intends to invest in sustainably managed forests and forest products certified under the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest certification (PEFC) and the Sustainable Forestry Initiative (SFI) certifications. In addition, CIBC may finance sustainable agricultural projects certified under Canada Organic, USDA Organic, Fairtrade,⁵ UTZ, or Rainforest Alliance; and sustainable aquaculture projects certified under the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (eligible with two stars or more) and Global G.A.P for Aquaculture. Please refer to Appendices 1, 2 and 3 for Sustainalytics' assessment of these certifications.
- The Terrestrial and Aquatic Biodiversity Conservation defines eligible projects as those that are MSC certified and that have conservation management plans in place to ensure the protection of coastal, marine and watershed environments. This is in alignment with market practice.
- Under the Clean Transportation category, CIBC may finance the following eligible projects related to private or public transportation.
 - Private transportation projects may include financing of fully electric passenger vehicles (EVs), hydrogen vehicles, hybrid vehicles with emissions below 75 gCO₂/passenger-kilometer,⁶ hydrogen fuel stations, or EV charging stations.
 - Investments in public transport may include fully electrified rails, trams and trolleybuses; electric or hydrogen buses with no direct emissions; hybrid buses with emissions below 50 gCO₂/passenger-kilometer; or infrastructure projects such as the expansion of metro/train networks and station upgrades.
 - Sustainalytics considers these investments as aligned with market practice.
- Within the Sustainable Water and Wastewater Management category, CIBC intends to finance water recycling and water treatment systems, flood prevention, defense and stormwater management systems as well as water metering, water distribution, aquifer storage and sewer systems.
 - CIBC has confirmed to Sustainalytics that wastewater treatment projects will not relate to fossil fuel operations.
 - The Bank has also communicated to Sustainalytics that flood management infrastructure projects will be selected based on environmental and climate change vulnerability assessments.
 - Sustainalytics considers these investments as aligned with market practice.
- The Green Building category includes investments in the following eligible projects:
 - Residential or commercial buildings that have achieved or are expected to achieve the following minimum third-party certification levels – LEED Gold or Platinum, BOMA BEST Gold or Platinum, BREEAM Excellent or above, ENERGY STAR with a score of 85 or above, EnerPHit, Toronto Green Standard (v3) Tier 2 or higher, or BC Step Code at Step 3 or above. Sustainalytics considers the referenced certification standards to be credible and the selected levels to be aligned with market practice. See Appendix 4 for an overview of Sustainalytics' assessment of these certifications.
 - Industrial buildings that have received or are expected to receive LEED Silver certification with at least 20% energy efficiency improvement when compared with the ASHRAE 90.1 2010 baseline.
 - This category is in line with market practice.
- Within the Circularity category, CIBC aims to finance eligible projects or businesses that substitute virgin raw materials with 100% recycled or reused fabric, metal, fibers, wood and

⁵ CIBC has confirmed that the Fairtrade certification will be used as a proxy only under social and sustainability bond issuances.

⁶ CIBC has confirmed that the threshold will be calculated based on single-passenger load lab tests.

plastic feedstock for manufacturing and industrial processes. In addition, the Bank also aims to finance the production of fully recyclable or compostable products made from a 100% recycled feedstock. The Bank has communicated that it intends to exclude financing of single use plastic products under this category.

- Transition Use of Proceeds
 - Under the Pollution Prevention and Control category, CIBC may finance or refinance projects for carbon capture and utilization (CCU) or carbon capture and storage (CCS) for the purpose of decarbonizing hard-to-abate industries. Sustainalytics classifies projects under this category as transition activities.
 - By providing CCU and CCS technology to hard-to-abate sectors such as cement, and steel, the Bank may help to enable the decarbonization of these activities. CIBC has confirmed to Sustainalytics that activities involving fossil fuel will be excluded. Sustainalytics recognizes the environmental benefits of providing such technologies, and notes that the ultimate responsibility for the credible transition of these sectors lies with the entities carrying out the activity.
 - Under the Circularity and Pollution Prevention and Control categories, CIBC may finance facilities for the chemical recycling of plastic. CIBC has confirmed that it intends to finance chemical recycling projects only in cases where mechanical recycling is not feasible, the life cycle emissions of the recycled plastic is lower than primary fossil fuel stock and the projects are not intended for single-use consumer products.
- Social Use of Proceeds
 - Under the Essential Services category, CIBC aims to invest in publicly available, free or subsidized services for the benefit of low-income and underserved communities that include the following:
 - Education services such as public universities, schools and training centers.
 - Healthcare services, in jurisdictions with public healthcare, such as public hospitals and medical equipment, and facilities and programs related to mental health, or targeted towards aged populations and people with disabilities; care centers including childcare, eldercare and community centers; and the rehabilitation of public spaces such as parks.
 - Sustainalytics considers enhancing access to such services for the low-income and/or vulnerable groups, that may additionally benefit the general public as bringing significant positive societal benefits and as aligned with market practice.
 - The Affordable Housing and Basic Infrastructure category includes investments in affordable housing projects, and projects that enable access to water, electricity, communication, and transportation infrastructure for underserved, vulnerable, or rural communities.⁷
 - Affordable housing projects include housing, shelters, transitional housing and subsidized rentals or ownership homes. Such projects are required to meet the accredited or registered affordable housing definitions as applicable in specific jurisdictions (such as the Canada Mortgage and Housing Corporation's Investment in Affordable Housing Initiative⁸), or improve access to housing for low-income populations, following relevant definitions such as Statistics Canada's low-income definition.⁹ CIBC has confirmed that eligible projects will ensure affordability to target populations through rent caps.
 - Under basic infrastructure, CIBC contemplates investments in projects that increase access to drinking water, plumbing and sanitation, improve electricity transmission and

⁷ CIBC defines rural communities in accordance with Statistics Canada definition, which refers to all areas outside of population centers or areas having 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. For more details, see: <https://www.statcan.gc.ca/eng/subjects/standard/pcrac/2016/introduction#s3>

⁸ Canadian provinces and territories are responsible for choosing the programs they design and deliver to address local housing needs and priorities. For more information about CMHC's Investment in Affordable Housing Program, see: <https://www.cmhc-schl.gc.ca/en/professionals/industry-innovation-and-leadership/industry-expertise/affordable-housing/provincial-territorial-agreements/investment-in-affordable-housing>

⁹ A household is considered low income if its income is below 50% of median household incomes. These indicators can generally be adjusted for household or family size and can be used to measure low income among specific categories of individuals. For more information see: <https://www150.statcan.gc.ca/n1/pub/75f0011x/2012001/notes/low-faible-eng.htm#a5>

- distribution¹⁰ as well as mobile and internet access, and enhance rural transportation through provision of infrastructure such as feeder roads.
- Sustainalytics considers enhancing access to affordable housing and other basic infrastructure for underserved communities and vulnerable groups, as providing positive societal benefits and to be in line with market practice.
 - The Indigenous Communities and Businesses category, includes financing of Indigenous governments,¹¹ and/or micro, small or medium-sized enterprises (MSMEs)¹² which are majority owned by Indigenous governments or individuals. Based on the definition of a target population and the presence of corporate lending policies that prohibit lending to environmentally or socially harmful activities, Sustainalytics considers this as aligned with market practice.
 - Within the Majority Women-owned Businesses category, CIBC intends to finance MSMEs that are majority owned (51%) and operated by women. Sustainalytics considers the definition of target populations as aligned with market practice.
 - CIBC has in place Framework level exclusions for activities that either cause material environmental harm, or are not in line with the exclusionary criteria as defined in its lending policies including but not limited to entities involved in human right abuses, forced labour, and child labour.¹³ Sustainalytics views this in alignment with market practice. Please refer to Section 2 for further information.
 - Project Evaluation and Selection:
 - CIBC's Sustainability Working Group ("SWG") will be responsible for evaluating and approving all eligible projects under the Framework. The SWG will be composed of representatives from the Treasury, Finance, Environmental Risk Management, Enterprise ESG, Commercial Banking and Capital Markets teams.
 - CIBC has in place environmental and social risk management processes that are applicable to all allocation decisions in the Framework. Sustainalytics considers these processes to be adequate. Refer to Section 2 for additional details.
 - Based on the allocation of responsibilities and the presence of risk management processes, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - Allocations to eligible projects will be tracked internally based on a portfolio basis by CIBC and reviewed quarterly by the SWG. The Eligible Asset pool will be monitored to ensure it exceeds the aggregate value of outstanding Sustainability Issuances.
 - If the 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 CIBC's General Fund account and invested in accordance with the Bank's Treasury's liquidity management procedures. CIBC intends to allocate all proceeds within 18 months of each issuance.
 - Pending allocation, the proceeds will be deposited in CIBC's General Fund accounted and managed per existing liquidity management procedures.
 - Based on a defined allocation timeframe and the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - CIBC intends to publish allocation and impact reporting annually until the maturity of the respective issuance on its website.
 - Allocation reporting will include information on the net proceeds raised from each issuance, allocations by category and geographic location of the aggregate amount of net proceeds, and the balance of unallocated proceeds.
 - CIBC intends to report on quantitative performance metrics for all green and social categories, such as emissions avoided, quantity of waste diverted, surface area

¹⁰ CIBC has confirmed that electricity infrastructure will not relate to those that are connected to dedicated fossil fuel power plants.

¹¹ There are 25 self-government agreements across Canada involving 43 Indigenous communities. At: <https://www.rcaanc-cirnac.gc.ca/eng/1100100032275/1529354547314>

¹² MSMEs are defined in accordance with the International Finance Corporation's definition, which is determined based on assessment of an enterprise's employee count, total assets, and annual sales. For details, see:

https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors

¹³ CIBC, "Policies and Standards", at: <https://www.cibc.com/en/about-cibc/corporate-responsibility/environment/governance-reporting/governance.html>

covered under certification schemes, number of businesses supported, value of loans provided etc.

- Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment of Deposits and GICs with Market Expectations

Sustainalytics is of the opinion that the Framework is credible and that the certificates, deposit account and GICs will fund overall impactful social and environmental projects. Sustainalytics further notes the alignment of the Framework with the concepts underpinning the sustainable finance market, namely those of impact and transparency.

- Impact
 - The Framework will advance the sustainability objectives of the Bank by investing in projects with positive environmental and social impact. Please refer to the Use of Proceeds criteria above for further information.
- Transparency

Transparency is recognized as a key principle with regards to sustainable finance, as it provides assurance that investments are delivering positive impact. Sustainalytics highlights the following elements of the Framework that facilitate transparency to clients:

 - Disclosures regarding management of proceeds
 - CIBC will track Eligible Assets on a portfolio basis using an internal system. The SWG will review the Eligible Asset pool on a quarterly basis.
 - CIBC intends to allocate the proceeds towards Eligible Assets within 18 months.
 - The Bank will monitor the Eligible Asset pool to ensure it exceeds the aggregate value of outstanding deposits and GICs.
 - If the aggregate Eligible Asset pool does not meet or exceed the net proceeds of all relevant outstanding deposits and GICs, the excess proceeds of any Sustainability Issuance will be deposited in CIBC's General Fund account invested in accordance with CIBC Treasury's existing liquidity management procedures.
 - Reporting
 - CIBC intends to publish allocation and impact reporting annually until the maturity of the respective issuance on its website.
 - CIBC has communicated to Sustainalytics that the allocation reporting will include information on the net proceeds raised and the allocations by category for all types of issuances within the same report, using information from a centralized system to limit the possibility of double counting. In addition, the allocation reporting will cover the geographic location of the aggregate amount of net proceeds and the balance of unallocated proceeds.
 - CIBC also intends on reporting on metrics related to the impact of projects undertaken and Sustainalytics encourages the Bank to include quantitative metrics and measurable accounts of impact, where feasible.

Section 2: Sustainability Performance of CIBC

Contribution of Framework to CIBC's sustainability strategy

Sustainalytics is of the opinion that CIBC demonstrates a commitment to sustainability across the scope of its operations. The CIBC Sustainability Report 2020¹⁴ (the "2020 Report") identifies i) Sustainable finance, ii) Inclusive banking, and iii) Community relationships as three key focus areas in the Bank's overall approach to environmental management and sustainable growth. Sustainalytics highlights the following initiatives, targets and progress achieved as being particularly aligned with the Framework.

- Sustainable finance:
 - CIBC commits to managing carbon emissions from its operations as part of its Carbon Management Program. In addition, the Bank supports the financing of the transition to a low-carbon and more sustainable economy by committing to follow the recommendations of the Government of Canada's Expert Panel on Sustainable Finance.¹⁵

¹⁴ CIBC, Sustainability Report, 2020, available at: https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/cibc-esg-2020-en.pdf

¹⁵ Government of Canada, Expert panel on sustainable finance, available: <https://www.canada.ca/en/environment-climate-change/services/climate-change/expert-panel-sustainable-finance.html>

- CIBC commits to support clients through green loans, sustainability-linked loans, sustainable finance bonds, institutional equity research that provide industry analysis with a focus on ESG metrics and thought leadership that enhances sustainability dialogues between stakeholders. In addition, the Bank promotes lending to activities that support investors, companies, and financial intermediaries in carbon-intensive sectors transition to a low-carbon economy
- CIBC has committed to achieving net zero greenhouse gas emissions associated with its operational and financing activities by 2050.¹⁶
- In 2021, CIBC launched Project Carbon, a voluntary carbon offset marketplace to bring efficiency, liquidity, and global standards to the carbon offset ecosystem. This marketplace will increase transparency in the voluntary market, supporting clients of CIBC in achievement of their net zero targets and ambitions.¹⁷
- In 2018, the Bank set a 10-year target of mobilizing CAD 150 billion to support environmental and sustainable finance activities. This goal was updated in 2021 and increased to CAD 300 billion by 2030.¹⁸
- CIBC Asset Management (“CAM”) 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. In addition, CAM commits to implementing the six PRI principles¹⁹ into all investment classes.
- In 2020, the Bank issued a USD 500 million green bond to finance eligible assets under its Green Bond Framework, of which includes green buildings, renewable energy, and energy efficiency projects.²⁰
- Inclusive banking:
 - In 2020, CAM became a signatory of the Canadian Investor Statement on Diversity and Inclusion coordinated by the Responsible Investment Association. CIBC provides Indigenous Housing Loan program to support housing shortage in Indigenous communities. In addition, through partnerships with Indspire and the Building Brighter Futures programs 1,000 scholarships and bursaries are offered to Indigenous students.
 - CIBC invests over CAD 1 million every year to improve the accessible facilities and services for its clients and has increased its commercial banking with Indigenous business by 23% in 2020.
- Community relationships:
 - CIBC commits to giving at least 1% of pre-tax profit in support of communities and providing financial education and knowledge that help people develop skills and confidence to achieve financial wellbeing.
 - The Bank supports the development of next-generation healthcare workers through CIBC Future Heroes Bursary Program and programs on research, treatment, screening, and diagnosis of cancer.
 - CIBC has contributed USD 10 million in financing to local developers to purchase and rehabilitate vacant and abandoned homes through its CIBC Housing Initiative in the U.S. The Bank also provides Affordable Multifamily Rental Housing Finance Program for affordable house renting as an alternative option.

In addition, CIBC’s Environmental Policy²¹ emphasizes the importance of environmental responsibilities to sustainable economic growth and establishes its environmental priorities to include (i) protection and conservation of the environment; (ii) safeguarding the interests of all CIBC’s stakeholders from unacceptable levels of environmental risk; and (iii) to support the principles of sustainable development.

¹⁶ CIBC Corporate Website, Sustainable finance products and services, available: <https://www.cibc.com/en/about-cibc/corporate-responsibility/environment/sustainable-finance/products-and-services.html>

¹⁷ CIBC, CIBC Investor Presentation Third Quarter 2021, available at:

https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/quarterly_results/2021/q321presentation-en.pdf

¹⁸ CIBC, CIBC Investor Presentation Third Quarter 2021, available at:

https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/quarterly_results/2021/q321presentation-en.pdf

¹⁹ Principles for Responsible Investment, What are the Principles for Responsible Investment?, available: <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>

²⁰ CIBC, CIBC Investor Presentation December 2020, available at:

https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/quarterly_results/2020/q420strategyinvestorpresentation-en.pdf

²¹ CIBC, Corporate Environmental Policy, 2019, available at: https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/corporate-environment-policy-external-en.pdf

Sustainalytics is of the opinion that the Sustainability Issuance Framework is aligned with the Bank's overall sustainability strategy and initiatives and will further the CIBC's action on its key environmental priorities.

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

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. 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, workers' health and safety during construction and/or operation, and increased exposure of local communities to adverse effects. Additionally, there are risks associated with being exposed to controversial companies or projects as a result of the Bank's lending activities.

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

- CIBC has published a responsible investing policy, overseen by its CIBC Asset Management Responsible Investing Committee, which sets ESG risk analysis as a fundamental factor for portfolio management and integrated quantitative scoring and qualitative assessment of ESG and economic risk factors to its investment strategy.²²
- CIBC has in place an Environmental Policy²³ which commits to protect stakeholders' interests from significant environmental risks. CIBC's Environmental Risk Management group, in responsible of implementing the Environmental Policy, and the group takes several measures to ensure specific measures are integrated into CIBC's business activities, including conducting environmental and social due diligence, engaging pre-assessed environmental consultants and setting up the Environmental Management System (EMS). As the framework of implementing the Environmental Policy, CIBC's EMS defines environmental objectives and targets, monitors progress and ensures compliance with relevant laws and regulations, so that environmental risks are managed.
- 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,²⁴ and a Supplier Code of Conduct.²⁵
- CIBC's disclosure is in line with the recommendations of Task Force on Climate-related Financial Disclosures²⁶ (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 issues.²⁷
- 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.²⁸ In its 2020 Climate Change Disclosure Statement,²⁹ the Bank outlines its approach to climate change disclosure and commitment to assessing its exposure to climate-related risks and opportunities. This disclosure is governed by Corporate Governance Committee. CIBC's Risk Management Committee is responsible for defining CIBC's risk exposure and overseeing its risk profile and performance.
- The Bank is also a member of the United Nations Environment Programme – Finance Initiative, which helps in guiding its approach to assessing climate change risks and opportunities. As a part of this

²² CIBC, Responsible Investing Policy, available: <https://www.cibc.com/content/dam/cam-public-assets/documents/cibc-cam-our-approach-responsible-investment-en.pdf>

²³ CIBC, Policies and Standards, available: <https://www.cibc.com/en/about-cibc/corporate-responsibility/environment/governance-reporting/governance.html>

²⁴ CIBC, "CIBC Code of Conduct", 2020, at: https://www.cibc.com/content/dam/about_cibc/corporate_governance/pdfs/code-of-conduct-en.pdf

²⁵ CIBC, "CIBC Supplier code of Conduct", at: <https://www.cibc.com/ca/pdf/about/supplier-code-of-conduct-en.pdf>

²⁶ 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

²⁷ CIBC, Sustainability Report, 2020, available at: https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/cibc-esg-2020-en.pdf

²⁸ CIBC, Sustainability Report, 2020, available at: https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/cibc-esg-2020-en.pdf

²⁹ CIBC, "Climate Change Disclosure Statement", at: <https://www.cibc.com/content/dam/cibc-public-assets/about-cibc/corporate-responsibility/environment/documents/cibc-cdp-climate-change-response-2020-en.pdf>

process, CIBC conducts climate-scenario analysis and stress-testing simulations, taking into account both physical risks³⁰ and transition risks.³¹

Based on these policies, standards and assessments, Sustainalytics is of the opinion that CIBC has implemented adequate 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 thirteen use of proceeds categories are aligned with those recognized by GBP and the SBP. Sustainalytics has focused on three below where the impact is specifically relevant in the local context.

Importance of Renewable Energy in Canada

The electricity and heat generation sectors are among the largest sources of GHG emissions, responsible for approximately 41% of global CO₂ emissions.³² Therefore, increased renewable energy generation is required to support the decarbonization of the global energy system. A study from the International Energy Agency and the International Renewable Energy Agency further supports this assessment, estimating that 65% 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.³³ The renewable energy sector is growing and gained momentum during COVID-19, as fossil-fuel-based energy generation decreased and global renewable energy generation increased by 3%.³⁴

As a signatory of the Paris Agreement, Canada has committed to becoming a net-zero emission economy by 2050.³⁵ The country has set a target of producing 90% of its electricity from non-emitting sources by 2030.³⁶ In working towards this goal, the Government of Canada has invested over CAD 960 million in the development of renewable energy and grid modernization projects.³⁷ In addition to supporting Canada's decarbonization of the energy sector, renewable energy investments are expected to contribute to a 29% increase in Canada's GDP coming from the energy sector by 2030.³⁸

Based on this context, Sustainalytics considers that CIBC's financing in the area of renewable energy is expected to contribute positively to the global energy transition that is required to meet climate objectives.

Importance of Circularity in Canada

A redefining of the linear economic system³⁹ is required to fulfill the international commitments underlined by the Paris Agreement. The 2021 Circularity Gap Report calculates that 70% of the GHG emissions are released by the extraction, processing, manufacturing and consumption of natural resources.⁴⁰ The report highlights the importance of shifting our global economic systems to a circular economy⁴¹ model to potentially reduce global emissions by 39%.⁴² Furthermore, a circular economic model also has significant potential to increase biodiversity by reducing consumption and waste, ensuring the sustainable production of goods and services, and enhancing conservation and restoration of ecosystems.⁴³ A report by the Ellen McArthur Foundation

³⁰ Risks related to more frequent extreme weather events and chronic changes in weather patterns.

³¹ Risks related to transitioning to a low-carbon economy, including policy and legal risk, technological risk, market risk and reputational risk.

³² IEA report, "CO₂ Emissions from Fuel Combustion" p6, at: <https://webstore.iea.org/downloadect/4036>

³³ International Renewable Energy Agency (IRENA), "Global Energy Transformation", (2020), at: <https://www.irena.org/publications/2020/Apr/Global-Renewables-Outlook-2020>

³⁴ Power Technology, "COVID-19 pandemic accelerated future renewable energy usage: Poll", (2021), at: <https://www.power-technology.com/news/covid-19-pandemic-accelerated-future-renewable-energy-usage-poll/>

³⁵ Government of Canada, "Progress towards Canada's greenhouse gas emissions reduction target", at: <https://www.canada.ca/en/environmentclimate-change/services/environmental-indicators/progress-towards-canada-greenhouse-gas-emissions-reduction-target.html>

³⁶ Government of Canada, "Powering our future with clean electricity", at:

<https://www.canada.ca/en/services/environment/weather/climatechange/climate-action/powering-future-clean-energy.html>

³⁷ Newswire, "Canada Invests Over \$960-Million in Renewable Energy and Grid Modernization Projects", (2020), at: <https://www.newswire.ca/news-releases/canada-invests-over-960-million-in-renewable-energy-and-grid-modernization-projects-880196618.html>

³⁸ Clean Energy Canada, "Tracking the Energy Transition 2021", (2021), at: https://cleanenergycanada.org/wp-content/uploads/2021/06/Report_CEC_CleanJobs2021.pdf

³⁹ A linear economy traditionally follows the "take-make-dispose" step-by-step plan. This means that raw materials are collected, and then transformed into products that are used until they are finally discarded as waste.

⁴⁰ Circle Economy, "Circularity Gap Report 2021", (2021), at: <https://www.circularity-gap.world/2021>

⁴¹ A circular economy is an industrial system that is restorative or regenerative by intention and design. It replaces the end-of-life concept with restoration, shifts towards the use of renewable energy, eliminates the use of toxic chemicals, which impair reuse and return to the biosphere, and aims for the elimination of waste through the superior design of materials, products, systems, and business models. - *World Economic Forum*

⁴² Circle Economy, "Circularity Gap Report 2021", (2021), at: <https://www.circularity-gap.world/2021>

⁴³ SITRA, "The circular economy is key to halting biodiversity loss", (2021), at: <https://www.sitra.fi/en/articles/the-circular-economy-is-key-to-halting-biodiversity-loss/>

further supports this statement by reporting that approximately 90% of the land-use-related biodiversity loss is caused by resource extraction and processing.⁴⁴

According to the World Bank, Canada is the highest producer of waste on a per capita basis worldwide, generating 36.1 metric tonnes of waste per capita annually, totaling approximately 1.3 billion metric tonnes of waste in 2019.⁴⁵ Given the nation's abundant natural resources and landmass, the extraction and consumption of virgin raw materials is inexpensive, and waste can be disposed off at a low cost. However, the current resource consumption models are unsustainable, can impact Canada's ability to meet the Paris Agreement's goals and present a lost market opportunity. A study by Environment Climate Change Canada finds that circular business models are projected to provide a USD 7.7 trillion global market opportunity in 2030.⁴⁶ Furthermore, the National Zero Waste Council estimates a circular economic intervention can result in the annual avoidance of 4.9 million tonnes of waste, 5 million tonnes of avoided CO_{2e} emissions, and generate CAD 41 billion in revenue.⁴⁷

Sustainalytics is of the opinion that the circularity use of proceeds category is expected to reduce Canada's annual GHG emissions, enable waste mitigation and support Canada's transition to a decarbonized economy. CIBC's financing of this category is expected to help Canada in achieving national Paris Agreement goals.

Access to Affordable Housing and Basic Infrastructure

The United Nations estimates that approximately 3 billion people will require affordable housing in cities by 2030.⁴⁸ A McKinsey and Company study suggests that the affordable housing gap now stands at USD 650 billion a year, as is expected to increase further as the urban populations expand.⁴⁹

In 2018, more than 1.6 million (11.6%) Canadian households lived in "core housing need" – defined as living in an unsuitable, inadequate, or unaffordable dwelling and unable to afford alternative housing in their community.⁵⁰ Factors such as the COVID-19 pandemic, combined with supply-side constraints such as high prices of softwood lumber, low interest rates, and increased demand, have further worsened the unaffordability of housing in Canada.⁵¹ The Canadian Real Estate Association reported a 31.6% year-over-year increase in average sale price in March 2021.⁵²

Considering the above, Sustainalytics is of the opinion that the affordable housing use of proceeds category is expected to create a positive social impact by increasing the availability and accessibility of affordable housing in Canada, including for low-income residents.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The sustainability issuance(s) issued under the Sustainability Issuance Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Clean Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

⁴⁴ Ellen McArthur Foundation, "Completing the Picture- How the Circular Economy Tackles Climate Change", at: <https://emf.thirdlight.com/link/dcijanpohgkd-oblthh/@/preview/5>

⁴⁵ Statista, "Estimated annual waste per capita of the leading waste producing countries worldwide as of 2019*", at: <https://www.statista.com/statistics/1168066/largest-waste-producing-countries-worldwide-per-capita/>

⁴⁶ Environment Climate Change Canada, "Circular North America: Accelerating the Transition to a Thriving and Resilient Low-carbon Economy", (2021), at: https://www.canada.ca/content/dam/eccc/documents/pdf/circular-economy/north-america-paper/WCEF-Circular-North-America_Report_2021_EN.pdf

⁴⁷ Zero Waste National Council, "Waste Prevention: The Environmental and Economic Benefits for Canada", (2021), at: <http://www.nzwc.ca/Documents/NZWC-WastePreventionReport.pdf>

⁴⁸ UN website, "SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable", at: <https://unstats.un.org/sdgs/report/2019/goal-11/>

⁴⁹ McKinsey Global Institute report, "Tackling the world's affordable housing challenge", at: <https://www.mckinsey.com/featured-insights/urbanization/tackling-the-worlds-affordable-housing-challenge>

⁵⁰ Government of Canada, "One in ten Canadian households living in core housing need in 2018", at: <https://www150.statcan.gc.ca/n1/daily-quotidien/201002/dq201002a-eng.htm>

⁵¹ Financial Post, "Low interest rates, demand for more space during pandemic has pushed Canadian housing market to extraordinary heights

⁵² CREA, "Record home sales in March 2021, new supply increases", (2021), at: <https://www.crea.ca/news/record-home-sales-in-march-2021-new-supply-increases/>

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.A Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
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 Wastewater 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
Circularity	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources
Access to Essential Services	3. Good Health and WellBeing	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
	4. Quality Education	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

Affordable Housing & Basic Infrastructure	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
Indigenous Communities and Businesses	10. Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Majority Women-owned SMEs	5. Gender Equality	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Conclusion

CIBC has developed the Sustainability Issuance Framework under which it may issue sustainable financial instruments including bonds, notes, certificates, commercial paper, deposits, guaranteed investment certificates ("GIC") and market-linked GICs (collectively referred to as "Sustainability Issuances") and use the proceeds to finance projects that reduce GHG emissions, promote waste and water management and improve access to basic services. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact.

The Sustainability Issuance 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 Sustainability Issuance Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 5, 6, 7, 10, 11, 12, 14, 15. Additionally, Sustainalytics is of the opinion that CIBC has adequate 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 Canadian Imperial Bank of Commerce is well-positioned to engage in sustainable issuances, that sustainable bonds, notes and commercial papers outlined in the Sustainability Issuance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2021) and Social Bond Principles (2021), and that certificates, deposits and GICs align with the principles of impact in transparency that underlie the sustainable investment industry.

Appendices

Appendix 1: Sustainalytics' Analysis of FSC, PEFC, and SFI Certifications

	FSC ⁴³	PEFC ⁴⁴	SFI ⁴⁵
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.	In 2005, the PEFC recognized the SFI standard with an aim to advance sustainable forestry and responsible purchasing globally. The SFI program has on-product labels to help consumer interact with the forestry supply chain by supporting responsible forestry. The SFI standards pertain to - Forest Management Standard, Fiber Sourcing Standard and Chain-of-Custody Standard
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 	<ul style="list-style-type: none"> • To practice sustainable forestry that integrates land stewardship ethic and conservation of ecosystem services • To protect and maintain forest productivity and health • To protect water resources and biological diversity • To manage the visual impacts of forest operations, and to provide recreational opportunities for the public • To manage and protect integrity of forests and lands of special significance (ecologically, geologically or culturally important) • To use and promote sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible • To avoid Controversial Sources including Illegal logging in Offshore Fiber Sourcing as well as sourcing from countries that do not have effective social laws. • To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations • To support advances in sustainable forest management through forestry research as well as improve the practice of sustainable forestry through training and education programs • To broaden the practice of sustainable forestry on public lands through community involvement as well as the understanding of the standard by documenting certification audits and making the findings publicly available.





			<ul style="list-style-type: none"> To continually improve the practice of forest management
<p>Governance</p>	<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 international board elected by all members and a US board, elected by the US-based members.</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>	<p>The SFI program is operated by SFI Inc., a fully independent non-profit charitable 501(c)(3) organization.</p> <p>SFI Inc. is governed by an 18-member board of directors made up of three chambers with equal membership: environmental, social and economic. This multi-stakeholder board of directors is the sole governing body over all aspects of the SFI program, including the SFI 2010-2014 Standard, chain-of-custody, labeling and claims, marketing and promotion.</p> <p>The SFI has an External Review Panel, comprising environmental, conservation and forestry experts. This panel annually reviews the program’s progress and releases a report publicly.</p> <p>There are thirty-seven SFI Implementation Committees across North America that operate at the regional, state and provincial level to help promote the SFI Standard through targeted local actions. They involve public agencies, universities, local forestry associations, landowners, loggers, partnerships with conservation groups, and other community based organizations</p>
<p>Scope</p>	<p>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.</p>	<p>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)⁴⁶ and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>	<p>SFI Standards promote sustainable forest management in North America and responsible procurement of forest products around the world.</p> <p>The SFI Forest Management Standard particularly applies to organizations in the United states and Canada and the Fiber Sourcing Standard as well as the Chain-of-Custody standard apply to any organization globally.</p>

<p>Chain-of-Custody</p>	<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 complaints related to participant's chain of custody. 	<ul style="list-style-type: none"> • Any entity harvesting, transporting, handling or processing forest based products can use CoC certification to track and communicate forest fiber content using one of the following optional approaches for chain of custody: physical separation, average percentage or volume credit method. • These entities shall obtain an independent, third-party certification by an SFI certification body to the requirements set out in this standard if they choose to utilize an SFI CoC label or claim. • Quality or environmental management systems (ISO 9001: 2008) or environmental management system (ISO 14001:2004) can be used to meet minimum requirements for the management system. • This standard shall be used together with the requirements specifying the origin, which is to be verified by the CoC. Usage of labels and claims based on the implementation of this standard shall follow ISO 14020:2000 (Environmental labels and declarations)
<p>Non-certified wood sources</p>	<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, 	<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: operations and harvesting, including land use conversion, <ul style="list-style-type: none"> 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. 	<p>SFI requires program participants to:</p> <ol style="list-style-type: none"> Comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations such as - The Clean Water Act, The Endangered Species Act, The Species at Risk Act, The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) etc. Avoid controversial sources including Illegal Logging and Fiber Sourced from Areas that do not have Effective Social Laws pertaining to: workers' health and safety, fair labor practices, indigenous peoples' rights, anti-discrimination and anti-harassment measures, prevailing wages and workers' right to organize. Document information that includes knowledge about direct suppliers'

	<p>c. Wood harvested in forests where high conservation values are threatened by management activities,</p> <p>d. Wood harvested in forests being converted from forests and other 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. genetically modified organisms,</p> <p>d. forest conversion, including conversion of primary forests to forest plantations.</p>	<p>application of the principles of sustainable forestry.</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>	<p>All SFI certifications require independent, third-party audits and are performed by internationally accredited certification bodies.</p> <p>Accredited certification bodies are required to:</p> <ul style="list-style-type: none"> • maintain audit processes consistent with the requirements of ISO 17021:2006 conformity assessment – requirements for bodies providing audit and certification of management systems; and • conduct audits in accordance with the principles of auditing contained in the ISO 19011:2002 Guidelines for Quality and/or Environmental Management Systems Auditing.
Conclusion	<p>Sustainalytics views both FSC and PEFC, as well as the PEFC-affiliated scheme SFI, 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 practices⁴⁷ and both have also faced criticism from civil society actors.^{48,49} 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 equal or similar 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>		

Appendix 2: Overview of Agriculture Sustainability Certifications

	Canada Organic	USDA Organic	Rainforest Alliance	Fairtrade	UTZ
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 regulations. 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.	The FAIRTRADE Mark is a global certification system that seeks to address power imbalances in trading relationships. Organizations certified to Fairtrade standards must meet general, trade, product and business development requirements.	The UTZ Label is a global certification system for coffee, cocoa, tea and hazelnuts. The UTZ certification incorporates environmental, social, farm management and farming practices considerations. UTZ merged with Rainforest Alliance 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.	Promoting sustainable practices for agricultural products, consumer goods and gold.	Promoting sustainable practices in Coffee, Cocoa Tea and Hazelnut farming and trading.
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 nonsynthetic 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.	Fairtrade has a set of core requirements that must be met and development requirements that are intended to foster continuous improvement and which certified producers must make progress on.	UTZ establishes a minimum threshold for impact through mandatory points and additional points, and requires farmers to go beyond by demonstrating compliance with an increasingly large proportion of both mandatory and additional points.

<p>Scope of certification programme</p>	<p>Specific standards apply to crop production, livestock production, aquaculture, chain of custody, and products. The regulations also specifically name prohibited and permitted substances.</p>	<p>The USDA Organic system addresses key risks such as substance use through the regulation of synthetic and nonsynthetic substances to preserve soil quality and in line with federal guidelines on animal raising practices, pest and weed control and the use of additives.</p>	<p>Rainforest alliance addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria.</p>	<p>Fairtrade addresses key risks through its requirements, including child labour, forced labour and pesticide use.</p>	<p>UTZ addresses key risks such as human rights, child labor, pesticide use and biodiversity use through its criteria.</p>
<p>Verification of standards and risk mitigation</p>	<p>Certification of products and processors is granted by CBs, and requires annual verification.</p>	<p>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.</p>	<p>Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.</p>	<p>Certified entities undergo audits to ensure compliance with criteria and continuous improvement.</p>	<p>Certified entities undergo third-party verification to ensure compliance with criteria and continuous improvement.</p>
<p>Third party expertise and multi-stakeholder process</p>	<p>Developed by the Government of Canada through a consultative legislative process.</p>	<p>The USDA Organic seal is organized by the National Organic Program which develops the rules and</p>	<p>Standard setting is aligned with the ISEAL Standard Setting Code.</p>	<p>Standard setting is aligned with the ISEAL Standard Setting Code.</p>	<p>Standard setting is aligned with the ISEAL Standard Setting Code.</p>
<p>Performance Display</p>					
<p>Third-Party Verified</p>	<p>Certification Bodies (CBs) are accredited by Conformity Verification Bodies (CVBs), which are in turn accredited by the Canada Food Inspection Agency.</p>	<p>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.</p>	<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. <p>NEPCon</p>	<p>FLO-CERT GmbH. FLO-CERT is the largest certifier for Fairtrade, responsible for the certification of all producers and most traders.</p>	<p>60 UTZ approved certification bodies split by country and by relevant commodity (coffee, cocoa, tea, hazelnut, herbs, Rooibos)</p>
<p>Qualitative Considerations</p>	<p>The Canada Organic certification is the only legally recognized organic scheme in Canada,</p>	<p>Under the USDA Organic seal, the US federal legislation allows the levels of organic foods, namely: purely organic</p>	<p>Global recognition across 76 countries around the world. There</p>	<p>Global recognition across 74 countries present in the</p>	<p>UTZ has been critized for lack of setting minimum wages crietria</p>





	<p>and applies to both imports and domestically-produced agriculture products.</p>	<p>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.</p>	<p>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 implementaton of social and environmental mitigation processes.</p>	<p>Fairtrade System. The system covers 1.4 million farmers and workers in 1,140 producer organizations. The Fairtrade certification scheme is less strict on the scope of the environmental and social requirements as it does not cover human rights issues and impact on biodiversity.</p>	<p>and potentially for allowing fro genetically modified coffee, even though these plants are not yet available. Global recognition across 131 countries around the world. There are 987,000 UTZ Certified farmers in the UTZ programme with more than 368,000 workers on the UTZ certified farms in 41 producing countries and more than 3.4 million hectares of UTZ certified crops. The UTZ name or label is present on more than 15,000 products in 131 countries worldwide.</p>
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Appendix 3: Overview of the MSC, ASC, BAP and Global GAP Aquaculture

	Marine Stewardship Council ⁴⁰	Aquaculture Stewardship Council ⁴¹	Best Aquaculture Practices ⁵³	Global GAP Aquaculture
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.	The Aquaculture Stewardship Council (ASC) is an independent, international NGO that manages the ASC certification and labelling program for responsible aquaculture.	The BAP certification is administered by the Global Aquaculture Alliance (GAA), a non-profit organization focused on advocacy, the education and leadership of on responsible aquaculture matters.	GLOBAL G.A.P. is a trademark and a set of standards for good agricultural practices (G.A.P.). They are a global organization with the objective to ensure: safe, sustainable agriculture worldwide. They set voluntary standards for the certification of agricultural products around the globe.
Clear positive impact	Promoting sustainable fisheries practices.	Promoting sustainable aquaculture practices.	Promoting sustainable aquaculture practices.	Promoting sustainable aquaculture practices
Minimum standards	<p>A minimum score must be met across each of the performance indicators.</p> <p>As a condition to certification, low-scoring indicators must be accompanied by action plans for improvement.</p>	<p>Quantitative and qualitative thresholds which are designed to be measurable, metric- and performance-based.</p> <p>Certification may be granted with a "variance" to certain requirements of the standard. This variance is designed to allow the standard to adapt to local conditions, but has been criticized for weakening the standard and overriding the consultations involved in the standard-setting process.</p>	<p>The BAP assessment has mandatory minimums, but also includes indicators which allow the proponent to define individual targets.</p> <p>As the certification process is fishery-specific, the standard may be more robust for some species. For example, the Monterey Bay Aquarium's Seafood Watch programme recommends BAP as a reputable label for freshwater fish, mussels, and shrimp, but not salmon, scallops, or clams.⁵⁴</p>	Regarding aquaculture, the Control Points and Compliance Criteria document consists of 3 types of control points: Major Musts, Minor Musts and Recommendations. To obtain Global GAP certification, 100% of Major Musts are compulsory, 95% of Minor musts are compulsory and Recommendations are not required.
Scope of certification or programme	<p>The MSC standard consists of a fisheries standard and a chain of custody standard.</p> <p>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.</p>	<p>ASC encompasses nine farm standards, covering 15 fish species as well as the harvest of seaweed. These farm standards lay out minimum requirements regarding both environmental and social performance.</p> <p>Additionally, a Chain of Custody Standard is mandatory for all supply chain actors in order to ensure traceability.</p>	Different certifications are available for different parts of the supply chain: farms, processing plants, hatcheries, feed mills. In practice, that means that a processing plant that does not necessarily source all of its fish from certified farms can still be certified (a star rating display on the label provides this information).	The standard covers aquaculture compound feed production, hatcheries and farms and chain of custody

⁵³ Best Aquaculture Practices, at: <https://www.bapcertification.org/About>.





⁵⁴ Monterey Bay Aquarium Seafood Watch, at: <https://www.seafoodwatch.org/seafood-recommendations/eco-certification>.

	The Chain of Custody standard addresses certified splicing, product identification, separation, traceability and records, and good management.		Within each fishery-specific standard there are requirements and recommendations which apply to social, environmental, animal health & welfare, and food safety issues.	
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 conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the ASC standard and ISO 17065. Major non-compliances must be remedied within three months.	Third-party certification bodies such as Global Trust, Bureau Veritas, Control Union, Lloyd's Register, NSF, SGS assess compliance against the standard. Non-compliance precludes recertification until the violation is remedied.	Certification process requires an initial assessment and ongoing annual third-party audits. 10% of all audits carried out annually by certification bodies must be unannounced.
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)	Developed in line with United Nation's Food and Agriculture Organization (UN FAO) and International Labour Organisation (ILO) principles. Managed in accordance with the International Social and Environmental Accreditation and Labelling (ISEAL) Codes of Good Practice.	The standard is managed by an oversight committee, which takes development input from a technical committee as well as public comments. Aligned with Global Food Safety Initiative (GFSI), Global Social Compliance Programme (GSCP) and Global Sustainable Seafood Initiative (GSSI).	GLOBALG.A.P. standards and implementation are developed and defined by various Technical Committees, Focus Groups and the Certification Body Committee. National Technical Working Groups support the work of the committees on a local level. The Integrity Surveillance Committee (ISC) assesses integrity issues and certification body non-conformances, defines correctional measures and proposes sanctions.
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	Widely recognized, and modeled on the successful MSC certification. Some criticism has been focused on the ability to certify with a "variance", in which certain aspects of the standard can be interpreted or waived during the audit procedure.	Widely recognized within the industry. As the certification process is fishery-specific, the standard may be more robust for some species than for others. While a reputable certification overall, the standard does not fully mitigate all the	On 20 April 2018 The Global Sustainable Seafood Initiative has provided formal recognition of the GLOBALG.A.P. Aquaculture Certification System for the scope of Aquaculture. GSSI's recognition shows that the GLOBALG.A.P. Aquaculture Certification System, for their GLOBALG.A.P. Integrated Farm Assurance System is in alignment with all applicable Essential Components of the

	<p>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.</p>	<p>While a reputable certification overall, the standard does not fully mitigate all the risks associated with aquaculture.</p>	<p>risks associated with aquaculture. GSSI's recognition shows that the two-star Best Aquaculture Practices Certification, for their Salmon Farms, and Finfish and Crustacean Farms standards, is in alignment with all applicable Essential Components of the GSSI Global Benchmark Tool. The Tool is underpinned by the FAO Technical Guidelines on Aquaculture Certification and consists of performance areas related to scheme governance, operational management (including chain of custody) and applied aquaculture farm audit standards.</p>	<p>GSSI Global Benchmark Tool. The Tool is underpinned by the FAO Technical Guidelines on Aquaculture Certification and consists of performance areas related to scheme governance, operational management (including chain of custody) and applied aquaculture farm audit standards.</p>
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Appendix 4: Green Building Certification Schemes

	LEED	BOMA BEST	BREEAM	ENERGY STAR
Background	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Certified • Bronze • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • 1-100 score, 75 is minimum for certification.
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation 	<ul style="list-style-type: none"> • Energy • Water • Air • Comfort • Health and Wellness • Custodial 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials 	<ul style="list-style-type: none"> • Energy use

	<ul style="list-style-type: none"> Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority 	<ul style="list-style-type: none"> Purchasing Waste Site Stakeholder Engagement 	<ul style="list-style-type: none"> Water Waste Health and Wellbeing Innovation 	
Requirements	<p>Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level.</p> <p>The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.</p>	<p>Minimum requirements independent of level of certification; score based on checklist to determine certification level.</p> <p>The minimum best practices and category scoring is adjusted for seven different asset classes: office, enclosed shopping centres, light industrial, open air retail, universal, MURB, and health care.</p>	<p>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.</p> <p>BREEAM has two stages/audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>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 that percentage of similar buildings nationwide.</p>
Qualitative Considerations	<p>Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.</p>	<p>Most commonly used certification for existing buildings in Canada, and considered less administratively burdensome for existing buildings.</p>	<p>Used in more than 70 countries: Good adaptation to the local normative context.</p> <p>Predominant environmental focus, lower levels are less strict than LEED.</p>	<p>Accounts only for energy use, not other measures of environmental performance. It is a key component of other green building certification schemes.</p>
Performance display				

	Passive House Institute	Toronto Green Standard	BC Energy Step Code
Background	<p>Passive House (also known by its German name, Passivhaus) is a certification scheme for very low energy buildings, first developed in Germany and administered by the non-profit Passive House Institute (PHI) and implemented in the United States by the US Passive House Institute (PHIUS).</p> <p>The PHI has three types of certifications:</p> <ol style="list-style-type: none"> 1) Certified 2) EnerPHit (for retrofits only) 3) Low Energy Buildings <p>The certification for PHIUS is PHIUS+ Certified.</p>	<p>The Toronto Green Standard (TGS) represents a set of performance standards that facilitate more sustainable development in Toronto and implementing the environmental policies in the City of Toronto's Official Plan. The TGS was initially introduced as a voluntary standard for new building development in 2006. Subsequent versions, beginning in 2010, adopted a multi-tiered system – Tier 1 being mandatory and Tier 2-4 being another voluntary. Achievement of Tier 2 and higher makes projects eligible for financial incentives, including a partial refund of development charges.</p>	<p>The certification is allocated in various "Steps", which are then standardized based on two categories. The categories either refer to Part 3 or Part 9 of the Building Compliance tools. Part 3 focuses on larger buildings that are four storeys and taller, and the targets are organized from Steps 1-4. Part 9 focuses on smaller buildings that are three storeys or less and includes Steps 1-5. These Steps are organized based on the levels of energy efficiency achieved under each Step.</p>

<p>Scope of Scheme</p>	<ul style="list-style-type: none"> • Space Heat/Cooling Demand • Building Airtightness • Total Primary Energy Demand 	<ul style="list-style-type: none"> • The TGS addresses Toronto’s urban environmental pressure, promoting sustainable site and building development. 	<ul style="list-style-type: none"> • Energy Use
<p>Certification Levels</p>	<p>The PHI certifications can achieve: Classic, Plus or Premium. PHIUS+ Certified includes two add-on badges: Supply Air Heating and Cooling Sufficient and PHIUS+ Source Zero.</p>	<p>Tier 1 (Mandatory) Tier 2 (Voluntary) Tier 3 (Voluntary) Tier 4 (Voluntary)</p>	<p>The certification is allocated in various "Steps", which are then standardized based on two categories. The categories either refer to Part 3 or Part 9 of the Building Compliance tools. Part 3 focuses on larger buildings that are four storeys and taller, and the targets are organized from Steps 1-4. Part 9 focuses on smaller buildings that are three storeys or less and includes Steps 1-5. These Steps are organized based on the levels of energy efficiency achieved under each Step.</p>
<p>Awarding of Points under the Scheme</p>	<p>PHI Certified includes threshold requirements in three areas: space heat demand, building pressurization test result, and total primary energy demand, calculated per unit of usable floor area. For building retrofits, EnerPHit certification can be achieved by demonstrating the maximum space heating demand (at a less stringent level than full certification), or by utilizing components certified by the PHI.</p> <p>PHIUS+ Certified is a pass-fail standard with additional quality assurance inspection and low-moisture-risk design requirements.</p>	<p>For buildings greater than 2,000 m² GFA, Tier 1 requires the submission of a Design Development Stage Energy Report prior to Site Plan Approval that demonstrates a minimum level of compliance with the TGS energy efficiency requirements. A building receives Tier 1 certification if it meets the requirements set for each category. An As-Construction Stage Energy Report is required for Tier 2 or higher-level performances.</p> <p>For Tier 2, 3, and 4 there are optional performance measurements that need to be met. Tier 2, 3, and 4 projects that have been verified may be eligible for a refund of development charges.</p> <p>There are currently three standards of the TGS ("Low-Rise Residential", "Mid to High-Rise Residential and Non-Residential" and "City Agency, Corporation & Division – Owned Facilities") each relating to different development types.</p>	<p>Buildings can obtain new "steps" by enhancing the energy efficiency thresholds as listed in the requirements.</p>
<p>Governance of Scheme</p>	<p>The PHI scheme was developed by PHI which is an independent research institute. They routinely review the certification scheme to ensure ongoing viability and credibility.</p> <p>PHIUS+ developed their standard with Building Science Corporation under a DOE grant. The standard is routinely reviewed and updated.</p>	<p>City Planning Division of Toronto Third party reviewer for Tier 2,3,4 applications.</p>	<p>The Code was established by the Energy Step Code Council, which was set up by the Province of British Columbia. The Council is made up of government, industry and utility partners.</p>
<p>Certification Process</p>	<p>Independent quality assessment.</p>		<p>Local authorities ensure compliance with the respective levels of the building code that are applicable in their jurisdictions</p>
<p>Market Commentary</p>	<p>PHIUS+ is the largest Passive Building Certification in North America. 98% of the institutes North American projects were certified through PHIUS in 2017 and 100% of all certified projects were guided by PHIUS-certified professionals.</p>	<p>The TGS certification system is part of the City of Toronto’s TransformTO action plan, which aims at reducing the GHG emissions by 80% by 2050 (compared to the 1990 levels).</p> <p>Applications submitted on or after May 1, 2018 are required to meet v3 of the TGS.</p>	<p>It is still relatively new in its stages of adoption across BC. In a March 2019 survey, 14 out of 76 local governments reported they had implemented by the BC Energy Step Code; and 17 governments reported they were in the process of implementing it during the survey. It is anticipated that the Province of BC may require certain steps to be met to meet their provincial climate targets.</p>

Performance Display		None	

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

Section 1. Basic Information

Issuer name:	Canadian Imperial Bank of Commerce
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Sustainability Issuance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	September 20, 2021
Publication date of review publication:	

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 GBP and SBP:

- | | |
|------------------------------------------------------------|----------------------------------------------------------------------------------|
| <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 (<i>please specify</i>): | |

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 – Clean 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 Wastewater Management, Green Buildings, Circularity, Essential Services, Affordable Housing, Basic Infrastructure, Indigenous Communities and Businesses and Majority Women-owned businesses – are aligned with those recognized by both the Green Bond Principles and the Social Bond Principles. Sustainalytics considers that financing or lending in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 5, 6, 7, 10, 11, 12, 14, 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 checked="" 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 (please specify): |

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

Use of proceeds categories as per SBP:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input checked="" type="checkbox"/> Other (please specify):
Indigenous Communities and Businesses |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

CIBC's Sustainability Working Group comprised of members from the Treasury, Finance, Environmental Risk Management, Enterprise ESG, Commercial Banking and Capital Markets teams are responsible for the selection and approval of all eligible projects. CIBC's environmental and social risk management systems are applicable for all allocation decisions in the Framework. Sustainalytics considers the risk management systems to be adequate and the project selection process in line with market practice.

Evaluation and selection

- | | |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green 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 Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

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 (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

CIBC will track allocations internally and intends to fully allocate within 18 months of each issuance following a portfolio approach. Pending allocation, the proceeds will be deposited in CIBC's General Fund accounts and managed per existing liquidity policies. This is in line with market practice.

Tracking of proceeds:

- | |
|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Sustainability 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 (please specify): |

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 (please specify): |

4. REPORTING

Overall comment on section (if applicable):

CIBC intends to report on the allocation of proceeds on its website and on an annual basis until the maturity of the respective issuance. In addition, CIBC is committed to reporting on relevant impact metrics. 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 (please specify): |

Information reported:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify):
allocations by geographic location

the balance of unallocated proceeds | |

Frequency:

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

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 (please specify): |

Information reported (expected or ex-post):

- | | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify):
Total installed capacity (MW) |

- Waste diverted from landfill (tonnes)
- Total surface financed (hectares), with reference to specific certification schemes where relevant
- Volume or percentage of circular materials or circular design components produced
- Number of projects supported
- Number of jobs supported through business supported
- Value of loans provided
- Number of loans provided
- Diversity composition of leadership roles (% of women/minorities on board of directors, executive teams, or management)

Frequency:

- Annual
- Semi-annual
- Other (please specify):

Means of Disclosure

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (please specify):
Reporting will be published on CIBC's website
- 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:

- Consultancy (incl. 2nd opinion)
- Certification
- Verification / Audit
- Rating

Other (please specify):

Review provider(s):

Date of publication:

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

- i. **Second-Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability 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 Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social 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 sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially 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 Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability 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, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability 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 and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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