CIBC

2024 Climate Report

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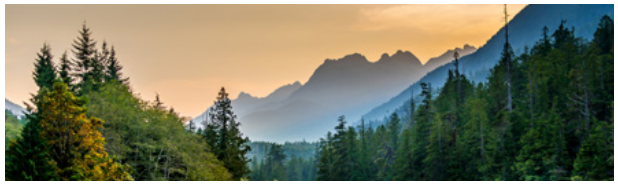

1.0 Overview

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CIBC is integrating climate-related risks into our risk management framework and actioning our climate strategy including greater integration of climate opportunities into our business strategies, partnering with the broader ecosystem to mobilize capital, and bringing together experts to further the conversation around energy transition.

1.1 About this report

The Office of the Superintendent of Financial Institutions (OSFI) published updates to *Guideline B-15 on Climate Risk Management (Guideline B-15)* to align its climate-related financial disclosure expectations[1] with the International Sustainability Standards Board (ISSB) *International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures* standard, which fully incorporates the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. CIBC supports the TCFD recommendations for globally consistent and comparable climate disclosure.

As required, OSFI *Guideline B-15* is applicable to CIBC's reporting period ending October 31, 2024 for specific disclosure elements. This standalone report presents information about CIBC's efforts toward aligning our climate disclosure with the disclosure expectations of OSFI *Guideline B-15*.

Please see our caution regarding forward-looking statements and disclaimer in section 6.5 and 6.6 of this report.

1.2 Our climate-related disclosures

CIBC's 2024 Climate Report complements our other climate-related disclosures, including our Net-Zero Approach, which outlines our 2030 financed emissions reduction targets.[2] It also complements our annual Sustainability Report, which highlights our efforts to accelerate our climate action and support our clients' climate initiatives as part of our environmental, social, and governance (ESG) strategy. Additionally, it showcases our sustainable products and solutions, and aligns with the 2024 Annual Report, which discusses climate risk as one of CIBC's top emerging risks.

(1) OSFI Guideline B-15 on Climate Risk Management. Annex 2-2 – Minimum mandatory climate-related financial disclosure expectations.

(2) Our 2030 financed emissions reduction targets are interim targets established by CIBC that are aligned to a pathway to net-zero by 2050. There are internationally recognized methodologies for setting financed emissions reduction targets that focus on the absolute reductions of financed emissions or reductions in the emissions intensity of business operations. Currently, all of the 2030 financed emissions reduction targets established by CIBC relate to the emissions intensity of business operations financed by CIBC. Please refer to the methodology outlined in CIBC's Net-Zero Approach.

1.3 Executive summary

This is the fifth edition of our Climate Report, aligned with the disclosure expectations set by OSFI's *Guideline B-15* on Climate Risk Management. It outlines how we identify, assess, and manage climate-related risks and opportunities in our governance, strategy, risk management, and metrics and targets. In 2024, we continued to advance our commitment to deliver on our climate strategy by supporting our clients' transition to a low carbon economy, encouraging changes in consumer behaviour to aid this transition, refining our operations to reduce operational emissions, and sharing our progress.

CIBC is matching actions with accountability and transparency, focusing on embedding climate-related risks and opportunities into our governance structures. This year, a key focus has been on enhancing disclosure about our climate governance to support our climate strategy and risk management. We have enhanced the transparency of our executive committees and regional and business-level working groups, providing clearer insights into their functions, mandates, and contributions, that support climate-related initiatives throughout CIBC. We have also improved disclosure on Board oversight activities by adding more information on frequency of climate-related updates, expanded details of role in oversight and provided examples of climate-related activities in 2024.

We continue to deliver on our climate strategy through several initiatives. We developed our Transition Planning Assessment and Engagement Framework (Transition Framework)[1] for our oil and gas and power generation portfolios, which will be implemented in fiscal 2025. This Framework will help us assess our clients' transition planning progress and support our engagement efforts, supplementing the Carbon Risk Scoring Methodology we use to understand our clients' transition risks.

We continued to execute against our commitment to mobilize the necessary capital and develop innovative market-based solutions to address environmental and social issues. We measure our performance through progress toward our $300 billion Sustainable Finance Goal (SF Goal) by 2030,[2, 3] which includes financing for both social and environmental activities. In 2024, we mobilized $42.5 billion in sustainable finance activities, achieving a cumulative 66.6% (or $199.8 billion) toward our 2030 goal. CIBC facilitated total activities and services aligned to green initiatives totaling $28.1 billion in 2024, of which $19.1 billion was clean energy, including sources such as solar, offshore and onshore wind, geothermal, and tidal. For more information on our sustainable products and solutions, refer to our 2024 Sustainability Report, section 4.0.

We have demonstrated progress toward our 2030 financed emissions reduction targets for carbon-intensive sectors. As of 2024, we have achieved the following cumulative reductions: a 23.2% reduction in oil and gas (operational) emissions intensity against a 2020 baseline, a 0.7% reduction in oil and gas (end-use) emissions intensity against a 2020 baseline, a 21.3% reduction in power generation emissions intensity against a 2020 baseline, and a 4.8% reduction in auto manufacturing emissions intensity against a 2021 baseline. Additionally, we have provided further disclosure on how we assessed the viability for target-setting in the commercial real estate and agriculture sectors.

We also disclose our allocation toward emissions-free energy enablement. As of 31st October 2024, CIBC had allocated $12.2 billion toward emissions-free power generation financing commitments.

As we progress through 2025, we remain committed to our climate strategy. Our ongoing efforts to enhance climate-related risk management, governance, and supporting our clients in their journey to a low carbon economy, are important to achieving our long-term climate goals.

(1) Refer to Section 3.2 CIBC's Implementation and Engagement Plan for details on the Transition Planning Assessment and Engagement Framework.

(2) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance. Refer to 6.5 A note about forward-looking statements.

(3) Please see our caution regarding forward-looking statements in Section 6.5.

2.0 Governance

2.0 Governance

Through Board oversight and executive management accountability for our climate strategy and climate risk management, we are integrating climate considerations into our business.

CIBC has an established climate governance structure within an overall ESG governance framework that drives accountability and supports alignment of climate-related activities across the enterprise. This governance framework allocates responsibility for our ESG strategy,(1) including climate-related activities, among the Board of Directors (the Board), executive management, strategic business units (SBUs), and functional groups. It also allows for monitoring, evaluating, and responding to risks and opportunities posed by climate change. Our approach to climate governance supports the ongoing advancement of our climate-related priorities across the bank by outlining where responsibility lies and the distinct roles of Board committees and management-level business functions in overseeing and making decisions on climate-related risks and opportunities to support our climate strategy.

2.1 CIBC's Climate Governance Framework

Oversight

CIBC Board of Directors			
The Board of Directors has oversight of CIBC's ESG strategy, including our climate strategy, and how CIBC is measuring, evaluating, and monitoring progress against strategic climate goals.			
Overall ESG Strategy and Engagement	**Specific Execution of ESG Elements Based on Mandate**		
Corporate Governance Committee	Risk Management Committee	Management Resources and Compensation Committee	Audit Committee

Executive Management

Senior Management(2)	
EVP and Chief Legal Officer	**SEVP and Chief Risk Officer**
Executive lead for ESG across enterprise, including accountability for climate strategy.	Executive accountable for climate risk management.
Disclosure Committee	
Executive-level Committee that reviews ESG disclosures following internal reviews, as part of final steps in our ESG Disclosure Review Framework.	
ESG Strategy and Governance	**Risk Management**
Senior Executive ESG Council	Global Risk Committee
Chaired by the Executive Vice-President and Chief Legal Officer, the Council's purpose is to align CIBC on delivering against its ESG strategy, including our climate strategy, evaluating and monitoring progress, and tracking against set commitments.	Chaired by the Senior Executive Vice-President and Chief Risk Officer, provides a forum for discussion and oversight of risk appetite, profile, stress testing, and mitigation strategies, including consideration of relevant environmental or climate-related risks.

(1) Refer to Section 1.4 in our 2024 Sustainability Report to learn more about our ESG Strategy.
(2) Senior Management includes the Chief Executive Officer (CEO) and individuals who are directly accountable to the CEO.

2.1 CIBC's Climate Governance Framework

Execution

Governance and Execution Support		
Committees and Working Groups		
Executive-Level	Business-Level	Regional
Reputation and Legal Risks Committee High Carbon Risk Review Committee 2030 Financed Emissions Target Steering Committee (target-specific)	Capital Markets ESG Committee Sustainability Issuance Council	Regional Climate Risk Committee (Europe & APAC) CIBC Caribbean ESG Council
Select Key Functional Group and Strategic Business Unit Teams supporting execution against our climate strategy		
Enterprise ESG Climate Strategy, Disclosure, and Governance **Global Operational and Enterprise Risk Management** Environmental Risk Management **Finance** ESG Reporting, Treasury, Investor Relations		**Capital Markets** Energy, Infrastructure and Transition (EIT), Sustainable Finance, Sustainability Advisory **Commercial Banking and Wealth Management** Real Estate Finance **Personal and Business Banking** Personal Banking Products and Payments

2.2 Board oversight

The Board is responsible for the oversight of CIBC's strategic plans and priorities. In fulfilling this responsibility, the Board considers CIBC's purpose and ESG strategy in our business operations and decision making. Oversight of our ESG strategy, including our climate strategy (discussed in Section 3), is led by the Corporate Governance Committee (CGC) while oversight of principal business risks, including climate-related risks, is led by the Risk Management Committee (RMC). All Board committees provide oversight on relevant components of our ESG strategy, including climate strategy and governance, based on their respective committee mandates.

Oversight body	Frequency of climate-related updates to body	Role in climate oversight	Examples of climate-related activities in 2024
Board of Directors	As needed	• Responsible for the oversight of CIBC's strategic plans and priorities, and how CIBC is measuring, evaluating, and monitoring its progress toward strategic goals.	• Received insights on the climate landscape, including key trends in renewable energy deployment and energy transition technologies. • Approved responses to shareholder proposals on climate matters in CIBC's 2024 Management Proxy Circular. • Received updates on climate-related regulatory developments, stakeholder perspectives, and the evolving global policy landscape. • Received insights on CIBC's client landscape and sector-specific developments related to renewables, energy, transition technologies, and power and utilities.
Corporate Governance Committee	Quarterly	• Oversees ESG strategy, including climate strategy, related metrics and goals, ESG governance, as well as climate-related disclosure and stakeholder engagement practices. • Supports coordination and alignment across the entire Board by reviewing a quarterly summary of other committees' ESG-related updates, including those related to climate.	• Dedicated ESG agenda time during quarterly meetings and received quarterly updates, including climate-related information. These updates include progress toward established 2030 financed emissions reduction targets, stakeholder expectations, industry and regulatory developments, insights from CIBC's participation in climate-related industry forums, and business activities from regions across CIBC's global footprint. • Reviewed CIBC's 2023 Climate Report and 2023 Sustainability Report.
Risk Management Committee	Quarterly	• Oversight responsibilities include reviewing and approving CIBC's risk appetite, key frameworks, and policies to identify and control principal risks, as well as overseeing the identification, measurement, monitoring, and mitigation of CIBC's principal business risks, including climate-related risks. • Climate-related risks are also addressed in risk appetite statements and considered in stress tests.	• Reviewed and approved key frameworks, policies, and limits related to identifying, measuring, monitoring, and mitigating CIBC's principal business risks, such as environmental risks. • Reviewed reports that included discussions of environmental considerations to oversee the potential impact on the bank and our clients. These reports covered areas such as reputation risk, compliance and operational risks, third-party risk management, stress testing, reviews of specific credit portfolios, and the Corporate Insurance Program. • Discussed emerging risk issues and trends, including climate risk management considerations.

Oversight body	Frequency of climate-related updates to body	Role in climate oversight	Examples of climate-related activities in 2024
Audit Committee	Quarterly	• Oversees processes and controls around ESG disclosure in the Annual Report, Sustainability Report, and other material ESG disclosure documents. • Reviews the integrity of material ESG disclosures and monitors CIBC's compliance with legal and regulatory requirements related to ESG disclosure.	• Reviewed CIBC's ESG disclosure in the Sustainability Report, Climate Report and Annual Report, including Management's Discussion and Analysis (MD&A). • Received updates on regulatory developments related to ESG reporting and associated trends. • Reviewed processes and controls for data collection and reporting for ESG disclosure in the Sustainability Report, Climate Report and Annual Report, including the MD&A.
Management Resources and Compensation Committee (MRCC)	Quarterly	• Oversees CIBC's human capital strategy, including compensation and alignment with CIBC's strategy.	• Reviewed and approved the 2024 ESG Index, which includes climate-specific key performance indicators, to ensure alignment of executive and employees' ESG performance goals with compensation. • Received quarterly updates on the progress of KPIs included in the ESG Index.(1)

To support these oversight responsibilities, the Board and its committees remain informed about climate trends, risks, and opportunities for CIBC, receiving regular updates on CIBC's key climate actions, including through director development initiatives outlined below. CIBC's Board members, including the Chair, also engage directly with investors and other key stakeholders to discuss our climate plans and receive direct feedback on progress.

Further details on how climate change is considered in Board oversight, along with specific committee activities, can be found in our Statement of Corporate Governance Practices in CIBC's Management Proxy Circular.

(1) See section entitled Compensation linked to climate-related targets for additional information on the ESG Index.

2.3 Director skills and development

Several members of CIBC's Board have ESG and climate-related experience, as outlined in the directors' skills and experience matrix in our Management Proxy Circular. In addition to regular reporting, our Board receives dedicated climate education through our ESG director development, which is refreshed annually to help our Board members remain current with new and emerging governance practices, regulatory developments, and evolving global developments impacting the climate landscape. In 2024, the Board continued to dedicate agenda time to advancing director education, including a climate-focused session. This session covered key topics, such as:

- The impacts of geopolitical developments on global energy transition efforts, with specific consideration of financial institution implications;
- Key trends in renewable energy deployment and energy transition technologies; and
- Climate-related regulatory developments, with a focus on forthcoming climate transition planning requirements.

In 2024, we continued to deliver climate-specific director development to select regional and subsidiary boards, emphasizing climate considerations to support the horizontal oversight and integration of our climate goals across global operations. For example, in 2024, education was delivered to CIBC Caribbean's Board of Directors on sustainability reporting developments, while the Board of CIBC Mellon focused on climate-related regulatory developments.

2.4 Management's approach

Senior management

Our President and Chief Executive Officer (CEO) is responsible for setting the right tone company-wide and establishing our ESG and climate-related priorities. CIBC's Senior Management is accountable for driving progress on these priorities. Additionally, the Executive Vice-President and Chief Legal Officer (EVP and CLO) and Senior Executive Vice-President and Chief Risk Officer (SEVP and CRO), both of whom report to the President and CEO, play important roles in the executive management of our climate strategy and oversight of climate-related risk management.

Executive	Description of accountability
EVP and CLO	• Accountable for the delivery of CIBC's climate strategy • Chairs the Senior Executive ESG Council • Executive owner of ESG across the enterprise, which includes climate strategy, disclosure, and stakeholder engagement • Works alongside Senior Management to support ESG and climate strategy integration across the bank • Leads Enterprise ESG, Corporate Governance, Legal, and North America Government Relations, supporting alignment on climate-related initiatives across these functions
SEVP and CRO	• Accountable for management of climate-related risk • Leads Environmental Risk Management function, as part of Global Operational and Enterprise Risk Management • Responsible for identifying, assessing, and managing CIBC's climate-related risks • Responsible for certain frameworks and policies on the identification and control of risks, including climate-related physical and transition risks

Senior Executive ESG Council

Our Senior Executive ESG Council (Council) continues to champion CIBC's ESG strategy, including our focus on accelerating climate action. One of its main objectives is to ensure input from all SBUs and functional groups is integrated into bank-wide ESG initiatives including those related to climate. In 2024, the Council provided input into topics such as the 2030 financed emissions reduction target-setting approach for CIBC's automotive manufacturing portfolio, CIBC's sustainable issuance framework and methodology, and updated ESG Index metrics to measure performance. The Council was also kept up-to-date on emerging climate-related regulations, industry developments, and investor perspectives.

Our Enterprise ESG team works with SBUs and functional groups to provide input into Council agendas and supports the preparation of reporting materials that focus on both internal activities and external trends and insights. This reporting is intended to enhance the coordination of ESG activities, including climate-related activities, across the bank and deliver against our ESG and climate strategies, monitor progress, and track performance against our set commitments. These efforts are further supported by a broader group of team members with deep ESG or climate-specific expertise who help drive initiatives across our teams. Additionally, functional-level and topic-specific committees and working groups, listed below, play a critical role in these efforts.

Committees and working groups	Climate-related agenda frequency	Membership	Chair	Role in Climate strategy, Governance, and/or Risk management
				Executive level
Senior Executive ESG Council	At least quarterly	Executive and Senior Vice-Presidents from across the bank	EVP and CLO	• Champions CIBC's ESG strategy, including our focus on accelerating climate action, by ensuring input is integrated from all SBUs and functional groups into bank-wide ESG initiatives, largely related to major strategic initiatives, including those supporting progress toward climate-related goals. • Provides input into topics such as CIBC's 2030 financed emissions reduction target-setting approach and ESG Index measures, and is kept up-to-date on emerging climate-related regulations, industry developments, and investor perspectives.
Disclosure Committee	Annually	Senior Executive, Executive, and Senior Vice-Presidents from across the bank	SVP and Chief Accountant	• Promotes consistent disclosure practices aimed at accurate, complete, timely, and broadly disseminated disclosure of material information about CIBC to the market, including the Climate Report, to ensure any material information is appropriately included and is consistent with other relevant CIBC public disclosures.
Global Risk Committee	Quarterly	Executive and Senior Vice-Presidents from across the bank	SEVP and CRO	• Provides a forum for discussion and oversight of risk appetite, risk profile, and risk mitigation strategies, including consideration of relevant environmental or climate-related risks.
Reputation and Legal Risks Committee	As needed	Executive and Senior Vice-Presidents from non-SBUs	SEVP and CRO	• Provides a forum to determine whether any factors, including environmental and climate-related considerations, associated with a particular matter or transaction could create reputation or legal risks for CIBC.
2030 Financed Emissions Target Steering Committee	As needed	Senior leaders from relevant business units, Risk Management, and Enterprise ESG	Not applicable	• Oversees CIBC's methodology and target-setting approach for sector-specific 2030 financed emissions reduction targets. Feedback is solicited to support critical decision-making, which includes reviewing feasibility of setting targets, in addition to approving the approach used for targets that are set, ensuring accuracy and relevance to CIBC's business. This committee is convened as needed and composition changes based on the specific target and subject matter.
High Carbon Risk Review Committee	As needed	Senior leaders from relevant business units and Risk Management	AVP of Environmental Risk	• In transactions where Carbon Risk Scoring is required, clients are assessed against CIBC's requirements and standards to evaluate how clients are responding to carbon-related transition risks. • Reviews clients who have scored poorly to determine how CIBC can best support their transition activities and identifies high-emitting clients to discuss potential approaches for managing risk exposure.

				Business level
Capital Markets ESG Committee	Quarterly	Senior leaders from across Capital Markets and key Functional Groups	Managing Director and Head of Sustainable Finance	• Reviews and approves transactions to be credited toward CIBC's $300 billion Sustainable Finance Goal (SF Goal), as well as certain new ESG and climate-related products introduced by Capital Markets' lines of business.
Sustainability Issuance Council	Quarterly and as needed	Representatives from Treasury, Finance, Environmental Risk Management, Enterprise ESG, and SBUs	SVP, Funding and Liquidity	• Reviews and approves CIBC's Sustainability Issuance Framework, including the determination of eligible activities. Eligible activities under the Framework currently include those categorized as Green or Social.(1)
				Regional
Regional Climate Risk Committee (RCRC)	Quarterly	Heads of Business and Infrastructure, Risk Heads from European, APAC regions	SVP, CRO Europe and APAC	• Provides a forum for addressing regulatory, strategic, and client-related climate risk issues for the Europe and Asian-Pacific regions. It also enables Canadian-based members of the RCRC to understand current industry standards and regulatory expectations regarding climate matters in these regions.
CIBC Caribbean ESG Council	Monthly	Senior leaders representing their functional groups/ SBUs as subject matter experts	Director of Strategy and Economics	• Coordinates and assesses CIBC Caribbean's ESG-related activities and ESG strategy, and ensures the implications of ESG-related decisions on all areas of the bank are fully understood.

(1) For additional information, refer to the 2024 Sustainability Issuance Framework.

Enterprise-wide teams supporting climate action

In addition to supporting the effective oversight and management of our climate strategy, CIBC's climate governance structure supports its execution across the business. Our Enterprise ESG team — led by the Senior Vice-President of Corporate Governance and ESG (SVP of Corporate Governance and ESG) — facilitates engagement and action across all SBUs and functional groups. The Enterprise ESG team works in partnership with experts across the bank, including Environmental Risk Management and the Sustainable Finance and Sustainability Advisory teams in Capital Markets, to support the integration of climate-related risks and opportunities into our enterprise ESG strategy and bank-wide operations. Additionally, our Global Environmental and Social Framework provides an overview of how CIBC sets and operationalizes its ESG strategy and related policies, manages environmental and social risks, and outlines the established ESG governance framework.

Global Operational and Enterprise Risk Management, which includes a dedicated Environmental Risk Management team that reports to the EVP, Global Operational and Enterprise Risk Management, provides independent oversight of the identification, measurement, monitoring, and management of climate-related risks. The team ensures climate considerations are incorporated into risk frameworks, policies, and risk appetite. Global Operational and Enterprise Risk Management is responsible for:

- Measuring our 2030 financed emissions reduction targets[1] aligned with internally developed methodology and absolute financed emissions aligned with the Partnership for Carbon Accounting Financials (PCAF) methodologies;
- Identifying and assessing CIBC's climate-related physical and transition risks over the short, medium, and long-term through the use of heatmaps and scenario analysis;
- Embedding climate risks into overall enterprise risk management, including via carbon scoring methodology and measurement of carbon-related asset exposure; and
- Monitoring and ensuring compliance with climate risk-related regulatory requirements.

Compensation linked to climate-related targets

A key aspect of CIBC's ESG governance framework is fostering enterprise-wide accountability. The scorecards for the CEO and Senior Management include ESG-related performance metrics, which are also reflected in business area performance measures, as appropriate.

In addition, incentive compensation awards take into consideration ESG performance through CIBC's ESG Index. The compensation of executives and the majority of employees is linked to individual behaviours and outcomes through the Individual Performance Factor (IPF) and company-wide performance, based on the Business Performance Factor (BPF), which is approved by the Board. The ESG Index accounts for 10% of the overall BPF, ensuring that achieving our ESG targets is a component of annual incentive compensation. We continue to maintain alignment between the internal ESG Index and our public scorecard for transparent disclosure of the link between ESG performance and annual incentive compensation.

The ESG Index tracks and quantifies progress on our ESG priorities, including our climate-related goals, and includes measures across SBUs and functional groups. ESG Index metrics and annual goals are tied to our public commitments across each ESG strategic priority, including those with multi-year objectives. Climate-specific metrics are reflected in the 2024 ESG Index through the Accelerating Climate Action strategic priority, which represents 34% of the total weight allocated to ESG strategic priorities. This includes measures related to sustainable finance,[2] operational greenhouse gas (GHG) emissions reduction goals (absolute Scope 1 and 2), and our 2030 financed emissions reduction targets. Performance on the ESG Index metrics is tracked and reported quarterly to Senior Management and the Board. The ESG Index is reviewed annually with input from the Senior Executive ESG Council and CIBC's Senior Management and receives final approval from the MRCC.

For more information on Executive compensation and CIBC's ESG Index, refer to CIBC's Management Proxy Circular.

(1) Our 2030 financed emissions reduction targets are interim targets established by CIBC that are aligned to a pathway to net-zero by 2050. There are internationally recognized methodologies for setting financed emissions reduction targets that focus on the absolute reductions of financed emissions or reductions in the emissions intensity of business operations. Currently, all of the 2030 financed emissions reduction targets established by CIBC relate to the emissions intensity of business operations financed by CIBC. Please refer to the methodology outlined in CIBC's Net-Zero Approach.

(2) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance.

3.0 Our climate strategy

3.0 Our climate strategy

Our Climate Strategy is one of the three strategic priorities of our ESG strategy. These strategic priorities are: building integrity and trust, creating access to opportunities, and accelerating climate action. Our ESG strategy commits to activating our resources to support positive change for our team, our clients, our communities, and our planet, contributing to a more secure, equitable, and sustainable future where everyone's ambitions are made real.

Our climate strategy consists of four pillars:

Supporting our clients' transition

We believe we can have greater impact on carbon-intensive sectors by engaging and supporting our clients' transition to a low carbon future.

Our evolving approach to supporting our clients has included incorporating client transition activities into our assessments and decision making. We began this effort a few years ago with the Carbon Risk Scoring Methodology, and starting this year, through the development of a Transition Planning Assessment and Engagement Framework, to gain a better understanding of client transition planning and to support CIBC's client engagement efforts.(1)

Encouraging consumer behaviour

We provide education and advice to incentivize and encourage consumers to consider low carbon choices.

Through the CIBC Climate Centre, an education hub that helps clients learn how to transition to low carbon living, clients can find support to integrate climate action into their everyday lives and minimize greenhouse gas (GHG) emissions by making changes to their living, transportation, and investing choices.

Refining our operations

Our climate journey begins with responsibly managing our operations to mitigate and reduce impacts to the environment. In our own operations, we have developed processes to collect data, forecast grid emissions, integrate energy efficiency initiatives into capital planning, and stay abreast of the latest technological, regulatory, and market developments. We have set a target to reduce our absolute Scope 1 and 2 operational GHG emissions by 30% by 2028, based on a 2018 baseline, for our operations in Canada and the US.(2)

Sharing our progress

We are transparent and accountable in our efforts to support a sustainable future for our team, our clients, our communities, and our planet, by providing details on our goals and progress through our climate-related disclosures.

(1) The Transition Planning Assessment and Engagement Framework will begin implementation in 2025.
(2) Refer to 6.5 A note about forward-looking statements.

In 2024, we made progress in implementing our climate strategy across all four strategic pillars to support solutions that address climate change and help facilitate the transition to a sustainable, low carbon future.

Supporting our first and third pillar, our 2050 net-zero ambition, which includes financing activities, is based on a projection of emissions reductions outlined by the International Energy Agency's Net Zero Emissions by 2050 scenario (IEA NZE2050).[1] 2030 financed emissions reduction targets[2] have been set to track how our carbon-intensive portfolios are advancing relative to the pathway set out in the IEA NZE2050 scenario. Additionally, we continue to focus on reducing our environmental footprint by addressing operational GHG emissions from our own real estate operations across Canada and the U.S.

2024 progress against our climate pillars

- Formalized a Transition Planning Assessment and Engagement Framework for our oil and gas and power generation clients
- Achieved **66.6%** cumulative progress on our SF Goals – with **$28.1 billion** dedicated to eligible green activities[3]
- Made progress on our absolute Scope 1 and 2 operational GHG emissions, achieving a cumulative reduction of **31.4%**[4]
- Total reduction of **23.2%** in 2023 operational emissions intensity in our oil and gas portfolio from a 2020 baseline
- Total reduction of **0.7%** in 2023 end-use emissions intensity in our oil and gas portfolio from a 2020 baseline
- Total reduction of **21.3%** in 2023 emissions intensity in our power generation portfolio from a 2020 baseline
- Total reduction of **4.8%** in 2022 emissions intensity in our auto manufacturing portfolio from a 2021 baseline

(1) IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector.

(2) Our 2030 financed emissions reduction targets are interim targets established by CIBC that are aligned to a pathway to net-zero by 2050. There are internationally recognized methodologies for setting financed emissions reduction targets that focus on the absolute reductions of financed emissions or reductions in the emissions intensity of business operations. Currently, all of the 2030 financed emissions reduction targets established by CIBC relate to the emissions intensity of business operations financed by CIBC. Please refer to the methodology outlined in CIBC's Net-Zero Approach.

(3) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance.

(4) With this milestone achieved, we will retain our target to ensure that our progress remains on track.

3.1 Advancing our climate strategy

Since 2019, CIBC has focused on climate initiatives to reduce the environmental impact of our operations and assist our clients in transitioning to a low carbon, more sustainable economy. Overall, we have taken several steps to execute our climate strategy. For example, we disclosed our Transition Planning Assessment and Engagement Framework for the energy sector, which is set to be implemented in 2025. Highlights from 2019-2024 are included below.

	2019	2020	2021	2022	2023	2024
Supporting our clients' transition	Set a target to mobilize $150 billion in sustainable finance services by 2027	Issued inaugural US$500 million Green Bond	Announced $100 million in limited partnership investments in climate tech and energy transition investments Formed the Energy, Infrastructure and Transition (EIT) Investment Banking group in 2021 to reflect evolving market and environmental themes while further assisting clients in assessing opportunities and risks during an era of environmental, regulatory, technological, and social change Joined the Partnership for Carbon Accounting Financials (PCAF) Doubled SF Goal to $300 billion by 2030(1) Announced net-zero ambition for financing and operational activities by 2050(2) Developed Carbon Risk Scoring Methodology and began scoring corporate and commercial clients	Disclosed results of Carbon Risk Scoring Methodology for corporate and commercial clients Established 2030 financed emissions intensity reduction targets to reduce the financed emissions associated with our oil and gas and power generation portfolios	Established 2030 financed emissions intensity reduction target for our automotive manufacturing portfolio Disclosed absolute financed emissions for a total of seven asset classes using PCAF framework	Developed Transition Planning Assessment and Engagement Framework to better understand our clients' transition planning actions across our oil and gas and power generation portfolios Disclosed clean energy financing commitments that support emissions free energy enablement Disclosed breakdown of $28.1 billion in eligible green activities in line with our 2024 Sustainable Finance Methodology(1)
Encouraging consumer behaviour			Introduced the CIBC Climate Centre, an education hub that helps clients learn how to transition to low carbon living Developed first Green Vehicle Program in April 2021 at over 3,200 CIBC-partnered dealerships across Canada			
Refining our operations	Set an operational target to reduce emissions intensity by 20% by 2026 (2018 baseline)	Set a target to achieve 100% renewable electricity usage and carbon neutral operations by 2024	Revised our operational GHG target to reduce absolute emissions from operations by 30% (increased from 20%) by 2028 (2018 baseline)		Achieved 87.7% of our target to reduce absolute emissions from operations by 30% by 2028 (2018 baseline)	Achieved 31.4% cumulative reduction in absolute emissions from operations in Canada and the US (location-based Scope 1 and 2) (from 2018 baseline)

(1) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance.

(2) Financing activities captured in our net-zero ambition relate to the specific sectors and in-scope activities where we have set 2030 financed emissions reduction targets which are based on projections of the emissions reduction from the IEA NZE2050. These include our lending commitments and facilitated financing, which is CIBC's share of actual economic allocation for equity capital markets and debt capital markets underwritings, where applicable. Refer to methodology outlined in CIBC's Net-Zero Approach for further details

3.2 CIBC's implementation and engagement plan

CIBC's Implementation and Engagement Plan outlines the actions that we are taking to advance our climate strategy, highlighting CIBC's engagement efforts with our clients, industry, and the public sector.

Incorporating client transition activities into our assessments and decision making

CIBC provides financial services to corporate, commercial, and institutional clients across several sectors and industries. This entails both new and existing clients in varying stages of climate strategies and transition-planning efforts. Leveraging our role as capital providers, we focus on supporting our clients in their transition to a low carbon economy.

CIBC incorporates climate-related considerations into our decision-making tools and processes, including in relation to certain lending decisions and transaction approvals.

Some of the ways we incorporate climate-related considerations into our approach to lending include:

- Our existing Carbon Risk Scoring Methodology has been the primary tool for assessing our corporate and commercial clients' climate considerations for the past several years, supporting our understanding of their carbon risk profiles.
- Our newly developed Transition Framework, designed to assess and understand the transition planning efforts of our oil and gas and power generation clients at both the client and industry portfolio levels. This framework will be implemented in fiscal 2025 and will likely evolve over time as the regulatory landscape changes.

CIBC's climate related decision-making tools and processes

Tool and process	Purpose	When is it used/performed?	Client scope
Carbon risk scoring methodology	Cross-sector approach to assess and understand the transition risk(s) faced by our clients as these risks may impact credit worthiness and represent risks for CIBC	Annually	Commercial and Corporate Portfolios (we apply an internal threshold to identify in-scope large corporate and commercial clients)(1)
Transition framework	Approach to assess and understand client transition planning progress to inform client engagement and support CIBC's 2030 financed emissions reduction targets	At time of a client capital request	Clients in-scope for CIBC's oil and gas and power generation 2030 financed emissions reduction targets

We elaborate further on our Carbon Risk Scoring Methodology in the Risk Management section and on the Transition Framework in the section below.

(1) Excludes Governments, Financial Institutions, and Non-Bank Financial Institutions.

CIBC's transition planning assessment and engagement framework

To support CIBC's climate strategy, the Transition Framework was developed in 2024 to better understand our clients' transition planning actions across our oil and gas and power generation portfolios. The objectives of this energy sector-specific Transition Framework are to support CIBC's 2030 financed emissions reduction targets for the oil and gas and power generation portfolios and to respond to regulatory guidance. The Transition Framework, which will be implemented in fiscal 2025, is informed by industry guidance on transition planning and is expected to evolve over time as the regulatory landscape changes.

The Transition Framework consists of five specific criteria, captured under two main transition-related themes: Decarbonization Actions and Accountability. These criteria are considered by CIBC to be key components of a robust transition plan and are informed by international guidance and methodologies.(1) As of the publication date of this report, there is no standardized transition planning methodology for banks in the Canadian market. Accordingly, the Transition Framework is expected to evolve over time.

CIBC's transition framework

Transition category	Summary of criteria themes
Decarbonization actions	Commitment across organization
	Defined strategic goal(s) and actions to achieve net-zero commitment(s)
	Climate-related public policy advocacy/engagement
Accountability	Emissions and target disclosure
	Governance

The transition planning progress of our clients is expected to be non-uniform, with some clients being at a more advanced stage compared to others. The Transition Framework is designed to reflect this and categorizes clients' transition efforts into four categories — Early, Developing, Intermediate, and Advanced — based on their scoring results across the assessed criteria.(2)

Individual client transition assessment scores are expected to inform CIBC's client engagement efforts and support CIBC's ability to provide clients with relevant advisory and sustainable product solutions to address their decarbonization needs. In 2024, CIBC undertook a preliminary assessment of a portion of our oil and gas and power generation portfolios using this framework criteria. Only clients within the scope of CIBC's 2030 financed emissions reduction targets were selected for the preliminary assessment exercise.

Clients included in CIBC's oil and gas 2030 financed emissions reduction target include pure-play upstream producers, pure-play downstream refiners, and integrated companies with both upstream and downstream operations. Midstream and services companies are excluded. CIBC's 2030 financed emissions reduction target for the power generation sector includes independent power producers and power generation clients with integrated operations (i.e., power generation, transmission, and distribution). Pure transmission and distribution companies are excluded. Furthermore, within this group, only clients who are considered emitters will be assessed. Clients whose power generating assets are 100% emissions-free are excluded from assessment (although they are within scope of our 2030 financed emissions reduction target setting approach), as they are assumed to already be aligned with a net-zero trajectory and therefore do not require further assessment or engagement on their transition planning efforts. Refer to our Net-Zero Approach for more information on our 2030 financed emissions reduction target methodology.

(1) Recommendations and Guidance on Financial Institutions Net-Zero Plans by Glasgow Financial Alliance for Net Zero (GFANZ) and Guidance by Transition Plan Taskforce (TPT).
(2) Criteria are not equally weighted.

3.3 Sustainable finance

Supplementary to our climate strategy and in line with our strategic pillar of supporting our clients' transition, CIBC offers a diverse suite of business products and services to help our clients achieve their sustainability objectives. To guide our focus, CIBC has set a goal to mobilize $300 billion in sustainable finance activities and services between 2018 and 2030.(1) This goal positions CIBC to provide our clients with the financial capital or advice they require to pursue green, decarbonization, or social opportunities in their businesses. In 2024, our sustainable finance contribution was $42.5 billion, which is a cumulative 66.6% (or $199.8 billion) toward our $300 billion goal.(2) Sustainable financing activities and products are intended to help our clients achieve their green, social, and decarbonization objectives (as defined in our Sustainable Finance Methodology). These objectives include, but are not limited to, climate change-related ambitions and therefore do not always contribute to a reduction in GHG emissions. In addition, sustainable financing may involve eligible green activities or targets that aim to reduce the growth rate or intensity of a client's GHG emissions but do not necessarily curtail the growth of their absolute emissions. For more information on CIBC's approach to sustainable finance, refer to section 4.1 of our 2024 Sustainability Report.

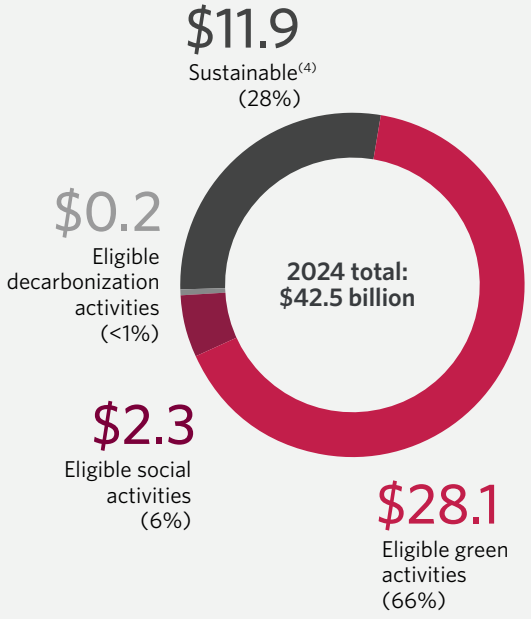
CIBC's SF Goal and our 2030 emissions reduction targets are separate commitments with distinct approaches and methodologies.

Progress toward CIBC's SF Goal is assessed annually based on the value of eligible green, decarbonization, and social activities following our public Sustainable Finance Methodology. Sustainable Finance activities include those that are unrelated to climate, emissions, or the environment such as affordable housing. For an activity to be counted toward CIBC's SF Goal it must successfully undergo a robust review and approval process and satisfy the eligibility criteria under the Sustainable Finance Methodology.

CIBC's 2030 financed emission reduction targets are part of our net-zero ambition, based on a projection of emissions reductions outlined by the IEA NZE2050.(3) Our 2030 financed emissions reduction targets have been set to track how our carbon-intensive portfolios are advancing relative to pathway set out in the IEA NZE2050 scenario. Progress toward the 2030 financed emissions reduction targets is measured in terms of reductions in GHG emissions intensity within the applicable sectors. See our 2030 financed emissions reduction target-setting approach section and our Net-Zero Approach for more information on our 2030 emissions reduction targets.

2024 Sustainable finance transactions

(billions)



(1) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance.

(2) CIBC's public Sustainable Finance Methodology is effective prospectively for eligible transactions that close on or after November 1, 2023 and was used to calculate CIBC's 2024 performance. The reporting of our annual and cumulative performance for the periods ending on October 31, 2018 to October 31, 2023 was not restated. The methodology applied to our 2023, historical, and cumulative progress was established in 2018 and subsequently updated each year from 2021 to 2024 to reflect changing market practices and industry guidelines (for example, related to eligible activities or business products). For more information on historical internal methodologies, including eligible activities, business products, and measurement methodology, refer to CIBC's archived Sustainability Reports available under Archives on our website.

(3) IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector.

(4) Sustainable includes designated sustainable bonds or loans and sustainability-linked transactions. Sustainability-linked refers to transactions designed to incentivize the client to achieve predetermined ESG targets with pricing implications, in alignment with relevant guidelines, principles, and frameworks.

Eligible green activities

CIBC supports our clients' climate transition efforts by offering products and services such as low carbon and clean energy lending, investment and advisory services, green bonds, and green loans. We remain focused on identifying opportunities to support our clients' decarbonization efforts.

Offering green financing and advisory services presents an opportunity for CIBC to support our clients' ability to implement climate-related initiatives across their operations, while contributing to our SF Goal of mobilizing $300 billion in sustainable finance activities by 2030 (2018-2030). Green activities and services facilitated by CIBC and aligned with our Sustainable Finance Methodology totaled $28.1 billion in 2024. The largest amount within this category was clean energy totaling $19.1 billion (68% of total eligible green activities). The definition of eligible clean energy activities includes clean energy sources such as solar, offshore and onshore wind, among others.(1) Refer to below for a full breakdown of the eligible green activities we financed in 2024.

Eligible green activities for 2024

2024 eligible green activities	$ billions	%
Clean energy	$19.1	68%
Clean fuels	$2.9	10%
Green buildings	$1.2	4%
Other(1)	$0.5	2%
Green thematic products		
Green bonds	$4.0	15%
Green loans	$0.4	1%
Total eligible green	**$28.1**	**100%**

We track progress toward CIBC's $300 billion SF Goal (2018–2030) annually following our Sustainable Finance Methodology. Tracking progress toward this goal is a marker of the volume of eligible green, decarbonization, and social products and services that we have mobilized to support our clients in achieving their sustainability objectives. For more details on our business products and measurement methodology, classification pathways, and eligible green, decarbonization, and social activities, refer to CIBC's Sustainable Finance Methodology.

(1) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance.

(1) Other includes energy efficiency, pollution prevention and control, and clean transportation.

3.4 Sustainable products and solutions

CIBC's advisory services

CIBC regularly engages with our clients through advisory services. Advisory engagements related to sustainable finance opportunities have focused on our energy, renewables and power generation, utility, midstream, and climate technology clients. These engagements have addressed topics such as: solar, wind, battery storage, hydrogen, carbon capture, utilization and storage (CCUS), and biofuels. Engagements with both current and prospective clients occur in multiple ways:

- Renewables investments, funding, partnerships, and monetization;
- Energy transition transactions and financing opportunities;
- Growth equity capital raise opportunities for our climate technology clients; and
- Climate policy implications and the resulting commercial and transaction potential opportunities that exist for their business and operations.

Carbon market activity

CIBC is active in a number of carbon-related markets and trades Carbon Allowances, including California Carbon Allowances (CCA), the Regional Greenhouse Gas Initiative (RGGI), European Union Allowances (EUA), and United Kingdom Allowances (UKA), as well as Carbon Credits and Renewable Energy Certificates (RECs).

Energy, Infrastructure and Transition team

CIBC's Energy, Infrastructure and Transition (EIT) Investment Banking group is an integrated global merger and acquisitions (M&A), Capital Markets, and Project Finance platform with technical knowledge and expertise in renewables and key energy transition sectors, including solar, wind, energy storage, carbon capture, utilization and storage (CCUS), biofuels and hydrogen. CIBC maintains strong and trusted relationships, acting as financial advisors to key power/renewables, infrastructure, energy, utility, midstream, and climate technology companies and investors. We offer a holistic suite of financial services to our clients, including M&A, debt advisory, debt structuring, equity and debt capital markets, growth capital raises, and global markets solutions.

For more information on our sustainable products and solutions, refer to section 4.0 of our 2024 Sustainability Report.

CIBC Capital Markets: Climate transition focus

CIBC Capital Markets delivers climate-related products and services, with a goal to continue to develop solutions that support our clients' goals and objectives in renewables and energy transition. We accomplish this through an integrated and global platform across Advisory, Global Corporate Banking, Debt and Equity Capital Markets and via research and insights. For more information on our products and solutions, refer to our 2024 Sustainability Report, section 4.0.

CIBC's Capital Markets climate-related products and solutions examples

Green Loans: Supports activities aligned with the Green Loan Principles. Eligible activities include production, transmission, and distribution of renewable energy, efficiency energy projects, and clean transportation.(1)
Green Bonds: Our treasury team holds a portfolio of green bonds and issues them.
Sustainability-Linked Loans: General corporate purpose loans used to incentivize borrowers' commitment to sustainability by incorporating ESG-related targets into the loan, in alignment with relevant guidelines, principles, and frameworks.
Sustainable Trade Finance: As part of our support for our clients' transition goals, we offer a green and sustainable trade product suite covering receivables and payables/supply chain financing.(1)
Sustainable Financing Guarantee: The Sustainable Finance Guarantee (SFG) pilot program is a risk-sharing solution established by Export Development Canada (EDC), aimed at supporting lending that contributes to eligible green activities (such as energy efficiency, renewable power generation, and pollution prevention and control) and providing up to $1 billion in financing. CIBC became the first financial institution to deploy capital under the SFG pilot program since announcing its collaboration with EDC in 2023.
Climate Solutions: CIBC has committed to providing $100 million in limited partnership investments in climate technology and energy transition funds, and has allocated almost half of the $100 million to date. Through this action, CIBC has supported partners in the climate technology ecosystem across sectors that include carbon technology, low carbon fuels, energy storage, and clean hydrogen.

(1) Refer to CIBC's Sustainable Finance Methodology for details on eligible green, decarbonization, and social activities and corresponding eligibility criteria, business products, and measurement methodology used for the classification of a transaction as sustainable finance.

3.5 Public sector engagement

In support of a purposeful and coordinated climate transition, CIBC supports public policy development through direct engagement with government and industry group advocacy. These engagement efforts aim to support and align with our ability to achieve our climate strategy. Our Enterprise ESG and Government Relations teams both report to the EVP and CLO, supporting alignment and coordination across both teams' activities.

Our goal is to serve as a trusted advisor, ensuring that we provide clients with a thorough understanding of the transition-related policy landscape, and provide governments with a robust and informed industry perspective. CIBC adheres to all applicable legislation and guidance pertaining to all of our lobbying activities.

Over the past year, CIBC directly engaged with the Government of Canada to better understand federal climate policy directions. Two examples of our engagements with the government include:

- Discussions with the Department of Finance on the status of the green and transition taxonomy, further to the work of the previous Sustainable Finance Action Council (SFAC); and
- Consultations with Environment and Climate Change Canada (ECCC) on compliance carbon markets.

3.6 Industry engagement

CIBC plays a role in sharing climate-related insights and expertise, while enabling cross-industry collaboration to advance the transition to a low carbon economy in the financial sector. We engage in climate-related thought leadership, industry collaboration, and shared learning through strategic investments and partnerships with academic institutions.

Examples of CIBC's industry engagements

Type of engagement	Institution	Description of engagement
Thought leadership	RMI's Center for Climate Aligned Finance (CCAF)	We were the first Canadian bank to become a member of the RMI's CCAF in 2021. Our membership in the CCAF provides us with valuable insights to inform our decarbonization efforts and supports our thought leadership.
Industry collaboration	Partnership for Carbon Accounting Financials (PCAF)	CIBC is a member of PCAF where we support its efforts in developing standards for accounting and disclosure of financed GHG emissions. As a member of PCAF, we are committed to measuring and disclosing our absolute financed and facilitated emissions related to lending, investing, and underwriting activities.
	Circular Economy Leadership Canada (CELC)	We joined CELC in 2022, a network of corporates, non-profit organizations, and academic partners focused on accelerating the transition to a low carbon, circular economy in Canada providing thought leadership, technical expertise, and collaborative platforms.
	Climate Smart Buildings Alliance (CSBA)	In 2024, CIBC joined the CSBA, a coalition of building sector companies aimed at accelerating the pathway to net-zero. CSBA works with industry collaborators, governments, researchers, and innovators to test ideas, create new solutions, and drive climate smart systems change.
Other strategic partnerships	Schulich School of Business, York University, McGill University, and University of Calgary Energy Transition Centre	In 2024, we continued to partner with academia to share our financial expertise and insights and encourage innovation and progress relating to sustainable finance. Partnership examples include: • Ongoing support for work in the area of sustainable finance, including support for the CIBC Chair in Sustainable Finance at the Schulich School of Business at York University. • Supporting sustainable finance research initiatives with McGill University, including participating in McGill's inaugural Sustainable Growth Initiative Advisory Board and in various academic-led forums to share insights and expertise on sustainability issues that impact our clients. • Ongoing support for the University of Calgary's Energy Transition Centre, including co-sponsoring an industry roundtable in 2024 to discuss the alignment needed between capital and industry to accelerate the commercialization of climate technology.

In 2024, we continued to develop thought leadership content and host summits. The bank hosted two summits to engage stakeholders in critical conversations about the energy transition. The inaugural Electrification Summit provided insights from expert panels on the progress of electrification in Europe and North America, highlighting opportunities to transition to clean electricity. The second annual Carbon Summit focused on the evolution of carbon markets and their connection to the energy transition, attracting Canadian and international delegates, including companies on their net-zero journey, carbon project developers, technologists, policymakers, and capital allocators.

3.7 Impact of climate-related risks and opportunities on strategy

Climate change and its consequences on strategy transmitted through physical and transition risks

In addition to directly supporting our clients, we manage our business and associated climate risks and opportunities to protect our clients, customers, and investors. CIBC evaluates climate considerations and the current and anticipated effects of climate risks and opportunities on our overall business strategy, including our risk management approach. Through CIBC's Risk Management Framework, climate-related risks are identified during regular assessments, ongoing portfolio monitoring, and the assessment of risks in new business activities. We leverage a combination of information systems to identify and monitor regulatory changes related to climate risks. For more information, refer to the Risk Management section.

Examples of impact on our strategy

We are supporting our clients' transition through our Transition Planning Assessment and Engagement Framework.

Refer to our Heatmap Assessment to learn about how we assess the potential exposure of our business and government lending to physical and transition climate-related risks.

We are using carbon risk scoring to identify the risk profiles of our clients. Our Risk Management section contains details of our Carbon Risk Scoring Methodology.

CIBC is responding to climate opportunities by evolving our strategy, approach, and operations to support our clients as they transition to a low carbon economy. We offer climate-related products and services to help our clients achieve their transition goals and realize the opportunities arising from the shift to a low carbon economy. As we create opportunities to support our clients' transition efforts, we will continue to rely on strategies and advancements made in decarbonization technologies across all sectors.

Climate-related opportunity categories	Examples of climate-related opportunities	CIBC's response
Resource Efficiency	• Energy efficiency • Building retrofits • Water use optimization • Waste reduction, reuse, and recycling	Refer to the Operational Emissions section, to learn more about how we prioritize and invest in decarbonization initiatives that align with our net-zero ambition.
Energy Source	• Switch to renewable energy and low emission energy sources	
Products and Services	• Develop sustainable and low-emission products and services	Refer to the section on CIBC Capital Markets to learn more about our low carbon lending, investment, and advisory services.
Markets	• Access to sustainable finance and incentives	Refer to the Sustainable Products and Solutions section to learn how we are mobilizing the necessary capital and developing innovative market-based solutions.
Resilience	• Invest in or provide climate adaptation services	Refer to CIBC's Advisory Services section to learn how we are assisting our clients in assessing opportunities and risks.

4.0 Risk management

4.0 Risk management

Climate-related risks encompass two types of risk: transition risks, which relate to the adjustment to a low-GHG economy, and physical risks, which pertain to extreme weather events and long-term shifts and variability in climate patterns. We consider climate risk a "transverse" risk, which manifests through existing risk channels.

Our Global Operational and Enterprise Risk Management team (GOERM), together with our regional risk teams, play a central role in identifying, assessing, and managing our climate-related risks. They are also responsible for monitoring evolving industry practices, tools, and methodologies related to climate risk management and updating our approaches to further enhance CIBC's capacity in these areas.

To manage the climate-related risks that our business faces, we use multiple risk management phases aligned with our Risk Management Framework. These phases are: (i) Risk Identification, (ii) Risk Assessment and Measurement, (iii) Risk Management and Controls, and (iv) Risk Monitoring and Reporting.

1 Risk identification

Climate-related risks are identified using CIBC's risk management framework

- Participating in industry committees
- Using regulatory compliance software

2 Risk assessment and measurement

Climate-related risks are assessed & measured

- Carbon Risk Score
- Heatmaps
- Scenario analysis

3 Risk management and controls

Risk Management and controls are used to identify, measure, monitor and report climate-related risk in a timely manner

- Risk Appetite Statement
- Risk management policies, standards and frameworks

4 Risk monitoring and reporting

Climate-related risks considerations are included in internal and external monitoring and reporting

- Carbon Risk Score
- Risk Appetite Statement
- Metrics and targets

4.1 Risk identification

Through CIBC's Risk Management Framework, climate-related risks are identified during regular assessments, ongoing portfolio monitoring, and an assessment of risks in new business activities. We leverage a combination of information systems to identify and monitor regulatory changes related to climate risks. This includes reviewing materials posted on regulatory websites, participating in industry committees and forums, and utilizing regulatory compliance and risk management software to automatically monitor the regulatory landscape for relevant updates. For the latter, the enterprise-wide Compliance team assists in setting up alerts, which are reviewed by the Environmental Risk team. This team evaluates the alerts, provides feedback in a regulatory change report, and communicates updates through our regulatory development dashboard.

The table below provides an overview of the key climate-related risks we have identified for our business and our approach to managing them.

Climate-related risk drivers	Examples of climate-related risks	CIBC risk management approach
Transition risks		
Policy and legal	• Increased pricing of GHG emissions • Enhanced emissions reporting obligations • Mandates on and regulation of existing products and services • Exposure to litigation	As part of our risk management approach, we assess the impacts of climate change regulation on CIBC's credit portfolio using screening tools that incorporate emerging climate policies and legislation. This process is governed by our Regulatory Compliance Management Policy, which sets out our approach, framework, and requirements for managing regulatory compliance risk. Climate regulations can impact the credit risk of CIBC's clients in high-emitting sectors through increased costs associated with regulatory compliance measures or potential fines for non-compliance, which are considered as part of our credit assessment. For example, the Government of Canada's GHG pricing scheme includes a carbon tax on fossil fuels, which is set to rise from $80 per tonne of CO_2 in 2024 to $170 per tonne in 2030. We actively monitor and maintain adherence to both existing and new regulatory requirements across the jurisdictions where we operate. This includes managing legal risk arising from potential non-compliance. We also monitor other emerging regulations, such as climate-related financial disclosure requirements, which could increase emissions reporting obligations for both CIBC and our clients. We remain actively engaged with regulators as these mandates evolve across different jurisdictions.
Technology	• Substitution of existing products and services with lower emissions options • Failure to invest in the technology needed to transition business • Costs to transition to lower-emissions technology	Technological improvements supporting the transition to a low carbon economy could pose transition risks to certain clients who may be slower to adopt or adapt to these technologies. This could increase credit or investment risk, as such clients face a higher likelihood of credit default or losses from stranded assets. Technology-related transitional risks are a component of our Carbon Risk Scoring Methodology, helping us evaluate the potential impact on our credit portfolio.

Climate-related risk drivers	Examples of climate-related risks	CIBC risk management approach
Market	• Changing customer behaviour • Uncertainty in market signals • Increased cost of raw materials	CIBC could be impacted by market changes driven by increased consumer interest in sustainable or "green" financial products and services, as well as decreased demand due to regulatory or policy changes. CIBC uses Bloomberg L.P. data to track which sustainable finance debt issuances are changing in volume globally. Additionally, CIBC has comprehensive policies for managing market risks. These policies address the identification and measurement of various types of market risk, their inclusion in the trading book, and the establishment of limits to monitor, manage, and report our overall exposures.
Reputation	• Shift in customer preferences • Stigmatization of sector(s) • Increased stakeholder concern or negative feedback • Detraction from the transition to a low carbon economy • Impacts on regional economies • Greenwashing risks • Increased scrutiny and pressure from environmental groups	Potential impacts on CIBC's reputation could result from our association with traditionally high-emitting sectors, growing public scrutiny of these sectors, and the risk of greenwashing. These risks are heightened by increasing pressure from environmental groups and stakeholders asking for greater corporate responsibility in addressing climate change. To effectively manage these and other reputational risks effectively, CIBC has developed an integrated approach through a framework of corporate-wide policies, procedures, and processes — including our Code of Conduct, Supplier Code of Conduct, Global Reputation and Legal Risks Policy, and other related policies. Additionally, in our corporate banking practice, deal teams present potential client transactions to the Global Deals Committee (GDC) for review before submitting to Risk Management. The GDC evaluates transactions to ensure alignment with CIBC's business objectives and compliance with key policies, including the Reputation and Legal Risks Policy. If a client does not have sufficient sustainable practices related to environmental and social issues, we conduct a heightened due diligence review. This review may involve further scrutiny by our Reputation and Legal Risks Committee, which assesses both the potential reputational risks and the transaction structure. Depending on the outcome of these reviews, CIBC may choose not to proceed with a transaction.
Physical risks		
Acute	• Increased severity of extreme weather events, such as cyclones and floods	Acute physical risks, such as flooding, forest fires, and severe storms, could impact CIBC's operations as well as those with whom we do business. It is a CIBC policy to provide for the continuity of business under conditions of unforeseen disaster arising from natural, accidental, or engineered occurrences. To fulfill this policy, all CIBC operating units must regularly assess their exposures to business interruption risk and take appropriate action to minimize and control the risk.
Chronic	• Changes in precipitation patterns and extreme variability in weather patterns • Rising mean temperatures • Rising sea levels	Chronic physical risks, such as changing climate conditions and increased sea levels, could impact CIBC's operations as well as those with whom we do business. Clients with significant exposure to such impacts could be more at risk of default on loans. To mitigate such risks, we assess the physical impacts of climate change on CIBC's operations and on our lending portfolio. For our lending, we incorporate this into our heatmap assessment and climate scenario analysis.

4.2 Risk assessment and measurement

Carbon risk scoring methodology

Our Carbon Risk Scoring Methodology assesses and quantifies the carbon risk profiles of our corporate and commercial clients that exceed a financial threshold. The objective of the Carbon Risk Scoring Methodology is to understand:

- The climate-related physical and transition risks that our clients face;
- Our clients' plans to transition to a low carbon economy over the short, medium, and long term; and
- How our clients compare to their peers relative to the transition risks they face.

At a high level, Corporate and Commercial Banking Relationship Managers are responsible for assessing transition risks faced by new clients by answering a set of predefined questions, which are then used to assign an appropriate carbon risk score. They also review and update carbon risk scores for existing clients on an annual basis. Credit Risk Management Adjudicators are tasked with reviewing and approving the proposed carbon risk scores for both new and existing clients. Additionally, Global Operational and Enterprise Risk Management oversees the process by providing quarterly reporting on carbon risk scoring and related risk appetite metric.

These requirements apply globally to all in-scope sectors of Corporate Banking and Commercial Banking Borrowers, with the exception of CIBC Caribbean.

The Methodology produces a carbon risk score for each client annually, which we use to inform our heatmapping, and scenario analysis. These activities help us manage climate risks across our corporate and commercial lending activities and guide strategies to manage CIBC's carbon transition risk exposure at both the client and portfolio levels.

We consider four key elements when assessing a client's carbon risk Score:

Profile	Description
Current (1-2 years)	Assesses a company's near-term reliance on hydrocarbons or GHG emissions in its business model or value chain
Medium term – exposure (3-5 years)	Considers the extent to which a company is exposed in the medium term to changes in markets, policy, and technology under varied climate change scenarios
Medium term – actions (3-5 years)	Measures to be taken in the medium-term to mitigate exposure to carbon transition risks, such as changes to business strategy to improve climate resilience
Long term – exposure (6-15 years)	Assesses exposure to rapid, low carbon transition scenarios over the long-term

The carbon risk scores incorporate an assessment of commitments clients have made to the market, including their environmental policies, climate-related disclosures, and climate risk management processes. We assign an overall score of between 1 –10 (with 1 being low risk) to each client, considering current, medium, and longer-term positioning on physical and transition climate risks. Scores are then further grouped into the four categories of: advanced, strong, moderate, and poor.

Carbon risk scoring legend

Scoring categories	Description
Advanced (1-2)	Borrowers exhibit advanced positioning for the carbon transition. They typically have a business model that benefits from the transition to a low carbon economy.
Strong (3-5)	Borrowers exhibit strong positioning for the carbon transition. They either have a business model that is not expected to be materially affected by carbon transition or have strategies and plans in place that substantially mitigate their carbon transition exposure.
Moderate (6-8)	Borrowers exhibit moderate positioning for the carbon transition. They have a material exposure to carbon and their relative positioning is determined by variations in their degree of exposure to carbon risks, medium-term management action, and long-term resilience.
Poor (9-10)	Borrowers exhibit poor positioning for the carbon transition. They typically have business models that are fundamentally inconsistent, over the long-term, with the transition to a low carbon economy.

In 2024, we evaluated 1,302 clients, representing our largest corporate and commercial lending activities by loan authorization that are in-scope for carbon risk scoring. For practical purposes, we prioritized assessing clients above a certain lending threshold. The weighted average score across all sectors was 3.4, indicating that the majority of our corporate and commercial lending portfolio is well-positioned to adapt and transition to a low carbon economy. The 2024 score reflects continued improvement, down from 3.7 in 2022 and 3.5 in 2023, demonstrating progress in our clients' carbon risk profiles.

The results of our Carbon Risk Scoring Methodology provide valuable insights into how clients across various sectors are preparing to manage transition risks. For clients with high carbon risk scores, CIBC has established the High Carbon Risk Review Committee (HCRRC), chaired by the Associate Vice-President (AVP) of Environmental Risk and comprising representatives from strategic business units (SBUs) and risk management. This Committee oversees the management of higher carbon risk clients (with scores of 8 or higher).

Sector-specific insights

Oil and gas sector: The weighted average score for corporate lending in this sector placed most clients in the "Moderate" category, indicating that our clients face material exposure to carbon transition risks. As a result, we are prioritizing engagement with these clients to support their development of action plans to reduce risk exposure and decarbonize their operations.

Power sector: Most clients in the power sector mapped into the "Strong" or "Advanced" categories, demonstrating that they are well-positioned to mitigate transition risk exposure with clear strategies already in place.

We applied the same approach to evaluate our larger commercial loans across all sectors.

Heatmap assessment

Assessing climate-related risks in business and government lending

CIBC uses a heatmap approach to assess the potential exposure of our business and government lending to physical and transition climate-related risks. This approach is an effective tool to identify sectors that are directly or indirectly exposed to climate risks and assess the relative impact on our business. The heatmap visually represents industry sectors and their sensitivity to climate risk, allowing us to prioritize sectors with significant exposure to climate change for further in-depth analysis.

We identify physical and transition risks in our business and government sectors whenever possible. If an internal client rating is not available, we default to a conservative industry/ sector rating published industry literature, such as UNEP FI, Guidance and the Acclimatise Group's heatmapping framework.[1] Under this approach, industry/ sector risk levels are determined by three components:

- Vulnerability – captures both direct and indirect physical impacts on investments from climate change, accounting for chronic (long-term) changes and acute (short-term) extreme events. This includes reliance on natural resources, secure energy supplies and transport routes, labour health and productivity, and market demand, among other factors.
- Hazard – each vulnerability has associated climate variables, including geospatial data on future climate events such as temperature changes and sea level rise, which may drive negative or positive performance of the indicator.
- Exposure data – the geographic presence of portfolio segments exposed to hazards.

We use our internal Carbon Risk Scoring Methodology to assess the transition risks in our heatmap annually. This tailored tool enhances our analysis by providing insights specific to the climate transition risks faced by the CIBC credit portfolio. It also enables us to add a geographic perspective into our sectoral climate risk analysis, offering greater granularity in identifying and assessing strengths and opportunities in our lending activities.

Our 2024 analysis identified that not all sectors are equally impacted by climate-related risks. For example, the oil and gas sector is exposed to high physical risk and transition risks due to extreme weather events, possible changes in market demand, and regulatory frameworks that establish a price on carbon. Conversely, the physical and transition risks faced by electric utilities vary greatly between the sub-sectors. For physical risks, both hydropower and thermal power generation depend on constant water and river levels. However, solar and wind are less vulnerable to climate-related physical risks compared to other forms of power generation. Transition risk for utilities also varies by sub-sector; while traditional sources of power generation (coal, oil, gas) face transition risks, opportunities exist for renewable generation (wind, solar).

(1) United Nations Environment Program Financing Initiative (UNEP FI). (2020). Charting a New Climate: State-of-the-art tools and data for banks to assess credit risks and opportunities from physical climate change impacts.

Client risk summary — by sector

Sector	Physical rating	Transition rating	Exposure: C$MM[1]	Exposure: %
Governments	Moderate	Moderate	151,057	29%
Financial Institutions	Moderate	Moderate	144,998	28%
Real Estate and Construction	Moderate	Moderate	72,667	14%
Utilities	Moderate	Moderate	31,320	6%
Business and Personal Services	Moderate	Low	24,861	5%
Retail and Wholesale	Moderate	Moderately High	18,704	4%
Education, Health, and Social Services	Low	Low	12,947	2%
Transportation	Moderately High	Moderately High	12,082	2%
Agriculture	Moderately High	Moderately High	9,937	2%
Manufacturing - Capital Goods	Moderate	Moderate	9,574	2%
Manufacturing - Consumer Goods	Moderate	Moderate	8,989	2%
Hardware and Software	Low	Low	7,382	1%
Oil and Gas	Moderately High	High	7,128	1%
Mining	Moderately High	Moderate	4,908	1%
Telecommunications and Cable	Moderate	Moderate	4,019	1%
Forest Products	Moderately High	Low	1,114	0%
Publishing, Printing and Broadcasting	Moderate	Moderate	859	0%
Total	Moderate	Moderate	522,546	100%

Client risk summary – categories

	Low	Appears to be advanced and well-prepared, or well on their way to preparing for adaptation; risk exposure, relative to other sectors, judged to be lower.
	Moderate	Exhibit “strong” positioning for both physical and transition risks, with a business model or strategies in place that substantially mitigate exposures.
	Moderately High	Displays some uncontrolled exposure to risks of climate change; effective mitigation practices may exist but may not be adequately disclosed.
	High	Appears to have significant exposure to climate change, with physical and transition risks judged to be higher relative to other sectors.

(1) Includes drawn and undrawn commitments, net of collateral repo-style transactions, other off-balance sheet and OTC derivatives under both the internal ratings-based (IRB) approach and the Standardized approach for credit risk as of October 31, 2024. Commercial mortgages exposures are reported under the industry in which the borrowers are operating.

Scenario analysis

Conducting scenario analysis

As we build out our climate-related risk management capacities, we are integrating relevant components into our broader enterprise risk management practices. For instance, we have incorporated climate-related heatmapping, which drives the credit migration matrix used in our annual enterprise-wide stress testing and Internal Capital Adequacy Assessment Process (ICAAP). This enables us to consider how our exposure to carbon-intensive sectors interrelates with other risk factors in assessing CIBC's financial risk management practices.

Scenario analysis allows us to explore the potential risks and opportunities we face across a range of plausible climate futures, under certain conditions and assumptions. It includes assessing potential financial losses and risk-weighted assets, which impacts capital requirements for CIBC under each scenario. The scope of our climate scenario analysis covers credit risk exposure across all business lines and regions of the bank.

We use the results from the climate scenario analysis to:

- Better understand the key climate-related drivers that are likely to affect our business going forward;
- Identify climate-related risks and opportunities for business growth;
- Develop risk-based approaches to quantify and mitigate the impacts of climate change;
- Inform how we prioritize setting climate-related targets; and
- Adapt our strategy and ambition accordingly (for example, focus our efforts on the more exposed sectors we lend to).

Assumptions and challenges

While climate scenario analysis helps in understanding potential climate risks, it also presents challenges due to its complexity and the long-term nature of climate risks. Factors such as technological advancements, policy changes, regulatory changes, and shifts in consumer demand remain uncertain. Additionally, there is a lack of high-quality data to measure the relationship between climate and credit risk across all sectors. For example, there are challenges in mapping physical climate exposure for multinationals with operations spread out in multiple geolocations. Additionally, many climate risk projection models are emerging and until standards are more developed there will be variability in projections.

To account for these uncertainties, we used numerous assumptions around the frequency and severity of physical risks, and the time horizons and pathways for transition risks. For example, the scenarios CIBC developed did not take expected mitigants or government actions into account, including:

- Risk transfer through government assistance for physical risk events;
- Government policy, litigation, technology changes, or disruptive competition; and
- Proactive management actions that would likely be taken to mitigate losses to the extent feasible.

We will continue refining our climate scenario analysis approach as industry standards and regulations evolve and enhance our capabilities. The Standardized Climate Scenario Exercise (SCSE) has been initiated by OSFI and this will help guide our approach. We also aim to further integrate the results into our risk identification, assessment, management, and monitoring processes.

Scenario analysis in our corporate and commercial lending

Our scenario analysis approach for corporate and commercial lending infers possible credit migrations, based on our heatmap, to estimate potential changes in:

- Probability of default (PD);[1]
- Expected loss;[2] and
- Risk-weighted assets (RWAs).[3]

This analysis covers the time horizons leading up to 2030, 2040, and 2050. Our climate change scenarios are consistent with the Paris Agreement commitment and reflect the three scenarios used by the Bank of Canada and OSFI as part of their Climate Scenario Analysis Pilot[4] and their 2024 Standardized Climate Scenario Exercise (SCSE).[5]

Scenario	Description	Climate policy	Technological change
Net-Zero 2050	Ambitious scenario that limits global warming to 1.5°C, reaching net-zero CO_2 emissions around 2050. Physical risks are mitigated by restricting global warming to 1.5°C, but transition risks are still high.	• Stringent climate policy • Gradual increase in stringency	• Fast paced technological change • Moderate availability of Carbon Dioxide Removal (CDR) technologies
Below 2°C immediate	Global collective actions are immediately taken to reduce emissions and maintain global warming below 2°C.	• Climate policies are introduced immediately • Gradual increase in stringency	• Moderately paced technological change • Limited availability of CDR
Below 2°C delayed	Global annual emissions do not decrease until after 2030, with strong policies needed to limit warming to below 2°C. This leads to both higher transition and physical risks than the Net-zero 2050 and below 2°C immediate scenarios.	• New and stronger climate policies are introduced after 2030 to compensate for lost time	• Moderately paced technological change • Limited availability of CDR

We selected these scenarios because they are relevant to our sector and regulators. They are also similar to those proposed by international institutions focused on addressing climate risks, such as the Network for Greening the Financial System (NGFS). We chose to select three scenarios which best reflect a range of mild, moderate and severe climate conditions. For more detailed information on each climate scenario — including policies, technology and energy mix — reference the Bank of Canada and OSFI Climate Scenario Analysis Pilot Report.

(1) Probability of Default (PD): An estimate of the likelihood of default for any particular customer which occurs when that customer is not able to repay its obligations as they become contractually due. PD is based on through-the-cycle assumptions for regulatory capital purposes. For the purposes of this report, PDs refer specifically to regulatory PDs.

(2) Expected loss: Expected loss represents the loss that is statistically expected to occur in the normal course of business, with adjustments for conservatism, in a given period of time as defined under Basel 3 AIRB approach.

(3) Risk-weighted assets (RWA): RWA consist of three components: (i) RWA for credit risk, which are calculated using the AIRB and standardized approaches, (ii) RWA for market risk, and (iii) RWA for operational risk. The AIRB RWA are calculated using PDs, LGDs, EADs, and in some cases maturity adjustments, while the standardized approach applies risk weighting factors specified in the OSFI guidelines to on- and off-balance sheet exposures. The RWA for market risk in the trading portfolio are based on the internal models approved by OSFI with the exception of the RWA for traded securitization assets where we are using the methodology defined by OSFI. The RWA for operational risk, which relate to the risk of losses resulting from people, inadequate or failed internal processes, and systems or from external events, are calculated under a standardized approach. Since the introduction of Basel II in 2008, OSFI has prescribed a capital floor requirement for institutions that use the AIRB approach for credit risk. The capital floor is determined by comparing a capital requirement calculated by reference to the Basel II standardized approach against the Basel III calculation, as specified by OSFI. Any shortfall in the Basel III capital requirement is added to RWA.

(4) Bank of Canada and Office of the Superintendent of Financial Institutions. (2021). Using Scenario Analysis to Assess Climate Transition Risk: Final Report of the BoC-OSFI Climate Scenario Analysis Pilot.

(5) Bank of Canada and Office of the Superintendent of Financial Institutions. (2024). Standardized Climate Scenario Exercise.

Findings

Our analysis allows us to compare impacts across sectors and timelines and draw valuable observations. For instance, PD increases gradually at the beginning of the Below 2°C Immediate scenario but does not significantly increase until after 2030 in the Below 2°C Delayed scenario. However, while being deferred, the PD increases are generally much larger and abrupt in the Below 2°C Delayed scenario, with the potential to cause much larger losses through the entire scenario time horizon. Under the Net-Zero 2050 scenario, we see increased PDs initially but more moderate impacts later in the scenario as policies take effect.

Sectors have diverse transition pathways and face different challenges and pressures to decarbonize. This results in sectors responding differently to each scenario. For example, under the Below 2°C Delayed scenario, the oil and gas sector experiences some of the largest PD increases due to the need for large capital investments and increased decarbonization costs. In contrast, under the Net-Zero 2050 and Below 2°C Immediate scenarios, this sector performs better as investments and costs to comply are more evenly distributed over the time horizon.

These scenarios provide valuable insights into the bank's potential exposure to loss under various stress conditions. The results of these analyses are included in our enterprise-wide stress testing, which is an integral component of our enterprise risk management process. The overall results indicate that the impacts on the bank are manageable. For more information on how scenario analysis informs our decarbonization activities in high-emitting sectors, refer to the Metrics and Targets section.

Assumptions

A company's enterprise value and profitability could be affected by climate events, leading to potential downgrades (or upgrades) in business and government lending risk ratings. The analysis assumes that all credit exposures within each sector would experience similar downgrades (or upgrades) in risk ratings due to climate events. However, this is unlikely, as companies have varying levels of resilience, management actions that can mitigate risks, and facilities located in different geographic areas. Therefore, our results should be considered conservative and may not represent specific risks to CIBC.

Scenario analysis in our retail lending

For our retail portfolios, we apply a different approach to scenario analysis. Our largest retail portfolio exposure is Real Estate Secured Lending (RESL) for residential mortgages (approximately 60%). We focus our annual analysis on physical climate risks, which are the most relevant for the residential mortgages sector, including flood, wildfire, wind, ice storm, and heatwave hazards. This approach is similar to actuarial practices used for low-frequency and high-severity risk events, which characterize many physical climate risks.

Under this approach, we estimate the frequency and severity of various physical climate risks using historical Canadian data from the Canadian Disaster database, which reflects the primary geography of our retail lending activities. For example, floods have a high frequency of occurring with a relatively lower impact (severity) compared to the other hazards, whereas heatwaves have a lower frequency of occurring but a higher potential impact. We factor in assumptions around temperature changes, which would increase both the frequency and severity as inputs, in a loss distribution approach (LDA) model to determine the resulting expected and unexpected losses (or RWAs) at various confidence intervals. We found that the resulting expected losses and RWAs are manageable, with floods accounting for more than half of the impact.

We are continuing to explore alternative approaches using flood maps and other geo-mapping techniques to determine localized impacts on our Canadian portfolio more accurately.

Physical risk: Retail exposures

**The size of the icon indicates the impact.*

Scenario analysis in our physical operations

CIBC's exposure to operational risks may increase as climate-related events and natural hazard risks become more prominent. Events such as floods could impact certain CIBC operations and assets. In response, our primary focus has been on assessing flood risks across our physical locations in Canada. This assessment is informed by internal models based on OSFI and reputable and relevant flood data sources. All approaches are closely aligned with the OSFI *Guideline B-15*. For example, following OSFI's Standardized Climate Scenario Exercise (SCSE) instructions, we applied riverine and coastal flooding exposure assessments, adopting the Riskthinking.AI flood map data provided by OSFI. These assessments considered return periods of 1-in-5 (baseline flood) and 1-in-100 (scenario flood) to conduct flood risk analysis.

Over the past year, we developed catastrophe models to evaluate the implications of flood risks on CIBC's current physical assets across Canada. These models integrate Monte Carlo simulations with Exceedance Probability analyses to simulate the severity and likelihood of potential losses. This approach allows us to estimate financial impacts under various return periods and to quantify risks and uncertainties across multiple confidence levels.

Based on OSFI flood data, the following heat-maps illustrate the expected loss allocation for 1-in-5-year and 1-in-100-year floods. These maps show that Quebec and British Columbia are relatively more susceptible to flood risks compared to other provinces. A thorough review of internal model outputs has shown that expected losses due to flood risks are not material across Canada.

1-in-5-year Expected Loss Allocation by CIBC flood-prone locations

1-in-100-year Expected Loss Allocation by CIBC flood-prone locations

In addition to flood risks, CIBC assesses earthquake and hurricane risks for sites in Canada, the US, Europe, and the Caribbean. Preliminary high-level estimates suggest these hazards have an immaterial impact on CIBC operations.

As data availability and modeling techniques advance, we remain committed to refining our catastrophe models to maintain accuracy and preparedness. We will continue to expand the scope of our climate risk models to include additional operational areas and adapt to evolving climate conditions and regulatory requirements.

Moreover, stress testing supplements other climate-related risk management tools by providing an estimate of tail losses. Enterprise-wide stress testing is conducted at least annually, using a variety of scenarios that feature a range of severities. The results are evaluated against CIBC's risk appetite and specific risk appetite metrics, including those for capital adequacy, to ensure alignment with our risk management objectives.

4.3 Risk management and controls

Risk appetite statement

CIBC embeds a climate-related risk consideration into its enterprise risk management framework through our Risk Appetite Statement (RAS). The RAS defines the level and types of risk we are willing to assume, or need to avoid, to achieve our strategic goals. A key metric within the RAS is the weighted average portfolio carbon risk score, which is used to assess the transition risks associated with clients and portfolios. These scores are monitored against defined risk appetite thresholds, which are reviewed and updated during the annual RAS refresh process. In 2024, there were no breaches in the weighted average portfolio carbon risk scores.

Tolerance levels have been implemented regionally and enterprise wide for relevant strategic business units (SBUs), with escalation protocols outlined in the Risk Appetite Framework. In the US, tolerance levels have been implemented for key legal entity views and combined US operations.

As climate-related risk management practices continue to evolve, CIBC remains committed to evaluating and incorporating additional relevant metrics into our RAS framework as needed.

Risk policies

CIBC also manages and controls climate-related risk by establishing risk policies and frameworks. For instance, CIBC's Corporate Environmental Policy describes the principles of prudent environmental management and assigns responsibilities for managing environmental issues. Management of climate risk includes:

- Working with business lines to assess and escalate climate risks and associated mitigation approaches;
- Establishing and maintaining reporting to executive management, the Board and its Committees, including Global Risk Committee regarding climate risk programs and metrics to allow for oversight and monitoring;
- Establishing accountabilities for the management and oversight of climate-related risks; and
- Monitoring, evaluating, and coordinating responses to changing regulatory requirements and expectations.

Our Global Environmental and Social Framework encompasses policies and procedures addressing CIBC's environmental and social (E&S) responsibilities toward our team members, clients, suppliers, and the communities where we operate, as well as other stakeholders such as shareholders, regulators, and governments. Business Unit Management (Functional Groups or SBU Management) serves as the First Line of Defence in managing E&S risks, including climate risk. This group owns these risks and is responsible for identifying and assessing risks inherent in its activities in accordance with the CIBC risk appetite.

Specific policies that guide the management of the aforementioned E&S risks include, but are not limited to:

- Operational Risk Management Framework: Outlines how operational risk, including E&S-related risks, is managed across products, activities, and systems. For instance, new products or services involving E&S risks undergo a Change Initiative Risk Assessment Process.
- Environmental and Social Credit Risk Management Standards and Procedures: Establishes CIBC's approach to managing credit risk and associated reputational and legal risks related to E&S issues. It integrates environmental risk management practices into lending, investment banking, and transaction advisory services.
- Global Reputation and Legal Risks Policy: Proactively manages CIBC's reputation by identifying and mitigating potential E&S-related reputation and legal risks in client-facing and non-client-facing matters.

The Regulatory Compliance Management (RCM) Policy sets out CIBC's approach, framework, and requirements for managing regulatory compliance risk, including climate-related risk. This policy is supported by the RCM Oversight Function User Guide, which provides additional guidance to Oversight Functions, such as Environmental Risk Management, in satisfying their obligations to manage and control climate risk under this policy. SBUs and Functional Groups are required to understand the regulatory requirements applicable to CIBC and, using a risk-based approach, implement and monitor Key and Non-Key Controls, as defined by the CIBC Control Framework. These controls are designed to manage and mitigate regulatory compliance risk.

4.4 Risk monitoring and reporting

CIBC teams track and report a series of climate-related risk metrics to executive management on a regular basis. For example:

- The annual carbon risk score portfolio is reported to the High Carbon Risk Review Committee (HCRRC), which is comprised of senior executives within the Lines of Business, Global Credit Risk Management, and GOERM. This committee oversees the management of higher carbon risk clients (with scores of 8 or higher) to ensure that CIBC monitors the performance of these clients and manages our risk exposure accordingly;
- The climate-related RAS (weighted average portfolio carbon risk score) is reported to the Global Risk Committee, the Board's Risk Management Committee, and the full Board. This reporting supports decision making on growth and risk mitigation strategies. RAS metrics are reviewed against established limits, with escalation protocols in place for limit breaches. These protocols ensure that excesses are managed appropriately and consistently with CIBC's risk appetite; and
- Detailed reports on individual risk types are produced to support ongoing risk monitoring and control at all levels.

Furthermore, the results of our annual enterprise-wide stress testing program, which includes climate-related risks, are reported to the Global Risk Committee to inform management decision making, including potential risk mitigation strategies. CIBC also participates in regulatory-mandated stress testing, such as OSFI's SCSE consultation.

In addition to tracking our existing climate-related risk metrics and other qualitative and quantitative climate metrics and targets, we actively monitor evolving industry practices in climate scenario modeling, advancements in GHG emissions data gathering, and improvements in activity data and tools to enhance financed emissions and climate scenario reporting. We also stay informed on regulatory changes, including new environmental and climate legislation, and assess emerging climate-related ratios that may be valuable to our investors.

CIBC provides annual climate-related disclosures informed by the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures standard and regulatory requirements, such as *OSFI Guideline B-15* (refer to Appendix 6.1). These disclosures include both quantitative and qualitative metrics and targets, such as financed emissions and absolute GHG emissions from our operations. Additionally, we disclose new and existing climate-related targets, along with progress updates, in the Strategy and Metrics and Targets sections of this Climate Report.

We will continue improving our climate risk disclosures to align with evolving regulations and current industry standards as part of our climate risk strategy.

5.0 Metrics and targets

5.0 Metrics and targets

As part of our climate strategy and climate-related risk management approach, we measure and disclose metrics used by CIBC to assess climate-related risks and opportunities. This section of the report currently focuses exclusively on reporting against metrics and targets related to transition risk, namely our operational and lending emissions footprint and carbon-related assets. We anticipate over time that our disclosure will expand to encompass more aspects of our evolving management of climate-related risks and opportunities.

5.1 Operational emissions

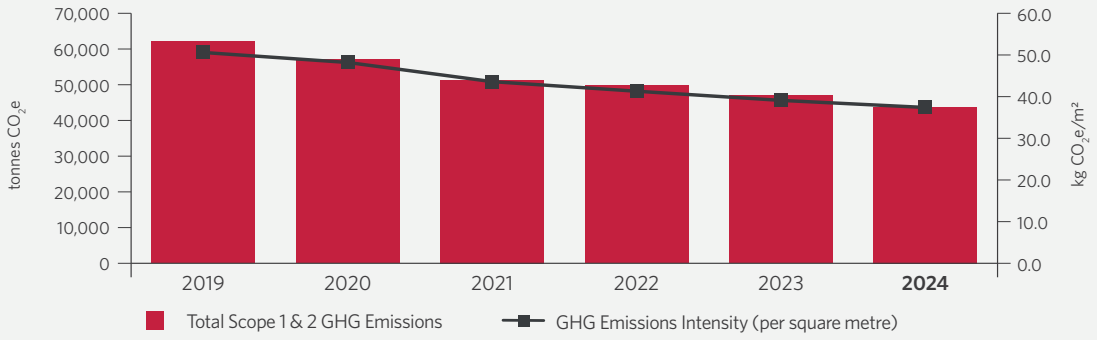
At CIBC, we are committed to reducing our environmental footprint by addressing operational emissions from our own real estate operations. Since energy consumption at our facilities continues to be the largest source of operational emissions, we focus on energy efficiency and decarbonization initiatives to help advance our GHG reduction goals.

We set a target to reduce our absolute Scope 1 and 2 operational GHG emissions by 30% by 2028, based on a 2018 baseline, for our operations in Canada and the US.(1) As of 2024, we have achieved a cumulative reduction of 31.4%, prior to the application of any credits or offsets. CIBC will retain our target into 2025 to ensure our progress remains aligned with our goals. Key initiatives driving this progress include our ongoing energy optimization program, which involves the installation of energy-efficient technologies such as light-emitting diodes (LEDs), smart retail controls, and advanced rooftop HVAC units. These measures enhance system performance, reduce energy consumption, and lower operational costs. Additionally, efforts to electrify operations are underway, including a pilot program for hybrid heat pumps to transition from fossil fuels to electric solutions, particularly in regions with access to clean electricity grids. We are also advancing the use of renewable energy through solar photovoltaic (PV) installations. Furthermore, our space optimization program, supported by hybrid work arrangements, contributes to lower energy use through a consolidation of office space into a more energy-efficient real estate footprint.

Additionally, we measure Scope 3 GHG emissions from internal paper use, business travel, and subleases.(2) Independent limited assurance of our Scopes 1, 2, and 3 operational GHG emissions is available in the ESG Document Library on our website.

We are committed to reporting our market-based Scope 2 emissions and net emissions from carbon removals. In 2024, we purchased and applied a total of 167,286 Renewable Energy Certificates (RECs) from Canada and the US, covering over 100% of our total market-based Scope 2 indirect emissions from purchased electricity. In addition, 21,041 tonnes of CO_2 in nature-based carbon removals(3) were purchased and used to net 100% of our Scope 1 and any remaining Scope 2 emissions tied to district energy purchases. Refer to Appendix 6.2 for more details on our operational emissions metrics.

Our Canadian and US operational absolute and intensity GHG emissions over time (2019-2024)



(1) All Scope 1 and 2 emissions are calculated and disclosed using the following reporting standard: World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) March 2004.

(2) All Scope 3 emissions are calculated and disclosed using the following reporting standard: WRI/WBCSD, Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011.

(3) 2024 purchased carbon removals relate to reforestation projects that adhere to the AB32 Compliance; Climate Action Reserve voluntary market standard.

5.2 Financed emissions

We measure our financed emissions in both absolute and intensity terms. We set 2030 financed emissions reduction targets[1] for the most carbon-intensive sectors, and disclose our performance against these targets. In this report, we disclose financed emissions data up to and including fiscal year 2023, primarily due to data lags in reported client emissions from third-party aggregators. Our most recent financed emissions results are discussed throughout this section and fully detailed in Appendix 6.3 and 6.4.

The following table highlights the differences in approaches used to calculate our absolute financed emissions and our intensity-based financed emissions for target-setting. For more information on the methodologies used to calculate absolute financed emissions refer to the latest Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard (Part A), and for more information on the methodologies used to set 2030 financed emissions reduction targets refer to our Net-Zero Approach.

Key distinctions between our financed emissions calculations[2]

Absolute financed emissions	Intensity-based financed emissions
Supports our commitment to PCAF and uses methodologies prescribed in the PCAF Global GHG Accounting and Reporting Standard, Part A[3]	Supports 2030 financed emissions reduction target-setting efforts and uses internally developed methodologies
Utilizes outstanding loan amounts to calculate attribution of financed emissions for a sector/asset class and does not incorporate facilitated financing[4]	Utilizes committed loan amounts (including revolving credit facilities) and facilitated financing (our economic share of underwritten and arranged financings in the debt and equity capital markets) to provide a more comprehensive view of our activities
Relies on best available data, including a mixture of client-reported data, proxies, and emission factors to derive emission estimates for a particular sector or asset class	Relies primarily on actual and modelled activity data due to the sectors targeted to date

(1) Our 2030 financed emissions reduction targets are interim targets established by CIBC that are aligned to a pathway to net-zero by 2050. There are internationally recognized methodologies for setting financed emissions reduction targets that focus on the absolute reductions of financed emissions or reductions in the emissions intensity of business operations. Currently, all of the 2030 financed emissions reduction targets established by CIBC relate to the emissions intensity of business operations financed by CIBC. Please refer to the methodology outlined in CIBC's Net-Zero Approach.

(2) All financed emissions including absolute and intensity metrics exclude CIBC Caribbean lending, investment, and underwriting activities.

(3) PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

(4) CIBC does not yet calculate and disclose absolute facilitated emissions related to our underwriting activities. The PCAF Facilitated Emissions Standard will help guide our approach, and we intend to incorporate facilitated emissions disclosure in future iterations of our Climate Report.

Our 2030 financed emissions reduction target-setting approach

To guide the assessment, development and review of 2030 financed emissions reduction targets, cross-functional working groups are assembled.

Depending on the portfolio, these groups may include:

- Enterprise ESG
- Environmental Risk
- Corporate Banking (Sustainable Finance)
- Enterprise Strategy
- Business leads for relevant sectors

We have established a management governance process for assessing and developing our 2030 financed emissions reduction targets, including key methodological decision making, target reviews, approvals, and reporting back to the Board. Refer to the Governance section for more information.

We undertook an assessment of carbon-intensive sectors, that are in our portfolios, to understand our ability to set and achieve credible 2030 financed emissions reduction targets. Based on this assessment, we evaluated seven sectors and prioritized five sectors, of which we have set targets for three and evaluated feasibility but have not set targets for two — Agriculture and Commercial Real Estate.(3)

	Portfolio Sectors	Status	2030 financed emissions intensity reduction targets(1)	Cumulative progress(2)
Energy	Oil and Gas	Targets Set	35% (2020 baseline) Operational	23.2% (2020-2023)
			27% (2020 baseline) End-Use	0.7% (2020-2023)
	Power Generation	Target Set	32% (2020 baseline)	21.3% (2020-2023)
Transportation	Auto Manufacturing	Target Set	27% (2021 baseline)	4.8% (2021-2022)
Real Estate	Commercial Mortgages	Target Not Set	N/A: Baseline calculated, Refer to Appendix 6.4	N/A
Agriculture	Agriculture	Target Infeasible	N/A: Baseline calculated, Refer to Appendix 6.4	N/A

(1) Refer to our Net-Zero Approach to learn about CIBC's 2030 financed emissions reduction targets target-setting methodology.

(2) We disclose financed emissions data up to and including fiscal year 2023 for our oil and gas and power generation targets, and fiscal year 2022 for the automotive manufacturing target. This is due in large part to a data lag in client emissions reporting to aggregators, which CIBC uses to calculate emissions for our portfolios, and lags in available emission factors for certain sectors.

(3) Refer to sector specific narratives on Commercial Real Estate and Agriculture below for more information.

Assumptions, uncertainties and challenges

Our plan to achieve our 2030 financed emissions reduction targets depends on several assumptions, and is challenged by data constraints and uncertainties. We recognize that the underlying common theme across all sectors relates to data limitations, including issues with data availability, the granularity of available client information, and reliability related to estimated emissions data. Various factors beyond CIBC's control may influence our ability to achieve our net-zero ambition and existing targets.

The speed and scale of the global low carbon transition rely on decarbonization efforts across all sectors and economies. These efforts are dependent on advancements in technology, government policy, the geopolitical landscape, and shifts in consumer behaviour. Moving forward, we expect energy prices to remain volatile as global supply chains, market demand, and geopolitical events continue to increase sensitivities. Furthermore, we also anticipate changing climate-focused policy, regulatory actions, and incentives.

We foresee continued challenges in setting 2030 financed emissions reduction targets and measuring our emissions performance against them, primarily due to data considerations such as quality and availability. As we rely on our clients' emissions data, as well as third-party data, our results are susceptible to year-over-year changes due to events beyond our control, such as geopolitical events or market volatility. There may also be variations in our portfolio emissions that occur due to new data sources or proxy data to replace non-disclosed client data.

Global climate science is expected to continue advancing, which may have implications for CIBC, including adjustments to global decarbonization goals and expectations. These developments present us with several uncertainties regarding sectoral decarbonization pathways, including the availability of critical technologies needed to align with these pathways. As these updates occur, such as a larger role for clean energy technologies, they may have implications for our sector-specific 2030 financed emissions reduction targets and associated decarbonization pathways. We will continue to work with governments, industry, and clients to ensure the viability of low carbon technology development at scale as outlined in the Public Sector Engagement and Industry Engagement sections in this report.

Oil and gas portfolio

The oil and gas sector is a major contributor to global GHG emissions and is Canada's largest emitting sector, representing 31% of total national GHG emissions.[1] As a long-standing partner to oil and gas companies through our facilitated financing and lending activities, we have a responsibility to support our clients in their transition. A majority of our oil and gas lending is located in Canada where many of our clients are exposed to transition risks, such as policy and regulatory changes.

2030 Financed emissions intensity reduction target progress

Details	Oil and gas: Operational	Oil and gas: End-Use
2030 target	35% reduction from 2020 baseline	27% reduction from 2020 baseline
2023 performance	23.2% reduction from 2020 baseline	0.7% reduction from 2020 baseline
Activities included	Upstream production and downstream refining[2]	Use of oil and gas products
Scope (clients' emissions)	Scope 1 and 2	Scope 3
Metric	Emissions intensity of oil and gas production (gCO_2e/MJ)	Emissions intensity of oil and gas end-use (gCO_2/MJ)
Reference scenario	IEA Net-Zero Emissions by 2050 (IEA NZE2050)[3]	IEA NZE2050

(1) Government of Canada. (2024). Environmental indicator – Greenhouse gas emissions.
(2) Oil and gas absolute and intensity metrics exclude clients with committed exposure less than $5 million.
(3) International Energy Agency. (2021). Net Zero by 2050: a roadmap for the global energy sector.

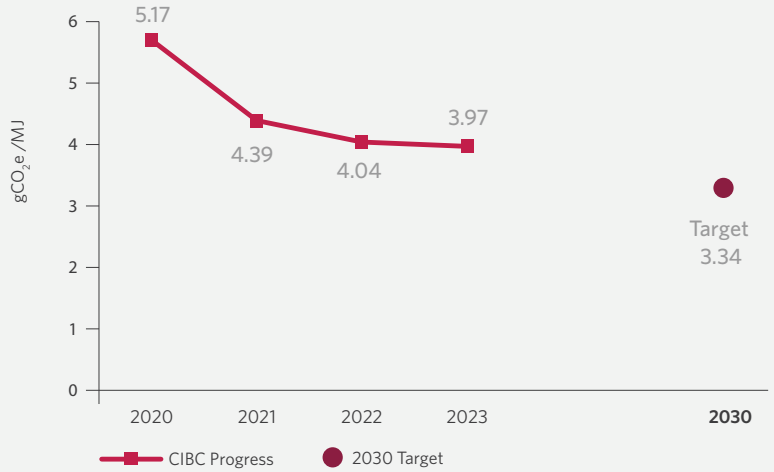
Our operational oil and gas financed and facilitated emissions reduction performance in 2023

The operational weighted emissions intensity[1] of CIBC's oil and gas portfolio decreased by 1.7% in 2023 from 2022, for a total reduction of 23.2% compared to our 2020 baseline. The progress in 2023 is mainly attributable to ongoing efforts by existing clients to implement emission reduction activities, as well as increased commitments to clients that have either current or strong prospective carbon reduction plans.

Our end-use oil and gas financed and facilitated emissions reduction performance in 2023

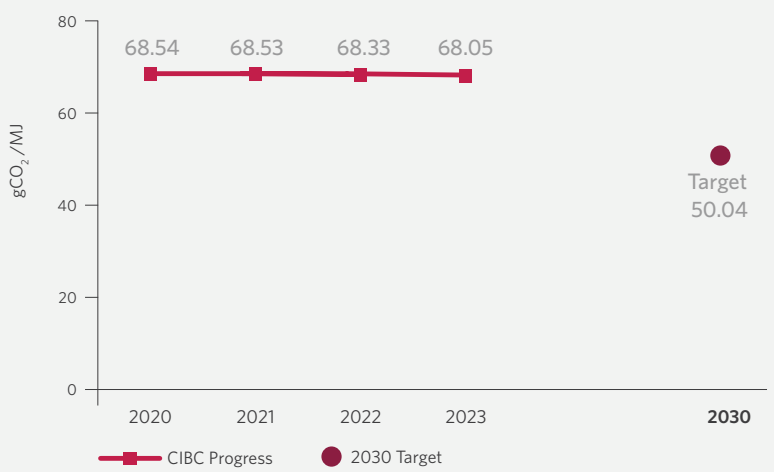
The end-use emissions intensity of our oil and gas portfolio decreased 0.7% between 2020 and 2023. The slight decrease underscores the complexity of addressing Scope 3 emissions in the oil and gas sector. Technological, geopolitical, and macroeconomic factors all play a role in influencing emissions outcomes. CIBC recognizes that achieving significant emissions reductions will require collaborative efforts among various stakeholders. Additionally, we continue to engage with our clients and data providers to refine our Scope 3 emissions intensity measurements.

Our operational oil and gas financed and facilitated emissions reduction performance in 2023



2023 Intensity	2030 Target Goal	2020-2023 Progress
3.97 gCO_2e/MJ	3.34 gCO_2e/MJ	23.2%

Our end-use oil and gas financed and facilitated emissions reduction performance in 2023



2023 Intensity	2030 Target Goal	2020-2023 Progress
68.05 gCO_2/MJ	50.04 gCO_2/MJ	0.7%

(1) Refer to our Net-Zero Approach to learn about CIBC's 2030 financed emissions reduction target-setting methodology.

Power generation portfolio

The electricity generation sector in Canada was the seventh largest source of GHG emissions in 2023, accounting for 6.7% of total national emissions with 47 megatonnes of carbon dioxide equivalent (Mt CO_2 eq) emitted.(1) The sector generates electricity from a wide range of energy sources and production methods, from conventional options such as oil and gas to renewable and clean energy options like wind, solar, and nuclear.

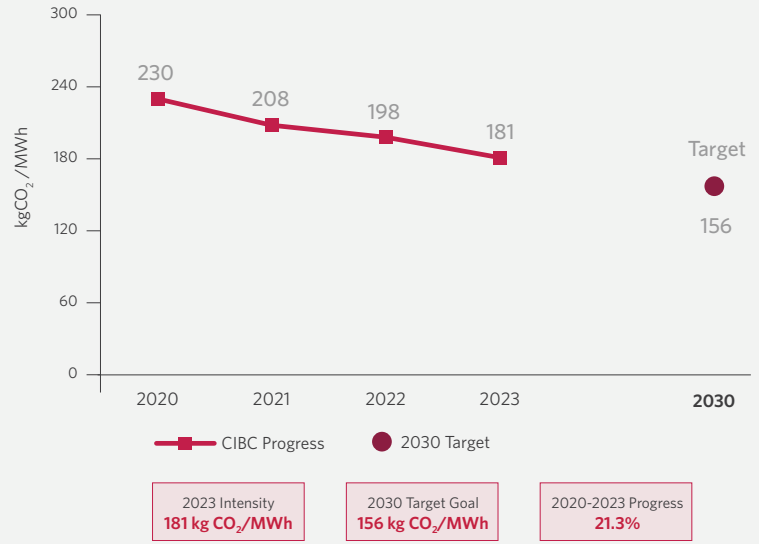
In its 2023 update of the Net Zero Roadmap, the International Energy Agency (IEA) estimates that achieving the Net Zero Emissions (NZE) scenario by 2050 will require a tripling of investments on clean energy and infrastructure by 2030. The more recent 2024 World Energy Outlook (WEO) calculated that the total supply of modern renewables increased by 5% year-on-year to nearly 78 exajoules (EJ) in 2023, providing 12% of total energy supply.

Many governments in North America and around the globe are increasing their clean and renewable energy capacity to achieve climate commitments, ensure long-term decarbonized energy security, and meet the growing demand for zero-emissions power. These trends present a twofold opportunity for CIBC: first, to increase our lending support to companies already generating zero-emissions power, and second, to support clients as they reduce their emissions intensity and transition to cleaner power sources.

Our Capital Markets business supports emissions-free energy through advisory services, as well as financed and facilitated activities. As at October 31, 2024, CIBC had $12.2 billion in emissions free power generation financing commitments.(2), (3)

2030 Financed emissions intensity reduction target progress

Our power generation financed and facilitated emissions reduction performance in 2023



Details	Power Generation
2030 target	32% reduction from 2020 baseline
2023 performance	21.3% reduction from 2020 baseline
Activities include	Power generation(4)
Scope (clients' emissions)	Scope 1
Metric	Emissions intensity of power generation ($kgCO_2$/MWh)
Reference Scenario	IEA NZE2050

The emissions intensity(5) of our power generation portfolio decreased 8.6% in 2023 from 2022, achieving a total reduction of 21.3% relative to our 2020 baseline. The progress made to date has been driven by a combination of clients transitioning to lower-emitting generation mixes and CIBC's continued financing of clients and projects focused on zero-emitting energy. This demonstrates our ongoing commitment to leveraging transition opportunities and staying on track to meet our 2030 target.

(1) Government of Canada. (2024). Environmental indicator – Greenhouse gas emissions.
(2) Refers to Emissions Free Power Generation from entities which have all their generation from the following sources: solar, offshore and onshore wind, geothermal, tidal, energy production with feedstock using hydrogen or ammonia generated using clean energy source, hydroelectric, waste biomass and renewable biofuels whose sources include sustainable agriculture and forestry and nuclear energy.
(3) Total authorized commitment for Borrowers who have 100% of power generation aligned with emissions free energy (includes Borrowers with projects in construction); excludes transmission, distribution, and services.
(4) Clients with committed exposure of less than $5 million are excluded from the power generation target calculation.
(5) Refer to our Net-Zero Approach to learn about CIBC's 2030 financed emissions reduction target-setting methodology.

Automotive manufacturing portfolio

The automotive sector is an integral part of global mobility systems and a large contributor to climate change, with light-duty vehicles (LDVs) accounting for more than 25% of global oil consumption and 10% of global energy-related CO_2 emissions in 2022.(1) Emissions reductions in this sector are driven by the shift from internal combustion engine vehicles to electric vehicles, as well as fuel economy improvements and rapid electrification. These advancements rely on policies and regulations to incentivize widespread EV demand and adoption.

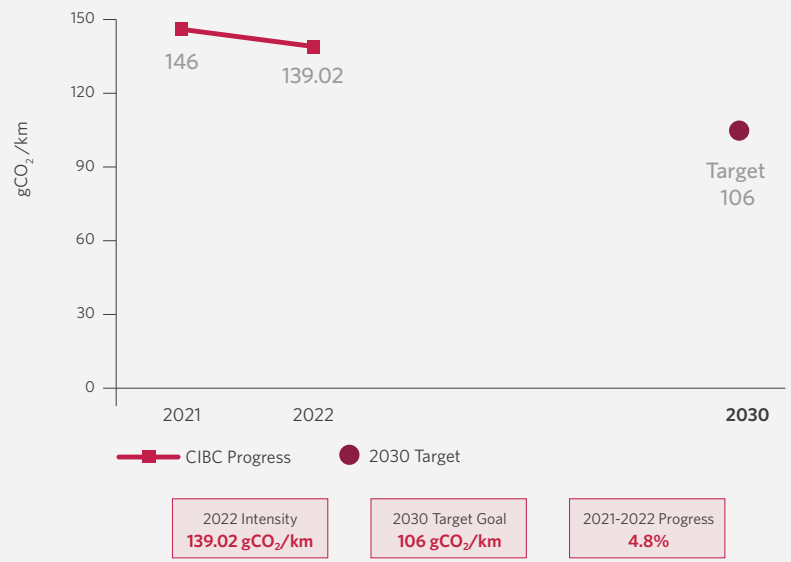
2030 Financed emissions intensity reduction target progress

Details	Power Generation
2030 target	27% reduction from 2021 baseline
2022 performance(2)	4.8% reduction from 2021 baseline
Activities include	Automotive manufacturing of LDVs(3)
Scope (clients' emissions)	Scope 1, 2 and 3
Metric	Emissions intensity of automotive manufacturing (operational and end-use emissions) (gCO_2 /km)
Reference scenario	IEA NZE2050

Our automotive manufacturing financed and facilitated emissions reduction performance in 2022

The emissions intensity(4) of CIBC's auto manufacturing portfolio decreased by 4.8% in 2022 compared to 2021, our baseline year. The progress in 2022 is attributable to the reduced emissions intensity of our clients' Scope 3 tank-to-wheel emissions intensity. This industry-wide reduction is the result of our clients' gradual transition to replace ICE vehicles with EVs.

Our automotive manufacturing financed and facilitated emissions reduction performance in 2022



(1) International Energy Agency. (2023). Cars and Vans.
(2) We disclose financed emissions data up to fiscal year 2022 for the automotive manufacturing target. This is due in large part to a data lag in client emissions reporting to aggregators, which CIBC uses to calculate emissions for our portfolios and lags in available emission factors.
(3) Captive financing activities are included. Captive financing includes the following activities with the captive finance subsidiaries of auto manufacturing companies: lending commitments, debt issuance, and securitization.
(4) Refer to our Net-Zero Approach to learn about CIBC's 2030 financed emissions reduction target-setting methodology.

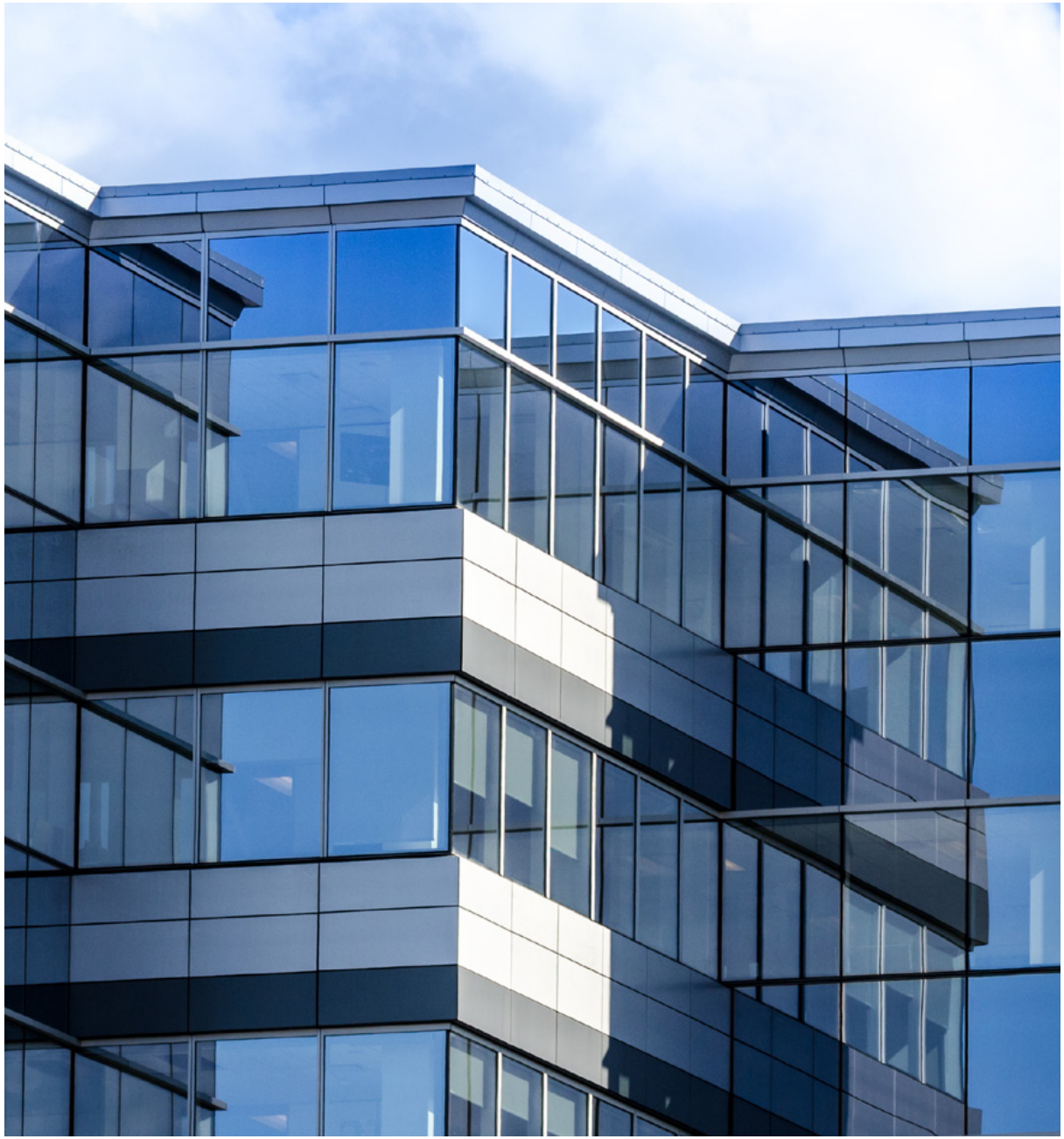
An overview of our Commercial Real Estate (CRE) lending

Achieving net-zero will be an immense challenge for all sectors, including the built environment. While new buildings are generally more energy efficient than older ones, over 85% of the buildings in use today will still be in use by 2050. CIBC's CRE sector lending includes commercial mortgages, construction and development loans, and unsecured lending to institutional clients, including real estate investment trusts (REITs) for general corporate purposes.

As part of the bank's commitment to PCAF, we have disclosed absolute financed emissions for our Canadian commercial mortgage portfolio for the past three years. In our previous Climate Report, we expanded this assessment to include our US commercial mortgages for 2021 and 2022. Refer to Appendix 6.4 for more detail on absolute financed emissions.

Assessing feasibility of a financed emissions reduction target on CRE lending

CIBC undertook a feasibility assessment in 2023 for the commercial mortgage portfolio and in 2024 for the REITs portfolio, looking specifically at options for setting a 2030 financed emissions reduction target focused on the Canadian and US portfolios. We opted not to set a 2030 target due to challenges obtaining a meaningful portion of our clients' building emissions data, apart from the REIT portfolio which lacks material financial exposure. A target on lending for construction and development loans to real estate clients is also not being considered at this time.



An overview of our Agriculture lending

The agriculture sector in Canada is the fifth largest source of GHG emissions,(1) accounting for 10% of the country's total national emissions. However, Canada relies on this key sector to maintain food security under rapidly growing demand. There is a need to balance decarbonization efforts with impacts on food security and economic livelihoods.

The profile of the agriculture sector in Canada is unique, characterized by the following:

- In 2022, the entire agriculture and agri-food system employed 2.3 million people (1 in 9 jobs in Canada) and generated $143.8 billion (approximately 7.0%) of Canada's GDP;(2)
- A high degree of concentration of farm receipts from specific crops and livestock subsectors;
- An extremely fragmented ownership structure, with most farms operating as sole proprietorship, partnerships, or family-owned corporations; and
- An on-farm emissions profile consisting of predominantly methane emissions from enteric fermentation from cattle and nitrous oxide emissions primarily from application of fertilizer.

Canada has already taken several important steps in decarbonizing its agricultural sector. An analysis of the life cycle assessments (LCAs) of Canadian commodities shows a decrease in emissions intensity for several agricultural commodities over time. This progress has been made through policy initiatives, technological innovations, and collaborative programs.(3) Despite these advancements, the Government of Canada's Emission Reduction Plan (ERP) projects only a 1% reduction in emissions from the agriculture sector by 2030, underscoring the perceived difficulty in further decarbonization of the sector.(4)

Assessing feasibility of a financed emissions reduction target on agriculture lending

As a part of our assessment to understand the Canadian Agriculture sector, data availability, and decarbonization pathways, CIBC worked with RMI to analyze the key components, opportunities, and challenges associated with emissions disclosure and target-setting in this sector. Our work identified several challenges to achieving net-zero by 2050 for the agriculture sector, including:

- Data availability is limited, emissions reporting needs to be further developed, and production data to determine better emission proxies is not readily shared with CIBC;
- Each commodity has a unique emissions profile and may require an industry-specific pathway to transition to net-zero by 2050; and
- There is currently no widely accepted Paris-aligned pathway for the sector as a whole.

While opportunities were also identified for emissions disclosure and target-setting in this sector, CIBC believes it is premature to set an emissions reduction target due to the need for better data and defined approaches that allow for confident and measurable target-setting. We also recognize the need for decarbonization across the agriculture value chain, including food production, processing and transportation. This helps ensure an equal focus on decarbonizing all parts of the chain, including food production, processing, and transportation.

(1) Canada's National Inventory Report (NIR) 1990–2022.

(2) Government of Canada (2023): 2022-2023 Departmental Results Report (Agriculture and Agri-Food Canada).

(3) In their LCA, Dairy Farmers of Canada documented a decrease from 1.03 Kg CO_2 per liter of milk in 2011 to 0.94 Kg CO_2 per liter of milk in 2016. For Canadian beef, a decrease in emissions intensity was found during a 2021 LCA, falling from 12.6 Kg CO_2 per Kg of live weight in 2013, to 10.4 Kg CO_2 per Kg of live weight in 2021.

(4) Government of Canada (2023). 2030 Emissions Reduction Plan (ERP).

5.3 Exposure to carbon-related assets

As of October 31, 2024, our total credit risk exposure to carbon-related assets amounted to $128.1 billion,[1] out of a total credit exposure of $903.9 billion,[2] representing 14.2% of our total gross credit risk exposure. This was a slight decrease from our exposure in 2023. Since 2021, our calculations have aligned with the TCFD 2021 definition, which includes assets in the following sectors: oil and gas, mining, utilities sectors, energy, transportation, materials and buildings, agriculture, food, and forest products. We do not include entities solely engaged in water utilities, renewable electricity generation, nuclear energy generation, electricity transmission or distribution, or waste management systems.

Lending exposure to carbon-related assets	2024	2023	2022	2021
Total lending to carbon-related assets ($ billions)	$128.1	$122.6	$124.5	$109.6
Percentage (%) of lending to carbon-related assets compared to total credit exposure	14.2%	15.0%	13.9%	13.7%

(1) The total carbon-related assets include drawn, undrawn, and other off-balance sheet figures of our non-retail clients.

(2) The total credit risk exposure includes drawn, undrawn, and other off-balance sheet figures of our retail (i.e., real estate secured personal lending, qualifying revolving retail, other retail, small and medium enterprises retail), business and government portfolios under the AIRB approach for 2021 and 2022 and under the IRB approach for 2023 and 2024. It excludes repo-style transactions and OTC derivatives. Beginning in the second quarter of 2023, as part of the implementation of the Basel III reforms, certain exposures in which we act as a guarantor were prospectively reclassified from other off-balance sheet to repo-style transactions, with the inclusion of the collateral held now included in collateral held for repo-style transactions.

6.0 Appendix

In this section

6.1 OSFI Guideline B-15 Index

This appendix identifies alignment to OSFI's B-15 Climate-Related Financial Disclosure Expectations

Governance

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation (Reporting date is 180 days post fiscal year-end, at the latest)	Reference
a)	Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	2024	2024 Climate report Section 2.1 and 2.2 [Pages 8–10]
b)	Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management- level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	2024	2024 Climate report Section 2.4 [Pages 11–14]

Strategy

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation	Reference
a)	Describe the climate related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital including: • The classification of each climate-related risk as either physical or transition risk; • The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision making planning horizons.	2024	2024 Climate report Section 3.7 [Page 27] Section 4 [Pages 29–41] 2024 Sustainability report Section 4.0 [Pages 81–94] Section 5.0 [Pages 96–100]
b) i	**Business model and value chain** Describe: • The current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain; • Where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated. **Strategy and Decision making** • Direct mitigation and adaptation efforts; • Indirect mitigation and adaptation efforts. Disclose information about current and anticipated: • Changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities; **Financial position, financial performance, and cash flows** Describe: • How climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period; • How the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities.	2024	2024 Climate report Section 3.0 [Pages 16–27] 2024 Sustainability report Section 4.0 [Pages 81–94] Section 5.0 [Pages 96–100]

Strategy

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation	Reference
b) ii	Describe the FRFI's climate transition plan [See Climate Transition Plan Risk Management Expectation in Chapter 1 of this Guideline].	TBA	2024 Climate report Section 3.2 [Pages 19–20]
c)	Describe the resilience of the FRFI's strategy, taking into consideration different climate-related scenarios, including a scenario which limits warming to the level aligned with the latest international agreement on climate change or lower.	TBA	2024 Climate report Section 4.2 [Pages 32–39]

Risk Management

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation	Reference
a)	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. In meeting this disclosure expectation, the FRFI should explain how it has applied Principle 3 in Chapter 1 of this Guideline.	2024	2024 Climate report Section 4.0 [Pages 29–41]
b)	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	2024	2024 Climate report Section 3.0 [Page 27] Section 4.0 [Pages 32–39]
c)	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process	2024	2024 Climate report Section 4.0 [Pages 29–41]

Metrics and Targets

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation	Page reference (Section/Sub-section)
a)	Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	2024	2024 Climate report Section 3.0 [Pages 16–27] Section 4.0 [Pages 29–41] Section 5.0 [Pages 43–52] Appendix 6.2, 6.3 and 6.4 [Pages 61–64] 2024 Sustainability report Section 4.0 [Pages 81–94] Section 5.0 [Pages 96–100]
b)	Disclose separately the FRFI's Scope 1 and location- based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	2024	2024 Climate report Section 5 [Page 43] Appendix 6.2 [Page 62]
b) ii	Disclose the FRFI's Scope 3 absolute gross GHG emissions for the period. In preparing its Scope 3 GHG emissions disclosure, the FRFI should consider its entire value chain In determining the scope of its value chain, and all 15 categories of Scope 3 GHG emissions, disclose which of these categories are included in the Scope 3 GHG emissions disclosure, and ensure inclusion of Category 15: Investments emissions. • For all in-scope FRFIs, Category 15 entails emissions from loans and investments (financed emissions). • For in-scope FRFIs that participate in asset management activities, Category 15 entails emissions from assets under management (AUM). • For in-scope FRFIs that participate in financial activities associated with property and casualty insurance (excluding mortgage insurance), Category 15 entails emissions from insurance and reinsurance - underwriting portfolios (insurance-associated emissions).	2025	2024 Climate report Section 5 [Page 43] Appendix 6.2 [Page 62] Appendix 6.4 [Pages 64–65]

Metrics and Targets

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation	Page reference (Section/Sub-section)

c)	• Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including:
	  • The objective of the target;
	  • The period over which the target applies;
	  • The base period from which progress is measured;
	  • Any revisions to the target and an explanation of those revisions;
	• Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target;
	• Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance.
	For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other.)
		2024	2024 Climate report
			Section 3.3
			[Pages 21–22]
			
			Section 5
			[Pages 44–51]
			Appendix 6.3
			[Page 63]
			
			Our Net-Zero Approach
			[Pages 1-30]
			
			2024 Sustainability report
			Section 4.0
			[Pages 81–94]
			Section 5.0
			[Pages 96–100]

d)	Disclose the following cross-industry metrics:
	1. climate-related transition risks: the amount and percentage of assets or business activities vulnerable to climate-related transition risks;
	2. climate-related physical risks: the amount and percentage of assets or business activities vulnerable to climate-related physical risks;
	3. climate-related opportunities: the amount and percentage of assets or business activities aligned with climate-related opportunities;
	4. capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;
	5. internal carbon price:
	  a. an explanation of whether and how the FRFI is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and
	  b. the price for each metric tonne of GHG emissions the entity uses to assess the costs of its GHG emissions
	6. remuneration:
	  a. the percentage of Senior Management and other material risk-takers' remuneration recognized in the current period that is linked to climate-related considerations. **(Mandatory for D-SIBs and IAIGs only)**
		2025	2024 Climate report
			Section 2.0
			[Page 14]
			Section 3.0
			[Pages 21–22]
			
			Section 4.0
			[Pages 32–35]
			
			2024 Sustainability report
			Section 4.0
			[Pages 81–94]
			Section 5.0
			[Pages 96–100]

Metrics and Targets

Disclosure element	Disclosure expectations	Expected fiscal year-end implementation	Page reference (Section/Sub-section)
e)	Disclose industry-based metrics. In determining the industry-based metrics that the FRFI discloses, consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS s2, (Financials Sector, as applicable to the FRFI's business model/activities).	2025	2024 Climate report Section 5.0 [Pages 43–52]

6.2 Operational emissions

The methodology used by CIBC for collecting data and calculating operational greenhouse gas (GHG) emissions is based on *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (Revised Edition). CIBC utilizes operational control criteria to measure, consolidate, and report location-based Scope 1 and Scope 2 GHG emissions from our operations in Canada and the US. We gather data from our energy consumption and facility database, while emissions factors are sourced from Environment Canada, eGRID, and other recognized sources. Reported Canada and US operational GHG emissions (Scope 1 and 2) data for 2019 to 2024 cover 95% of our global occupied floor space (CIBC Caribbean and international locations cover the remaining floor space). This data pertains to all leased and owned real estate facilities. The reporting period for Scope 1, 2, and 3 sub-lease (such as CIBC-leased facility spaces subleased to a subtenant) GHG emissions and related Renewable Energy Certificates (REC) carbon removal purchases for both Canadian and US-based real estate GHG emissions is from August 1 to July 31, unless otherwise noted. All other emissions-related metrics (for example, Scope 3 paper consumption and business travel) are based on the fiscal year, from November 1 to October 31.

Metric	Unit	2024	2023	2022	2021	2020	2019
Operational GHG emissions – Scope 1 emissions[1]	tCO_2e	19,410 ✓	21,321 ✓	22,157 ✓	21,017 ✓	22,252	24,727
Operational GHG emissions – Scope 2 emissions (location-based)[2]	tCO_2e	24,344 ✓	25,713 ✓	27,608 ✓	30,254 ✓	34,848	37,395
Operational GHG emissions – Scope 2 emissions (market-based)[3]	tCO_2e	1,631 ✓	1,885 ✓	5,139 ✓	16,850 ✓	26,058	—
Operational GHG emissions – Scope 1 and 2 (location-based) emissions	tCO_2e	43,754	47,034	49,765	51,271	57,099	62,122
Operational GHG emissions – Scope 1 and 2 (location-based) emissions intensity	$kgCO_2e/m^2$	37.4	39.1	41.3	43.6	48.2	50.6
Operational GHG emissions – Scope 1 and 2 (market-based) emissions	tCO_2e	21,041	23,206	27,296	37,867	48,310	62,122
Operational GHG emissions – Scope 3 emissions, Purchased goods and services (paper consumption)[4]	tCO_2e	4,717 ✓	8,664 ✓	4,990 ✓	5,806 ✓	6,713 ✓	9,208 ✓
Operational GHG emissions – Scope 3 emissions, Business travel[5]	tCO_2e	6,253 ✓	6,039 ✓	4,580 ✓	1,203 ✓	3,901 ✓	10,958 ✓
Operational GHG emissions – Scope 3 emissions, Sub-leases	tCO_2e	8,999 ✓	9,294 ✓	8,196 ✓	3,223 ✓	4,581	8,538
Operational GHG emissions – Scope 1, 2 (location-based), and 3 emissions	tCO_2e	63,723	71,031	67,531	61,503	72,294	90,826
Operational GHG emissions – Scope 1, 2 (market-based), and 3 emissions	tCO_2e	41,010	47,203	45,062	48,099	63,505	90,826
Operational GHG emissions – Net balanced emissions (RECs and carbon removals)	%	100%	51%	45%	26%	15%	
Operational GHG emissions – Total RECs applied to Scope 2 emissions[6]	MWh	167,286	143,855	67,736	25,099	14,714	—
Operational GHG emissions – Emissions avoided from RECs	tCO_2e	22,713	23,828	22,469	13,404	8,802	
Operational GHG emissions – Emissions offset by carbon removals (nature-based)	tCO_2e	21,041	N/A	N/A	N/A	N/A	N/A

(✓) This figure has been independently assured to a limited level. The applicable limited assurance report or verification statement can be found in the ESG Document Library on our website.

(1) Scope 1 emissions include direct emissions from the combustion of natural gas and fuel (oil and propane).
(2) Scope 2 location-based emissions include indirect emissions from the purchase of electricity, district steam, and chilled water, before the application of any RECs.
(3) Scope 2 market-based emissions reflect location-based emissions less the emissions avoided with RECs.
(4) Lifecycle estimate related to internal paper use was made using the Environmental Paper Calculator (www.papercalculator.org).
(5) Employee business travel includes air, train, and automobile travel for company business for Canadian, US, and UK operations within the fiscal year (November 1 to October 31).
(6) A REC represents 1 megawatt hour (MWh) of renewable electricity. For every unit of renewable electricity generated and put onto the electricity grid, an equivalent amount of RECs is produced, which help us achieve our 100% renewable energy target.

6.3 2030 financed emissions reduction target and performance intensities

Methodology component	Oil and gas (operational)	Oil and gas (end-use)	Power generation	Automotive manufacturing
Target metric	Physical emissions intensity	Physical emissions intensity	Physical emissions intensity	Physical emissions intensity
Metric measurement	gCO_2e/MJ	gCO_2/MJ	$kgCO_2/MWh$	gCO_2/km
Clients' emissions scope(s)	1,2	3	1	1,2,3
Baseline year	2020	2020	2020	2021
Emissions baseline	5.17	68.54	230	146
2022 Performance	4.04	68.33	198.00	139.02
2023 Performance	**3.97**	**68.05**	**181.00**	**N/A**
2030 Emissions target	3.34	50.04	156.00	106
2030 Emissions reduction target %	-35%	-27%	-32%	-27%
Reference scenario	IEA NZE2050	IEA NZE2050	IEA NZE2050	IEA NZE2050

6.4 Absolute financed emissions

Under the Greenhouse Gas (GHG) Protocol, Scope 3 emissions are divided into 15 categories, the last of which is investments, capturing financed and facilitated emissions. Financed emissions are emissions that result from our lending activities and comprise an overwhelming majority of the bank's total GHG emissions. Facilitated emissions are the emissions attributed to our economic share of underwritten and arranged financings in the debt and equity capital markets. Both financed and facilitated emissions represent important ways in which our financing activities are associated with GHG emissions in the broader economy and, therefore, provide our greatest opportunity to directly influence climate change.

While equity and debt capital markets are factored into our sector targets and related intensity metrics, CIBC does not yet calculate or disclose absolute facilitated emissions related to our underwriting activities. The Partnership for Carbon Accounting Financials (PCAF) Facilitated Emissions Standard will help guide our approach, and we intend to incorporate facilitated emissions disclosure in future iterations of our Climate Report.

Summarized below is our absolute financed emissions calculated to date. As prescribed by PCAF, we calculate our absolute financed emissions using drawn (outstanding) lending amounts, covering only our direct financing, as of October 31 of the applicable fiscal year. The PCAF standard divides financed emissions into several asset classes: listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign debt. For full details on the calculation and scoring methodologies applied to each of these asset classes, please refer to the latest edition of the PCAF Global GHG Accounting and Reporting Standard, Part A.[1]

(1) PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Summary of CIBC's absolute financed emissions

		2023 Performance			2022 Performance			2021 Performance		
Sector	PCAF Asset Class[i]	Outstanding amount (CAD millions)[ii]	Total emissions (kilotonnes CO_2e)[iii]	PCAF data quality (1-5)[iv]	Outstanding amount (CAD millions)	Total emissions (kilotonnes CO_2e)	PCAF data quality (1-5)[iv]	Outstanding amount (CAD millions)	Total emissions (kilotonnes CO_2e)	PCAF data quality (1-5)[iv]
Oil and Gas: Operational[v]	2	$3,581	888	2.0	$3,036	1,437	2.3	$3,856	1,798[vi]	2.3
Oil and Gas: End-use[v]	2	$3,581	72,195	3.5	$3,036	81,359	3.8	$3,856	82,112[vi]	3.5
Power Generation[vii]	2	$3,813	1,077	2.3	$2,599	984	2.4	$2,357	975	2.4
Automotive: Operational[viii]	2	N/A	N/A	N/A	$555	9	2.0	$789	12	2.2
Automotive: End-use[viii]	2	N/A	N/A	N/A	$555	364	2.0	$789	450	2.2
Commercial Real Estate[ix]	4	$33,201	626	4.5	$34,998	865	4.6	$30,593	641	4.6
Residential Mortgages[x]	5	$262,235	1,534	4.0	$258,291	1,782	4.0	$231,000	1,833	4.0
Motor Vehicle Loans[xi]	6	$8,177	822	3.2	$7,545	774	4.0	N/A	N/A	N/A
Agriculture[xii]	2	$6,333	2,253	4.4	$6,339	2,377	4.4	N/A	N/A	N/A

(i) Indicates the associated calculation methodology applied based on the corresponding PCAF asset class that the lending sector is categorized under.

(ii) Outstanding balances reflect in-scope lending as prescribed by the latest PCAF methodology and typically represent a subset of larger industry lending sectors where CIBC has exposure. As such, these values will not reconcile to CIBC's other public financial disclosure.

(iii) PCAF absolute financed emissions for Asset Class 2 inclusive of lending to sectors like oil and gas are calculated by dividing the financing provided to the client by the client's enterprise value including cash (EVIC) for public companies or debt and equity for private companies. This factor is then multiplied by the client's emissions. As acknowledged by the latest version of the PCAF Standard, there are limitations of comparability as fluctuations of a client's market value can significantly impact it's calculated financed emissions.

(iv) Score 1 represents the highest quality data whereas Score 5 represents the lowest quality data.

(v) Balances reflect drawn amounts for all in-scope oil and gas clients globally, excluding CIBC Caribbean. Excludes investments, underwriting activities and committed exposure less than CAD $5 million.

(vi) Due to deficiencies identified in third-party data sources of emissions data, we restated our 2021 absolute financed emissions using reported client data to better reflect our clients' emissions in this sector and allow for greater comparability. This correction did not impact our data quality scoring methodology.

(vii) Balances reflect drawn amounts for all in-scope power generation clients globally, excluding CIBC Caribbean. Excludes investments, underwriting activities and committed exposure less than CAD $5 million.

(viii) Balances reflect drawn amounts for all OEMS and excludes captive financing activities. Unlike with other sectors disclosed, our absolute financed emissions disclosure includes estimated values for 2022 and not 2023, due to lags in available Scope 3 emissions data for our clients that impacted these calculations as well as our 2030 financed emissions reduction target.

(ix) Balances for 2022 through 2023 reflect principal values of all Canadian and US commercial mortgages across various asset types, excluding other real-estate lending related to construction and non-mortgage lending. 2021 balances were restated to capture US commercial mortgages and provide greater comparability to 2022 financed emission estimates.

(x) Balances for 2022 onward reflect principal values of all Canadian CIBC-brand and Simplii mortgages, except for the remaining FirstLine branded mortgages from the exited FirstLine mortgage broker business, and third-party originated mortgages. The balances also exclude the US and CIBC Caribbean mortgages. Does not include construction loans or home equity line of credit (HELOCs). Balances prior to 2022 do not include Simplii mortgages.

(xi) Balances reflect Canadian indirect lending to retail clients via automotive dealerships and excluding direct lending representing <5% of our Canadian retail motor vehicle loans.

(xii) Balances reflect lending related to agriculture livestock and crop production in Canada and the US and exclude lending to agriculture services, suppliers, wholesalers, and other clients considered upstream or downstream to agriculture production.

6.5 A note about forward-looking statements

From time to time, Canadian Imperial Bank of Commerce and its subsidiaries (CIBC, we, us or our) make written or oral forward-looking statements within the meaning of certain securities laws, including in this document, in other filings with Canadian securities regulators or the US Securities and Exchange Commission (SEC), and in other communications. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under applicable Canadian and US securities legislation, including the US Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to our purpose — to help make our clients' ambitions a reality, priorities, targets, metrics, sustainability commitments (including with respect to 2030 financed emissions reduction targets and 2050 net-zero ambition and reducing operational greenhouse gas (GHG) emissions), and goals, as well as our economic and environmental, social, and governance (ESG) related impacts and objectives including but not limited to, governance, strategy, risk management, sustainable lending (including our $300 billion by 2030 sustainable finance goal and the implementation and update of our Sustainable Finance Methodology), and our net-zero ambition for both our operational and financing activities by 2050. We have included forward-looking information in this document to assist our stakeholders in understanding our priorities, targets, commitments, and goals, as well as our economic and ESG-related impacts and objectives. Forward-looking statements are typically identified by the words "believe", "expect", "expectation", "aim", "anticipate", "intend", "estimate", "commit", "ambition", "forecast", "goal", "target", "strive", "project", "objective", and other similar expressions or future or conditional verbs such as "will", "may", "should", "would", and "could".

By their nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties that may be general or specific, which give rise to the possibility that our predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that our assumptions may not be correct and that our priorities, targets, commitments, and goals, and economic and ESG-related impacts and objectives will not be achieved. Moreover, many of the assumptions, metrics, and methodologies used in preparing this document continue to evolve and are based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. In addition, our climate risk analysis, climate strategy, climate scenario analysis, and climate governance structure under our ESG governance framework remain under development, and the data underlying our analysis, strategy, and scenario alignment remain subject to evolution over time. A variety of factors, many of which are beyond our control, could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements and may require CIBC to adapt its initiatives and activities or adjust its targets as the quality and completeness of its data and methodologies continue to improve. These factors include but are not limited to: trade policies and tensions, including tariffs; inflationary pressures in the U.S., global supply-chain disruptions; geopolitical risk, including from the war in Ukraine and conflict in the Middle East; the occurrence, continuance or intensification of public health emergencies, such as the impact of post-pandemic hybrid work arrangements, and any related government policies and actions; the failure of third parties to comply with their obligations to us and our affiliates or associates; our ability to implement various sustainability-related initiatives internally and with our clients under expected time frames; our ability to scale our sustainable finance products and services; and strategic, reputation; and legal conduct, regulatory compliance, and environmental and social risk and other risks disclosed in the "Management of risk" section of our 2024 Annual Report, as updated by our quarterly reports. In addition, as we work to advance our ESG goals, external factors outside of CIBC's reasonable control may act as constraints on achieving these goals including, but not limited to, the availability of comprehensive and high-quality GHG emissions data (including from CIBC's clients) and standardization of ESG-related measurement methodologies, the evolution of our lending portfolios over time, the need for active and continuing participation, cooperation, and collaboration from various stakeholders (including enterprises, financial institutions, and governmental and non-governmental organizations and individuals), deployment of new technologies and industry-specific solutions, the evolution of consumer behaviour, varying decarbonization efforts across economies, the need for thoughtful climate policies globally, the challenges of balancing interim emissions goals with an orderly transition, and the continuing development and evolution of regulations, guidelines, principles, and frameworks internationally and CIBC's compliance thereto, which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties, and fines.

For CIBC to meet its ambition to achieve its sector-specific 2030 financed emissions reduction targets and net-zero GHG emissions associated with its operational and financing activities by 2050, and for CIBC's clients to meet their GHG emissions reduction goals and commitments, CIBC and its clients may need to purchase voluntary and/or compliance carbon and renewable energy instruments ("Carbon Compliance Instruments"). The market for these instruments is still developing and their availability may be limited. Some Carbon Compliance Instruments are also subject to the risk of invalidation or reversal, and CIBC provides no assurance of the treatment of any such Carbon Compliance Instruments in the future. There may also likely be changes to applicable regulations and standards that impact the market for Carbon Compliance Instruments. The maturity, liquidity, and economics of regulated and voluntary carbon markets may make it more difficult for CIBC and its clients to achieve their goals and may impact CIBC's ambition to achieve its 2030 financed emissions reduction targets and net-zero GHG emissions associated with its operational and financing activities by 2050.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting our stakeholders in understanding our objectives and strategic priorities, and may not be appropriate for other purposes. While certain matters discussed in this document may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with securities laws and regulations, even if we use the word "material". We do not undertake to update any forward-looking statement that is contained in this document or in other communications except as required by law.

6.6 Disclaimer

This document is provided solely for informational purposes, and does not constitute an offer or a solicitation to buy or to sell any security, product, or service in any jurisdiction; nor is it intended to provide investment, financial, legal, accounting, tax, or other advice, and such information should not be relied or acted upon for providing such advice.

After the date of this document, CIBC does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events, or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability, or completeness of the information contained herein, including any third-party information contained in this document or otherwise used to derive information in this document. No liability whatsoever is or will be accepted by CIBC for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

Climate metrics and data and other information contained in this document, including but not limited to those relating to climate scenario analysis, GHG emissions, financed emissions, carbon-related assets, and emissions from our own operations are or may be based on significant assumptions, estimates, and judgments. In addition, as discussed, herein, some of the information provided, including regarding financed emissions associated with our oil and gas, power generation, auto manufacturing, and other lending portfolios is based on estimated data with limited support. For example, we have not independently verified or assessed the assumptions underlying the data we have obtained from our clients and other third parties that we use to set, track, and report on our progress toward reaching our 2030 financed emissions reduction targets. Furthermore, the data required to determine our pathway toward meeting our 2030 financed emissions reduction targets may be limited in quality, unavailable, or inconsistent across the sectors we decide to concentrate on. Given their inherent uncertainty and complexity, and the significant issues with some of the underlying data, assumptions, estimates, and judgments believed to be reasonable at the time of preparation of the document may subsequently turn out to be inaccurate. In addition, many of the assumptions, estimates, standards, methodologies, scenarios, metrics, and measurements used in preparing this document continue to evolve and may differ significantly from those used by other companies and those that may be used by us in the future. Legislative and regulatory changes, market developments, and/or changes in data availability and reliability could materially affect the assumptions, estimates, standards, methodologies, scenarios, metrics, and measurements used by us and/or other companies, and could materially affect the comparability of the information and data across industries or companies and from one reporting period to a subsequent reporting period, as well as our ability to achieve our priorities, targets, metrics, commitments, and goals. Any priorities, metrics, and targets, sustainability commitments, and goals discussed in this document, including, but not limited to, our 2030 financed emissions reduction targets and 2050 net-zero ambition commitments, metrics, targets, and goals, are aspirational, depend on the collective efforts and actions across a wide range of stakeholders outside of our control, and there can be no assurance that any such commitments, metrics, targets, and goals will be achieved. Refer to “A note about forward-looking statements” above.

This document and the information contained within it is unaudited. Certain metrics and data contained in this document have been subject to independent limited assurance. The applicable limited assurance report or verification statement can be found in the ESG Document Library on our website.

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This document is intended to provide information from a different perspective and in more detail than that required to be included in mandatory securities filings and other regulatory reports, including filings with Canadian securities regulators and the SEC. While certain matters discussed in this document may be of interest and importance to our stakeholders, the use of the terms “material”, “significant”, “important”, or similar words or phrases should not be read as necessarily rising to the level of materiality used for the purposes of securities laws and regulations or other laws.

All data and examples in this document reflect activities undertaken during the 2020, 2021, 2022, 2023, and 2024 fiscal years (November 1 – October 31), unless otherwise noted.

All amounts in this document are in Canadian dollars unless otherwise noted.