Second-Party Opinion
CIBC Women in Leadership Bond

Evaluation Summary

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

USE OF PROCEEDS The eligible category for the use of proceeds is aligned with those recognized by the Social Bond Principles 2018 that seek to achieve socioeconomic advancement and empowerment for a well-defined target population. Sustainalytics considers that financing loans to companies with high levels of women in leadership will lead to positive social impacts and advance key UN Sustainable Development Goals.

PROJECT EVALUATION / SELECTION CIBC’s project selection process involves initial identification and screening by the Corporate Banking Team, and review and approval by the Bank’s Women in Leadership Bond Council, which includes senior executives, as well as an annual review of all eligible loans. Sustainalytics considers these processes to represent market best practice.

MANAGEMENT OF PROCEEDS The net proceeds of the social bond will be deposited in CIBC’s General Fund, and an equivalent amount will be earmarked for allocation to eligible loans. Unallocated funds will be invested in line with CIBC Treasury’s liquidity management procedures; it is the Bank’s intention to allocate all funds within 18 months of issuance. This is in line with market practice.

REPORTING CIBC will report annually for the life of the bonds, and post on its website allocation information at the category level and impact information based on the aggregate number of women on the board or in executive positions among companies to which the Women in Leadership Bond has been allocated and the annual percentage change in the number of companies in CIBC’s Corporate loan book which meet its eligibility criteria; review and assurance will be obtained on this reporting. This is in line with market practice.

Evaluation date September 17, 2018
Issuer Location Toronto, Canada

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Introduction

The Canadian Imperial Bank of Commerce ("CIBC", "the Bank", or "the Issuer") is one of the largest banks in Canada, tracing its history back to 1867. CIBC serves over 11 million clients across its retail and commercial banking, wealth management, and capital markets operations in Canada, the United States, and the Caribbean.

CIBC has developed a CIBC Women in Leadership Bond Framework ("Framework") under which it plans to issue a social bond and use the proceeds to finance or refinance loans to companies which have, through action or policy, demonstrated a commitment to women in leadership positions. The Framework provides two criteria which will determine if a corporation is eligible to receive loans financed by the social bond proceeds; in order to be deemed an eligible asset, both must be met:

1. One of the following:
   a. At least 30% of board positions are held by women
   b. At least 30% of executive positions are held by women
   c. The company is a signatory of the Catalyst Accord 2022

2. A minimum of one woman on each of the board and the executive

CIBC engaged Sustainalytics to review the CIBC Women in Leadership Bond Framework and provide a second-party opinion on the alignment of the Framework with the Social Bond Principles 2018 (the "SBP"), as administered by the International Capital Market Association (the "ICMA").¹ and the Framework’s social credentials. The Framework has been published in a separate document.²

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

This document contains Sustainalytics’ opinion³ of the CIBC Women in Leadership Bond Framework and should be read in conjunction with that framework.

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² Available at: https://www.cibc.com/en/about-cibc/investor-relations/debt-information/women-in-leadership-bond.html
³ This second-party opinion was revised September 17, 2018 to account for post-issuance revisions made by CIBC to the Women in Leadership Bond Framework.
Section 1: Sustainalytics’ Opinion on the CIBC Women in Leadership Bond Framework

Summary

Sustainalytics is of the opinion that the CIBC Women in Leadership Bond Framework is credible and impactful, and aligns with the four core components of the Social Bond Principles 2018. Sustainalytics highlights the following elements of CIBC’s social bond framework:

- The eligible use of proceeds described in the Framework aligns with the Social Bond Principles category of Socioeconomic advancement and empowerment, focused on a well-defined target population, and is therefore recognized by the Social Bond Principles as having clear social benefit. For additional information on Sustainalytics’ assessment of the social bond’s positive impacts, see Section 3.
  - In order for a corporate loan to qualify as an eligible asset, a minimum of 30% of the company’s board seats or executive positions must be held by women. This 30% threshold is well-recognized internationally and within Canada as a strong level of female representation.
  - The Framework also lists being a signatory to the Catalyst Accord 2022 as a potential qualifying criteria. Catalyst is a global organization which seeks to encourage and promote women’s empowerment and career development. The Catalyst Accord 2022, implemented by Catalyst Canada, sets a target to “increase the average percentage of women on boards and women in executive positions in corporate Canada to 30% or greater by 2022”.
  - A secondary criterion mandates that, in order to qualify for the bond, both the board and the executive have at least one woman. Sustainalytics views this as strengthening CIBC’s eligibility criteria.
  - CIBC’s framework contains exclusionary criteria for companies whose “principal industry or primary activities” are in sectors that have significant negative social impacts. In order to enhance transparency, Sustainalytics encourages CIBC to define principal industry and primary activity, which may be based on, for example, revenue thresholds, industry classifications, and/or public disclosures by the borrowing corporation.
  - The SBP recommends that external reviewers assess environmental and social risks associated with social use of proceeds. While social risks have been addressed through exclusions, Sustainalytics is of the opinion that the absence of environmental exclusions may increase the environmental risk exposure of CIBC’s social bond. Nonetheless, in Sustainalytics’ opinion this absence does not undermine the core social impact objectives of CIBC’s framework.
  - Companies with Category 5 controversies, as assessed by Sustainalytics, are also excluded. This screen will remove any companies engaged in behavior that result in severe adverse environmental or social outcomes, providing additional safeguards beyond the sector-wide exclusionary list.
  - CIBC has detailed a project selection process by which it will identify eligible assets, involving initial identification and screening by the Corporate Banking Team, and review and approval by the Bank’s Women in Leadership Bond Council.
    - CIBC will rely on regulatory data from the Ontario Securities Commission (“OSC”) to determine compositions of board and executive. If this data ceases to be available, other reputable sources may be consulted.
    - The Women in Leadership Bond Council will be composed of representatives of members of CIBC senior management, including the Treasurer, the Managing Director and Head of Global Corporate Banking, and the Senior Executive Vice-President and Chief Risk Officer.

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4 Sustainalytics’ controversy research identifies companies involved in incidents that may negatively impact stakeholders, the environment or the company’s operations. For more information, please refer to: https://www.sustainalytics.com/controversies-research/.
- The eligible assets will be reviewed annually by Corporate Banking and the Social Bond Council in order to ensure ongoing compliance and make any necessary adjustments.
- Based on the use of regulatory information, the involvement of C-level officers on the Social Bond Council, and the commitment to annual review, Sustainalytics considers CIBC’s project selection process an example of best practice.
- The net proceeds of the social bond will be deposited in CIBC’s General Fund, and an equivalent amount will be earmarked for allocation to eligible loans. Unallocated funds will be invested in line with CIBC Treasury’s liquidity management procedures; it is the Bank’s intention to allocate all funds within 18 months of issuance.
- CIBC’s Corporate Banking Team will track each eligible asset using internal systems, including the asset’s name, eligibility category, and financed amount, updated annually.
- Sustainalytics considers these procedures to be in line with market practice.
- CIBC will report annually on the use of proceeds for the life of the bond(s); this reporting will include allocation information, impact reporting, and assurance/review information, and will be published on the investor relations section of CIBC’s website.\(^5\)
  - Reporting on the allocation of proceeds will include a breakdown of funds disbursed by eligibility category.
  - Impact reporting will include the aggregate number of women on the boards and in the executive of the companies which receive loans funded by the bond and year-over-year change in the number of corporations to which CIBC loans money that meet the eligibility criteria of the Women in Leadership Bond. By tracking this information over time, CIBC strives to demonstrate the impact of its Bond on its overall loan portfolio, in line with its overall commitment to expanding opportunities for women in business and enhancing corporate gender balance. In the context of the confidentiality concerns related to corporate lending, and the general challenges in reporting on social impacts, Sustainalytics considers these metrics to provide adequate disclosure.
  - CIBC will obtain assurance annually from its external auditor that the procedures employed to manage and disburse the social bond are in line with those detailed in the Framework, and an annual review from Sustainalytics to ensure that all assets are compliant with the eligibility and exclusionary criteria.
  - Sustainalytics considers these procedures to be in line with market practice, and views positively the commitment to annual reviews and external assurance.

Alignment with Social Bond Principles 2018

Sustainalytics has determined that CIBC’s social bond aligns to the four core components of the Social Bond Principles 2018. For detailed information please refer to Appendix 1: External Review Form.

Section 2: CIBC’s Sustainability Performance

Contribution of framework to issuer’s sustainability strategy

CIBC’s corporate social responsibility strategy is based on five material topics: client experience, responsible banking, engaging employees, community investment, and governance and integrity, as well as a “commitment to corporate social responsibility [that] is rooted in our vision and values, and informs our day-to-day operations and business practices."\(^6\) CIBC reports on the outcome of these policies as part of its Balanced Scorecard, in which it provides year-end information on both financial and non-financial performance.\(^7\) In 2017, CIBC achieved its two primary governance goals of women on the board (exceeding its 30% target by 11%) and mandatory training (meeting its 100% target). The Bank’s other sustainability performance milestones include $380 million in new lending in 2017 towards renewable energy projects, being named as one of Corporate Knights’ Best 50 Corporate Citizens in Canada 2017 and Global 100 Most Sustainable Corporations in 2018,\(^8\) decreasing its Scope 1, 2, and 3 carbon emissions.\(^9\)

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\(^7\) [http://annualreport.cibc.com/index.html#balanced-scorecard](http://annualreport.cibc.com/index.html#balanced-scorecard)


Overall, Sustainalytics considers CIBC to be a strong performer with regards to sustainability, and well-positioned to issue social bonds given its strong corporate social responsibility policy, and its demonstrated record of ESG performance. The issuance of the Women in Leadership Bond aligns with the Bank's overall sustainability strategy.

Well positioned to address common social and environmental risks associated with lending activities

By allocating social bond proceeds to corporations that have demonstrated a commitment to women in leadership, CIBC is promoting positive social outcomes. Furthermore, by placing exclusionary criteria on a variety of activities, the proceeds will not support companies which may have impacts which are misaligned with the goals of the Framework.

Nevertheless, Sustainalytics recognizes that, by offering lending services to companies in a wide range of economic sectors, banks are exposed to the possibility of financing companies and/or projects that have negative social or environmental impacts. CIBC has processes in place to address these potential risks, including:

- Environmental Credit Risk Management Standards and Procedures, developed and implemented by the Bank’s Environmental Risk Management (ERM) team. In addition to providing company-wide training on incorporating environmental issues into due diligence, in 2017 CIBC’s ERM reviewed or advised on over 1,000 transactions.\textsuperscript{10}
- CIBC is a signatory to the Equator Principles, which have been incorporated into their environmental due diligence process since 2003. In 2017, CIBC was involved in project finance for six transactions to which the Equator Principles applied.\textsuperscript{11}
- CIBC maintains a list of pre-assessed environmental consultants in Canada and the United States, that have been determined to meet the Bank’s required standards for quality and expertise when assessing the impact of environmental projects.\textsuperscript{12}
- An Environmental Policy, which commits CIBC to conduct itself in a way that protects the environment, safeguards stakeholders from unacceptable risk and supports sustainable development,\textsuperscript{13} and an ISO 14001-certified Environmental Management System.\textsuperscript{14}
- An Environmentally Responsible Procurement Standard that places requirements on suppliers and commits CIBC to working with suppliers who respect the environment and provide a safe and respectful workplace.\textsuperscript{15} This policy is referenced in the CIBC Supplier Code of Conduct.\textsuperscript{16}
- Various risk management policies, including a Risk Appetite Statement, a reputation risk management framework, a regulatory compliance management framework, and a business continuity and crisis management framework.
- A commitment to stakeholder engagement, which states that CIBC will regularly consult with stakeholders and stay abreast of best practices, as well as sharing due diligence policies.\textsuperscript{17}

Sustainalytics is of the opinion that CIBC has sufficient measures in place to safeguard its lending activities from negative social or environmental impacts.

Section 3: Impact of Use of Proceeds

The Women in Leadership use of proceeds category is recognized as impactful by the Social Bond Principles 2018. Sustainalytics has discussed below how the impact is relevant globally, as well as specifically in the local context.

\textsuperscript{11} ibid
\textsuperscript{12} ibid
\textsuperscript{16} https://www.cibc.com/content/dam/about_cibc/corporate_responsibility/pdfs/Supplier%20Code%20of%20Conduct%20-%20October%202016%20Final_EN.pdf
The importance of gender diversity in corporate leadership

Diversity among corporate leaders is an important issue, both in terms of intrinsic equality and due to a body of research which suggests that companies overseen by diverse groups perform better in quantitative and qualitative ways. Studies have suggested that more gender-balanced boards are better at retaining talent,\(^{18}\) have fewer instances of fraud,\(^{19}\) and are more likely to have above-average financial performance.\(^{20}\) According to research from the McKinsey Global Institute, improved gender equality could result in a 6% increase in Canadian GDP by 2026 when compared to baseline outcomes.\(^{21}\) It should be considered that diversity broadly entails not just gender representation, but also race, age, background, and sexual orientation, as well as other factors; however, gender diversity has, in recent years, drawn more attention, and has been the subject of both more research and more regulation. Worldwide, women held 16.9% of board seats, based on data from ISS QualityScore in 2016. This figure varies greatly across the world's developed economies, ranging from a low of 2.3% in South Korea to over 42% in Norway.\(^{22}\)

Although Canada is generally considered a top performer globally in terms of women's equality, both in the workplace and in society more broadly, progress towards full equality has slowed over the last 20 years, and gaps remain significant in areas such as managerial positions, science & technology education and employment, and unpaid care work.\(^{23}\) Additionally, average employment earnings for women, across all industries and job types, was only 68.4% of the average for men, based on 2014 data.\(^{24}\) In terms of board representation, ISS data shows the portion of women directors to be slightly above the global average, at 17.2%,\(^{25}\) while a 2016 survey of FP500 companies reported a slightly higher rate of 21.6%.\(^{26}\) As stated by the Government of Canada "equality between women and men is enshrined in the Canadian Charter of Rights and Freedoms [...] nevertheless, challenges remain".

To address these issues, many jurisdictions have promulgated regulations to mandate or promote representation on boards. The form of these requirements varies substantially, with some imposing hard quotas, while others only necessitate disclosure; many of the world's largest economies including the US, China, Russia, and Japan have no regulation at all.\(^{27}\) Canada, like many other jurisdictions, has adopted a "comply or explain" regime, meaning a company must either achieve representation targets or explain why they did not.\(^{28}\) Although these laws, in particular those with hard quotas, have resulted in greater representation on boards, the overall effect on gender diversity in the workplace is more limited, with no robust evidence showing that these regulations have benefited the broader workforce, even in cases such as Norway which have achieved very high women-on-board rates.\(^{29}\) A 2018 report found that board representation quotas are "not enough to influence the composition of companies' senior executive teams".\(^{30}\)

In this context, the use of proceeds laid out in CIBC's Framework can be anticipated to have a positive social impact on the issue of gender representation. The proceeds of the Women in Leadership Bond will be directed to loans to companies that have either achieved women in leadership (board or executive) representation targets, or have committed to meeting targets and are reporting on their progress. This is particularly impactful in the Canadian context, where board gender diversity is above the global average, but well below the level of top performing nations. Furthermore, by including a criterion of at least one woman on both the board of directors and the executive team, the Framework makes some attempt to address the issue that board representation does not always lead to great leadership diversity at the management level. Considering these factors, Sustainalytics is of the opinion that the use of proceeds of CIBC's bond will have positive social impacts.

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22. [https://corpgov.harvard.edu/2017/01/05/gender-parity-on-boards-around-the-world/](https://corpgov.harvard.edu/2017/01/05/gender-parity-on-boards-around-the-world/)
25. [https://corpgov.harvard.edu/2017/01/05/gender-parity-on-boards-around-the-world/](https://corpgov.harvard.edu/2017/01/05/gender-parity-on-boards-around-the-world/)
26. [https://boarddiversity.ca/report_card](https://boarddiversity.ca/report_card)
27. [https://corpgov.harvard.edu/2017/01/05/gender-parity-on-boards-around-the-world/](https://corpgov.harvard.edu/2017/01/05/gender-parity-on-boards-around-the-world/)
Alignment with and contribution to the UN Sustainable Development Goals

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

<table>
<thead>
<tr>
<th>Use of Proceeds Category</th>
<th>SDG</th>
<th>SDG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in Leadership</td>
<td>5. Gender Equality</td>
<td>5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</td>
</tr>
<tr>
<td></td>
<td>8. Decent Work and Economic Growth</td>
<td>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</td>
</tr>
</tbody>
</table>

Conclusion

CIBC has developed a Women in Leadership Bond Framework, under which it will issue social bonds, with the proceeds being used to fund loans to companies that exhibit high levels of representation for women in leadership positions. In particular, eligible companies will have at least 30% women on the board of directors, 30% women in executive positions, or be a signatory to the Catalyst Accord 2022. Sustainalytics is of the opinion that lending to the eligible companies described by the Framework aligns with CIBC’s corporate vision, and provides positive social impacts.

The use of proceeds category specified in the Framework is aligned with the Social Bond Principles 2018; CIBC has formed a Women in Leadership Bond Council to oversee its social bond program; transparent procedures have been put in place for the management and tracking of funds; and, commitments have been made to report on allocation and impacts and obtain annual reviews. Furthermore, Sustainalytics believes that the lending activities funded by the social bond will contribute to the advancement of the UN Sustainable Development Goals 5 and 8.

Based on the above, Sustainalytics is confident that CIBC is well-positioned to issue Women in Leadership bonds, and that the CIBC Women in Leadership Bond Framework is robust, transparent, and in alignment with the Social Bond Principles 2018.
Appendices

Appendix 1: Social Bond/ Social Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Canadian Imperial Bank of Commerce

Social Bond ISIN or Issuer Social Bond Framework Name, if applicable: [specify as appropriate]

CIBC Women in Leadership Bond

Review provider’s name: Sustainalytics

Completion date of this form: September 17, 2018

Publication date of review publication: [where appropriate, specify if it is an update and add reference to earlier relevant review]

Section 2. Review overview

SCOPE OF REVIEW

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

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

☒ Use of Proceeds
☒ Process for Project Evaluation and Selection
☒ Management of Proceeds
☒ Reporting

ROLE(S) OF REVIEW PROVIDER

☒ Consultancy (incl. 2nd opinion)
☐ Certification
☐ Verification
☐ Rating
☐ Other (please specify):

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

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

Please refer to Executive Summary above.
Section 3. Detailed review

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

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible category for the use of proceeds is aligned with those recognized by the Social Bond Principles that seek to achieve Socioeconomic advancement and empowerment, for a well-defined target population. Sustainalytics considers that financing lending to companies with high levels of women in leadership will lead to positive social impacts and advance key UN Sustainable Development Goals.

Use of proceeds categories as per SBP:

| ☐ Affordable basic infrastructure | ☐ Access to essential services |
| ☐ Affordable housing               | ☐ Employment generation (through SME financing and microfinance) |
| ☐ Food security                    | ☒ Socioeconomic advancement and empowerment |
| ☐ Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | ☐ Other (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

CIBC’s project selection process involves initial identification and screening by the Corporate Banking Team, and review and approval by the Bank’s Women in Leadership Bond Council, which includes of senior executives, as well as an annual review of all eligible loans. Sustainalytics considers these processes to represent best practice.

Evaluation and selection

☒ Credentials on the issuer’s social objectives
☒ Defined and transparent criteria for projects eligible for Social Bond proceeds
☒ Summary criteria for project evaluation and selection publicly available
☒ Documented process to determine that projects fit within defined categories
☒ Documented process to identify and manage potential ESG risks associated with the project
☐ Other (please specify):
Information on Responsibilities and Accountability

☒ Evaluation / Selection criteria subject to external advice or verification
☐ In-house assessment
☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The net proceeds of the social bond will be deposited in CIBC’s General Fund, and an equivalent amount will be earmarked for allocation to eligible loans. Unallocated funds will be invested in line with the CIBC Treasury’s liquidity management procedures; it is the Bank’s intention to allocate all funds within 18 months of issuance. This is in line with market practice.

Tracking of proceeds:
☒ Social Bond proceeds segregated or tracked by the issuer in an appropriate manner
☐ Disclosure of intended types of temporary investment instruments for unallocated proceeds
☐ Other (please specify):

Additional disclosure:
☐ Allocations to future investments only
☐ Allocations to both existing and future investments
☐ Allocation to individual disbursements
☐ Allocation to a portfolio of disbursements
☐ Disclosure of portfolio balance of unallocated proceeds
☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

CIBC will report annually for the life of the bonds, and post on its website allocation information at the category level and impact information based on the aggregate number of women on the board or in executive positions among companies to which the Women in Leadership Bond has been allocated and the annual percentage change in the number of companies in CIBC’s Corporate loan book which meet its eligibility criteria. Review and Assurance will be obtained on the allocation reporting. This is in line with market practice.

Use of proceeds reporting:
☐ Project-by-project
☐ On a project portfolio basis
☐ Linkage to individual bond(s)
☒ Other (please specify): Category Level

Information reported:
CIBC Women in Leadership Bond

- Allocated amounts
- Other (please specify): Social Bond financed share of total investment

**Frequency:**
- ☒ Annual
- Other (please specify):

**Impact reporting:**
- ☐ Project-by-project
- ☒ Linkage to individual bond(s)
- ☐ On a project portfolio basis
- ☒ Other (please specify): Over the entire CIBC’s Corporate loan book

**Frequency:**
- ☒ Annual
- Other (please specify):

**Information reported (expected or ex-post):**
- ☐ Number of beneficiaries
- ☒ Target populations
- ☐ Other ESG indicators (please specify):

**Means of Disclosure**
- ☐ Information published in financial report
- ☒ Information published in sustainability report
- ☒ Information published in ad hoc documents
- ☒ Other (please specify): Company Website
- ☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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

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

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**
- ☐ Consultancy (incl. 2nd opinion)
- ☐ Certification
- ☐ Verification / Audit
- ☐ Rating
ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE SBP

i. Second Party Opinion: An institution with social expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer’s adviser for its Social Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Social Bond Principles. In particular, it can include an assessment of the issuer’s overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer’s internal tracking method for use of proceeds, allocation of funds from Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.

iii. Certification: An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognised external social standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Social Bond Scoring/Rating: An issuer can have its Social Bond, associated Social Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.
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The Opinion was drawn up with the aim to provide objective information on why the analyzed bond is considered sustainable and responsible, and is intended for investors in general, and not for a specific investor in particular. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, the information is provided “as is” and, therefore Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date, nor assumes any responsibility for errors or omissions. Any reference to third party names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner.

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The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.
Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world’s leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. Global Capital named Sustainalytics the “Most Impressive Second Party Opinion Provider in 2017. In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit www.sustainalytics.com

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