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LAND ACKNOWLEDGEMENT

We wish to acknowledge that CIBC Asset Management’s headquarters in Toronto, Ontario, Canada, is located on the traditional territory occupied by many Nations, including the Mississaugas of the Credit, the Anishinaabe, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.

CIBC Asset Management’s headquarters in Montréal, Quebec, Canada, is located on the traditional territory occupied by the Kanien’kehà:ka, a place that has long served as a site of meeting and exchange amongst many First Nations including the Kanien’kehà:ka of the Haudenosaunee Confederacy, Huron/Wendat, Abenaki, and Anishinaabeg. We recognize and respect the Kanien’kehà:ka as the traditional custodians of the lands and waters on which we meet today.

With this, we respect the longstanding relationships of the past, present and future that Indigenous Nations have to these lands, as they are the original caretakers. We acknowledge historical and ongoing injustices that Indigenous peoples endure in Canada, and we accept responsibility as an institution to contribute towards revealing and correcting miseducation as well as renewing respectful relationships with Indigenous communities through our initiatives mentioned within this report.
Business has an important role to play in sustainable development. CIBC Asset Management is deeply committed to advancing sustainable long-term environmental, social and governance (ESG) practices.

2021 provided several sharp reminders of the importance of sustainability. The ongoing COVID-19 pandemic continues to expose deep social inequalities, and demonstrates that advancing sustainability is critical for protecting human health and enabling collective action in the face of emergency. The 26th UN Climate Change Conference of the Parties (COP26), held in November in Glasgow, called attention to the urgent need for collective action to address climate change, one of the most pressing issues facing humanity. In September, Canada’s first National Day for Truth and Reconciliation put a spotlight on the lasting damage and painful suffering experienced by our Indigenous communities and the need for all Canadians to contribute to a just and inclusive Canada.

In 2021, we became a founding participant of Climate Engagement Canada, a finance-led initiative that drives dialogue between finance and industry to promote a just transition to a net zero economy. We also became a signatory of the Canadian Investor Statement on Climate Change coordinated by the Responsible Investment Association (RIA). We continued development on our Task Force for Climate-related Financial Disclosures reporting. In addition, we re-affirmed our commitment to Indigenous Nations and stepped up our ongoing industry education and thought leadership in the area of responsible and sustainable investing.

As a signatory of the UN-supported Principles for Responsible Investment, we carefully consider ESG factors in our investment and ownership decisions. By combining financial and ESG risk analysis, we reach a deeper understanding of the investments we make. We believe this helps us to manage risk more proactively and identify opportunities to generate sustainable, long-term returns.

At CIBC Asset Management, we never cease in our efforts to identify and advance best practices and new opportunities across our sustainability initiatives. We’re committed to providing transparent and regular updates through our public reporting and disclosure, and we continually work to enhance reporting on our efforts to deliver financial value and make a lasting positive impact on our people, society and the environment.

David Scandiffio, CFA
President and CEO

Highlights for 2021

- Alignment with Climate Engagement Canada.
- Signatory of the RIA Investor Statement on Climate Change.
- Creation of new CFA scholarship for Indigenous investment professionals.
- Launch of CIBC Sustainable Investment Strategies.
- Increase in resource allocation dedicated to sustainable investments.
Our sustainability framework

At CIBC Asset Management, sustainability is at the heart of everything we do. We believe a strong governance process that evaluates potential future risks enhances our investment process, stewardship activities, and the solutions we offer to our clients. We are a purpose-driven organization focused on meeting the evolving needs of investors in an ever-changing global market.

**Governance**

CIBC Asset Management has established a robust governance framework to ensure senior leadership is actively involved in the firm’s approach to ESG.

The CEO and the senior executive leadership team are all members of the Responsible Investing Committee, which guides the overall strategy for ESG and sustainability at the firm.

**Stewardship**

As a fiduciary, we have a responsibility to our clients to act in their best interest as investors. We believe that an important aspect of this is meeting directly with company management and actively exercising our voting rights.

We believe constructive communication about performance and ESG issues generates value for shareholders over the long term.

**ESG integration**

We’ve committed to responsible investing by integrating ESG factors into our investment and ownership decisions.

By combining financial and ESG risk analysis, we reach a deeper understanding of the investments we make. We believe this helps us better manage risk and identify opportunities to generate sustainable, long-term returns.

**Investment solutions**

We believe in empowering our clients to invest in accordance with their values. This means developing strategies that incorporate strong investment outcomes, together with non-financial benefits.

We believe that managing long-term, non-financial risks better prepares our portfolios for the global challenges of the future and produces better investment results for our clients.
Our commitment to building a more sustainable global financial system

We became a signatory of the United Nations-supported Principles for Responsible Investment (PRI) in 2017, to reinforce our commitment to responsible investing for our clients. This commitment guides our approach to managing and monitoring investment products internally and our selection of sub-advisors.

As part of our research and portfolio management process, we have committed to the following six principles:

<p>| | |</p>
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<tbody>
<tr>
<td>1.</td>
<td>Incorporate</td>
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<tr>
<td>2.</td>
<td>Be active</td>
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<tr>
<td>3.</td>
<td>Seek disclosure</td>
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<tr>
<td>4.</td>
<td>Promote</td>
</tr>
<tr>
<td>5.</td>
<td>Work together</td>
</tr>
<tr>
<td>6.</td>
<td>Report</td>
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Incorporate ESG issues into investment analysis and decision making processes

Be active owners and incorporate ESG issues into our ownership policies and practices

Seek appropriate disclosure on ESG issues by the entities in which we invest

Promote acceptance and implementation of the Principles within the investment industry

Work together to enhance our effectiveness in implementing the Principles

Report on activities and progress towards implementing the Principles

We’re proud to be aligned with the following associations:

- Founding member of the Canadian Coalition for Good Governance
- Founding member of the Responsible Investment Association and leadership council
- Canadian Bond Investors Association
- Center for Climate Aligned Finance
- Climate Engagement Canada
- 30% Club Canada

CIBC Asset Management’s participation in the Canadian Coalition for Good Governance helps affect change by amplifying our voice and that of other institutional investors, leading to better outcomes for our clients.

Catharine Sterritt
Portfolio Manager
Our responsible investment policies

Implementation and approach

Portfolio management and research ESG integration

Analysis of a company’s ESG policies and experience are important in assessing its long-term viability. We believe that fundamental credit and equity analysts are key to gaining deep insight into companies. Their primary goal is to value investments and identify potential opportunities for outperformance in both fixed income and equity portfolios. We believe an analysis of ESG factors is fundamental to the accurate valuation of a company’s long-term return potential and risk. By combining both financial and ESG risk analysis, we achieve a deeper understanding of the companies in which we invest.

The integration of ESG analysis ensures our team understands the full picture of risk. This enhances all levels of the investment process and produces better outcomes for our clients.

Jean Gauthier
Managing Director and
Chief Investment Officer,
Global Fixed Income and Equities

Full incorporation of ESG factors into our regular research process, by each investment professional, is the most authentic approach.

Our core strength resides in our research teams. At CIBC Asset Management, each asset class—fixed income, equities, multi-asset and currency — has a dedicated research team. We’ve implemented a rigorous procedure to integrate ESG factors into our fundamental analysis and investment process. In addition to our traditional financial analysis, we incorporate “internal” ESG ratings that rank companies from “best-in-class” to “below average”. All equity and fixed income analysts work together to determine an internal ESG rating for each issuer. The ESG ratings are sector specific, as the relevance of ESG factors can differ from one sector to another, based on our proprietary model. Where shared company coverage exists between fixed income and equity analysts, we assign one ESG rating per issuer to maintain consistency.
ESG integration framework

We use a comprehensive framework to invest responsibly. This framework consists of a multi-step approach designed to enhance the financial performance of our investment mandates and improve outcomes for our investors.

Our proprietary ESG rating process: fixed income and equity

1. ESG proprietary model
   a) Environment
      • Climate change
      • Environmental protection
      • Water and energy use
      • Waste management
      • Regulatory threshold and compliance
      • Assessment and disclosure
   b) Social
      • Health and safety
      • Privacy and data
      • Labour relations and employment quality
      • Human rights
      • Respect for civil liberties
      • Community relations and social media
      • Product responsibility
      • Respect for cultural and ethnic identities
      • Human health
   c) Governance
      • Board
      • Business ethics
      • Legal and regulatory compliance
      • Executive compensation
      • Disclosure
      • Inclusion & diversity
      • Fiscal transparency
      • Respect for cultural and ethnic identities
      • Human health

2. ESG score

3. ESG rating within sector

Examine and integrate
ESG factor impact on traditional valuation metrics for equity and fixed income. This may result in adjustments to target prices and range of outcomes.

We also maintain an internally generated Socially Responsible Investing (SRI) Approved List. We review this list twice a year and exclude issuers that don’t meet the SRI criteria established by our institutional clients.

Our proprietary ESG rating process: global sovereign

Our global sovereign ESG framework is consistent with our disciplined top-down investment process and is implemented across all our macro investment strategies. This process rigorously integrates quantitative inputs with qualitative fundamental research. Our approach to macro ESG investing is no different. Here, we integrate the following:

1. Quantitative scoring of ESG risk factors.
2. Qualitative assessment of economic risk factors, sovereign idiosyncrasies and ESG dynamics.

We’ve developed a proprietary quantitative process to grade countries across ESG dimensions. In addition, a qualitative overlay is provided by our analysts based on their regional macroeconomic, fiscal, and monetary policy knowledge.

1. ESG global sovereign quantitative screen
   a) Environment
      • Primary energy consumption
      • Carbon emissions
      • Share of renewables of primary energy consumed
      • Food production index
      • Environmental vulnerability and readiness index
   b) Social
      • Human development index
      • Labor force growth
      • Respect for cultural and ethnic identities
      • Youth unemployment
      • Labor freedom index
      • GINI index
      • Gender inequality
   c) Governance
      • Voice and accountability
      • Political stability and absence of violence
      • Government effectiveness
      • Regulatory quality
      • Rule of law
      • Control of corruption

2. ESG fundamental overlay

3. Global sovereign ESG ranking

Read our full responsible investment policy

1 Investment-grade fixed income and equity have separate lists.
Investment Management Research – Assessing ESG capabilities

ESG considerations are important in developing a holistic understanding of a company’s business practices and require full consideration during the investment decision-making process. Material ESG factors can influence a company’s long-term sustainability, profitability and security prices. These in turn affect portfolio-level risk and, ultimately, investor returns. As a result, ESG has become an integral component of the research and monitoring process of asset managers. In 2021, our Investment Management Research (IMR) team worked to enhance and implement a more robust framework to assess the ESG and sustainable investing capabilities of the external investment managers we partner with. This culminated in an Asset Manager ESG rating.

Our Asset Manager rating process

The rating process assesses the intentions, beliefs, and practices concerning ESG at asset management firms, and seeks to identify potential risks associated with poor ESG practices (such as greenwashing, controversies, litigation, etc.). We take the view that an authentic approach placing ESG at the forefront of a firm’s culture leads to deeper employee involvement and better alignment with client values when compared to a “check-the-box” or holdings-based approach. As there is no single framework or methodology for implementing effective ESG integration, a focus on authenticity and outcomes allows for a broad spectrum of investment approaches to be evaluated effectively.

We believe that a deep understanding of ESG factors adds value to the overall investment process, and is a key contributor to a firm’s ability to generate relative outperformance. Evaluating our sub-advisors on their level of ESG integration and stewardship helps to inform our overall view of their investment process, and represents a natural evolution of the manager research and monitoring process.

Ongoing monitoring

As ESG continues to evolve within the asset management industry, open dialogue and ongoing monitoring are necessary parts of understanding the full picture of an investment manager’s ESG capabilities. Regular meetings with our managers allows us to provide feedback, understand their process, and gauge their progress on new ESG initiatives. Our goal is to establish a collaborative working relationship in which we and our sub-advisors together can improve client outcomes. We continually seek to evolve our own processes while holding our sub-advisors to the same standard.

Within our ratings framework, firms are scored in the following areas:

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>ESG process integration</td>
<td>• Scores driven by alignment with IMR best practices</td>
</tr>
<tr>
<td></td>
<td>• Three pillars: research, application, and monitoring</td>
</tr>
<tr>
<td>ESG resources</td>
<td>• How much has the firm invested into ESG?</td>
</tr>
<tr>
<td></td>
<td>• Data sources, dedicated ESG staff, technology investments, tools, etc.</td>
</tr>
<tr>
<td>Voting and engagement</td>
<td>• How active is the firm engaging with companies on ESG issues? Are there any specific themes where engagements are being focused?</td>
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<tr>
<td></td>
<td>• Is the firm transparent in reporting their engagement and voting practices?</td>
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<tr>
<td>Commitment to responsible investing</td>
<td>• What responsible investing organizations is the firm a part of?</td>
</tr>
<tr>
<td></td>
<td>• What were the firm’s most recent PRI scores?</td>
</tr>
<tr>
<td>Incentives and compensation</td>
<td>• Is ESG part of the employee performance review and compensation discussion?</td>
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<tr>
<td></td>
<td>• Do employees have ESG goals/KPIs included in their development plans?</td>
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</table>

ESG risk is increasingly a factor in determining an issuer’s valuation. An investment manager’s ability to incorporate those considerations effectively in their process is vital in assessing their ability to add value for our clients.

David Wong
Managing Director & Head, Portfolio Solutions, Manager Research and Investment Oversight

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Working together to deliver on our commitment

ESG isn’t a department, it’s a company-wide commitment. Our teams continuously work together to enhance our process, resulting in better decision-making for our investors. Every member of our team contributes to our success. This is why we believe a culture that cultivates awareness of issues and applies this awareness across all the firm’s activities produces stronger results. We are committed to working together and evolving to stay ahead of rapidly-moving trends in the industry and society to ensure that we deliver exceptional results for clients.

Responsible Investing Committee

• Executive and Senior leadership
• Oversight to PRI commitment
• Meets quarterly
• Strategic decisions
• Fosters company-wide culture and commitment to responsible investing
• Approves the institutional Socially Responsible Investment (SRI) list

Investment Management Research Team

• Conducts annual qualitative assessment of the ESG commitments of sub-advisors
• COMpares sub-advisor portfolios to respective benchmarks to explore ESG factor tilts
• Reviews specific cases of sub-advisor corporate engagement

Responsible Investing Working Group

• Meets bi-weekly
• Discusses our ESG engagement and intelligence
• Idea-sharing hub
• Cross-firm representation

Portfolio Management and Research Team

• Conducts independent financial and ESG analysis
• Meets with companies on an ongoing basis to discuss risks and opportunities relating to ESG factors.
• Management of CIBC Sustainable Investment Strategies
• Publishes thought leadership research papers
Evolution of sustainability at CIBC Asset Management

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2011</td>
<td>Launched SRI: Developed and launched a suite of exclusion-based socially responsible investment strategies for our institutional clients.</td>
</tr>
<tr>
<td>2017</td>
<td>Responsible Investing Committee and Working Group: Established executive committee and working group to develop and implement responsible investing policies and direction.</td>
</tr>
<tr>
<td>2018</td>
<td>Independent ESG analysis: Developed proprietary evaluation and scoring of ESG issues for North American companies.</td>
</tr>
<tr>
<td>2020</td>
<td>Expanded global ESG coverage: Developed proprietary sovereign ESG coverage and began work on global analysis. Initiated Task Force on Climate-related Financial Disclosures.</td>
</tr>
<tr>
<td>2021</td>
<td>Climate change signatory: Proud signatory of the RIA Canadian Investor Statement on Climate Change. Diversity and inclusion signatory: Founding signatory of the RIA Canadian Investor Statement on Diversity and Inclusion. Launched CIBC Sustainable Investment Strategies: Expanded our sustainable-investment product offering to retail investors to help clients achieve their ambitions while aligning with their values as socially responsible investors. Joined Climate Engagement Canada: Increased resource allocation: A commitment to enhancing our capabilities and increasing our responsible investing commitment. Expansion of solutions made more broadly available to clients and prospects.</td>
</tr>
</tbody>
</table>

We’re proud of what we’ve accomplished since undertaking our ESG journey. We’re more committed than ever and excited about the prospect of what’s to come as we work towards industry leadership in sustainability.

Doug MacDonald
Managing Director and Global Head of Distribution
Addressing climate change - managing risks and impacts

Climate Engagement Canada

In 2021, we became a founding participant of Climate Engagement Canada, a finance-led initiative that encourages dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy.

RIA Canadian Investor Statement on Climate Change

In 2021, we joined other financial services institutions as a proud signatory of the Canadian Investor Statement on Climate Change, coordinated by the RIA. As a signatory, we recognize that climate change presents a major threat to long-term growth and prosperity, and that there is an urgent need to accelerate the transition towards a net-zero economy.

Financial disclosures

The PRI states that it’s increasingly important for investors to incorporate emerging mega risks such as climate change into their view of the future. We therefore identified the need to expand on our inaugural 2019 stress test for climate change risks and developed our approach and assumptions for the 2020 stress test as follows:

- We seek to estimate how various climate change events could impact securities valuation through damages, costs and stranded assets.
- We look to identify various risks and opportunities related to climate change. These could be physical and transitional.
- We seek to identify the potential impact, timeline and probability of each change in order to determine when and if it should be included in a stress test.

Deciding what’s important

The Task Force for Climate-related Financial Disclosures working group started by identifying risks and opportunities, both physical and transitional, related to climate change. We debated the potential impact, timeline and probability of each of these changes for potential inclusion in a stress test. There were varying opinions about the likelihood that climate change would influence material financial factors and how those events would impact securities valuation through damages, costs, and stranded assets. We ultimately arrived at a scenario encompassing the most impactful consequences we believe accurately reflect the costs that could be borne by investors.

Learn more about our impact of climate change analysis

CIBC Asset Management has a responsibility to our investors to consider climate risk as investment risk. We also recognize our influence on capital markets and that we play an important role in contributing to a just transition.

Aaron White
Vice-President, Sustainable Investments
Renewing respectful relationships with Indigenous communities

CIBC Asset Management believes in proactively confronting the past. This means accepting the truth about the injustices and systemic racism faced by Indigenous peoples in Canada in order to move forward. We remain committed to meaningful change and supporting Indigenous communities and leaders to build a more inclusive future. Our reconciliation framework plays an important role in these commitments.

2021 key highlights

- Support the growth of Indigenous investment professionals through the creation of a new CFA scholarship.
- Committed to integrating Indigenous rights into our responsible investment policy and engage with our investee companies on Indigenous issues and reconciliation.
- Committed to developing a framework to offer values-aligned strategies to Indigenous clients in the institutional market.
- 4 Seasons of Reconciliation eLearning course for employees developed in partnership with First Nations University.
Strengthening our commitment with Indigenous communities

As a North American leader in the financial industry, CIBC Asset Management is committed to supporting First Nations, Métis and Inuit communities achieve wellness and financial prosperity. We are driven by a culture based on common values of trust, teamwork and accountability.

Understanding the unique needs of Indigenous Nations and communities

CIBC Indigenous Markets Team

To demonstrate our commitment, we partner with Indigenous clients to support their objectives of economic self-sustainability and self-determination. We do this through building long-term relationships, offering financial expertise, and transferring knowledge to community leaders and members to bolster financial prosperity for all Indigenous Nations and communities.

To best understand the needs of our clients, our specialized Indigenous Markets Team, more than half of whom are Indigenous themselves, collaborate closely with key expert partners across CIBC to bring the best solutions to our clients. The Indigenous Markets Team includes dedicated experts in Asset Management, Commercial Banking and Indigenous Trusts. We recognize the value of bringing together these skill sets in order to holistically serve the individual needs of Indigenous communities.

CIBC’s commitment

Our commitment to Indigenous communities is part of CIBC’s enterprise-wide commitment to Indigenous prosperity and advancement, which is accomplished in the following ways:

• Providing over $3.3 million in 2021 to support the next generation of leaders and changemakers from Indigenous communities, including academic bursaries and scholarships.

• Aiming to achieve a Canadian workforce with at least three percent identifying as Indigenous peoples by 2024 (Canada).

• Taking an active role in community-based and national sponsorships, donations and education programs.

• Associating with organizations that recognize, bolster and validate Indigenous excellence and success.

• Creating a culturally relevant, tailored suite of financial literacy programs that can be offered in communities, to help members develop comprehensive financial plans.

• Growing the CIBC Indigenous Employee Circle to provide support and career development resources for First Nations, Métis and Inuit team members.

Truth and reconciliation

CIBC proudly acknowledges the unique histories, cultures and contributions of Indigenous peoples in Canada. CIBC has formally launched a Reconciliation Action Committee to build a framework with clear and measurable commitments that accelerate progress while responding to Call to Action #92 of the Truth and Reconciliation Commission of Canada.
Inclusion is the cornerstone of our culture

We practice equitable talent management to ensure our workforce and leadership team reflect the clients and communities we serve and invest in training so that our team is equipped to practice intentional inclusion. Getting this right means we have an engaged team that creates breakthrough ideas and promotes inclusive client experiences.

What diversity means to us:

• Enhances our team with various perspectives.
• Helps remove language barriers.
• Increases inclusion, support and trust.
• Emphasizes progressiveness and commitment to excellence.
• It’s who we are and how we succeed.

Talent segments at CIBC Asset Management
(As at October 31, 2021)

![Bar chart showing talent segments]

Our ongoing initiatives help to drive our commitment to inclusion, not only at our firm, but with our investee companies.

Key inclusion initiatives

RIA Investor Statement on Diversity and Inclusion Signatory

In October 2020, CIBC Asset Management Inc. became a founding signatory of the Canadian Investor Statement on Diversity and Inclusion, coordinated by the RIA. The statement acknowledges the impact of systemic racism on Black and Indigenous communities and people of colour in Canada and around the globe.

As a signatory, we endeavour to do the following:

• Enhance our annual public disclosure of diversity data.
• Adopt policies, targets and timelines to improve diversity on our Board and in senior management.
• Expand efforts to address inclusion barriers and recruitment practices for marginalized candidates.
• Engage with Canadian investee companies to convey our expectations of improved disclosure and performance on diversity practices.
• Integrate diversity and inclusion into investment processes.

30% Club Canada

Recognizing Canada’s distinct corporate governance framework, the 30% Club Canada aims to include board Chairs and CEOs to achieve better gender-balanced and diverse leadership at the board level and in the C-Suite positions.

CIBC is a signatory of the 30% Club Canada and of the Investor Statement of Intent, committing asset owners and managers to exercising their ownership rights to encourage diversity on corporate boards and in executive management positions in Canada.

“

We have an important role to play in addressing inequalities by holding Canadian investee companies accountable and encouraging better integration of inclusion and diversity into our processes.

David Scandiffio
President and CEO
Creating change through company engagement

As one of the largest asset managers in Canada, we have regular access to the management teams and board members of Canada’s largest companies. We ask companies about their ESG risks to help improve their long-term sustainable value and evolve to be better corporate citizens.

Company engagement is a vital part of the investment process. A consistent two way dialogue with our investee companies leads to a better understanding of the risks and opportunities across our portfolios and allows us to influence change with the goal of enhancing long-term value for our investors.

Crystal Maloney
Head of Equity Research

Our approach

At CIBC Asset Management, we recognize that we have the opportunity to exercise ownership rights to engage with companies on our clients’ behalf to drive positive change. We believe that improvements to companies’ sustainability and reduction in their ESG risk can result in improvements to the risk-adjusted returns of the investment portfolios we manage. We engage with companies globally across equity and fixed income portfolios, aiming to improve the ESG profiles of investee companies in order to improve their long-term performance.

Analysts and Portfolio Managers incorporate the outcomes of these engagements into their evaluation of company ESG ratings. These ratings have a material impact on our fundamental assessment of companies and, ultimately, on our investment decisions.

We focus on direct interaction with management. We engage on a variety of issues, including strategy, financial performance, capital structure, and ESG risks or opportunities. A substantial portion of our company research is informed by direct, persistent contact with management teams and boards of directors. Portfolio managers and sector analysts have shared responsibility for ongoing dialogue with investee companies and competitors. This ongoing dialogue is a key element in effectively implementing our stewardship responsibilities and informs the investment decisions we make on behalf of our clients.

Our approach to engagement is company- and sector-specific. Interactions therefore vary in frequency and cover a wide range of topics, prioritizing the most material issues or concerns. Analysts and Portfolio Managers identify the most relevant issues facing a company before engagement, in addition to the ESG risks facing the industry or organization. Frequent meetings with management provide an opportunity to review a company’s long-term strategic direction, financial and non-financial performance, capital allocation, sustainability of competitive advantages, and ESG risks.

Engagements

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<tr>
<th>Engagement</th>
<th>2021</th>
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<tbody>
<tr>
<td>Number of corporate issuers with ESG coverage</td>
<td>528</td>
</tr>
<tr>
<td>Company engagement meetings</td>
<td>159</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>43</td>
</tr>
<tr>
<td>Total number of ESG engagements</td>
<td>202</td>
</tr>
</tbody>
</table>

2 Engagement’ refers to interactions between the investor and current or potential investees (which may be companies, governments, municipalities, etc.) on ESG issues. Engagements are undertaken to influence (or identify the need to influence) ESG practices and/or improve ESG disclosure.

2021 highlights

528 Number of corporate issuers with ESG coverage
202 ESG company engagements
Collaborative engagements

While our preference is to engage with companies individually through ongoing dialogue, we recognize that collaborative engagement affords an opportunity to affect more influence on systemic issues. We participate in industry- and association-led engagements on issues that can enhance value for our clients.

Examples of our engagement work

Example #1: Digital security company

The company delivers strong impact and ESG outcomes but has been weak in disclosure. In addition, we identified potential risks related to the enablement of human rights violations, as the service has the potential to be used in suppressing free speech, among other violations.

We met with management to stress the need for greater disclosure. We outlined the ESG reporting needed, as well as the opportunity to produce strong impact reporting. We addressed our concerns on how the service could be exploited to violate human rights and suggested the need for greater transparency of their ethics committee and how protocols are implemented to ensure their service is used responsibly.

Management was receptive of our suggestions and are currently working towards enhancing transparency related to all ESG issues at the firm. We believe this will provide better insight into the risks associated with the company and also show the market many of the positive non-financial outcomes the company delivers.

Example #2: Mining services company

A company we have been actively engaging with for several years initially lacked robust ESG policies and procedures and did not have strong disclosure of ESG practices. Over the course of our engagements, it has significantly improved its ESG profile and enhanced ESG disclosures well beyond industry peers. We have also encouraged the company to develop stronger relations with First Nations communities in the areas where it operates.

The company has successfully formed partnerships with First Nations businesses, which it has been able to leverage to benefit both organizations and local communities.

The company has also been very active on climate, working on several initiatives that will increase the lifespan of its equipment, resulting in cost savings for the company and positive environmental outcomes. Also, the company is piloting the use of hydrogen fuel to reduce company emissions.

Overall, our dialogue with the company has led to a better understanding of the investment, while clearly communicating to it what changes investors would like to see for it to generate better ESG outcomes.

Example #3: Energy sector company

We engaged with company management on issues related to significant regulatory challenges that could affect the company’s share price. The company has not been as transparent with investors as it could be concerning the progress of negotiations with regulators.

We made disclosure recommendations and stressed the importance of best-practices in communicating with stakeholders. Management was receptive to our suggestions and have since enacted some of our recommendations. Their increased transparency provided better insight into the probability of project approvals and company growth, which has led to greater confidence in the guidance they provide.

Example #4: Inaugural Canadian dollar Sustainability Linked Bond (SLB)

Our Fixed Income team engaged with a corporate management team pre-issuance of their inaugural Sustainability Linked Bond (SLB), which was also the first Canadian dollar SLB. The engagement facilitated our understanding of the proposed SLB structure, but also provided the opportunity to convey our views on the ambition and credibility of key performance indicators, targets and coupon step-ups. Following our meeting the team decided to participate in the new issue for certain active funds, including our CIBC Sustainable Canadian Core Plus Bond Fund.
Example #5: Participation in industry collaborations

CIBC Asset Management collaborates with industry peers to leverage the combined influence of like-minded investment managers to effect positive change.

As global demand for semiconductors increases, the need for additional sources of tantalum, tin, tungsten, gold, and cobalt has surged. The poor traceability of these minerals along complex supply chains, including smelting and refining, can obscure the provenance of these minerals. This can lead to the inadvertent financing of armed conflict or the abuse of human rights.

In November, we joined 160 global investors with combined assets under management of $6.6 Trillion to call on 29 companies involved in the semiconductor supply chain to do the following:

- Improve traceability by developing and investing in technological solutions, possibly blockchain.
- Increase transparency and reporting on minerals from mine to product.
- Encourage and participate in industry-wide collaboration to improve industry practices.
- Impose and enforce harsher sanctions on non-compliance.
- Reduce demand for new materials by improving recycling initiatives.

We believe that enhancing transparency and reinforcing strong environmental policies and human rights throughout the supply chain leads to less risk and better shareholder returns over the long run.
Proxy voting

Proxy voting is a critical part of our investment process. It allows us, as investors, to express our views on the governance of the companies in which we invest, and it is one of the most important ways in which we act in the best interest of our clients. We aim to support a strong culture of corporate governance, effective management of environmental and social issues, and comprehensive reporting according to credible standards.

Active ownership

On behalf of our clients, we ask more from our investments. One way to create sustainable change is to allocate capital to companies with superior ESG practices. When voting proxies on equities or negotiating covenants on fixed income, ESG issues are always considered. We take our responsibility as shareholders seriously. Many votes, including all controversial votes, are subject to close scrutiny.

A company’s management team, board members and others may be consulted before a vote is cast, as part of our due diligence. Our goal is to better understand the companies in which we invest and their approach to ESG issues, which better informs our voting and investment decisions. We believe this makes a difference.

Proxy voting process

CIBC Asset Management is actively engaged in proxy voting decisions and our analysts co-ordinate discussions and messaging with company management and Boards of Directors, and are responsible for reviewing and voting the proxies in their coverage universe in consultation with portfolio managers. We regard the proxy analysis and recommendations provided by our third-party proxy advisor to be a starting point for further review as guided by the issues at hand.

In support of this process, our portfolio management and research team ensures that the instructions on base case voting guidelines utilized by our third-party advisor in order to facilitate the logistics of the proxy process on behalf of CIBC Asset Management, best reflect our evolving views on governance standards and best practices.

We do not always support management and will vote against management when it is in the best interest of shareholders. Our team spends the most time on proxies where we are positioned to have the greatest impact on behalf of our investors, either through the size of the ownership position or the strength of our relationship with the company. As a result, we do place greater reliance on the proxy advisor for international investments.

2021 voting statistics

- Votable items: 50,889
- Votes WITH management (90%)
- Votes AGAINST management (10%)

2021 highlights

- 5041 proxy voting meetings
- 42% meetings with at least one vote against, withhold, or abstain
- 50,889 votable items
- 10.4% of votes against management
Proxy voting example: Food retail company

Our primary objective is to encourage greater disclosure from companies, which helps us to evaluate their progress towards ESG goals. In this case, there were several public objections to the shareholder proposals, as management felt there were already sufficient disclosures in place and that additional disclosures were not additive. We felt that the increased disclosures would allow for greater monitoring towards interim objectives and allow us to hold management accountable to progress.

CIBC Asset Management voted against management on three ESG proposals.

Shareholder proposal regarding report on women in leadership roles

There are few industries better positioned to benefit from greater representation from women than food retailing, in which approximately 2/3 of customers are women. We continue to be surprised by the lack of women in leadership roles within the food retailing industry and advocate for increased representation.

Shareholder proposal regarding adoption of target to achieve zero plastic waste by 2030

It is generally believed that plastics are one of the primary (and unchecked) contributors to climate change. As a result, customers are demanding more specific details on plastic reduction strategies, and want to measure companies’ performance relative to their targets. Single use plastics and reusable plastics are a significant focus to reduce pressures on landfills and mitigate the impact on our environment.

Shareholder proposal regarding supplier biodiversity commitments

While the environmental impacts of carbon emissions and pollution garner most media attention, biodiversity poses as great a risk to the future of our planet. Safeguarding biodiversity is critical, as research shows that approximately half of global GDP (food, fibre, fuel, etc.) is highly dependent on nature. There has already been a significant negative impact on biodiversity. It is estimated the populations of mammals, birds, fish, reptiles and amphibians have declined more than 60% since 1970.
Empowering our clients to invest sustainably

For many years, CIBC Asset Management has managed equity and fixed income portfolios with specific socially responsible investment mandates, customized for institutional clients. These mandates have criteria set by a client and may reflect exclusions based on a company’s product involvement, human rights considerations, carbon intensity, or positive and norms-based screening.

In 2021, we expanded our sustainable investment product offering to retail investors with the launch of our CIBC Sustainable Investment Strategies. These sustainable solutions help clients achieve their ambitions while aligning with their values as socially responsible investors. This fund family incorporates responsible investing principles into its fundamental objectives. These solutions reflect the values of the clients and communities we serve, and are a natural progression from CIBC Asset Management’s already well-established ESG integration approach used in the management of our existing products.

Enhancing our ESG impact

With CIBC Sustainable Investment Solutions, our ESG impact extends even further through annual impact donations.

Our approach

- We donate a portion of the fees we receive for managing the solutions annually to organizations supporting climate-transition activities.³

- By working within the established framework of CIBC’s Community & Sponsorship Team, we identify organizations focused on climate transition and support their efforts. The organizations we identify and donate to may change from year to year.

- Organizations that receive donations provide impact statements. These statements explain how the funds received were utilized, outline key performance indicators, and detail how the funds furthered the organization’s sustainable objectives.

- Annually, CIBC reports the aggregate amount of donations made. Where monies are donated to a registered charity, CIBC may be entitled to a donation receipt. Any amounts donated are not, in any way, an additional expense to the solutions.

³5% of the management fees earned by the Canadian Imperial Bank of Commerce (“CIBC”), after payment of trailer fees, as applicable, on Series A, F and ETF series of the CIBC Sustainable Investment Solutions (the “Funds”) will be donated annually to organizations supporting climate transition activities. For where monies are donated to a registered charity, CIBC may be entitled to a donation receipt issued by the charity. Any amounts donated are not, in any way, an additional expense to the Funds. For the CIBC Clean Energy Index ETF, 5% of CAMI’s management fee will be donated.

Learn more about our Sustainable Investment Strategies impact donation

2021 impact donation

In 2021 we made a charitable impact donation to the Pembina Institute, in the amount of $12,000.

The Pembina Institute is a non-profit think-tank that advocates for strong, effective policies to support Canada’s clean energy transition.
CIBC Sustainable Investment Strategies

CIBC Sustainable Investment Solutions

CIBC’s Sustainable Investment Solutions reflect our values-based approach toward responsible investing and incorporate CIBC Asset Management’s proprietary ESG analysis and portfolio construction methodology; along with customized screening in collaboration with Sustainalytics.4

- Actively managed investment solutions.
- Utilizes CIBC Asset Management’s proprietary ESG analysis and portfolio construction methodology.
- Customized screening in collaboration with Sustainalytics.
- Reflects the pillars of CIBC Sustainable Investment Strategies.

CIBC Sustainable Canadian Core Plus Bond Fund

CIBC Sustainable Canadian Equity Fund

CIBC Sustainable Global Equity Fund

CIBC Sustainable Conservative Balanced Solution

CIBC Sustainable Balanced Solution

CIBC Sustainable Balanced Growth Solution

Learn more about CIBC Sustainable Investment Strategies

CIBC Clean Energy Index ETF

The CIBC Clean Energy Index ETF (CCLN) provides investors with broad exposure to companies that primarily operate in the clean energy sector, focusing on renewables and clean technologies that are in the midst of a new era of growth and competitiveness. For both future-focused and socially conscious investors, this solution invests in the technological innovations transforming the global economy to be less dependent on fossil fuels and more reliant on renewable energy.

Renewable and clean-technology themes reflected in CCLN are shown below.

- **Solar energy** – Electricity generation from solar and related equipment companies.
- **Wind energy** – Electricity generation from wind and related equipment companies.
- **Hydro/geothermal** – The ‘other’ renewables – well established, steady power generation.
- **Bioenergy** – Primarily fuel that comes from organic or renewable resources.
- **Energy management and storage** – Everything related to storing energy and delivering it effectively.
- **Electric vehicles** – Electric vehicles and related equipment companies.
- **Fuel cell/hydrogen** – Electricity generation using hydrogen and related equipment companies.

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4 Sustainalytics is a global leader in ESG and corporate governance research and ratings. Sustainalytics supports hundreds of the world’s foremost investors who incorporate ESG and corporate governance insights into their investment processes.
Industry thought leadership activities

Thought leadership is an important part of what we do. It drives change and creates educational value. Our investment professionals leverage deep and diverse expertise to provide our clients with education and insights on the industry issues and themes that matter most to investors. Our thought leadership creates actionable insights, helping clients find solutions to their issues and answers to their questions.

Research papers

In 2021, our firm published 11 sustainable investment thought leadership research papers. These research papers cover a wide spectrum of topics in the sustainable investing field, including ESG education, portfolio construction, and our views on industry and global trends.

Industry activities

Aaron White, Vice-President, Sustainable Investments at CIBC Asset Management has participated as a thought leader in several industry associations, speaking at various conferences, and on webcasts and podcasts.
Strengthening communities through employee giving

Together with our team members, we’re strengthening communities through corporate donations, partnerships and the giving spirit of our employees who participate in our “One for Change” employee giving and volunteering program. By supporting services, programs and organizations dedicated to helping remove barriers to realizing personal ambitions, we’re making a positive impact in our communities.

Through our CIBC Employee Volunteer Program, we recognize employees who volunteer their time with CIBC Reward Dollars that can be donated to the charity of their choice.

Other major initiatives we support on an annual basis include:

**Canadian Cancer Society CIBC Run for the Cure**
- Team CIBC provides significant support for organizations that perform research, diagnoses, treatment, and survivorship for all types of cancers

**Scotiabank Road Hockey to Conquer Cancer**
- The world’s largest road hockey fundraiser benefiting Princess Margaret Cancer Centre

**CIBC United Way Hockey Day**
- As part of our United Way workplace campaign, CIBC holds a one-day charity hockey tournament in Toronto and Montreal

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**2021 highlights**

The care and commitment of our teams continues to stand out through employee giving and volunteering.

- **36%** of employees engaged with One for Change
- **122** different charitable organizations impacted
- **$133,715** donated by CIBC Asset Management employees (25% increase from 2020)
- **609** hours of volunteer work (63% increase from 2020)
CIBC Asset Management and the United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. There are 17 SDGs, which were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. They are an urgent call for action by all countries in partnership to tackle climate change, fight inequality and social injustice, and eradicate poverty by 2030.

Through our commitment to sustainability and ongoing work to address our most material issues, our actions contribute to a number of the SDGs. Below we have mapped the SDGs and related targets relevant to our sustainability themes and toward which we can make the greatest contribution.

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<tr>
<th>SDG goals</th>
<th>SDG targets</th>
<th>CIBC Asset Management’s contribution</th>
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| **Goal 3: Ensure healthy lives and promote well-being for all at all ages** | 3.4 Reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and the promotion of mental health and well-being. | Dedicated to creating an employee experience in which team members are inspired and enabled to deliver on our purpose for our clients.  
- Listen to employees through our confidential Annual Employee Survey  
- Gather employee feedback through open-forum town hall meetings, “ask-me-anything” sessions, and pulse surveys.  
- Provide employees with an extensive suite of wellness programs and support services for body, mind, finances, and life. |
| **Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** | 4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, Indigenous peoples and children in vulnerable situations.  
4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, education on sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development. | • Committed to increasing equitable education opportunities for Indigenous students through our CFA scholarship and mentorship program.  
• Regularly publish educational research papers for investors and industry professionals, with the goal of increasing knowledge and skills to invest sustainably. |
| **Goal 5: Achieve gender equality and empower all women and girls** | 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. | • The 30% Club Canada aims to have 30% of board seats and C-Suite positions held by women by 2022. As part of our corporate engagement, we actively encourage companies to participate in this campaign.  
• Gender diversity is an important part of our ESG integration framework.  
• Diversity at our firm is who we are and how we succeed. Our firm has over 30% female representation. |
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| **Goal 7: Ensure access to affordable, reliable, sustainable and modern energy**  
7.A Enhance international cooperation to facilitate access to clean-energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean-energy technology. | • Launch of CIBC Clean Energy ETF, providing investors with broad exposure to companies that primarily operate in the clean-energy sector, focusing on renewables and clean technologies that are in the midst of a new era of growth and competitiveness. For both future-focused and socially conscious investors, this solution invests in the technological innovations transforming the global economy to be less dependent on fossil fuels and more reliant on renewable energy. |
| **Goal 10: Reduce inequality within and among countries**  
10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status | • Renewed focus on identifying and disrupting anti-Black, anti-Indigenous and other forms of systemic racism.  
• Proud signatory of the RIA Canadian Investor Statement on Diversity and Inclusion.  
• Partnered with BlackNorth Initiative to launch CEO Pledge, a call-to-action for Canada’s leading organizations to commit to specific actions designed to create opportunities for the Black community. |
| **Goal 12: Ensure sustainable consumption and production patterns**  
12.2 By 2030, achieve the sustainable management and efficient use of natural resources.  
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. | • Corporate engagement with natural resource companies in Canada.  
• CIBC Sustainable Investment Strategies have an exclusionary screening against nuclear power and fossil fuel companies.  
• Our CIBC Sustainable Investment Strategies impact donation was made to the Pembina Institute, a non-profit think-tank that advocates for strong, effective policies to support Canada’s clean energy transition. |
| **Goal 13: Take urgent action to combat climate change and its impacts**  
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. | • Signatory of RIA Canadian Investor Statement on Climate Change. This Statement identifies the actions we, as Canadian institutional investors, are taking to support the transition to a net-zero economy.  
• Founding participant of Climate Engagement Canada, a finance-led initiative that encourages dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy. |
| **Goal 16: Promote just, peaceful and inclusive societies**  
16.4 Significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.  
16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels. | • As an asset manager, we play a role in Canada’s financial services sector, ensuring regulatory governance and standards.  
• Mandatory annual employee training on anti-money laundering, bribery and corruption. |
Awards and recognition (parent bank)

We’re proud to be part of CIBC. Every year, CIBC is recognized by a variety of organizations for its business success, community commitment, employee initiatives and other achievements.

Among the Global Top 100 for Gender Equality

CIBC ranked first for gender equality among Canadian companies and sixth in the financial sector globally in Equileap’s fourth annual Gender Equality Global Report & Ranking. The annual ranking evaluated over 4,000 companies on 19 criteria, including gender balance across the workforce, the gender pay gap, paid parental leave and anti-sexual harassment policies.

One of Canada’s Best Diversity Employers

CIBC was named one of Canada’s best diversity employers for the eleventh consecutive year by Mediacorp Canada Inc. This designation recognizes employers with exceptional workplace diversity and inclusiveness programs for women, members of visible minorities, persons with disabilities, Indigenous peoples, lesbian, gay, bisexual and transgender (LGBT+) individuals. Learn more about why CIBC was selected.

Included in the Bloomberg Gender-Equality Index

CIBC has been recognized for the seventh consecutive year as a member of the Bloomberg Gender Equality Index (GEI) for our commitment to inclusion. The index measures gender equality across internal company statistics, employee policies, external community support and engagement, as well as gender-conscious product offerings.

To gain more insight on our commitment to sustainability, contact your CIBC Asset Management representative or visit: cibcassetmanagement.com

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