



DRIVING CHANGE THROUGH INVESTMENTS



Everywhere you look, it seems like there's a celebrity stepping up to address some of today's most pressing social and environmental issues. For instance, Matt Damon has co-founded an organization that provides safe water to communities in need.¹ But this drive to make a difference goes far beyond Hollywood. It's become an integral goal for an ever-increasing number of investors.

Beyond donating to causes they care about, more and more individuals like you want to bring about change by doing something more. By choosing to invest in companies with strong environmental, social and governance (ESG) practices, you can put your money where your values are.

Giving back doesn't mean sacrificing returns

Socially responsible investing is proving to be a sound financial strategy, particularly as a way to manage risk. Increasingly, companies have to account for risks ranging from more extreme climate events to changing regulations and shifting social norms and expectations.

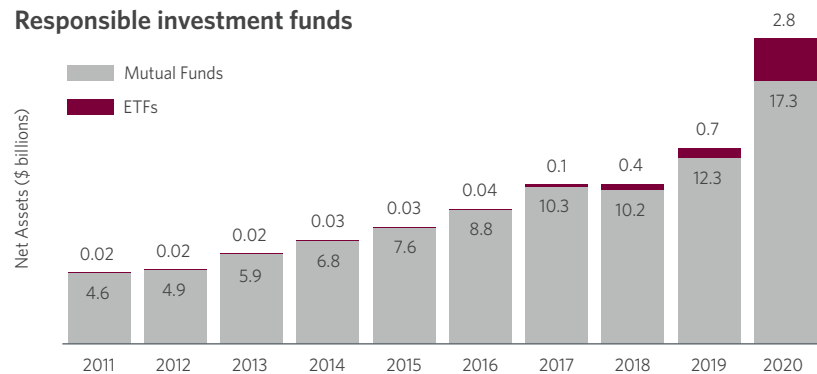
There is growing evidence of a strong correlation between ESG factors and a business's bottom line. According to business consultant McKinsey, companies have seen their corporate revenue and profits decline after experiencing worker safety incidents, waste or pollution spills and weather-related supply-chain disruptions.²

The pandemic also increased awareness of societal inequities and sustainability. "It created a market where companies with good corporate governance were better able to pivot quickly and adapt during mandatory lockdowns. While, historically, the thinking has been that sustainable investment solutions require some form of concessionary rate of return, the market during COVID-19 has given investors comfort that this is not the case," says Aaron White, Vice President, Sustainable Investments, CIBC Asset Management.

Demand for ESG investments continues to surge

The Investment Funds Institute of Canada reports that responsible investment fund assets grew in Canada by 55% in 2020, compared to 11% growth for the fund industry overall.³

Responsible investment funds



Source: IFIC 2021

Access to a wide range of investment options

With the increasing demand for responsible investments, the choices have never been greater.

Green bonds

- Green bonds are fixed income investments designed to support environmental and climate-related objectives. Proceeds contribute to such initiatives as climate change mitigation, natural resource and biodiversity conservation, sustainable water management, and pollution prevention and control. Assets are screened for compliance with environmental policies.

Socially responsible investment (SRI) funds

- SRI funds choose assets based on ESG. They invest in corporations that promote environmental conservation, human rights and sound corporate management. Their overall practices and performance are evaluated to assess their ESG risk factors.

Responsible investing screening process

- An evaluation of ESG issues is increasingly being integrated into investment management decisions. At CIBC, we recognize its importance in helping us manage risk in our portfolios and identify emerging opportunities. This is why we have implemented a rigorous procedure to integrate ESG factors into our fundamental analysis and investment process. To reinforce our commitment to responsible investing, CIBC Asset Management (CAM) is also a signatory of the United Nations-supported Principles for Responsible Investment.



Did you know?

At CIBC, we are committed to investing in a more [inclusive and sustainable future](#). Here are a few of the ways we are working towards shaping a fairer, more resilient and prosperous society for all:

- Launched inaugural Green Bond in 2020 to fund green and renewable energy, conservation and other innovative projects.
- Achieved 28% of our 10-year target over the last three years towards mobilizing \$150 billion for environmental and sustainable finance.
- Recognized in 2020 as one of the highest-ranking Canadian financial institutions and in the top tier of global banks for climate change actions by CDP (the international non-profit formerly known as the Carbon Disclosure Project).
- Working towards being carbon neutral and purchasing 100% of our electricity from renewable sources by 2024.

The pandemic taught us the importance of taking both a global and a long-term view when it comes to bringing about change. “It challenged many investors to rethink the way they invest and consider their values as part of the decision-making process,” says White. Those same factors come into play when it comes to sustainable investing. By investing in companies that are doing the right thing, we can have a positive impact on the world, and we can achieve sustainable long-term returns.

To learn more about the evolution of CIBC’s sustainability strategy, check out the [CIBC 2020 Sustainability Report](#).

Contact us to learn more about how socially responsible investment options may help you build your savings and achieve your long-term goals.

¹<https://causeartist.com/top-10-celebrities-making-impact-purpose-driven-business-founders/>

²<https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/from-why-to-why-not-sustainable-investing-as-the-new-normal#>

³https://www.ific.ca/wp-content/themes/ific-new/util/downloads_new.php?id=26009&lang=en_CA

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