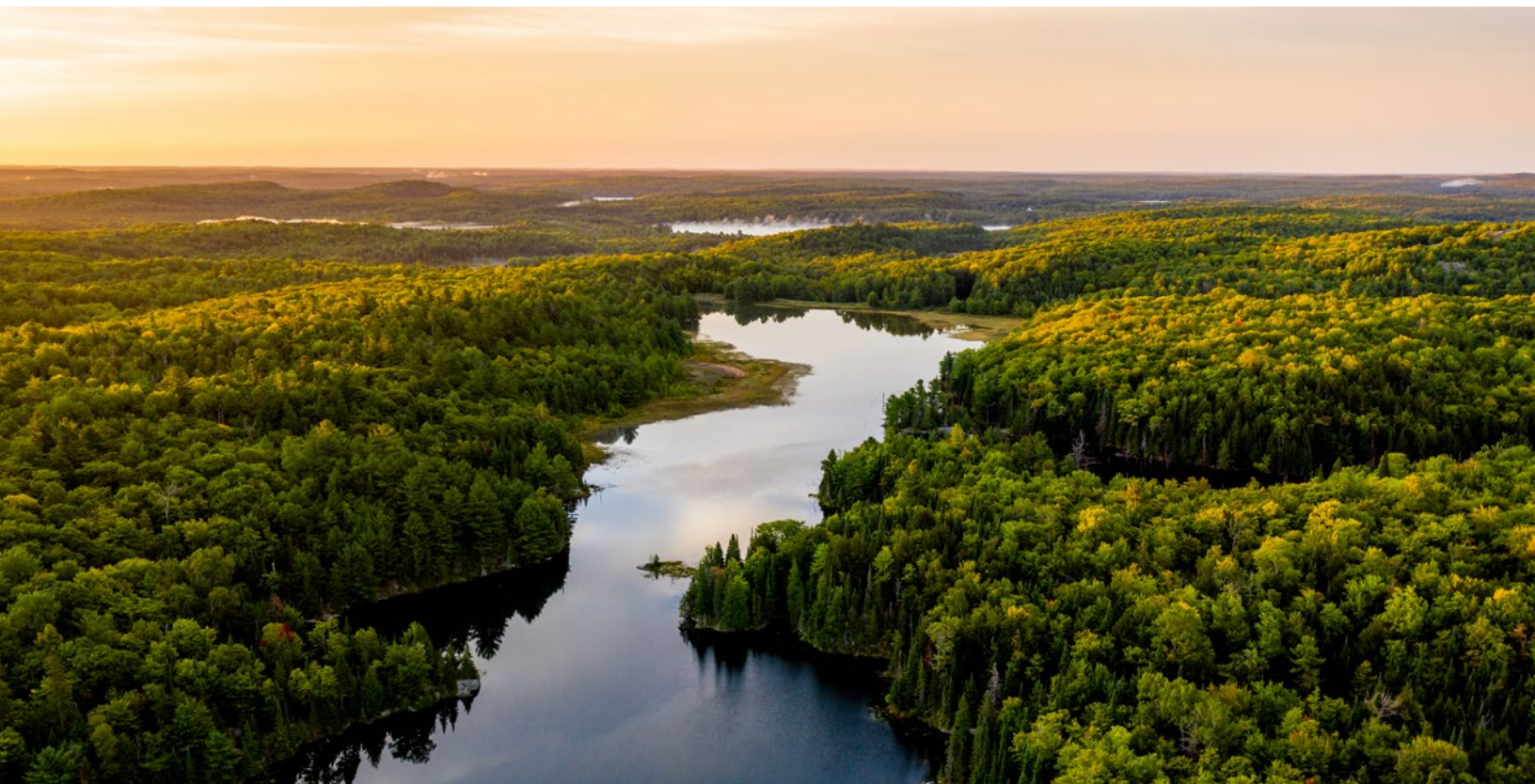


ONE-TO-ONE INSIGHTS

CLIMATE CHANGE AND YOUR PORTFOLIO

Aaron White, *Vice President, Sustainable Investments, CIBC Asset Management*

April 2022



April 22 marked Earth Day, a time to reflect on our environmental footprint. Climate change, including more intense weather events, can result in larger losses of physical assets, as well as disruptions to company operations and supply chains. Let's take a look at the possible impacts on your investment portfolio.

The costs of carbon dioxide emissions

Typically, to help reduce emissions, a price is put on carbon dioxide through regulation and taxation. This has an impact on securities valuations, as companies are forced to internalize previously external costs. More aggressive actions to reduce greenhouse gases in the near term could also present a material risk for high-emitting companies. On the other hand, the push to take climate action can also present opportunities for businesses focused on climate innovation.

The role of adaptation

Adaptation means taking action on climate risk by adjusting to changes in the environment. For example, Miami Beach has invested millions of dollars to upgrade drainage infrastructure and strengthen seawalls to protect against rising water levels.

As extreme weather events become more frequent, the number of needed adaptation systems will increase. Any adaptation strategies companies pursue will impact their bottom line. At the same time, adaptation offers opportunities for investment. "Investors could benefit by investing in the companies and technologies needed in building new infrastructure to mitigate the physical risks of climate change over the next 50 years," says Aaron White, Vice President, Sustainable Investments, CIBC Asset Management.

Addressing climate change will be challenging, and it will require the participation of all stakeholders, including governments, the private sector, and society as a whole. Investors, now more than ever, have the ability to support positive change through their investments.

Our team is here to support you in setting up your portfolio to help mitigate these risks. Please contact us if you have any questions.

For more information on how to integrate climate action into your everyday life, visit [CIBC's Climate Centre](#).

CIBC Private Wealth consists of services provided by CIBC and certain of its subsidiaries: CIBC Private Banking; CIBC Private Investment Counsel, a division of CIBC Asset Management Inc. ("CAM"); CIBC Trust Corporation; and CIBC Wood Gundy, a division of CIBC World Markets Inc. CIBC Private Banking provides solutions from CIBC Investor Services Inc. CIBC Private Wealth services are available to qualified individuals.

The CIBC logo and "CIBC Private Wealth" are trademarks of CIBC.

The views expressed in this document are the personal views of Aaron White and should not be taken as the views of CIBC Asset Management Inc. These commentaries are provided for general informational purposes only and do not constitute financial, investment, tax, legal or accounting advice nor does it constitute an offer or solicitation to buy or sell any securities referred to. Individual circumstances and current events are critical to sound investment planning; anyone wishing to act on this article should consult with his or her advisor. All opinions and estimates expressed in this document are as of the date of publication unless otherwise indicated, and are subject to change. Certain information that we have provided to you may constitute "forward-looking" statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or achievements to be materially different than the results, performance or achievements expressed or implied in the forward looking statements.

CIBC Asset management and the CIBC logo are trademarks of CIBC, used under license.

The material and/or its contents may not be reproduced without the express written consent of CIBC Asset Management Inc.