

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER CENTRAL
QUESTION SUBMITTED ON TUESDAY 2nd MAY 2023
ANSWER TO BE TABLED ON THURSDAY 11th MAY 2023**

Question

“Will the Minister provide an update on the ‘greening’ of the States of Jersey investment portfolio, and will he advise whether he is satisfied with the progress being made in this area?”

Answer

As Minister for Treasury and Resources I have a duty as a long-term steward of capital to invest responsibly - the consideration and integration of environmental, social and corporate governance ('ESG') issues are paramount to this objective.

I believe I have laid out this objective clearly and in some detail in the Investment Strategy document published most recently in September 2022 [r.131-2022.pdf \(gov.je\)](#).

The strategy seeks to ensure that our investment managers fully integrate ESG considerations into their investment process. This ensures risks that are not reflected in traditional financial analysis can be identified and managed. For example, a company's environmental practices may impact its long-term profitability, and social issues like labour practices and community relations may affect the company's brand and reputation. Proper assessment of these factors is expected to both improve performance over time and ensure our portfolio avoids companies who are failing to align themselves with modern standards and the transition to a cleaner economy.

Financial and environmental concerns are closely interlinked and active engagement with companies to improve corporate governance allows the States of Jersey to align the best financial interests of its portfolio with improved management of ESG factors and through active engagement, positively influence the environmental footprint of the companies in which we invest.

The independent Treasury Advisory Panel reviews several criteria by which we monitor our managers, including stewardship activities such as voting and company engagements, disclosure and reporting levels and the ongoing assessment by our investment advisor, Aon, to the level of integration of ESG criteria in each manager's underlying strategy. We hold our investment managers to exacting standards and the Panel will continue to hold them accountable for the foreseeable future.

I should highlight that our approach to responsible investment will need to continually evolve, both due to the changing landscape with respect to ESG issues as well as broader industry developments. I am committed to ensuring we continually review best practice demonstrated by other similar institutional investors to ensure our policies and approach remain appropriate and aligned with the States' investment objectives.