

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY R.J. WARD OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 29th JANUARY 2019**

**Question**

In relation to investments made by, or on behalf of, the Government of Jersey, will the Minister –

- (a) ensure that no further investments are made that encourage the use of ‘Heavy Carbon’;
- (b) ensure that investments are not made which would benefit regimes with poor human rights records; and
- (c) advise what steps the Government of Jersey takes to ensure that the Island’s reputation is not damaged by its investment policy?

**Answer**

The Minister for Treasury and Resources is required to publish annually the Investment Strategies for all of the States investment. The most recent version was published on 23<sup>rd</sup> November 2018 as R.146/2018.

Included within the Report is the Responsible Investment Policy which is as follows:

*The Minister is recognises the importance of acting in a responsible manner when managing investments on behalf of the States of Jersey.*

*Although the States does not directly intervene in the activities of the investment managers, its responsible investment framework is implemented through the appointment of investment managers and the mandate under which these managers act. Both during the appointment process and on an ongoing basis due consideration is given to the manager’s approach to Environmental, Social and Governance (‘ESG’) risk.*

*When making investment decisions investment managers, are required, where relevant, to give consideration to risks in their assessment of value. Through this process investment managers are expected to incorporate the potential risk and value impact of ESG factors in their investment decisions, having regard to the information that is readily available at the time of the decision. The Minister intends for this to encourage investment in companies with good governance and responsible management.”*

Furthermore, all potential investment managers are assessed by the Treasury Advisory Panel which has been established to provide the Minister with advice on matters relating to investment. Each investment manager’s approach to ESG factors is assessed during the initial selection process and they must continue to meet our stringent requirements on an ongoing basis. Upon appointment, each investment manager is subject to a rolling due diligence process by the States investment advisor (currently Aon).

Aon have formally integrated into their ongoing manager reviews an ESG rating, based upon the United Nations Principles for Responsible Investment reporting framework which seeks “an approach to investment that explicitly acknowledges the relevance to the investor of ESG factors, and to the long-term health and stability of the market as a whole.”

In addition, the Minister can confirm that the current States investment portfolio does not directly hold government issuance (generally known as gilts) from any government other than the United Kingdom. The Treasury Advisory Panel also monitor specific manager and portfolio limits to ensure portfolios are well-diversified and not over exposed to a single area of risk.