

Jersey for Sustainable Finance



Jersey: An “essential cog” in the global sustainable finance mechanism

In its global state of play report for sustainable finance, Shifting Gears II, the UN-convened Network of Financial Centres for Sustainability (FC4S) noted that the world’s financial centres are “positioned as essential cogs in the global sustainable finance mechanism”. As a future-focussed international finance centre (IFC), Jersey is proud of its role in helping to allocate capital for a more sustainable future.

Over 60 years as a leading IFC

Jersey has a longstanding track record as an IFC of substance and good global citizen, with a commitment to global standards and meeting evolving client expectations. Building on that legacy, Jersey is positioning itself as an IFC of choice for sustainable finance offering:

End-to-end ESG solutions

Jersey offers ESG-focussed managers and investors unparalleled access and speed-to-market for their structures, with skills and expertise to support their sustainable investment, compliance and disclosure needs.

Anti-greenwashing

Jersey has a pragmatic but robust anti-greenwashing regime that promotes trust and integrity in ESG investments while offering global interoperability.

Collaboration for sustainable goals

Jersey is helping to shape the global enabling environment for sustainable finance as a member of the FC4S network and NGFS.




Impact through innovation

Jersey providers harnessing technology to develop data-driven solutions that allow investors to achieve their aims and measure their impact across a range of asset classes and strategies.

TISE sustainable

With direct access to Europe’s most comprehensive sustainable market segment supporting over £13 bn worth of listings for environmental, social and transition initiatives, Jersey offers an attractive platform for sustainable capital markets.



Alignment with global ESG initiatives

As an intermediary of over £1.4 tn of global capital, Jersey has significant reach when it comes to shaping a sustainable economic future. This is reflected in market data uncovered in a recent stocktake carried out by Jersey Finance, which shows growing adoption of international global Environmental, Social and Governance (ESG) initiatives:

Jersey is also seeing strong growth in sustainable finance products in key areas such as sustainability-linked loans into Jersey fund structures, including a record €1.455 bn ESG-linked fund financing facility in 2022.

729

Jersey-domiciled funds managed by signatories to the UN Principles for Responsible Investing (PRIs), with an AUM of over US\$ 257 bn (as at June 2022)*

60%

of assets in Jersey regulated funds are managed under responsible investment policies aligned with the PRIs (as at June 2022)*

9/10

of the top banks by assets surveyed by Jersey Finance in 2021 were signatories to the UN Principles for Responsible Banking.

75%

of the banking deposits in Jersey (£144.3 bn in Q2) were held in banks that are members of the Net Zero Banking Alliance (as at November 2022), part of a global initiative set up by Mark Carney which seeks to align financial flows to net-zero pathways under the Paris Agreement.

*Figures derived from the Monterey Insight Jersey Funds Report 2022

Walking the talk

With a strong local commitment to its own net-zero transition following the declaration of a climate emergency in 2019, Jersey is building a truly sustainable finance centre. Having already largely decarbonised its electricity supply through a reliable hydro/nuclear mix, Jersey stands out as a low carbon centre for the servicing of client assets.

Jersey has made significant progress on our net-zero journey, reducing emissions by over a third since 1990. In April 2022, the Island's legislature adopted the Carbon Neutral Roadmap which will further accelerate a transition pathway aligned to the Paris Agreement. As part of this plan, Jersey will focus on further reducing emissions from transport and building while exploring sustainability innovations such as blue carbon capture and tidal power that both harness and enhance our maritime environment.

24g CO₂e per kWh

was the carbon intensity of distributed power for 2018/19 in Jersey – that's one tenth the carbon intensity of the UK grid



Source: Jersey Electricity 2020

4.5t of CO₂e per employee

the carbon intensity of jobs in Jersey – that's around a third of the European average according to EU figures



Source: PwC Green Jobs Barometer Research UK 2021 and PwC Channel Islands Green Jobs Barometer 2022; Eurostat 2020

Rewiring the financial sector for good

With a comprehensive, industry-led and holistic vision of sustainable finance touching every area of the financial and professional services sector, Jersey has shown that it takes its responsibility to be a sustainable IFC seriously. Thanks to the 2030 Vision and strategy underpinning our initiative Jersey For Good – A Sustainable Future, Jersey has taken tangible action in order to be recognised as the leading sustainable finance centre in the markets it serves.

This Vision is being delivered through strong stakeholder collaboration, with both the Government of Jersey and Jersey

Financial Services Commission committed to delivering an enabling environment for sustainable finance – one that sets appropriate safeguards while driving the re-allocation of capital towards sustainable objectives, in line with the Island's wider sustainable objectives.

Our strategic direction as a finance centre is supported by input and benchmarking from the FC4S Assessment Programme, which Jersey completed along with 27 other global finance centres in 2021 to help drive closer alignment to the Paris Agreement and the UN Sustainable Development Goals.



Supporting the G in ESG

Thanks to our expert ecosystem and our track-record as a jurisdiction of quality, Jersey is ideally placed to offer governance services across a range of asset classes that support the embedding of ESG considerations – managing sustainability-linked risks and capturing opportunities for positive impact.

In 2021, our financial regulator, the Jersey Financial Services Commission (JFSC), was ahead of the curve in introducing a pragmatic but robust anti-greenwashing regime.

This applies across the funds and investment management sectors where a product is marketed on the basis of a sustainable investment objective.

Jersey's flexible trusts and company laws allow fiduciaries to meet the challenges of reconciling their clients' financial and non-financial objectives.

A range of tailored ESG services and products have been deployed in Jersey to support best practice and transparency in relation to sustainable finance, including:

- ESG ratings and advisory services to support private markets and family offices;
- Impact advisory, measurement and management;
- Tech-enabled dashboards to support ESG benchmarking, compliance, risk and reporting;
- Virtual Chief Sustainability Officer (vCSO) giving clients access to corporate sustainability services on a flexible, outsourced basis; and
- Audit and assurance services for sustainability reporting.

Corporate

CleanTech Lithium use Jersey Listing Vehicle

CleanTech Lithium PLC, a company which aims to produce lithium using a process which minimises the environmental impact compared to alternative extraction methods, completed its successful listing on the AIM market of the London Stock Exchange using a Jersey corporate structure. With at least 77 companies listed on worldwide stock exchanges from London to New York and a combined market capitalisation of approx £247 bn, Jersey is a leading centre for listing vehicles. Thanks to a combination of local expertise, speed to market flexible company law and tax neutrality, Jersey's range of corporate vehicles are ideally placed to suit the needs of companies looking to raise capital for scaling up sustainable solutions.

Foundation

Standard Bank African Women Impact Fund Foundation (AWIFF)

Standard Bank Group has registered a foundation in Jersey to support the African Women Impact Fund initiative (AWIF), which was launched in partnership with the United Nations Economic Commission for Africa (UNECA) and is aimed at uplifting female-led asset management firms and promoting sustainable growth across the African continent. Jersey has a range of flexible structuring options such as trusts and foundations that are ideally suited to deploying finance to meet sustainable development aims – be it as part of a philanthropic or impact investing strategy. Backed by a range of Jersey-based providers specialising in clients will find a supportive ecosystem to help achieve their objectives.

Our Sustainable Finance Awards winners

In 2022, Jersey Finance hosted its first Sustainable Finance Awards to recognise firms in our ecosystem that help to support the sustainable deployment of capital.

An independent panel of judges, including experts on sustainable development, natural capital and impact investing, reviewed over thirty nominations from Jersey firms. Our 2022 winners were:

- **Royal Bank of Scotland International**, which provided around £2.3 bn of Climate and Sustainable Financing to its customers between 2020 and 2021 while driving down its financed emissions
- **Affinity Private Wealth**, a Jersey-based investment management firm that is fully dedicated to responsible (ESG integrated) and sustainable (for impact) investing
- **Innovest**, a global leader in impact strategy development, impact measurement and management (IMM) and impact verification for private markets
- **Accuro**, a values-driven independent trustee with a triple bottom line ethos and US\$1 bn of assets under trusteeship in sustainable investments
- **PwC Channel Islands**, a community of solvers delivering sustained outcomes and building trust, who provide ESG, sustainability and net zero strategy, integration, reporting and assurance services to help clients transition at pace and scale for the sustainable economy.

Disclaimer: This factsheet is only intended to provide a general overview of the subject matter. It does not constitute, and should not be treated as, legal advice.

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