



NJMPF

Environmental Social Governance (ESG) - Ethical investing can improve returns whilst positively influencing societies.

Your Fund, Your Savings, Your Future

Some companies and asset managers have a cynical view about ESG factors regarding a company's share price performance and hence on investment portfolios. According to experts, one of the reasons why responsible investing took years to be accepted is the misperception that investing in a responsible way (which in the past mainly meant excluding certain investments from an ethical perspective) would actually reduce the investable universe and thus have a negative impact on investment performance.

The NJMPF has a stated policy on ESG and requires the asset managers to report on how they incorporate ESG issues into their decision-making process. The Committee of Management expects our appointed asset managers, whilst doing their research and company scoring, to actively engage companies regarding their ESG processes.

NJMPF VIEWPOINT

Environmental:

By reviewing company disclosures (Sustainability Reports where applicable and available) and/or through interrogating management on their environmental management practices and impact. Better insights are obtained into which companies are taking environmental sustainability seriously, thereby allowing the asset manager to apply investment leverage on these Boards. Ultimately, corporate entities that take environmental management practises seriously gain wide and positive social recognition which adds value to their brand.

Social:

The Funds' asset managers have agreed to engage companies on their SRI practices and programmes to assess whether they are fulfilling a responsible social development programme or have a social conscience. Meaningful SRI commitments ultimately reward such companies with positive brand exposure and leverage.



Image taken from Google images

Governance:

Our asset managers must engage with executive and non-executive directors and management with regards to governance factors. Through compelling adherence to global best practices, the Fund (and its members) can be assured that we are leveraging our investments to gain the highest levels of governance possible.