

Voices of Aotearoa: Demand for Ethical Investment in New Zealand 2023



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This survey was managed by Barry Coates, with input from Dr. Zsuzsa Banhalmi-Zakar, Dean Hegarty and Olive Coulson. The design studio was Medlar Publishing Solutions Pvt Ltd., India. The research study was led by Mark Lloyd and managed by Radhika Mehandoo.

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May 2023

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ABOUT THIS REPORT

Voices of Aotearoa: Demand for Ethical Investment in New Zealand 2023 is the fifth research report published by Mindful Money and the Responsible Investment Association Australasia (RIAA). The research tracks consumer awareness, practices and attitudes towards ethical, responsible and impact investing in New Zealand.

This year, data was collected through an online survey of over 1,000 people, demographically representative of the population. The survey questions were developed by RIAA and Mindful Money, largely based on previous surveys, and the survey instrument was designed and analysed by Dynata, in accordance with the ISO 20252 standards.

BOX 1: SURVEY METHODOLOGY

1,008 New Zealanders aged 18+ completed the survey online via Dynata's New Zealand panel. The survey took 10 minutes on average. The sample has been weighted to be nationally representative of the NZ population aged 18+ by age, gender and region.

Significant differences noted throughout this report denote results that are different to the average (i.e., total). These are statistically significant at the 95% confidence level.

The survey took place from 22 February 2023 through to 10 March 2023

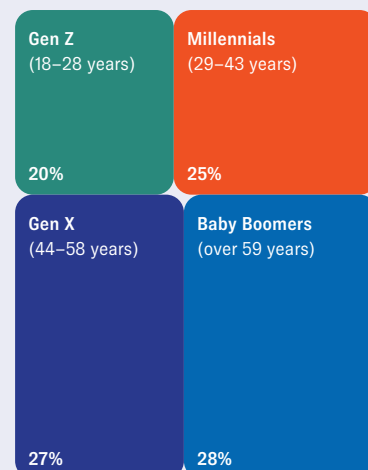
The sample was representative of the general population based on gender, age, and region (Figure 1). The majority of those surveyed live in suburban areas (62%), while 22% live in urban and

10% live in rural settings. Respondents were divided into four generational categories based on age: Baby Boomers, Generation X, Millennials, and Generation Z. Data was weighted to the latest population estimates by Dynata.

BOX 2: THE AGE CATEGORIES USED IN THIS REPORT ARE AS FOLLOWS:

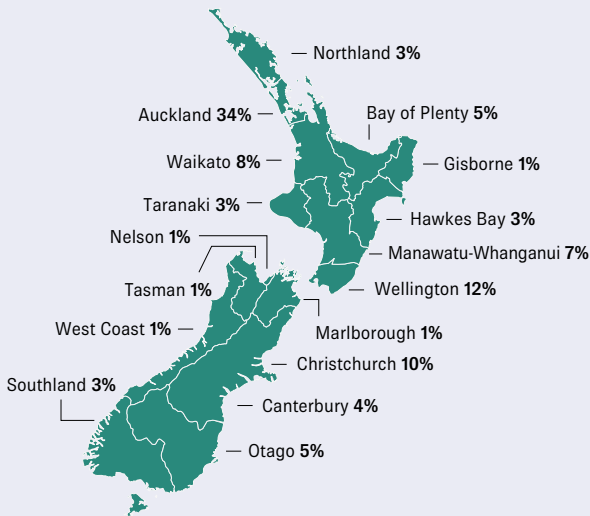
- Baby Boomer Generation: born 1946–1964 – current age range over 59
- Generation X: born 1965–1979 – current age range 44–58
- Millennials: born 1980–1994 – current age range 29–43
- Generation Z – born 1995–2012 – current age range under 28

FIGURE 1 Age bracket (generation) of respondents in the sample



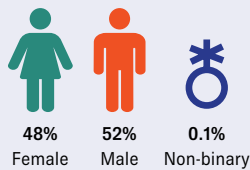
Note: Total does not add up to 100% due to rounding.

FIGURE 2 Residence of respondents in the sample



Note: Total does not add up to 100% due to rounding.

FIGURE 3 Proportion of female, male and non-binary respondents in the sample



Note: Due to the low number of non-binary respondents, gender-based analysis in this report only includes female/male comparison.

INSIGHTS

There is a persistent gap in KiwiSaver balances between men and women. In 2023, 47% of men had balances of over \$20,000 but only 36% of women. This disparity has been virtually unchanged since 2018. There is a similar gender disparity in other investments.

Half of the Baby Boomer generation do not have a KiwiSaver account. Generation X has the highest proportion of KiwiSaver accounts over \$40,000 (34%), followed by Baby Boomers (24%), Millennials (19%) and Gen Z (3%). Gen X also has higher levels of other forms of investment.

ABOUT MINDFUL MONEY

Mindful Money is a consumer-facing charity that aims to make money a force for good. We achieve change by empowering consumers, engaging investment providers and advocating for change. These actions are playing a role in shifting investment from towards a more positive impact, as shown in our [annual impact report](#).

A starting point is transparency. Consumers want to know where their money goes. The website [Fund Checker](#) analyses portfolio holdings for all New Zealand KiwiSaver and retail investment funds, showing both direct and indirect holdings. These are related to the key public concerns revealed in these annual surveys (such as weapons or violations of human rights) so users can understand the company investments in each issue. Then, when users are seeking to find a fund that aligns with their values, the [Fund Finder](#) tool highlights the qualified Mindful Funds that most closely match their criteria.

Mindful Money's public awareness and education programme includes an [Ethical Investment Guide](#), [online seminars](#) and [workplace seminars](#). We work closely with allied organisations and networks that share our aims for action on climate change, social equity and environmental regeneration.

Mindful Money is committed to working with all fund providers on the responsible investment journey, through initiatives such as the [Net Zero investor coalition](#) and annual progress reports; the Ethical and Impact Investment [Conference and Awards](#), celebrating the leading fund managers and financial advisers; and research on mainstreaming impact investment, carbon transition and investment trends.

ABOUT THE RESPONSIBLE INVESTMENT ASSOCIATION AUSTRALASIA

The Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and New Zealand. RIAA is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy. With over 500 members managing more than NZ\$40 trillion in assets globally, and over 70% of the professionally managed assets in NZ, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing in our region. Our membership includes super funds, KiwiSaver providers, fund managers, banks, consultants, researchers, brokers, impact investors, property managers, trusts, foundations, faith-based groups, financial advisers and individuals.

RIAA achieves its mission through:

- Providing a strong voice for responsible investors in the region, including influencing policy and regulation to support long-term responsible investment and sustainable capital markets
- Delivering tools for investors and consumers to better understand and navigate towards responsible investment products and advice, including running the world's first and longest running fund Certification Program, and the online consumer tool Responsible Returns
- Supporting continuous improvement in responsible investment practice among members and the broader industry through education, benchmarking and promotion of best practice and innovation
- Acting as a hub for our members, the broader industry and stakeholders to build capacity, knowledge and collective impact
- Being a trusted source of information about responsible investment.

DYNATA

Dynata is one of the world's leading providers of first-party data. With a global reach that encompasses 60+ million respondents, and an extensive library of individual profile attributes collected through surveys, Dynata sets the benchmark for precise, trustworthy data.

The company has built innovative solutions around this first-party data in order to bring the voice of the customer across the marketing spectrum. Dynata serves nearly clients across globally and is uniquely placed through its scale and expertise to deliver on your data needs.

At the forefront of Dynata's offering is data quality. Their recruitment methodologies ensure data assets are comprised of real people who provide reliable, accurate survey responses. Dynata adheres to the highest standards of sampling science across every aspect of every project.

For more information on Dynata, please visit www.dynata.com

SUMMARY

This report, *Voices of Aotearoa: Demand for Ethical Investment in New Zealand 2023*, shows a continuation of the strong public support for ethical and responsible investment, even during a period of financial volatility and uncertainty. Around three quarters of the New Zealand adult population expect their KiwiSaver or investment fund to be managed ethically and responsibly. There has also been an increase in those expecting ethical and responsible investment to perform better than traditional investment in the long term.

EXTENDING THE POLICY FRAMEWORK

The investment sector has responded to the strong consumer support for ethical and responsible investment. Now most KiwiSaver or investment funds claim to invest ethically, responsibly or using ESG (Environmental, Social and Governance) management. Over the past year, there has been heightened scrutiny of these claims. Regulators internationally are starting to take action on claims they consider to be misleading or unsupported. In New Zealand, the Financial Markets Authority has provided guidance on potentially misleading claims.

This survey reveals that around half of the New Zealand public are concerned about greenwashing, a similar proportion to last year. These concerns are partly addressed through the work by RIAA to certify investment funds and by Mindful Money in providing transparency for investment portfolios. However, there remains an absence of a public policy framework to provide clarity around categorising responsible, ethical, sustainable and impact funds to make it easier for investors to navigate to investment options that match their values and preferences.

Many global markets are now developing such regulatory standards and fund classifications to help label these categories of funds. The EU is

the most advanced in this work, through their Sustainable Finance Disclosure Requirements, and this is quickly being followed by the UK (Sustainable Disclosure Requirements) and the US (SEC ESG disclosure guidelines). As well as providing guidance to the sector on avoiding misleading claims, the New Zealand government could work together with industry to develop a similar framework, drawing on the experience of other countries, to introduce regulatory standards. Falling behind on these standards will continue to lead to confusion for consumers, a lack of trust in the industry and barriers to the New Zealand investment sector attracting international capital.

These regulatory standards would complement the development of mandatory reporting on social and environmental impacts, building on the introduction of Climate Disclosure Reporting. While work is underway within the External Reporting Board (XRB) on voluntary standards for social and environmental reporting, consistent with the development of global standards through the International Sustainability Standards Board (ISSB), a mandatory reporting framework would ensure investors have a common basis for comparison across their investment options, which is the main barrier to further growth in ethical and responsible investment cited in the survey. It is important that these disclosure standards include the impact of companies and funds on society and the environment, not just the risks of the ESG issues to the value of the enterprise.

EXTENDING THE RANGE OF CONSUMER CHOICE

Much of the concern over greenwashing relates to funds investing in companies that cause harm. The issues that the public want to avoid in their investments have been remarkably stable over the past five years. The top set of issues are unchanged from last year and at similarly high levels. The survey

also shows an increase in the proportion of people who are prepared to switch their investments if their fund is investing in companies that do not align with their values. However, there are still relatively few KiwiSaver or retail investment funds that provide options for New Zealanders who seek to avoid a wide range of issues of concern at the company or sectoral level. As this survey shows, these issues of concern are far broader than tobacco and controversial weapons, which are the only exclusions provided by many providers.

An important finding from this survey is that many New Zealanders want their investments to not only avoid companies that do harm to people, the environmental and the climate, but also to do good. The movement for investing in positive impact companies ('impact investment') is growing rapidly internationally but there are still few options available for New Zealand retail investors. This survey shows that there is interest in including positive impact investments in mainstream funds, as well as in dedicated impact funds.

INSIGHTS

FROM THE SURVEY

Attitudes towards ethical and responsible investment vary across demographic groups. The demand for ethical, responsible and positive impact investing is stronger among women, younger age groups (particularly Millennials) and those with a university education.

The insights from the findings that follow provide valuable information for fund providers seeking to understand customer preferences and trends, and to financial advisers in meeting client expectations. We hope the results will also be of interest to policymakers and members of the public who want to better understand how investment can play a role in meeting crucial social, environmental and climate challenges ahead.

Further information on the survey results and the underlying issues is available from Mindful Money and RIAA.

KEY FINDINGS

1. Despite high levels of financial uncertainty and volatility, consumer demand for ethical investment remains strong. Almost three quarters of New Zealanders (74%) expect their investments to be managed ethically and responsibly. The number of people willing to move their funds if the investments do not align with their values has increased to 59% (+4%).



2. There is a significant increase in the number of New Zealanders who expect ethical and responsible investments to perform better in the long term, to 45% (+5%). This is consistent with a large and growing evidence base, including for Australian and New Zealand investment funds, using comparative returns between ethical/responsible funds and traditional funds.



3. While a large proportion (almost one third) choose their KiwiSaver because it is offered by their main bank, there has been an increase in those choosing a fund that aligns with their values or for sustainability reasons.



4. There are rising expectations that financial advisers will consider their clients' values when providing financial advice and be knowledgeable about ethical and responsible investment options.



5. The main barriers to investing in ethical and responsible funds are lack of time to do research and compare the options, and not enough objective information.



6. The issues that New Zealanders want to avoid in their investments has been remarkably consistent across the past five years and is high relative to Australia.



7. One of the most significant findings from this survey is the increase in consumer interest in investing for positive impact, both as dedicated funds and within mainstream ethical and responsible funds. A growing number of New Zealanders understand that investment has real world impacts, including on issues such as climate change, and they are interested in funds that can demonstrate positive impacts.



8. There is an increase in the number of Kiwis who say they would save more if they knew their funds were invested in ways that create social and environmental benefits. This is particularly strong for those with low KiwiSaver and investment balances.



9. Around half of the population have concerns over greenwashing. Consumers want to know what companies are in their portfolios, and they are more likely to choose ethical and responsible funds that have independent certification.



10. The survey reveals strong growth in future demand for ethical and responsible investment, with half the population considering switching to invest in ethical/responsible funds in the next five years.



CONSUMER EXPECTATIONS

KEY FINDINGS



Despite high levels of financial uncertainty and volatility, consumer demand for ethical investment remains strong.

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CONTINUED CONSUMER SUPPORT FOR ETHICAL/RESPONSIBLE INVESTMENT

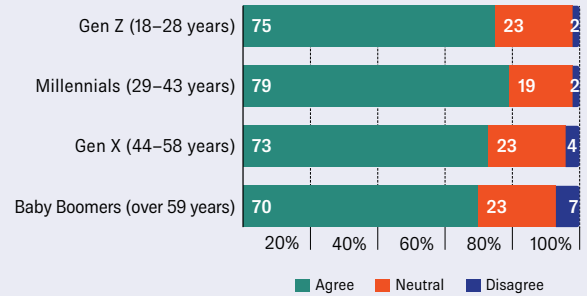
Consumer expectations for ethical and responsible investment have remained high over the five years. This year there was a small increase to 74% in the number of respondents who expect their KiwiSaver or other investments to be invested ethically and responsibly. These views are held most strongly by women (78% versus 69% for men) and those with a university degree.

FIGURE 4 Expectations for money to be invested responsibly and ethically by gender



Question: To what extent do you agree with the following statement? I expect my KiwiSaver and other investments to be invested responsibly and ethically.

FIGURE 5 Expectations for money to be invested responsibly or ethically, by generation

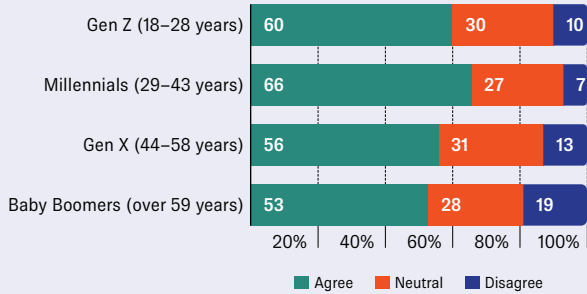


Question: To what extent do you agree with the following statement? I expect my KiwiSaver and other investments to be invested responsibly and ethically.

WILLINGNESS TO SWITCH

This year, the survey shows a stronger willingness to take action where their expectations are not met. In response to the statement "I would consider moving my KiwiSaver and other investments to another provider if I found out they were investing in companies that engage in activities not consistent with my values", the number of respondents who agree or strongly agree has risen from 55% to 59%. Again, women and tertiary educated respondents show strong agreement.

FIGURE 6 Proportion of New Zealanders willing to move their money if their fund engages in activities inconsistent with their values, by generation

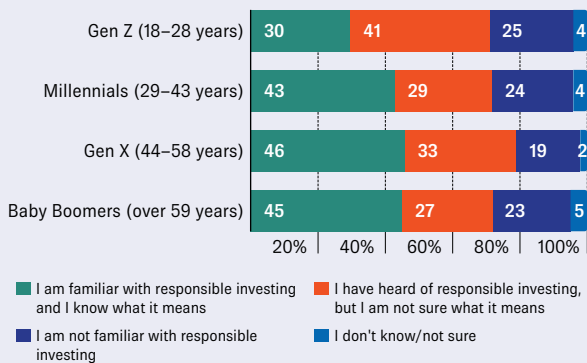


Question: To what extent do you agree with the following statement? I would consider moving my KiwiSaver and other investments to another provider if I found out they were investing in companies that engage in activities not consistent with my values.

UNCERTAINTY OVER TERMINOLOGY

There is still uncertainty about what ethical and responsible investment means, especially amongst millennials. This may reflect the lack of education and information about ethical investment in schools and [low levels of financial literacy](#) more generally. There are higher levels of awareness amongst men, older New Zealanders and especially those with higher levels of education. The introduction of regulatory standards and mandatory reporting (as is the case in a growing number of countries) would also help create greater awareness and clarity about what the terms 'ethical and responsible' investment mean.

FIGURE 7 Differences in knowledge and awareness of responsible and ethical investment among different generations



Question: Are you familiar with ethical investing (also referred to as responsible or sustainable investing)?

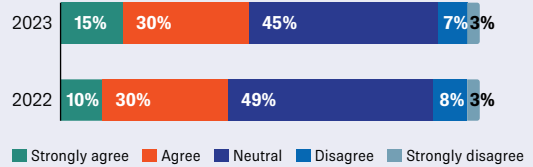
PERCEPTION OF HIGH RETURNS

The survey reveals concern over financial returns during a volatile market. The factors that are important to the public in choosing an investment have swung more towards financial issues over social and environmental issues compared with last year.

However, there has also been a strong increase in the perception that ethical and responsible investments are likely to have high returns. The survey shows that 45% of the public perceive that ethical and responsible investment performs better in the long term, an increase of 5% over last year. These views are more strongly held by Generation X and Millennials. There is still a large number of respondents who say they aren't sure (45%) whether returns are higher and 10% who say they do not agree that ethical or responsible funds perform better over the long term.

FIGURE 8 Ethical investments are expected to perform better in the long term

Proportion that consider ethical and responsible investments will perform better in the long term



Question: To what extent do you agree that ethical and responsible KiwiSaver and other investments perform better in the long term?

INSIGHT

Women have higher expectations of their KiwiSaver or investment provider than men and are significantly more likely to consider moving their account if their investments are not aligned with their values. These issues are also stronger for those with higher education and Millennials.

CHOOSING A FUND

KEY FINDINGS



While a large proportion (almost one third) choose their KiwiSaver because it is offered by their main bank, there has been an increase in those choosing a fund that aligns with their values or for sustainability reasons.



There are rising expectations that financial advisers will consider their clients' values when providing financial advice and be knowledgeable about ethical and responsible investment options.



The main barriers to investing in ethical and responsible funds are lack of time to do research and compare the options, and not enough objective information.

from their employer (11%, up by 4%). 8% chose their fund on the basis of a recommendation from their financial planner.

It is increasingly common for New Zealanders to get their information via personal research (43%) or as advice from friends and family (42%). These sources have increased over the past year. Other sources used include KiwiSaver providers (36%), bank (24%), government websites (19%) and financial planner (18%).

EXPECTATIONS OF FINANCIAL ADVISERS RISING

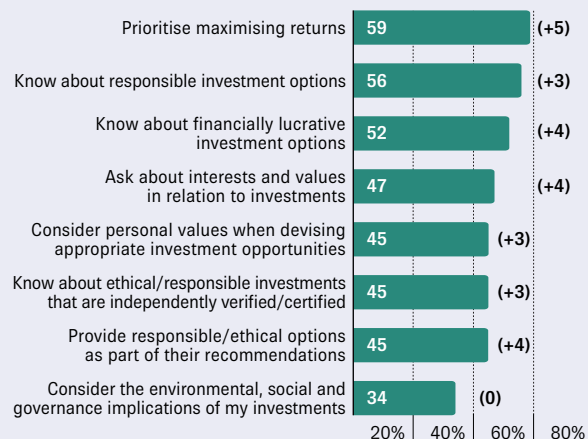
There has been an increase in expectations that financial advisers will be knowledgeable about ethical and responsible investment options and incorporate clients' values into investment advice. There has also been a rise in expectations that financial advisers will be knowledgeable about maximising financial returns and lucrative financial options, perhaps reflecting the volatile financial markets. This has been accompanied by increased expectations for advice on ethical options.

CHANGING REASONS FOR CHOOSING A KIWISAVER FUND

Almost one third of those with a KiwiSaver fund (32%) chose their fund "because they are my main bank". This proportion was unchanged from last year but has fallen significantly since 2018 (40%). This was particularly the choice for the younger generations, those with a trade and those with a low level of KiwiSaver balances.

The second most common reason for choosing a specific fund was being allocated into a default fund (21%), followed by the fund delivering the best financial returns (13%) and alignment with their personal values or perceived to be the best for sustainability (also 13% but up 3%). There was an increase in those who accepted a recommendation

FIGURE 9 What New Zealanders expect of financial advisers



Question: When working with a financial adviser, which of the following, if any, would you expect of them? If you don't work with a financial adviser, please answer hypothetically.

Numbers on the right denote % change from 2022.

There are still relatively few New Zealand financial advisors with expertise in ethical and responsible investment, so this growth in interest from investors signals that other financial advisers should consider deepening their understanding of ethical and responsible issues and investment options to meet the needs of their clients.

BARRIERS REMAIN

The barriers to choosing an ethical or responsible fund have not changed significantly over the past five years. There has been an increase in responses indicating that New Zealanders do not have the time to look at options and compare them (46%, up 3%). This is particularly the case for women, Millennials and Gen X, those with Sixth form certificate or a university degree and those with a low level of investments.

This barrier at least partly reflects that lack of consistent and comparable metrics for investors to be able to compare. Mindful Money and RIAA provide analyses to inform a growing number of investors about the ethical/responsible credentials of funds, but this is not a substitute for mandatory reporting, as is currently provided for a wide range of financial metrics.

A closely related and common barrier is a lack of objective information (44%, up 1%). As consumers are increasingly concerned about greenwashing, they are looking for information that is independent, clear, trustworthy and comparable. This is currently not a regulatory requirement for fund providers, in contrast to the growing list of countries that have mandatory reporting on social and environmental issues. This barrier is more important to those with high KiwiSaver and investment balances.

FIGURE 10 Perceived barriers to responsible investment



Question: What prevents you from switching your existing investment to a responsible and ethical KiwiSaver fund/investment scheme option? (Or if you have already switched, what were the barriers?)

Numbers on the right denote % change from 2022.

INSIGHTS

Millennials and Gen X are far more likely to have chosen their KiwiSaver fund on the basis of sustainability or alignment with their values than other age groups, and similarly those with higher balances of KiwiSaver and other investments.

In addition to the two main barriers to investing in an ethical or responsible fund, other highly ranked factors were "I don't believe the claims to be ethical or sustainable" (33%); "I don't know who to ask for advice or advice isn't available" (32%); I don't have enough money so it's not worth changing" (32%); and "there seems to be a lack of credible option to invest in" (30%).

AVOIDING HARMFUL INVESTMENTS

KEY FINDINGS



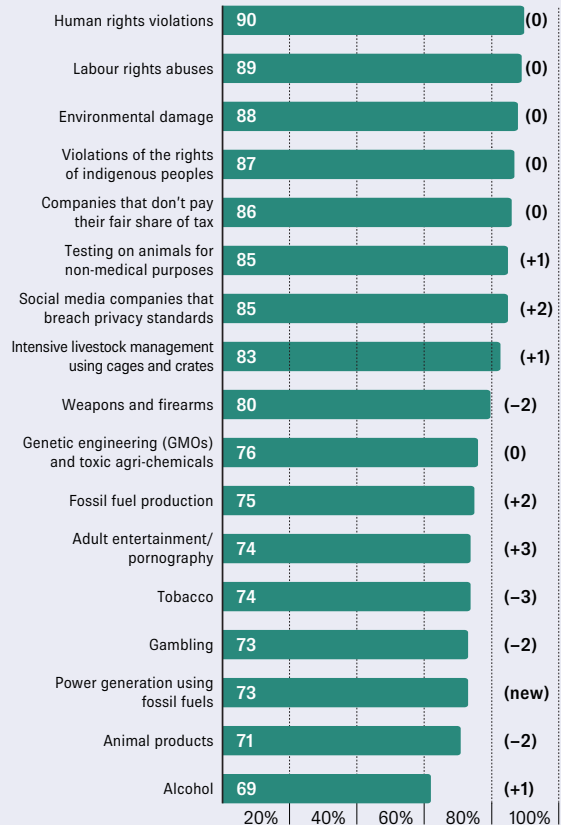
The issues that New Zealanders want to avoid in their investments has been remarkably consistent across the past five years and is high relative to Australia.

ISSUES OF CONCERN STABLE

On one hand, ethical issues are subject to individual choice. However, the past five annual surveys have shown remarkable commonality in the issues that people want to avoid, and these have been highly consistent over the past five years. For example, the top five issues that members of the public want to avoid in their investments are unchanged from last year's list – violations of human rights (90%), environmental damage (89%), labour rights abuses (88%), violations of the rights of indigenous peoples (87%) and companies that don't pay their fair share of tax (86%). The numbers of respondents wanting to avoid these issues is significantly higher than for [Australian investors](#).

Notable changes over the past year have seen increased concern about the environment and fossil fuels, social media and pornography; while there have been declines in concern over traditional social harms such as tobacco, gambling and alcohol.

FIGURE 11 Sectors, activities, or practices that consumers want their investments to avoid



Question: How important is it to you that your KiwiSaver fund or investment scheme avoids investing in the following sectors or activities?

Numbers on the right denote % change from 2022.

INSIGHTS

- Women particularly want to avoid weapons, fossil fuels and alcohol
- Those with higher KiwiSaver balances particularly want to avoid companies that don't pay their fair share of tax and those that violate human rights or the rights of indigenous peoples
- Those with a University degree want to avoid most of the categories.

INVESTING FOR POSITIVE IMPACT

KEY FINDINGS



One of the most significant findings from this survey is the increase in consumer interest in investing for positive impact, both as dedicated funds and within mainstream ethical and responsible funds. A growing number of New Zealanders understand that investment has real world impacts, including on issues such as climate change, and they are interested in funds that can demonstrate positive impacts.



There is an increase in the number of Kiwis who say they would save more if they knew their funds were invested in ways that create social and environmental benefits. This is particularly strong for those with low KiwiSaver and investment balances.

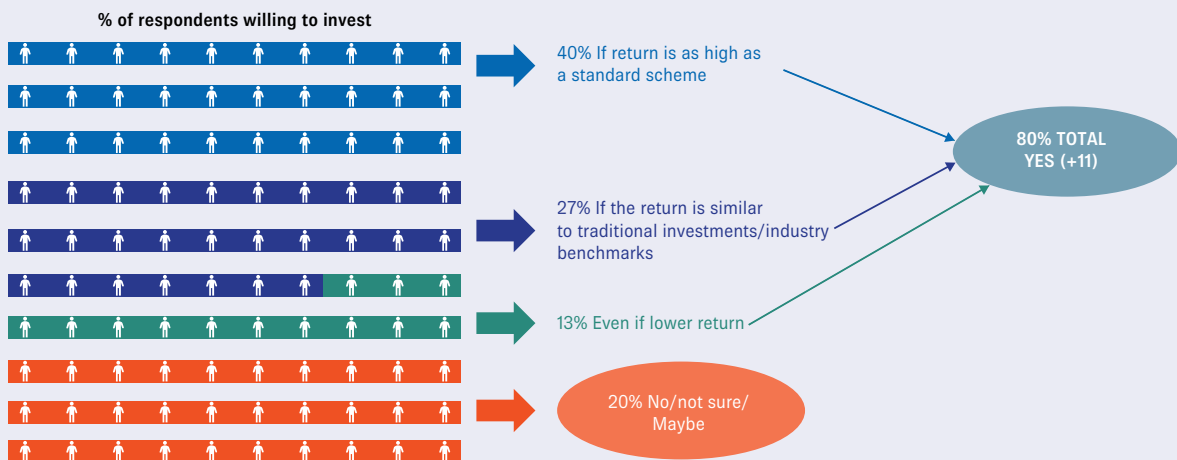
DEMAND FOR POSITIVE IMPACT INVESTMENT IS RISING

The growth of impact investing internationally is being reflected in the New Zealand market. A significant finding from this year's survey is the sharp increase in the proportion of respondents who would be prepared to invest in a KiwiSaver or investment fund that invests only in companies creating positive benefits for society and the environment (up from 69% to 80%). Those with a degree and those with KiwiSaver balances below \$50,000 are more likely to want to invest in positive impact funds. There are still few dedicated positive impact funds available to retail investors.

INCREASED INTEREST IN SOCIAL AND ENVIRONMENTAL ISSUES

The ranking of issues that people would like to invest in has remained largely consistent over the past five years. The social and environmental issues in an ideal fund are ranked as health care (76%), healthy rivers

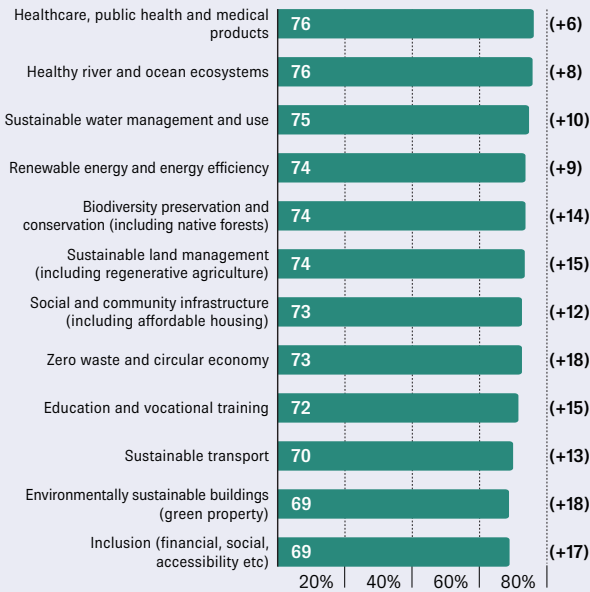
FIGURE 12 Willingness to invest in a fund that aims to create positive impact



Question: Would you invest in a KiwiSaver scheme/other investment scheme that invested only in companies that create positive benefits for society and the environment?

and oceans (76%), sustainable water management (75%), renewable energy and energy efficiency (74%), and biodiversity (74%). All the issues showed a significant increase in investment interest compared to last year's survey.

FIGURE 13 Change in environmental and social issues that the majority of New Zealanders consider important when investing



Question: When thinking about your ideal investment fund, which of the following social and environmental issues do you find important?

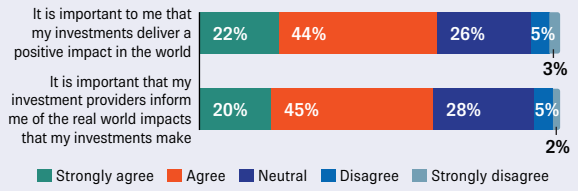
Numbers on the right denote % change from 2022.

MORE MAINSTREAMING OF POSITIVE IMPACT INVESTING

Investors are interested in positive impacts, not only in dedicated funds, but more generally in mainstream investment. Two thirds (66%) of respondents say that it is important that their KiwiSaver or investment fund delivers positive impacts in the world and informs investors. This is 4% higher than last year's survey and particularly important for Millennials, women and those with a diploma or university degree.

The number of mainstream New Zealand funds with investments in positive issues such as renewable energy or social housing is increasing, albeit from a low base, and more providers are able to provide credible evidence of the positive impacts from their funds. These strategies are growing strongly internationally, especially in the EU.

FIGURE 14 Importance that my ethical/responsible investments make a positive difference in the world



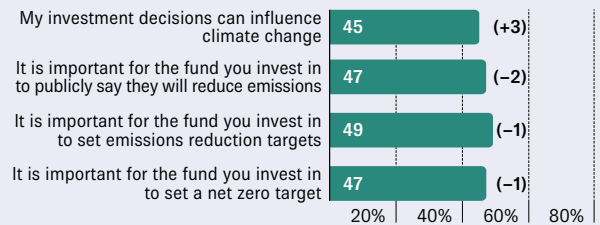
Question: To what extent do you agree or disagree that it is important to me that my ethical/responsible KiwiSaver/other investments deliver a positive impact in the world.

UNDERSTANDING THE LINKS BETWEEN INVESTMENT AND CLIMATE CHANGE

An increasing proportion of respondents (45%) understand that their investment decisions can affect climate change (3% higher than last year). However, the level of understanding remains relatively low and the survey shows the need for more outreach and education to help the public understand the connections between their investment decisions and climate emissions. Responses are significantly higher for Millennials and significantly lower for the Baby Boomer generation.

Half of respondents (47–49%) consider that it is important for the fund they invest in to reduce greenhouse gases in their fund portfolios, to set targets for further emissions reductions and to commit to net zero emissions. The importance is higher for those who are Gen Z or Millennials, and for those with a university degree.

FIGURE 15 Expectations for investment funds to act on climate emissions



Numbers on the right denote % change from 2022.

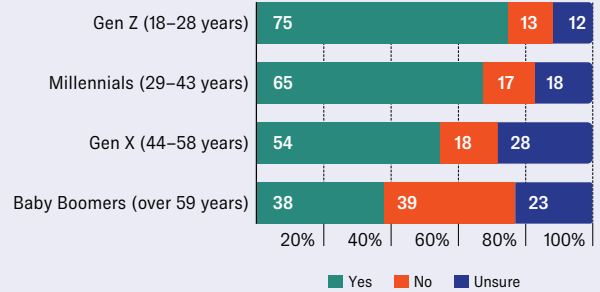
MORE SAVINGS

One of the interesting findings from the survey is the link between positive outcomes from investing and savings intentions. In response to the question: “If you knew your savings and investments made a positive difference in the world, would you be motivated to try to save and invest more money?”, the survey shows 57% agreement, up 4% over last year. This is particularly important for those with lower levels of KiwiSaver and total investment balances. While there are many public policy initiatives that encourage people to save more, few if any recognise that positive outcomes from investment can be a strong motivator.

INSIGHT

Almost all of the positive investment issues are more important to women compared to men; Gen Z and Millennials compared to other age groups; and those with a university degree.

FIGURE 16 *The proportion of each generation that would be motivated to save or invest more if they knew their investments made a positive difference in the world*



Question: *If you knew your savings and investments made a positive difference in the world, would you be motivated to try to save and invest more money?*

GREENWASHING AND AUTHENTICITY

KEY FINDINGS



Around half of the population have concerns over greenwashing. Consumers want to know what companies are in their portfolios, and they are more likely to choose ethical and responsible funds that have independent certification.

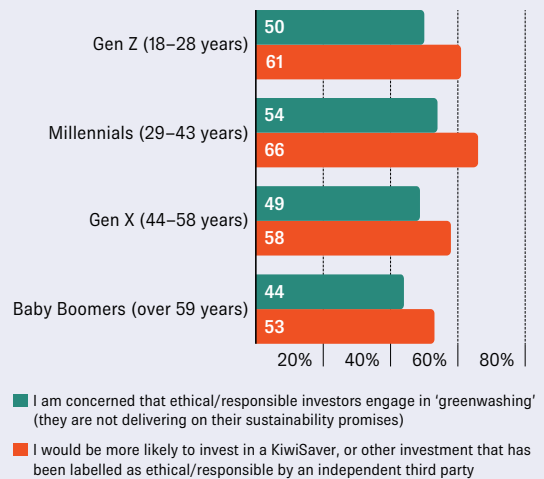
CONCERNS OVER GREENWASHING

Around half (49%) of those surveyed say they are concerned about greenwashing, a similar proportion to last year's survey. This is a particular concern for Millennials, those with a university degree and those with low investment balances. This lack of trust in claims that funds are ethical, responsible, sustainable or positive impact is of concern to regulators internationally, with court cases or fines in Australia, the US, EU and other countries. In New Zealand, the Financial Markets Authority has issued guidance to fund providers.

IMPORTANCE OF CERTIFICATION GROWING

Annual surveys show the continued influence of certification as a source of authenticity for responsible investment. This year there has been a further increase of 5% (to 59%) in those saying they would be more likely to invest if the fund is certified. RIAA's Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical and impact investment products and services.

FIGURE 17 Concerns over greenwashing and the importance of independent, third-party certification and labelling among different generations

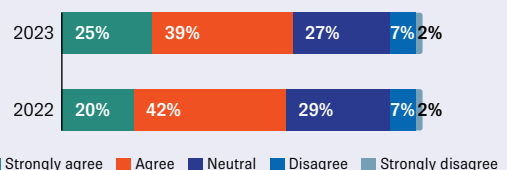


Question: To what extent do you agree with the following statement?

TRANSPARENCY

Transparency is an antidote to greenwashing and important for informed investment decisions. Most New Zealanders want to know what companies are in their investments. There has been an increase (to 64%) in the number of people who agree with the statement "It is important to me to know which companies my KiwiSaver/other investments are invested in". This information is rarely available from

FIGURE 18 It is important to me to know which companies my fund is invested in



Question: It is important to me to know which companies my KiwiSaver/other investments are invested in.

fund providers but is provided for free from Mindful Money, categorised in the issues of concern that are identified in these annual surveys.

COMMUNICATIONS FROM INVESTMENT PROVIDERS

A relatively low level of respondents (27%) report that they receive regular information on ethical/responsible investment from their investment provider. There has been growth in those who find the information useful (+6% to 39%) but the relatively low levels of those

finding the information useful is of concern. Gen Z and those with a university degree are most likely to agree that they receive this information and say that it is useful.

INSIGHT

Concerns over greenwash are held consistently across demographic groups. There is stronger support for choosing an independently certified fund from those with a university degree.

TRENDS IN DEMAND

KEY FINDINGS

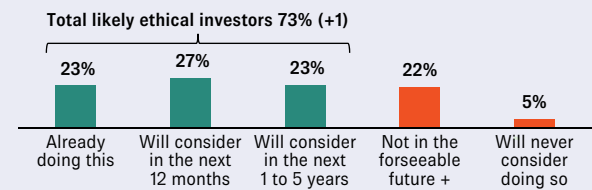


The survey reveals strong growth in future demand for ethical and responsible investment, with half the population considering switching to invest in ethical/responsible funds in the next five years.

Despite turbulent financial markets, future demand for ethical and responsible investing remains strong. Half of all investors are considering investing in an ethical fund, with most of those considering investment in the next year. This is particularly the case for Gen Z and Millennials, those with a university degree and those with relatively low investment balances.

Baby Boomers are more likely to say they already have an ethical or responsible fund. The growing demand is consistent with [research](#) showing a significant growth in the ethical and responsible Funds under Management.

FIGURE 19 *Timeframe for considering investing in an ethical/responsible fund*



Question: *Would you consider investing in responsible and ethical KiwiSaver funds or other investments?*

Numbers in brackets denote % change from 2022.

