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# VOICES OF AOTEAROA:

## Demand for Ethical Investment in New Zealand 2024

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The suggested citation for this report is Coates, B.,  
Samarakoon, N., Coulson, O., Hegarty, D. 2024, *Voices of  
Aotearoa: Demand for Ethical Investment in New Zealand 2024*;  
Mindful Money, Auckland & Responsible Investment Association  
of Australasia, Melbourne.

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# THANK YOU

Australian  
Ethical



While we believe a small group of people can change the world, we know the opportunity is far bigger.

With more than \$3tn of superannuation assets there's potential for more significant positive change - imagine if everyone invested for good.

Australian Ethical enables Australians and New Zealanders to take control of their financial wellbeing at the same time as investing for a better future for people, planet, and animals. When they prosper, we all thrive.

Ethical investing is all we do. We've evolved in many ways since starting in 1986, but this has always been our North Star. We now manage \$10.44bn for more than 130,000 investors and members (30 June 2024).

# SUMMARY

This annual survey, *Voices of Aotearoa: Demand for Ethical Investment in New Zealand 2024*, provides a snapshot of the views and preferences of the Aotearoa New Zealand public on ethical and responsible investment. The headline data shows that demand is still strong. Consumers perceive real advantages from investing in line with their values, including issues of climate, the environment and people, alongside a financial return. They also expect long term returns will be higher if they do so.

## Demand is growing and maturing

More consumers support responsible investing than ever before. Now, 77% of Kiwis agree or agree strongly with the statement “I expect my KiwiSaver or investment fund will be managed ethically and responsibly”, an increase of 3% from last year. More than half of the respondents say they would consider moving their fund if it was investing in companies that engage in activities that do not reflect their values (57%).

In 2024, people want to avoid issues which are broader than the previous short list of tobacco and weapons such as cluster bombs. While these are still important, even more important are the issues that relate to the practices of companies, including violations of human rights, cruelty to animals and environmental damage. The previous approach of excluding a few sectors is no longer sufficient if fund providers and financial advisers want to be responsive to their customers and the broader market.

A significant development has also been the increasing public interest in positive social and environmental outcomes from their investments alongside financial returns. This applies to both people's willingness to invest in a dedicated fund (74%) and the expectation that there will be positive real-world outcomes from their mainstream KiwiSaver or retail fund (66%). The New Zealand market is at the early stage in both dedicated impact funds and positive impact from mainstream funds, but there are strong growth prospects ahead, as well as societal benefits. Investment in positive outcomes has a crucial role to play in meeting New Zealand's challenges such as climate transition, increased resilience, environmental regeneration, social housing and social equity.

This research paints a picture of growing expectation from potential clients for financial advisers to be knowledgeable about responsible investment options (60%, an increase of 4% since last year) as well as financial returns. The reasons people seek financial advice reflects the important role of advisers in dealing with complex issues, including financial planning, investment for children and grandchildren, relationship changes and retirement, as well as ethical/sustainable options.

## Building public confidence

This rising and maturing consumer demand for responsible investment is being reflected in the policies and practices of many KiwiSaver and investment fund providers. Now, most fund providers have at least some ethical/responsible investment policies, including analysis of environmental, social and governance (ESG) issues, engagement with companies to raise their standards and change behaviour, avoidance of certain companies or sectors and investment in companies that provide positive outcomes.

However, this progress has been undermined by a lack of clear standards around social and environmental claims. Kiwis are confused. This survey reveals that half of the respondents are concerned about greenwashing (51%, an increase of 2%). These concerns are partly addressed through the work by RIAA to certify investment funds and by Mindful Money in providing transparency for investment portfolios.

This year, the Climate-Related Disclosures regime requires major fund providers and companies listed on New Zealand's Exchange (NZX) to report on their climate risks and opportunities. This is a step forward. However, information on other social and environmental issues is needed, not just on climate change. Other countries are putting the frameworks in place including rules on labelling for responsible, ethical, sustainable and impact funds, as well as sustainable finance taxonomies. Joining them would make it easier for New Zealanders to navigate to investment options that match their values and preferences.



## Looking ahead

The survey shows that the strong growth potential for the ethical/responsible/impact investment market. More people say they would like to find an ethical/responsible fund in the next year (27%) than those who already have one (20%), and more would like to switch within the next five years (23%). There is obviously a gap between survey preferences and buying behaviours, but these survey results should give encouragement to those fund providers who are looking to deepen their involvement, the financial advisers who are starting to ask their clients questions about investment values, or consumers who are waiting to act. Now is the time!

## INSIGHTS

The demand for ethical, responsible and positive impact investing is stronger among women, younger age groups (particularly Millennials) and those with a university education. However, some issues in the survey have a different level of support across gender, age, and investment balances. These insights provide valuable information for fund providers seeking to understand customer preferences and trends, and to financial advisers in meeting client expectations. The results will also be of interest to policymakers and New Zealanders 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.

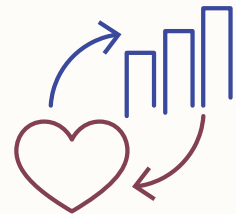
# KEY FINDINGS



The survey reveals **strong growth in future demand** for ethical and responsible investment: **77%** of New Zealanders expect their investments to be managed ethically. **57%** would consider switching to a **different provider** if their investments were in activities not consistent with their values.



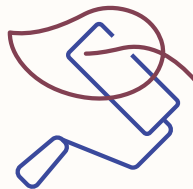
More respondents expect ethical and responsible investments to **perform better in the long term**, increasing to **46%**.



There is growing support for **investing for positive impact**. **54%** would invest in a fund that aims to create positive impact if the returns are comparable to investment benchmarks, while **20%** would accept a lower return.



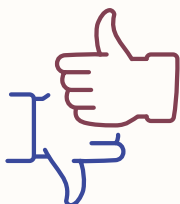
**Positive views** about responsible investment are more strongly held by **Gen Z and Millennials**, those with higher levels of education and those with higher levels of investment.



Over half of New Zealanders have **concerns about greenwashing**. **59%** are more likely to choose ethical and responsible funds that have **independent certification**.



**60%** of New Zealanders expect their **financial adviser to be knowledgeable** about ethical and responsible investment options.



**Investment decisions are increasingly driven by values:** New Zealanders prioritise companies with ethical practices that align with their beliefs (such as respecting human rights and animal welfare) rather than simply avoiding products or services (like tobacco or gambling).



**Three-quarters** of consumers are interested in investments that have a positive impact on the **climate, environment and society**.



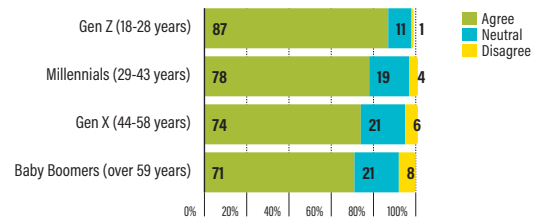
**56%** of New Zealanders say they would **save more** if they knew their funds were invested in ways that **create social and environmental benefits**.

# CONSUMER EXPECTATIONS

## KEY FINDINGS

- ▶ There has been a significant increase in the expectations that providers of KiwiSaver and other investment products will invest New Zealanders' money ethically and responsibly, including strong preferences from women and Gen Z respondents.
- ▶ Younger investors and women are also more likely to consider switching their funds if company activities do not align with their values. Baby Boomers were more reluctant to consider switching.

**FIGURE 2** 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.

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

## Increased consumer support for ethical/responsible investment

Consumer expectations for ethical and responsible investment have increased over the past year. Now, 77% of those surveyed say they want their KiwiSaver or investment fund to be invested ethically and responsibly, up 3% from last year. It is particularly striking that the proportion of women who agree has risen by 5% to 83% (versus 69% for men) and Gen Z risen by 12% to 87%. Only 5% of people surveyed disagree.

## Willingness to switch

Ethical and responsible issues are considered important by investors. Fifty-seven percent of those surveyed agreed 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".

Women, Gen Z and Millennials were more likely to agree, and their views strengthened over the past year. As with last year, tertiary educated respondents and those with investment balances of NZ\$30-50,000 showed stronger agreement.

Conversely, Baby Boomers were more reluctant to switch their investments, perhaps reflecting a more cautious approach during a period of high cost of living and financial uncertainty, coupled with reduced future earnings capacity. The lower fund balances held by younger people may also indicate a perceived lesser risk in switching investments.

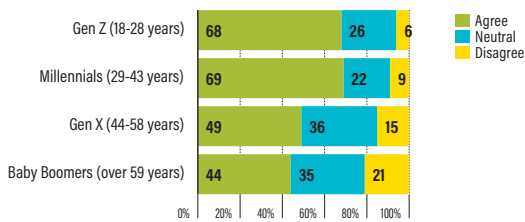
**FIGURE 1** Expectations for money to be invested responsibly and ethically by gender



**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 3** 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.

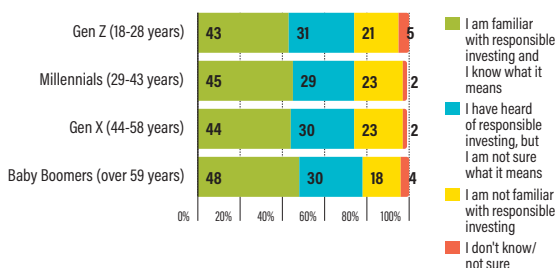
### Uncertainty over terminology

There has been a significant increase in knowledge and understanding about ethical and responsible investment over the past year, particularly amongst New Zealanders under 28 years old (Gen Z with 13% increase in those who know what ethical investment means). Overall awareness during the period rose to 75% of those surveyed, and there was increased understanding about what ethical and responsible investment really means (45%).

However, 30% of those who have heard of ethical investment are still uncertain about what it really means, especially amongst women and those with low levels of investment.

This is a challenge to the fund providers that describe their practices as ESG, ethical or responsible (a large majority of funds) and a challenge for those building financial literacy in schools and across the population. It also sends a message to government to properly regulate the use of a wide range of claims such as ethical, responsible, ESG, sustainable, green or impact investments. Regulations in the EU and other countries are now setting standards and providing consumers with greater certainty over such claims.

**FIGURE 4** 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)?

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

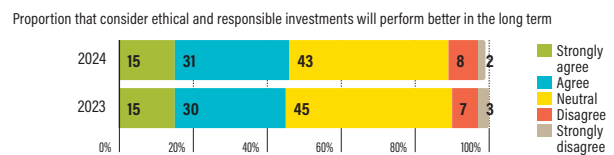
This finding may also explain why more than half of New Zealanders who have investments (in KiwiSaver funds or otherwise) say they are more likely to invest with an independently labelled 'ethical/ responsible' scheme or fund. Independent certification can cut through the uncertainty.

### Perception of high returns

The proportion of respondents who consider that ethical and responsible investments are likely to perform better over the long term rose slightly in the past year to 46%, following a sharp increase in 2023 survey. A smaller proportion are unsure (43%) and only 10% disagree. Positive views are more strongly held by younger New Zealanders (Generation Z and Millennials), those with higher levels of education and those with higher levels of investment.

This shows that growing numbers of investors understand it is good investment practice for fund providers to integrate the risks of climate change, the environment, social issues and governance into their investment decisions, and to take advantage of opportunities. This understanding is an important contributor to the continued growth in ethical and responsible investment. In future, the risks for companies that are unwilling to transition towards lower greenhouse gas emissions is likely to grow as climate impacts increase.

**FIGURE 5** Ethical investments are expected to 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?

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

### INSIGHTS

Over the six years of these surveys, there have been higher expectations for ethical and responsible investment from women and younger New Zealanders. However, their expectations have increased further this year while those of men and older New Zealanders have not increased to the same extent. This is resulting in a wider gap in expectations by gender and age, consistent with the widening gap in awareness. This indicates that, as awareness of ethical and responsible investment increases, expectations of ethical performance by fund providers also increase.

# CHOOSING A FUND

## KEY FINDINGS

- ▶ There has been a significant fall over the years in people choosing a KiwiSaver scheme that is offered by their bank. This declined from 40% in 2018 to 32% last year. It has been a surprise to see this rebound in this year's survey.

## Reasons for choosing a KiwiSaver fund

The most frequently cited reason by New Zealanders for choosing a specific KiwiSaver fund was “because they are my main bank” (35%), which may reflect the convenience of dealing with a single financial provider and seeing their financial information in one report. After years of this proportion declining, it increased by 3% over the past year. This was particularly the choice for the younger generations, and those with a low level of KiwiSaver balances (note: multiple responses to this question were allowed).

The second most cited reason for choosing their KiwiSaver fund was being allocated into a default fund (20%), followed by the fund delivering the best financial returns (18%) and alignment with their personal values/sustainability (14%). There was an increase in those who accepted a recommendation from their employer (11%, +4%) and a fall in those who chose their fund on the basis of a recommendation from their financial planner (6%, -2%).

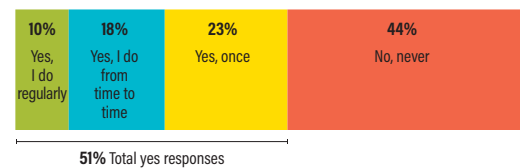
It is increasingly common for New Zealanders to get their information via personal research (45%, +3%), advice from friends and family (42%, same as 2023) or advice from their KiwiSaver provider (40%, +4%). Other sources used include bank (20%, -4%), government websites (21%, +2%) and financial planner (17%, -1%) (note: multiple responses to this question were allowed).

## Rise in ethical demand from financial advisers

This year, the survey asked additional questions on financial advice and advisers. When asked, more than half of Kiwis said they have received financial advice, although only 10% do so regularly. The reasons for seeking financial advice were cited as needing specialist advice from a professional (39%), taking up a mortgage (24%), putting money aside for children or grandchildren (14%), in response to a life-changing event (13%) and for ethical/sustainable options (12%). It was something they had been meaning to do for ages (20%), and on the recommendation of friends or family (19%).

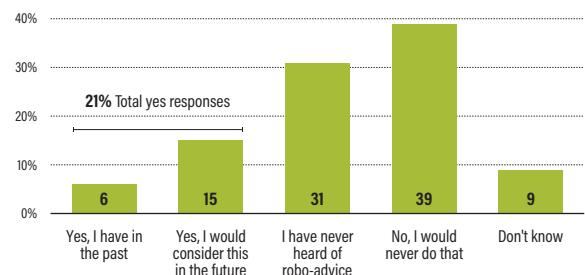
Relatively few New Zealanders have obtained financial advice from a robo-advice service (6%) or would consider it in future (15%). Of the others, 31% have not heard of robo-advice and 39% would not take the advice. Those interested are more heavily weighted towards younger respondents and those with university degrees.

FIGURE 6 Financial advice from a professional



QUESTION: Have you ever obtained financial advice from a professional such as financial adviser?

FIGURE 7 Financial advice from a professional

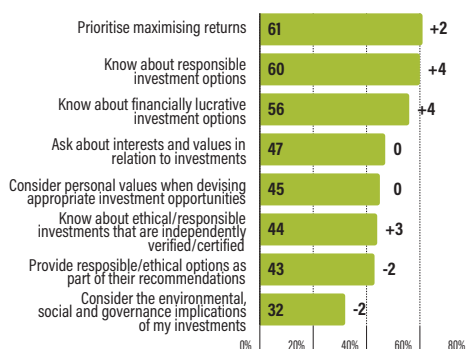


QUESTION: Have you ever obtained financial advice from a robo-advice service or would you consider it in the future?

As with last year's survey, there has been an increase in expectations that financial advisers will be knowledgeable about ethical and responsible investment options (60%, +4%) as well as lucrative financial options (56%, +4%). The increase in respondents giving priority to maximising financial returns (61%, +2%) may reflect volatile financial markets.

There are still relatively few New Zealand financial advisers with expertise in ethical and responsible investment, so this growth in interest from investors, coming on top of growth over previous surveys, signals there are opportunities for other financial advisers. They should consider deepening their understanding of ethical and responsible issues and investment options to meet the needs of their clients.

**FIGURE 8** 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.  
**NOTE:** Numbers on the right denote % change from 2023.

## Barriers remain

The barriers to choosing an ethical or responsible fund are largely consistent with previous years. There has been a small drop in the number of respondents citing a lack of time to look at the options and compare them (45%, -1%), and a lack of independent information (42%, -2%). Those who consider a lack of time as a main barrier are particularly younger women (Gen Z and Millennials), and those with a university degree. A lack of independent information is the highest barrier for older women and those with higher KiwiSaver fund balances.

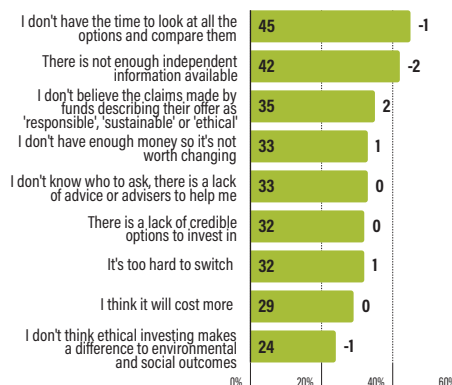
These barriers may reflect a lack of consistent and comparable reporting on social and environmental impacts, providing common measures of ethical/responsible performance for investors to be able to compare. Mindful Money and RIAA provide analysis and certification to inform a growing number of investors about the ethical/responsible credentials of funds. Mandatory sustainability reporting would also assist with providing consumers with info they need to make decisions.

Consistent with other findings, there has been an increase in concerns over misleading claims (i.e. greenwashing) (35%, +2%). This is more of a barrier for male baby boomers with trade qualifications.

It is evident amongst some of the other responses that further education is required. For example, the perception that it is hard to switch accounts (particularly KiwiSaver funds), is incorrect. Regulations governing KiwiSaver and investment schemes make switching funds or providers relatively easy. This indicates that government policymakers should revisit the need for specific consumer literacy on this.

**FIGURE 9** Perceived barriers to responsible investment

% Top 3 ranked barriers to switching to a responsible/ethical KiwiSaver or investment funds



**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?)  
**NOTE:** Numbers on the right denote % change from 2023.

## INSIGHTS

Millennials, Gen X and men are 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. Women are more likely to have chosen a KiwiSaver based on recommendations by a partner, family member or friend.

Younger Kiwis are more likely to experience barriers due to a lack of time to compare options, whereas older generations experience a lack of information as a main barrier. Men and older generations are also more likely to consider misleading claims of ethical/sustainable performance to be a barrier.

# AVOIDING HARMFUL INVESTMENTS

## KEY FINDINGS

- ▶ The preferences for New Zealanders to avoid investing in companies that do not align with their values have a high degree of commonality amongst the population, stable over the 6 years of the survey) and strong (compared to Australia).
- ▶ The issues that people want to avoid in their investments are also predominantly those that relate to the practices of the company, not so much the product they produce.

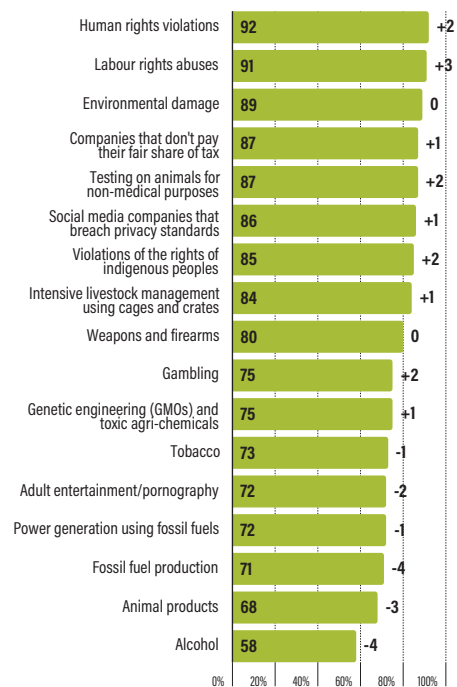
## Issues of concern are shared, stable and strong

There is a common perception that ethical preferences differ between individuals. While there are differences, the striking feature of these annual surveys has been the high degree of commonality across the population. The issues that people want to avoid have been shared by a large majority of respondents and have also been highly consistent over the past five years.

For example, the top eight issues that people want to avoid in their investments are the same as those on last year's list with little change in the rankings – violations of human rights (92%), labour rights abuses (91%), environmental damage (89%), companies that don't pay their fair share of tax (87%), animal testing for non-medical purposes (87%), social media companies that breach privacy standards (86%), violations of the rights of indigenous peoples (85%) and intensive management of livestock using crates (84%). The numbers of respondents wanting to avoid these issues is significantly higher than for [Australian investors](#) .

An interesting feature of the highest-ranking issues of public concern is the dominance of investment practices rather than investment sectors. The top eight concerns listed above relate to the impacts of companies on human rights, the environment and animals. Over time, there has been a steady increase in concerns over these issues, with less emphasis on issues such as gambling, tobacco and alcohol. There is an important implication for New Zealand investment providers. Most of them use sectoral exclusions to avoid companies, rather than exclusions that relate to harmful company practices.

**FIGURE 10** 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?

**NOTE:** Numbers on the right denote % change from 2023.

## INSIGHTS

Women are more concerned to avoid these issues than men in all categories, especially environmental damage, fossil fuels, animal cruelty and weapons.

Younger New Zealanders want to avoid investments in environmental damage and fossil fuels, while those who are older are more likely to want to avoid weapons and adult entertainment/pornography.

Those with a university degree express stronger concerns than the average in all categories other than alcohol.

Those with higher KiwiSaver balances generally have stronger concerns, except in the categories of fossil fuels, human rights violations and animal cruelty.

# INVESTING FOR POSITIVE IMPACT

## KEY FINDINGS

- ▶ There is growing demand for investment that earns comparable financial returns but also has a positive impact on people and the planet. There is also a preference for all funds, not just the dedicated impact investment funds, to deliver real world benefits and report on those.
- ▶ The number of respondents who understand the links between investment and climate change remains worryingly low. It is crucial that investment signals drive a transition of the economy towards net zero emissions and investors have a crucial role to play. Further education and outreach are needed.

Most of the impact investment schemes launched in New Zealand, in both dedicated impact investment funds and within mainstream funds, aim to make returns that are comparable to investment sector benchmarks. More than half the population responded that they would invest in those funds (54%). A further 20% would invest even if the returns were lower than those investment sector benchmarks.

Those willing to accept a return lower than the industry benchmarks are heavily skewed towards Gen Z and Millennials. Perhaps unsurprisingly, the proportion of Baby Boomers willing to invest with a concessional rate of return is lower.

There is support across the generations for investing in an impact scheme that has a return similar to investment sector benchmarks. This is a promising outcome in terms of the growing demand for investments that aim to provide both a positive impact and a sound financial return.

Women are less likely than men to invest in a scheme with a lower return, but more likely to do so if the return is comparable to industry benchmarks.

Those with a university degree are more likely to invest in both a scheme with a lower return and in a scheme with a comparable return.

## Increased interest in social and environmental issues

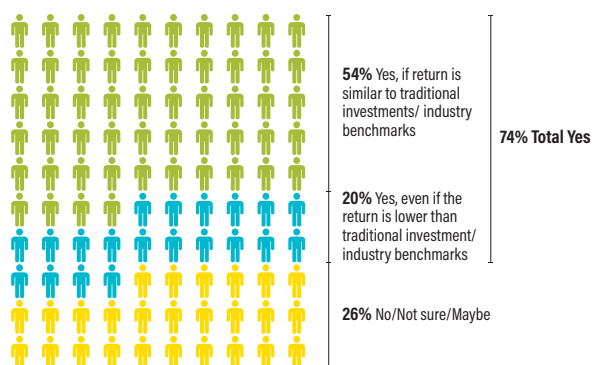
The issues that people would like to invest in has remained largely consistent over the past five years. The social and environmental issues in an ideal fund are ranked as health care (88%), healthy rivers and oceans (86%), sustainable water management (85%), renewable energy and energy efficiency (84%), and biodiversity (84%). This year, responses for participants were optional, so while the rankings are valid, the percentages are not directly comparable to last year's survey.

The strongest preferences are from Gen Z and Millennials, women and those with a university degree.

## Demand for positive impact investment is rising

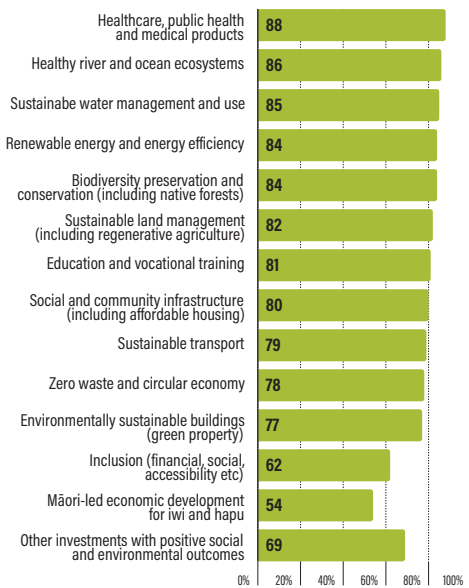
In recent years, there has been a significant growth in investment that aims to contribute to a positive impact. This year's survey shows that 74% of respondents would invest in a KiwiSaver or other investment scheme that invested only in companies that create positive benefits for society and the environment.

**FIGURE 11** 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?

**FIGURE 12 Environmental and social issues that the majority of New Zealanders consider important when investing**



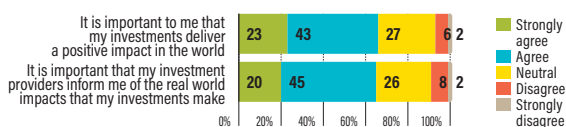
QUESTION: When thinking about your ideal investment fund, which of the following social and environmental issues do you want the fund to support?

## More mainstreaming of positive impact investing

Positive impacts are important to investors, not only in dedicated funds, but also in their KiwiSaver and investment funds. Two thirds of respondents say that it is important that their KiwiSaver or investment fund delivers positive impacts in the world and informs investors. This is unchanged from last year's response, which increased significantly from previous years.

There are a growing number of mainstream New Zealand funds with investments in positive issues such as renewable energy or social housing, albeit from a low base. More providers are producing information for their members and the public about the difference their investment makes, often backed up with evidence and case studies. Mindful Money's report has documented the motivations, barriers and ways to accelerate investing for positive impact.

**FIGURE 13 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

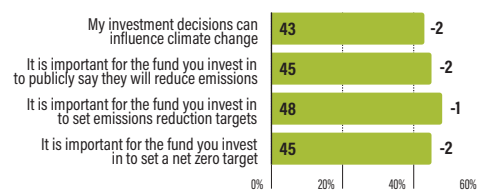
A concern from the survey is the relatively low number of New Zealanders who understand that their investment decisions can affect climate change (43%, -2%). There is a dramatic difference between the generations in understanding this link: 56% of Gen Z agree that their decisions can affect climate change but that is true for only 29% for the Baby Boomer generation.

This suggests that more outreach and education is required to help older New Zealanders understand that their KiwiSaver or investment funds invest in companies with significantly different levels of emissions, and different impacts on the climate. Their choices can make a difference.

More information will soon be available (although not easily comparable due to different reporting metrics). Investment funds with assets under management of over NZ\$1 billion will be required to report their carbon emissions starting in 2024, enabling New Zealanders to find out more about the emissions in their funds.

Less than half of respondents (45-48%) 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 14 Expectations for investment funds to act on climate emissions**



QUESTION: To what extent do you agree or disagree with each of the following statements?  
NOTE: Numbers on the right denote % change from 2023.



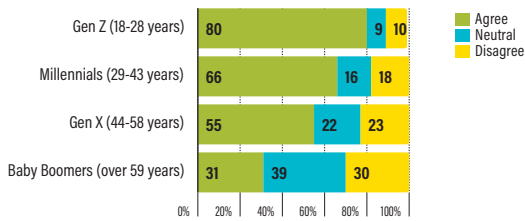
## More savings

If New Zealanders understood that their investment was creating positive outcomes in the world, they would be motivated to save more (56%). This is particularly important for those with lower levels of KiwiSaver and total investment balances, Gen Z and Millennials. This motivation has the potential to help engage young people who may have a relatively low level of financial literacy but a strong commitment to issues such as climate change, the environment and social justice.

## INSIGHTS

Across each of the categories related to positive outcomes from investment, there is far stronger interest, support and understanding from younger people (Gen Z and Millennials), women and those with a university degree.

**FIGURE 15** 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

- ▶ Concerns over greenwashing continue to grow. Transparency and certification are important, as is action by government on misleading claims. However, in the longer term credible, comparable information is needed.
- ▶ Companies and investment providers need to be required to disclose information about social and environmental impacts as part of their regulated reporting, as will be the case for climate change disclosure by larger entities. New Zealand needs to keep up with international developments.

## Importance of certification growing

Annual surveys show the continued influence of certification as a source of authenticity for responsible investment. This year, there is no change to the proportion of those saying they would be more likely to invest if the fund is certified (59%) after a significant increase in last year's survey. RIAA's Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical and impact investment products and services.

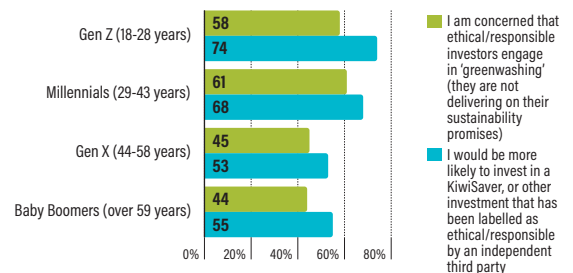
## Concerns over greenwashing

Over half of those surveyed say they are concerned about greenwashing (51%, an increase of 2%). This includes a larger increase in those who feel strongly about the issue (+4%). Greenwashing is a particular concern for Millennials, those with a university degree and those with low investment balances.

This lack of public trust in claims that funds are ethical, responsible, sustainable or positive impact is of concern. Regulators internationally have taken action, including in Australia. In New Zealand, the Financial Markets Authority (FMA) has issued guidance to fund providers and warned them not to make misleading statements.

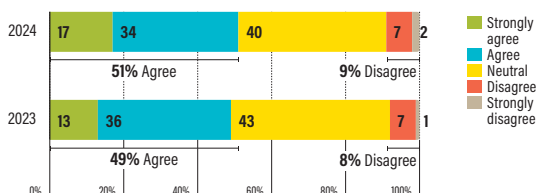
The EU has gone further by more clearly defining what labels can be used for different types of funds, requiring more disclosure for those claiming to be sustainable or positive impact. These standards are likely to become a requirement for New Zealand fund managers who want to attract international portfolio investment.

**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?

**FIGURE 16** Concern that ethical/responsible investors are 'greenwashing'

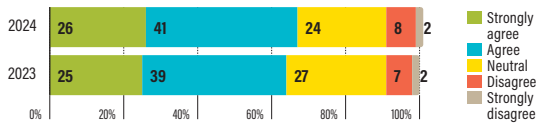


## Transparency is crucial

Transparency is an antidote to greenwashing and it is important for informed investment decisions. More than two thirds of New Zealanders want to know what companies are in their investment fund (67%, +3%), but very few funds provide accessible information. Typically, the disclosure is only partial or is in the form of a list of company names without any context, so that it is difficult for investors to understand the impacts of their investments.

Mindful Money uses the results of these annual public surveys to identify the priority issues and provides portfolio information on KiwiSaver and investment funds to Kiwis for free, categorised by the issues that most people want to avoid. This enables users to understand the ethical implications of their investments.

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



**QUESTION:** To what extent do you agree with the following statement?  
**NOTE:** Total does not add up to 100% due to rounding.

**INSIGHTS**

Concerns over greenwashing are held consistently across demographic groups. It is one of the few issues in the survey where as many men agree as women.

**Communications from investment providers**

A relatively low level of respondents report that they receive regular information on ethical/responsible investment from their investment provider (30%, +3%). The younger generation are more likely to find the information to be useful (52% for Gen Z compared to 39% overall).

# TRENDS IN DEMAND

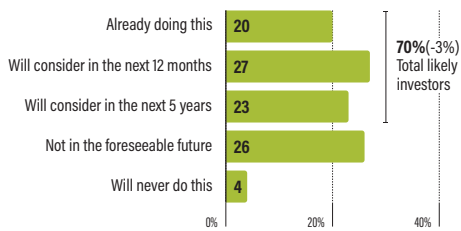
## Rising Demand

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. Even though these intentions rarely translate into action to the degree suggested in the survey, the potential scale of investment over the next year is larger than all those who have invested ethically so far. The growth in demand is consistent with research showing a significant growth in the ethical and responsible funds in New Zealand.

### INSIGHTS

Those seeking an ethical/responsible fund are 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 and are unlikely to seek an ethical/responsible fund if they do not already have one.

**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?*

**NOTE:** Number in the bracket denote % change from 2023.

# ABOUT THIS REPORT

*Voices of Aotearoa: Demand for Ethical Investment in New Zealand 2024* is the sixth research report published by the Responsible Investment Association Australasia (RIAA) and Mindful Money. The research tracks consumer awareness, practices and attitudes towards ethical, responsible and impact investing in New Zealand.

1,000 New Zealanders aged 18+ completed an online survey via Dynata's New Zealand panel from 19-31 January 2024. 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.

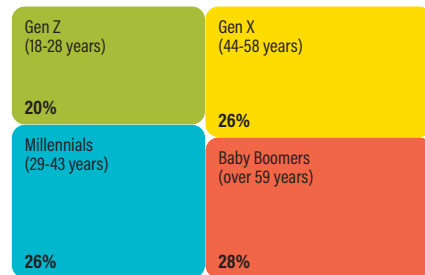
The survey took 10 minutes on average. The sample has been weighted to be nationally representative of the NZ population aged 18+ by age, gender and region. Significant differences noted throughout this report denote results that are different to the average. These are statistically significant at the 95% confidence level.

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.

## The age categories used in this report are as follows:

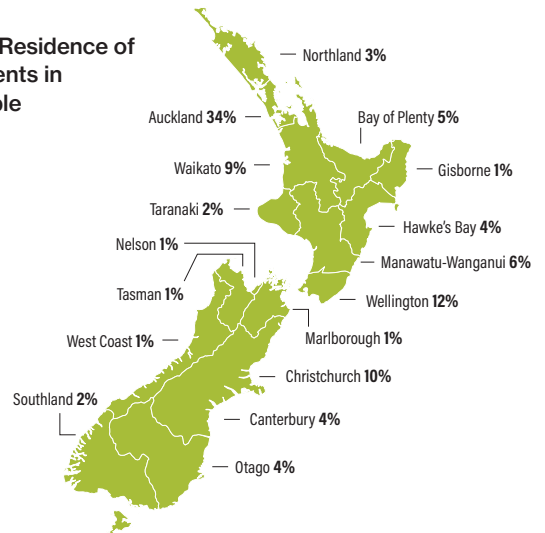
- ▶ Baby Boomer Generation: born 1946-1964 – current age range over 59
- ▶ Generation X: born 1965-1979 – current age range 44-58
- ▶ Millennials: born 1980-1994 – current age range 29-43
- ▶ Generation Z – born 1995-2012 – current age range under 28

**FIGURE 20** Age bracket (generation) of respondents in the sample



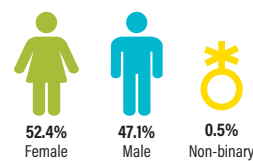
NOTE: Total does not add up to 100% due to rounding.

**FIGURE 21** Residence of respondents in the sample



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

**FIGURE 22** 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.

## 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 more than 500 members representing NZ\$48 trillion in assets under management, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand. RIAA's 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.

## 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, financial advisers and media; and research on mainstreaming impact investment, carbon transition and investment trends.

## 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](http://www.dynata.com)





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