

MEDIA RELEASE

Embargoed for release until NZST 5am Tuesday 30 July 2024

NZ consumer report reveals strong demand for ethical investments, led by young Kiwis

The Responsible Investment Association Australasia (RIAA) and Mindful Money are pleased to launch the 2024 consumer report, *Voices of Aotearoa: Demand for Ethical Investment in New Zealand*. The study reveals that more Kiwis support responsible investing than ever before, showing a strong preference for aligning investments with personal values and long-term sustainability.

Key findings include:

- 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.

Dean Hegarty, Co-CEO of RIAA, emphasised the shift towards investments that align with values and create positive change, noting, "Kiwis are clearly stating that their investments should reflect their values, alongside strong financial returns. It's encouraging to see that many expect ethical investments to outperform in the long run. This makes sense, as by tackling critical issues like climate change and other societal challenges, investors are not only securing strong financial returns but also supporting a sustainable society."

The study reveals that New Zealanders prefer companies with ethical practices that align with their beliefs, such as respecting human rights and animal welfare, rather than simply avoiding products like tobacco or gambling.

Millennials and Gen Z are at the forefront of this movement, with a strong preference for investments that reflect their ethical standards. "Younger generations are leading the charge towards a more responsible investment landscape. Their commitment to social and environmental issues is reshaping the market, and this report underscores the need for financial advisers and fund providers to adapt and meet these evolving expectations," said Maria Loyez, Chief Customer Officer at Australian Ethical.

This year's survey indicates a strong public call for greater clarity and integrity in the market, with half of the respondents expressing concerns about greenwashing. Barry Coates, co-CEO of Mindful Money commented, "The greenwashing issue is a critical wake-up call for the investment industry. KiwiSaver and investment providers need to ensure that ethical claims are genuine and verifiable to build and sustain market confidence. The survey reveals strong expectations that consumers' investments will avoid harm and deliver positive social, environmental and climate outcomes."

The 2024 report is a collaboration between RIAA and Mindful Money, supported by leading ethical investment manager Australian Ethical. It gauges consumer awareness, practices, and attitudes towards ethical and responsible investments in New Zealand, and surveyed 1,000 New Zealanders aged 18 years and over.

For further information, please contact please contact:

Dean Hegarty, Co-CEO of RIAA, dean@responsibleinvestment.org, 0224 710 653

Barry Coates, co-CEO of Mindful Money, barry@mindfulmoney.nz, 021 365 165

About RIAA

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 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. 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.

About Mindful Money

Mindful Money is a charity that aims to make money a force for good. We empower the public to align their investments with their values through free access to analysis of investment portfolios and education on the ways that their investment decisions have real world outcomes.

Mindful Money works with KiwiSaver and retail investment providers, engaging them through newsletters, seminars and research, as well as annual awards that celebrate the leaders in ethical and impact investing. The 2024 conference and ongoing work focuses on raising the level of mainstream investment into companies that have positive social, environmental and climate outcomes, as well as a long term research programme on nature positive investing.