



Pūtea Whai Whakāro

Annual Progress Report

April 2021 - March 2022

Our Mission:

**Making Money a
Force for Good**



Contents

Legal Name of Entity:

Sustainable Initiatives Aotearoa,
trading as Mindful Money

Entity Type:

Charitable Trust (No.CC51919)

Contact Us:

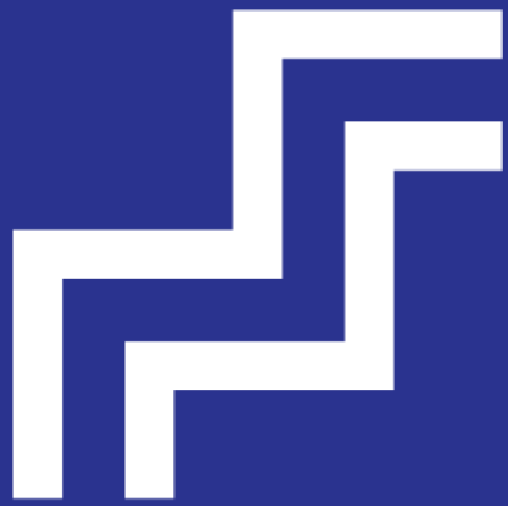
info@mindfulmoney.nz
www.mindfulmoney.nz

Part 1: Meet the Team

- 04 Meet the Team
- 05 Chair's Message
- 05 CEO's Message

Part 2: Impact Report

- 06 Change That Needs to Happen
- 07 Our Strategy
- 08 The Rationale for Our Strategies for Change
- 09 Strategy 1: An Educated and Engaged Public
- 13 Strategy 2: Supported and Influenced Investment Providers
- 15 Strategy 3: Changed the Framework
- 17 Outcomes to Impact
- 18 Plans for the Future
- 19 Funding and Partnerships



Meet the Team

Volunteers

Mindful Money benefits from a large cohort of volunteers (including trustees and advisers) who are passionate about the mission. During the first four years of Mindful Money's development, volunteers have been essential in supporting operational tasks including data analysis, advocacy, graphic design and research. In return, Mindful Money enables volunteers to develop skills and gain work experience.



Management Team

Karen Swainson - Operations Manager
Olive Coulson - Marketing Manager
Barry Coates - Founder and CEO



Trust Board

Graeme Clark (Chair)
Bridget Coates
Jonathan Staples
Kate Vennell (Treasurer)
Angela Spain
Paul Richardson



Advisory Board

Matthew Mimms
Binu Paul
Glen Saunders



Chair's Message

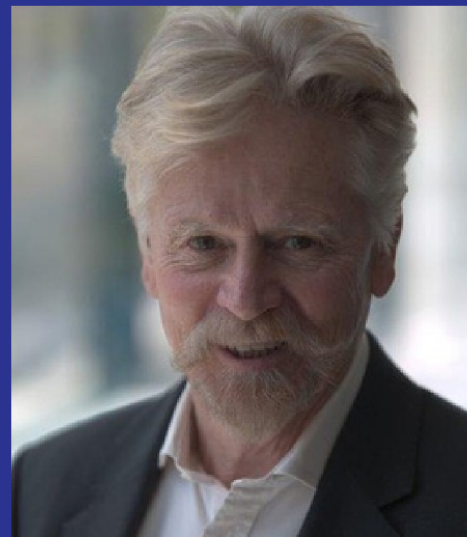
Graeme Clark

Chair of the Trustees of Sustainable Initiative Aotearoa, parent charity of Mindful Money

I am pleased to present this annual progress report for the year to March 2022. This has been the year that Mindful Money has made the transition from start up charity to a strong movement for change. Mindful Money is now an important facilitator of action to empower consumers and facilitate action on sustainable finance.

As our charity has grown, we have have been able to build a sound foundation for the future. I commend the work of our management team and our fantastic volunteers, as well as our inspirational founder and CEO.

I am also grateful for the work of our Board and particularly the Investment Committee which ensures high and consistent standards for our research, public information and designation of 'Mindful Funds'. As a board, we are excited at the potential for scaled up impact in the years to come.



CEO's Message

Barry Coates - Founder and CEO

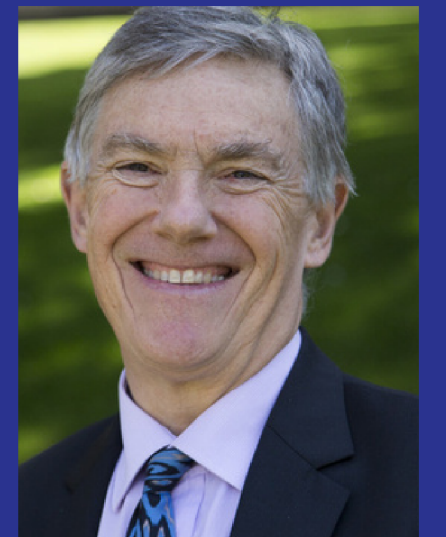
This report provides an overview of the activities of Mindful Money and, wherever possible, the link to tangible outcomes and impact as a result of our work. We are playing a catalytic role to channel funds along the spectrum from funding harm to funding good - facilitating the climate transition, regenerating nature and building social capital. This is a foundation for transforming our financial sector towards sustainability.

I am pleased that we have been able to engage a large number of consumers and empower them to feel good about where their money is invested. There is now a solid body of evidence showing that ethical investments not only do good but also earn good financial returns with lower risk, evidenced by strong financial returns for the Australian and New Zealand fund providers that have embraced ethical investment practices. We have worked closely with the finance sector to raise standards and drive the shift towards more positive impact.

Over the next year, we will focus on three key outcomes:

- Strengthening the authenticity of ethical investing claims by challenging greenwash and highlighting best practice
- Accelerating the growth of investing for positive impact, both as part of the mainstream funds and dedicated impact funds
- Ramping up climate action by investors and fund providers to meet the urgency of the climate crisis

We are focused on providing solutions to the challenges we face. Our finance system has been part of the problem for too long. We are committed to making it part of the solution.



Change That Needs to Happen: Shifts Along the Impact Spectrum

Mindful Money uses an impact spectrum to show the ways in which investment approaches can create investment impact.

These four domains of change are the key mechanisms that Mindful Money aims to influence through our interventions:

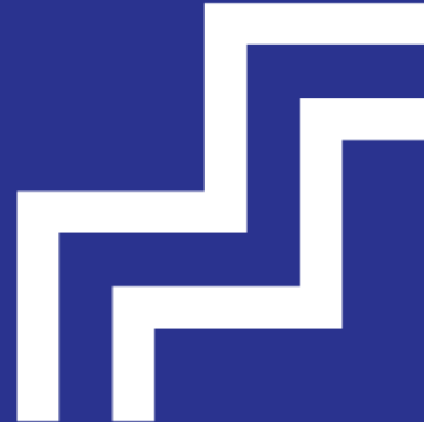


Avoid investments in companies that cause harm

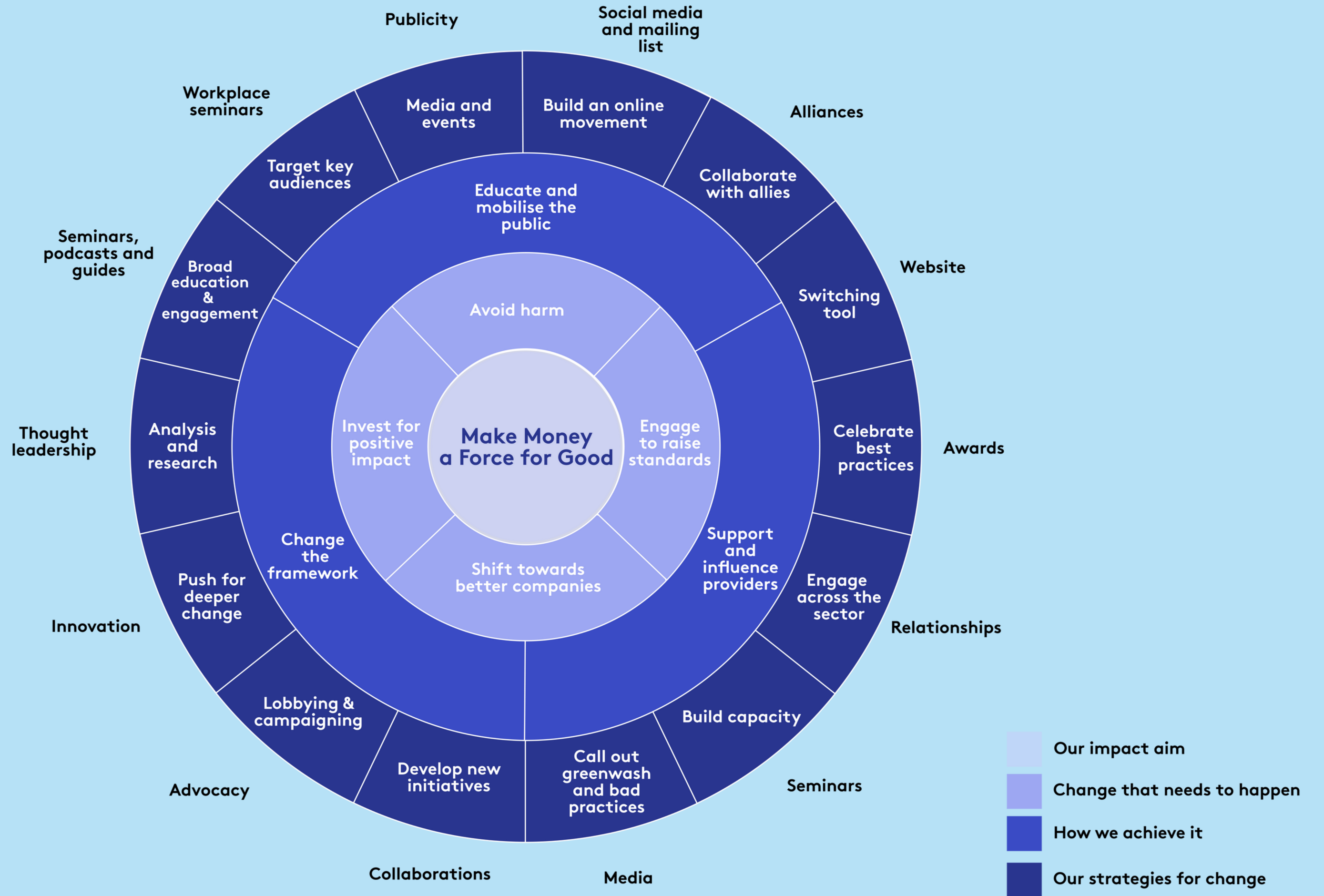
Engage with companies to raise standards

Invest in companies that create positive impact

Shift mainstream portfolios towards companies with higher standards



Our strategy Making Money a Force for Good



The Rationale for Our Strategies for Change



Educate and mobilise the public

Build consumer demand as a driver of real change towards ethical investment:

- Overcome barriers identified in the annual survey of the public:
 - A lack of objective information
 - Not enough time to undertake research and compare the options
- Provide the website as a source of free information to overcome these barriers and empower investors
- Engage the public through accessible and educative seminars, publications and events to overcome inertia and build a deeper understanding



Support and influence investment providers

Engage and work with the financial sector to drive towards international leadership:

- Build capability for all, through direct engagement, seminars and conferences
- Provide recognition for the leaders, through profiling on the Mindful Money website and at the Mindful Money Awards
- Expose the laggards, through transparency, peer pressure and media exposure
- Scale up impact investing through influencing mainstream investment and dedicated impact funds



Change the framework

Influence the government and finance sector to set a framework for sustainable finance:

- Collaborate with the finance sector and Toitū Tahua - the Centre for Sustainable Finance, on initiatives to drive progress towards sustainable finance
- Engage government agencies and Ministers to put in place a supportive framework of legislation, regulation and guidance
- Undertake research, analysis, advocacy and campaigning to achieve change, working alongside our allies



Strategy 1: An Educated and Engaged Public

WHAT WE DID WHAT WE ACHIEVED IN 2021-22

A UNIQUE PLATFORM FOR ETHICAL INVESTING	<ul style="list-style-type: none">• By March 2022, Mindful Money's data analysis covered 354 KiwiSaver funds and 440 retail investment funds• The Mindful Money Website had 67,000 website visits during the year to end March, with over 100,000 New Zealand funds checked (up from 32,210 in the previous year)• The highest website traffic month of over 20,000 in March 2022 resulted from Mindful Money's listing of funds that were invested in Russian government bonds and companies aligned with the Putin regime
FINDING AN ETHICAL FUND	<ul style="list-style-type: none">• Mindful Money's Fund Finder tool enabled 445 direct investments during the year and it is estimated that our research on the Mindful Money website was used to make around 1800 investments in ethical funds• Investments using Mindful Money data undertaken directly and indirectly through providers were an estimated \$67 million over the past year
UP TO DATE INFORMATION	<ul style="list-style-type: none">• The website had 4 quarterly financial updates and 2 six monthly portfolio updates• Mindful Money published regular articles, blogs and media commentary on topical issues
OUTREACH THROUGH MEDIA	<ul style="list-style-type: none">• Mindful Money featured in 82 stories in print, radio, TV and online media, including coverage on TVNZ, RNZ, Newshub, the Herald, NBR, Good Returns, BusinessDesk, Stuff, Spinoff and Newsroom• Issues covered included investment in Russia, investments in nuclear weapons, climate change and net zero, Impact Investing and the Mindful Money Ethical and Impact Investment Awards
OUTREACH THROUGH SOCIAL MEDIA	Reached over 500,000 New Zealanders (up from 400,000 in the previous year)



Your biggest climate impact might be your Kiwisaver

Barry Coates · 10:00, Jul 21 2021



OPINION: Most New Zealanders are taking actions to reduce their carbon impact. This is important. While individual actions alone will not solve the climate crisis, they are vital in influencing business practices. We need to align our economic choices with our values by supporting climate solutions rather than contributing to the problem.

Top ethical managers named

Tweet Like 37

A growing number of entries in this year's Mindful Money awards demonstrates the growth in ethical investing. The finalists have been named.

Thursday, May 26th 2022, 8:34AM 1 Comment



Mindful Money founder and chief executive Barry Coates says "this year, ethical and responsible investment has become the norm for investment management in New Zealand and the entries to this year's awards show significant progress in raising the bar."

Coates says there are more entries, demonstrating higher standards, and extending the range of consumer options.

"Financial advice is important, not only for financial performance but also for enabling clients to confidently invest ethically," he says.

"While the financial advice sector has been slow to embrace ethical investing,

KiwiSaver: 88 providers investing in making of nuclear weapons - Mindful Money

12:04 pm on 18 March 2021

Share this



Many savers may be invested in nuclear weapons, against their wishes, but be completely unaware of

Make sure you're Investing in Good!



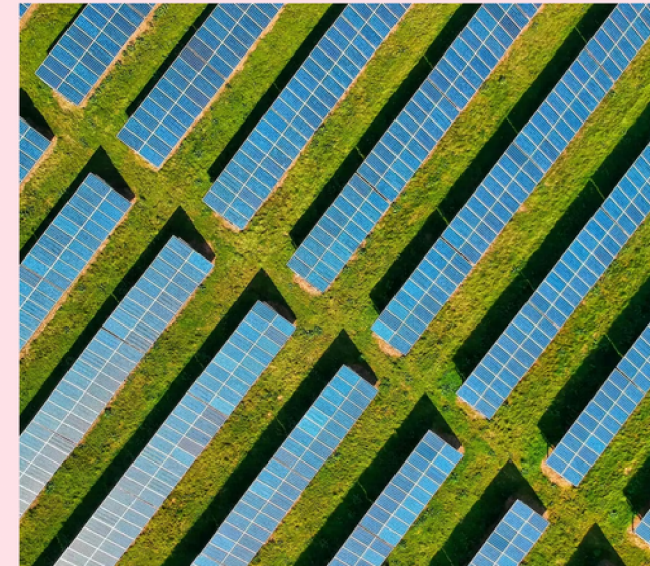
Guest post

Barry Coates: Being mindful about the impact of our money

In this series, Barry Coates, founder and CEO of Mindful Money, shares his knowledge of ethical investing.

Barry Coates
Founder and CEO of Mindful Money

27 January 2022 | 4 min read



NZ investment funds had more than \$100 million invested in Russia

Rob Stock · 18:11, Feb 28 2022

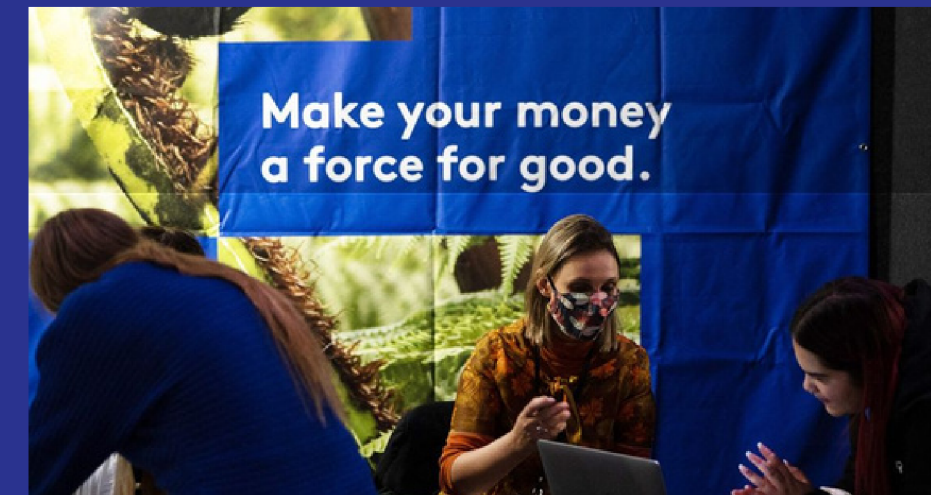


KiwiSaver funds dump \$331 million of fossil fuel investment

Rob Stock · 12:20, Aug 24 2021



Investors are increasingly turning their backs on fossil fuel companies as more and more household do not want their retirement savings invested in them.



From Values to Riches 2022: Charting consumer demand for responsible investing in Aotearoa New Zealand



Investor 'horrified' to discover surprise lurking in KiwiSaver

Daniel Smith · 05:00, Aug 15 2021



When Andrew Jenkins decided it was time to check where his KiwiSaver money was invested, he was horrified at what he discovered.

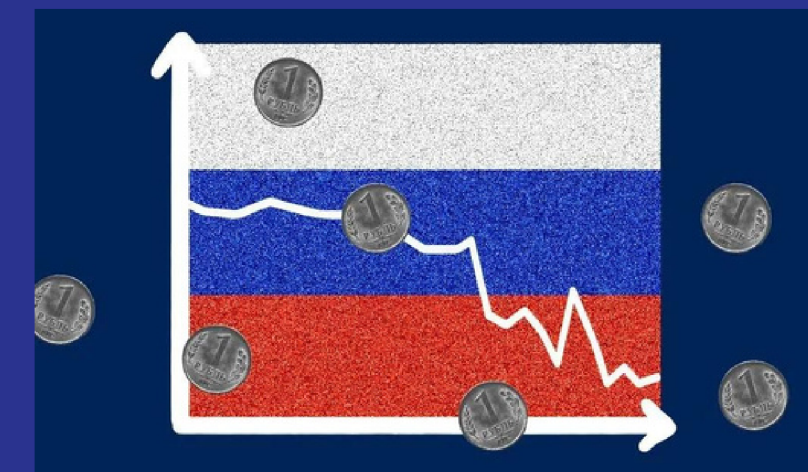
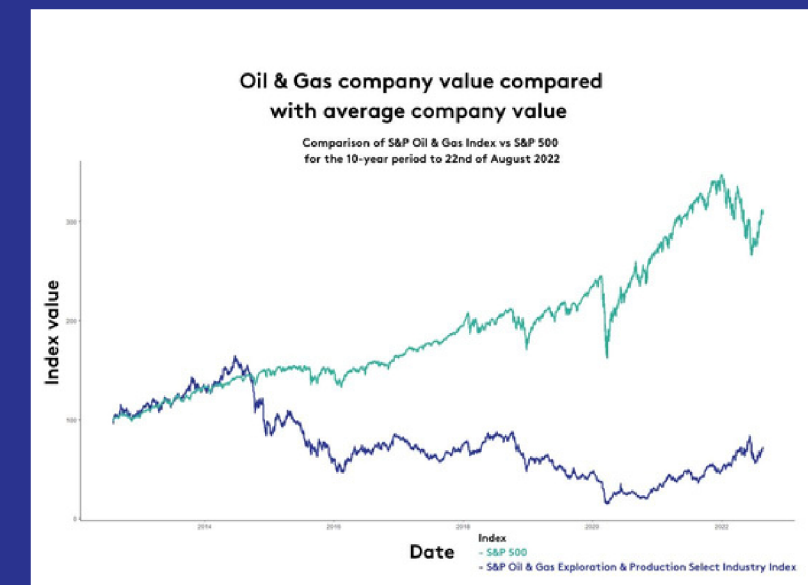
The 24-year-old university student found his ANZ KiwiSaver fund contained "a significant amount of money" invested in a company he felt strongly against.

"The name Nestle stood out to me immediately. Their name comes up a lot when you are discussing human rights abuses. So when I saw I was invested with them, I was not happy," Jenkins said.

What role can private finance play in the race to net zero emissions?

Who is leading the way and what is the state of play?

Thursday 4 November 3pm-4.30pm



Strategy 1: An Educated and Engaged Public

Continued

WHAT WE HAVE DONE	WHAT WE ACHIEVED IN 2021-22
ANNUAL CONFERENCE	<p>Held a major conference in conjunction with the Ethical Investment Awards event:</p> <ul style="list-style-type: none">• 200+ audience (with some COVID disruption) from finance, government, media and civil society• Addressed by Adrian Orr, RBNZ Governor; and Hon. James Shaw, Minister for Climate Change• Panel included Rod Carr, Chair of the Climate Change Commission; Bridget Coates, Chair of Sustainable Finance Forum; and Rod Oram, business journalist
ONLINE SEMINAR SERIES	<p>Held the second online seminar series, 'Making Money a Force for Good':</p> <ul style="list-style-type: none">• 54 leading panelists across 20 seminars, discussing issues relevant to both public and industry audiences• Themes included analysis of Climate Summit COP26; investment topics such as gender perspectives, te Ao Maori approaches and engagement; impact investing; and issues such as nuclear weapons, animal welfare and social housing• An audience of 40,000 reached through the live seminars and videos, and a growing number of podcast listeners
ENGAGEMENT WITH KEY AUDIENCES	<p>Held 5 seminars at workplaces to help staff understand ethical KiwiSaver options</p> <p>Participated in 20 public events and held stalls at major events such as the Auckland Go Green Expo and Auckland Climate Festival events</p> <p>Published 23 supporter newsletters, each to an audience of 3500</p>
COLLABORATED WITH ALLIES	<p>Developed strong relationships with a broad range of organisations with values alignment around sustainability and ethical issues</p>



Feedback for our Seminar Series

“Rawe te kaupapa I tēnei pō. I am so happy to have been a part of this kōrero-ā-ipurangi tonight. I have two tamariki and we all invest in both Whai Rawa and TAHITO. Ahakoa he iti (te pūtea) he pounamu ktk.”

“Thank you both. Really useful insights.”

“Very good insights from all of you. Thank you”

“Such an important report and dialogue. Thank you!”

“Thought provoking content, thanks so much”

“Thanks folks, really interesting and exciting talk, I'll definitely look into all 3 organisations!”

*“Thank you for the information, this was really interesting.”
and more...*



Strategy 2: Supported and Influenced Investment Providers

WHAT WE HAVE DONE

WHAT WE ACHIEVED IN 2021-22

CELEBRATED BEST PRACTICE

Held the inaugural Ethical and Impact Investment awards event in June 2021

- 200 attendees
- 52 entrants across 7 award categories
- 26 judges

ENGAGED AND INFLUENCED THE FINANCIAL SECTOR

Worked collaboratively with fund providers and others to raise standards for ethical and impact investing:

- Influenced providers to reduce KiwiSaver investment in nuclear weapons from \$52m to \$15m
- Collaborated to build awareness about the importance of active stewardship
- Built awareness of investing for climate action and undertook sector-wide survey
- Highlighted developments in investing for positive impact and launched an impact investment directory

BUILT CAPABILITY IN RESPONSIBLE INVESTMENT

- Held conference and 20 online seminars, including over 54 finance sector panellists
- Engaged with a majority of NZ fund providers through meetings
- Focused on capability building for Net Zero and impact investing

CALLED OUT GREENWASHING AND HARMFUL INVESTMENTS

- Provided free and accessible information on companies in KiwiSaver and investment funds
- Transparency in holdings of Russian bonds and Kremlin-aligned companies resulted in rapid divestment
- Provided badges to verify the funds that have no investment in fossil fuels, weapons and animal testing





“The speakers were outstanding and if you didn't believe in the importance of ethical investing by the end of the event then I don't think you were awake!”



“Our adviser team leader went and was really fired up by the zero carbon goal - he has now asked our CEO how quickly we can deliver.”



Strategy 3: Changed the Framework

WHAT WE HAVE DONE

WHAT WE ACHIEVED IN 2021-22

THOUGHT LEADERSHIP

- Undertook annual Ethical Investment Survey 2022 jointly with Responsible Investment Association of Australasia (RIAA) showing continued strong support during COVID and financial volatility
- Published a range of articles and blogs, including research and commentary on climate risk, greenwashing and impact investing
- Undertook survey across asset owners and fund managers on reducing emissions
- Educated investors and stakeholders through series of 20 online seminars

INNOVATION

- Developed NZ's first impact investment directory as a pilot
- Built a powerful Net Zero coalition to support and encourage investors to take climate action

COLLABORATION

- Built strong relationships with Toitū Tahua (the Centre for Sustainable Finance), the Investor Group on Climate Change, Impact Investment Network and RIAA

INFLUENCE

- Made submissions on climate change, climate disclosure, default KiwiSaver standards and integrated financial products
- Provided support for implementation of the Sustainable Finance Forum roadmap, particularly on climate change



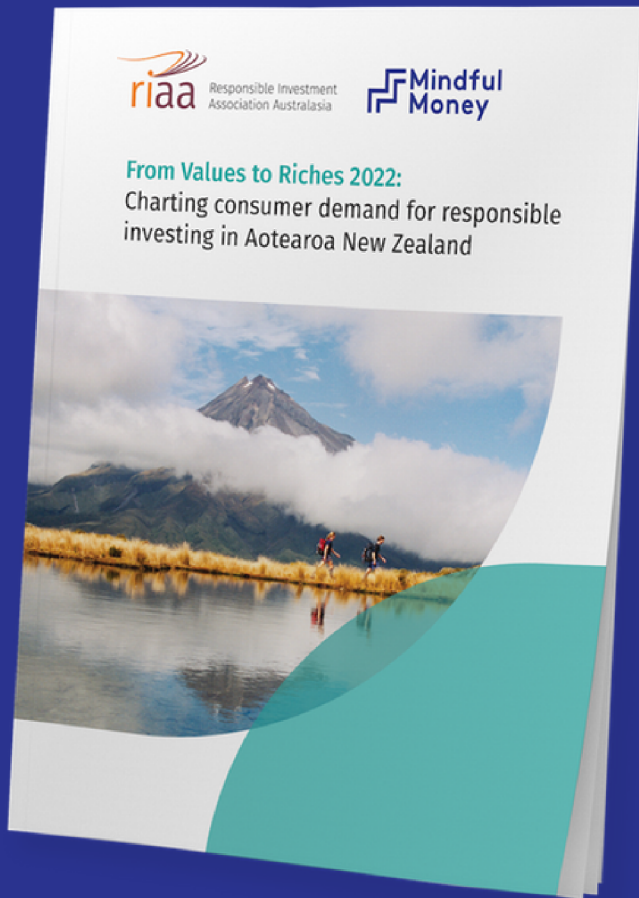


FIGURE 5 Differences in knowledge and awareness of responsible and ethical investment among different generations

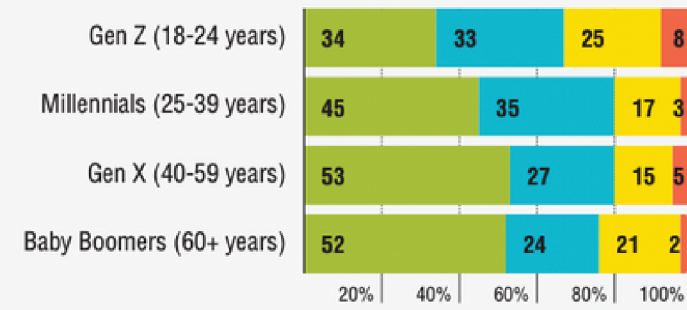


FIGURE 10 What New Zealanders expect of financial advisers



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.

KEY FINDINGS



Half (50%) of the population is concerned about greenwashing in responsible and ethical investment products



Over half (54%) of Kiwis would be more likely to invest in a fund that is independently labelled as ethical or responsible



Human rights (90%) and labour rights (89%) abuses are the highest issues of concern, along with environmental damage (88%) and violations of the rights of Indigenous peoples (87%)

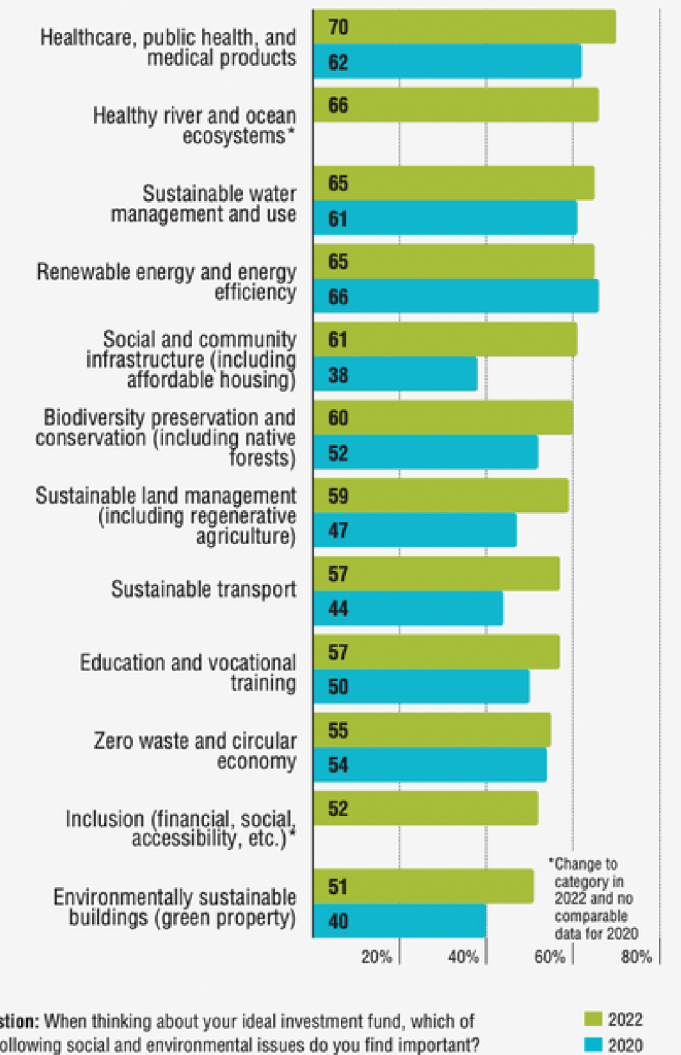


The investment themes that Kiwis care most about are healthcare and public health (70%), healthy rivers and ocean ecosystems (66%), sustainable water management (65%) and renewable energy and energy efficiency (65%)



Half of New Zealanders want their fund to reduce emissions and a similar proportion want their fund to make a pledge to achieve net zero emissions

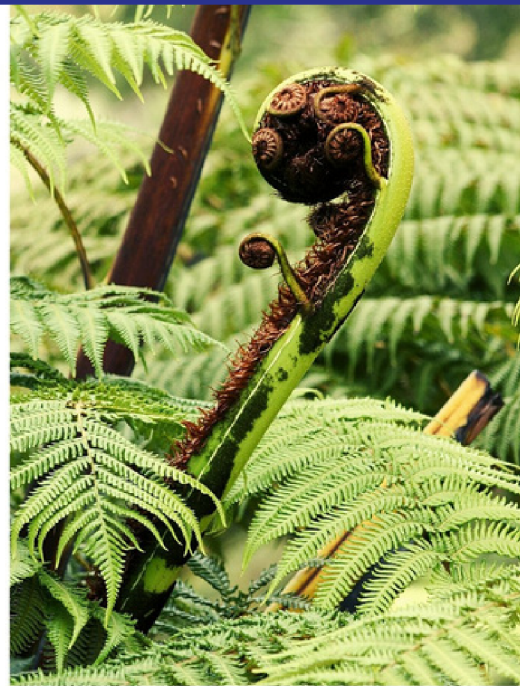
FIGURE 12 Change in environmental and social issues that the majority of New Zealanders consider important when investing



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

*Change to category in 2022 and no comparable data for 2020

2022 2020



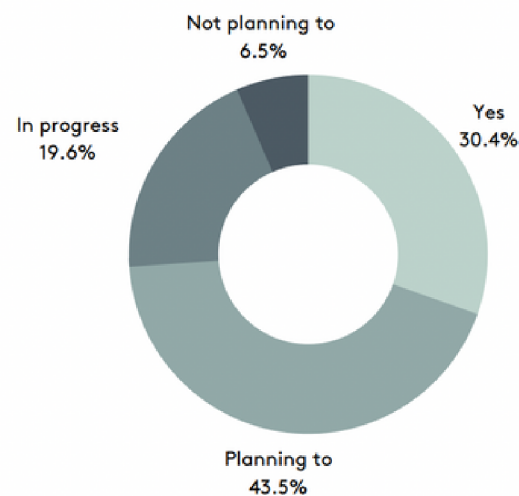
New Zealand Investors Stepping up to the Climate Challenge

Results of a survey of asset owners and fund managers

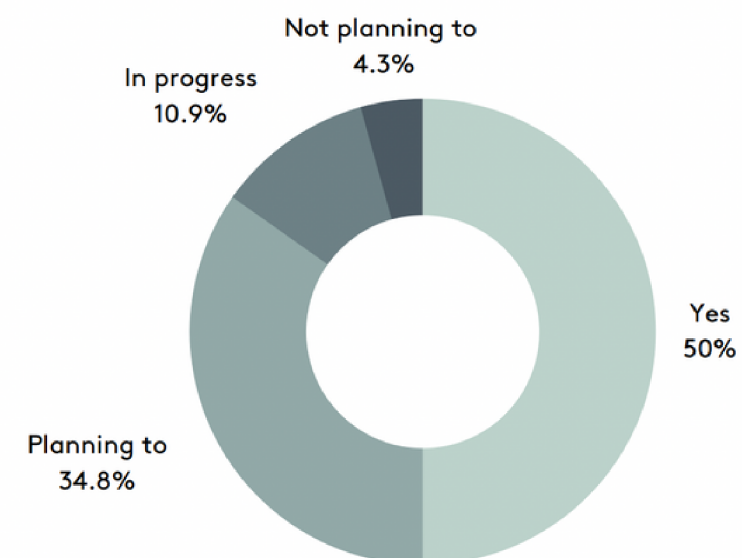
Prepared by Barry Coates, Mindful Money for the Aotearoa New Zealand Investor Coalition for Net Zero

NOV 2021 REPORT

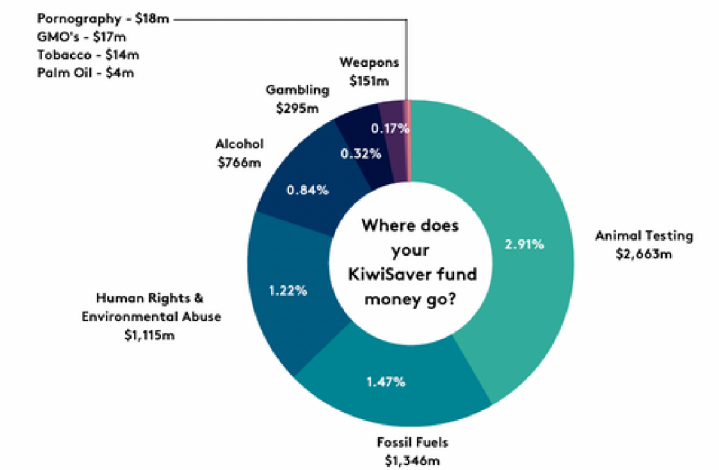
Do you have a carbon emissions reduction plan?



Have you calculated the carbon intensity of your fund?



Total KiwiSaver investments in companies that the New Zealand public want to avoid March 2022

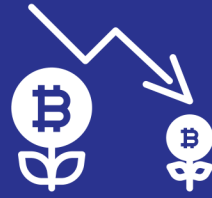


These issues account for 6.99% of the total KiwiSaver funds
Source: Mindful Money analysis of reported portfolio holdings for 352 funds

Selected Outcomes from Mindful Money's work



Continued rapid growth in ethical investment, shown in survey and reports



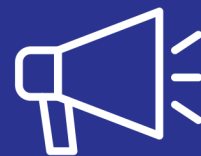
Reduction in harmful investments such as nuclear weapons, shown in portfolio data



Deepened public understanding about ethical investment, shown in annual survey



Built support for more impact investment and investment action on climate change



Improved the policy framework for ethical and impact investment



Raised standards for ethical investment practice, shown in annual awards

These impacts lay the foundation for an acceleration of progress along the impact spectrum in forthcoming years.



Plans for the Future

Mindful Money will extend the reach of the current work programme, educating and engaging the public and enabling ethical investment by a far larger number of investors. We will build on our flagship annual events, including annual conference and awards, workplace and other targeted seminars, online education and outreach, and annual surveys.

Engage the public

We will use seminars, events and collaborations to engage and activate a wider public audience

Climate Action

We will encourage more climate action by providers, provide support and undertake monitoring surveys

Credible Standards

We will extend our website information to include active ownership, impact investing and climate action

Impact Investment

We will build support for more funds to be directed towards investment in positive outcomes

Value Added Services

We will provide a deeper level of information and analysis to financial advisers and institutions

Shareholder Action

We will use shareholder engagement to strengthen climate action by New Zealand listed companies

Undertaking these plans will require additional funding.

We welcome partnership with individuals and organisations to help us achieve our mission of Making Money a Force for Good.



Funding and Partnerships

Income (FY2021-22): (Rounded to \$00)

Contributions from Mindful Funds	\$68,700
Sponsorship of events	\$158,300
Donations	\$5,000
Other	\$34,800

Total \$266,800

Expenditure (FY2021-22)

Employee & volunteer related costs	\$120,600
Operations	\$22,700
Marketing	\$18,600
Website & data	\$15,400
Research	\$7,500

Total \$184,800

As a young charity, Mindful Money has achieved significant impact over the past year with few resources to draw on.

We are grateful to those who have supported us on our journey so far:

- Corporate sponsors of events including conferences, Ethical and Impact Investment Awards and public education seminars
- In-kind contributions and partnerships
- Individual donations
- Volunteers, including over 20 committed and skilled volunteers
- Our Board members, who have made a huge contribution to a successful year



This report has been approved by the trustees of Sustainable Initiatives Aotearoa (Mindful Money)

for the year ended 31 March 2022



Graeme Clark, Chair
29/9/2022

Kate Vennell, Treasurer
29/9/2022

www.mindfulmoney.nz
info@mindfulmoney.nz

