



RESPONSIBLE INVESTMENT: NZ SURVEY 2019

A report exploring New Zealanders'
attitudes towards responsible investment



Mindful Money and RIAA co-commissioned Colmar Brunton to design and deliver this 2019 research.

The Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and New Zealand, and is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy. With over 250 members managing more than \$9 trillion in assets globally, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand.

Mindful Money is a New Zealand charity that aims to shift investment from pollution and exploitation towards sustainability. Its website shows the companies and sectors in each KiwiSaver fund portfolio (and other investment funds in 2020). Users can then use the fund finder tool to find a fund that fits their values. Mindful Money is building a movement for change to drive investment towards sustainability and higher positive impact.

Colmar Brunton is New Zealand's leading market and social research company aimed at growing great brands and organisations. Colmar Brunton is a Kantar company with offices in Auckland and Wellington.

See page 34 for important information about how this research complies with the Research Association of NZ Code of Practice.

This is the second year we have conducted this research better enabling us to look at trends.

KEY FINDINGS

1

There has been a notable increase in the proportion of New Zealanders who expect their investments to be invested responsibly and ethically, at 83% in 2019, compared with 72% in 2018.

2 in 3 New Zealanders say they would consider moving their investments, if their current fund engaged in activities inconsistent with their values.

2

The perceived barriers to investing responsibly have risen since last year.

The top barriers are:

- Not enough time to compare the options
- Not enough independent information
- A lack of credible options
- Don't believe the claims for responsible or ethical investment

3

82% are willing to invest in companies with positive social and environmental benefits.

Over half of those are considering investing in funds that have a positive impact in the next 12 months.

Ideal portfolios prioritise renewable energy and sustainable water.

4

9 in 10 New Zealanders believe the most important issues to avoid are those that involve human rights violations and labour rights abuses.

Other priority issues that consumers want their investments to avoid are environmental degradation, testing on animals, social media companies breaching privacy standards and predatory lending.



METHODOLOGY



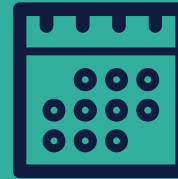


METHOD

1,000 New Zealanders aged 18+ completed the survey online.

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.



TIMING

The survey took place from 13 to 23 September, 2019.

+/-%

MARGIN OF ERROR

The maximum margin of error on the total sample of 1,000 is +/-3.1%.



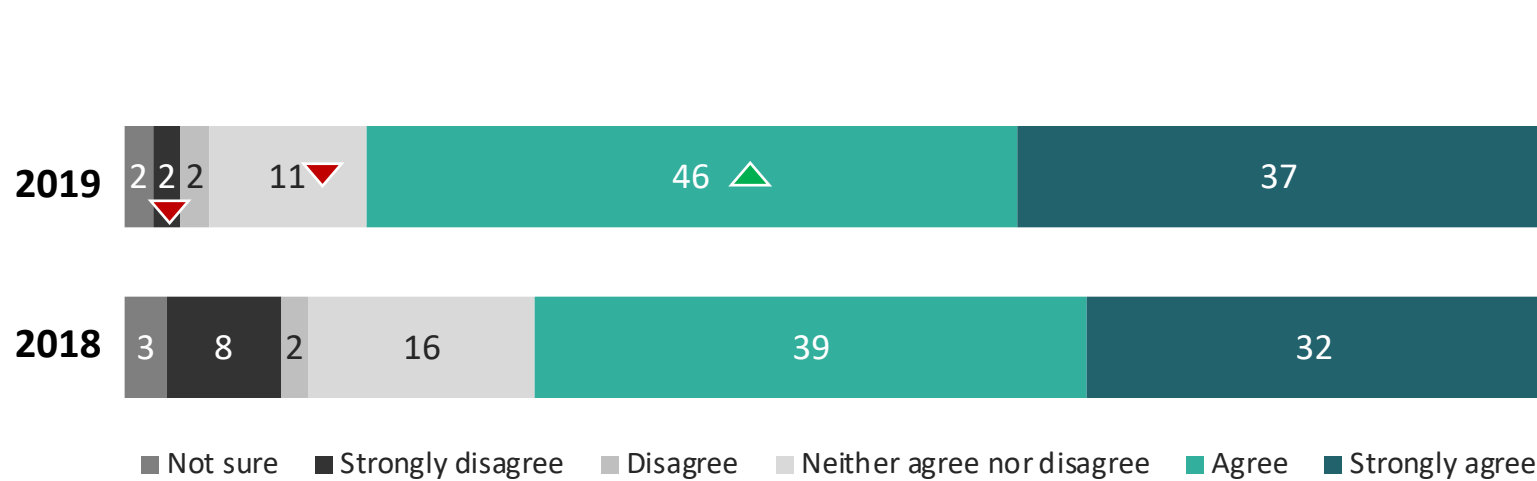
PERCEPTIONS OF RESPONSIBLE INVESTMENT



Expect KiwiSaver and other investments to be invested responsibly and ethically

An increasing number of New Zealanders with KiwiSaver or other financial investments expect their investments to be invested responsibly and ethically compared to 2018 – now 8 in 10. This expectation is higher among women, those aged over 60 and people with a university qualification.

% I expect my KiwiSaver and investments to be invested responsibly and ethically



| Agree (nett) | Disagree (nett) |
|--------------|-----------------|
| 83 ▲ | 3 ▼ |
| 72 | 9 |

The following demographic groups are more likely to agree (nett):

- Women (91%)
- Those aged over 60 (88%)
- Those with a university qualification (87%)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

Source: Q11

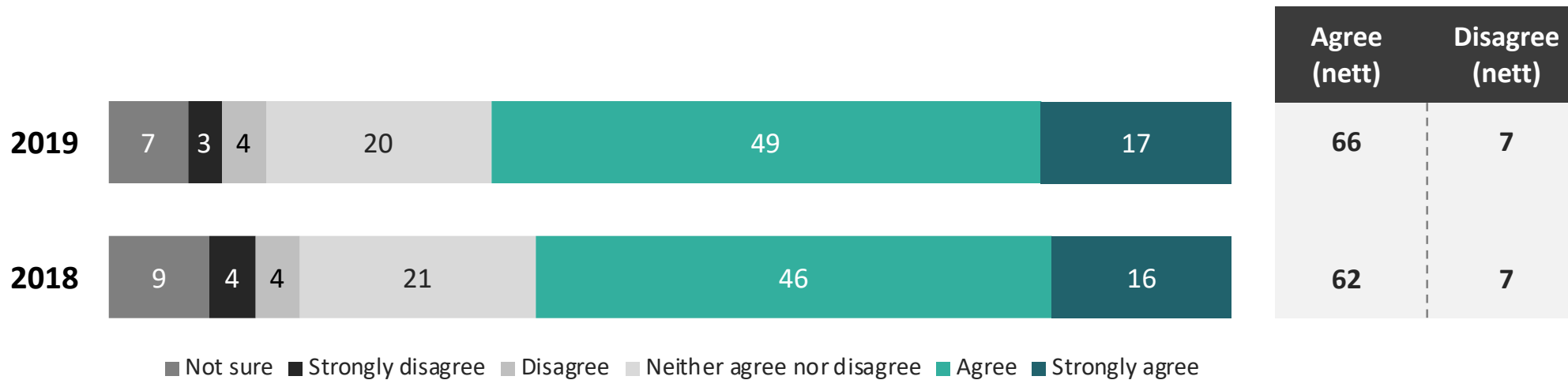
Q11. How much do you agree or disagree with the following statement? I expect my KiwiSaver and investments to be invested responsibly and ethically.

▼▲ significantly higher/lower vs 2018
xx/xx significantly higher/lower vs total

Consideration of changing KiwiSaver provider / moving investments if discover investments do not align with personal values

Two thirds of New Zealanders with KiwiSaver or other financial investments would consider moving their investment if they found out their investment was being made in companies whose activities do not align with their personal values.

% I would consider moving my KiwiSaver to another provider / investment elsewhere if I found out they were investing in companies that engage in activities not consistent with my values



The following demographic groups are more likely to agree (nett):

- Those who have university qualifications (74%)
- Women (72%)
- Those aged 30-49 (71%)

Less likely to agree (nett):

- Men (60%)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

Source: Q14

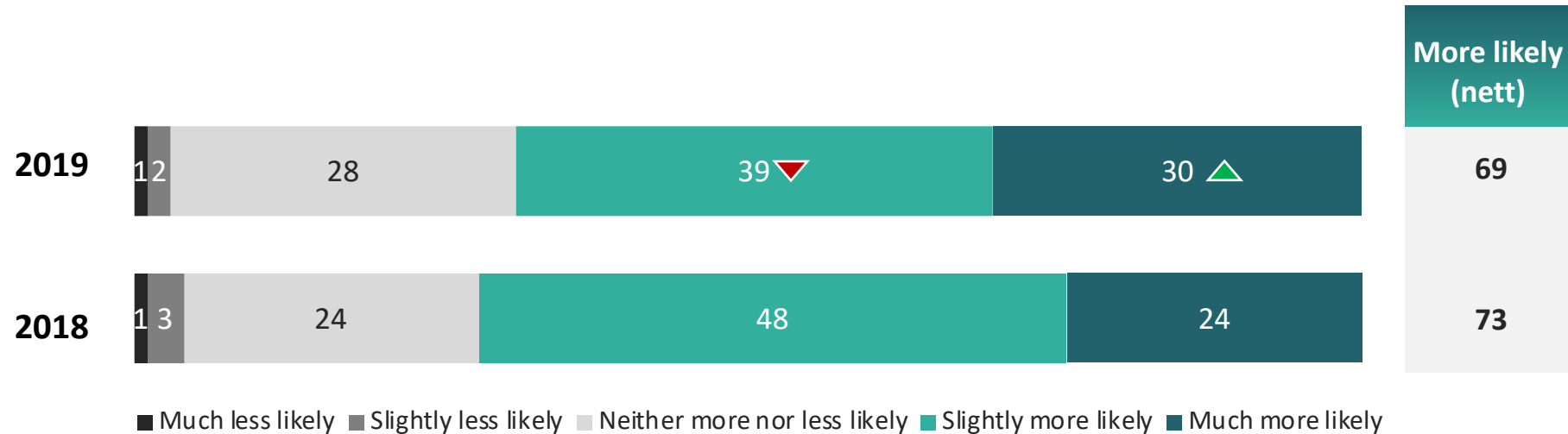
Q14. How much do you agree or disagree with the following statement? I would consider moving my KiwiSaver to another provider / investment elsewhere if I found out they were investing in companies that engage in activities not consistent with my values.

▼▲ significantly higher/lower vs 2018
 xx/xx significantly higher/lower vs total

Influence of independent certification on investment

Almost 7 out of 10 New Zealanders with KiwiSaver or other financial investments are more likely to invest in a fund that is certified. There has been a significant increase in the proportion of people who are **much more likely** to invest in a certified scheme compared to a year ago.

% Likelihood to invest in a financial scheme with independent certification as a 'responsible or ethical investor'



The following demographic groups are more likely to agree (nett):

- Those who have university qualifications (76%)
- Women (75%)
- Live in a suburban area (73%)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio), excluding those who were 'not sure' (718).

Source: Q16

Q16. Would you be more or less likely to invest in an investment scheme that is certified by an independent body as a "responsible or ethical investor"?

▼ ▲ significantly higher/lower vs 2018
xx/xx significantly higher/lower vs total

BARRIERS TO UPTAKE OF RESPONSIBLE INVESTMENT

Perceived barriers to responsible investment

A lack of time is now the number one barrier for New Zealanders when it comes to switching to a responsible/ethical fund/investment/company, particularly for women and those aged 30-49 years old. A lack of independent information is still a key barrier.

%



Women (61%); those aged 30-49 (61%) and those with a university qualification (60%) are more likely to say "I don't have time"

*Asked of those who have KiwiSaver (691)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

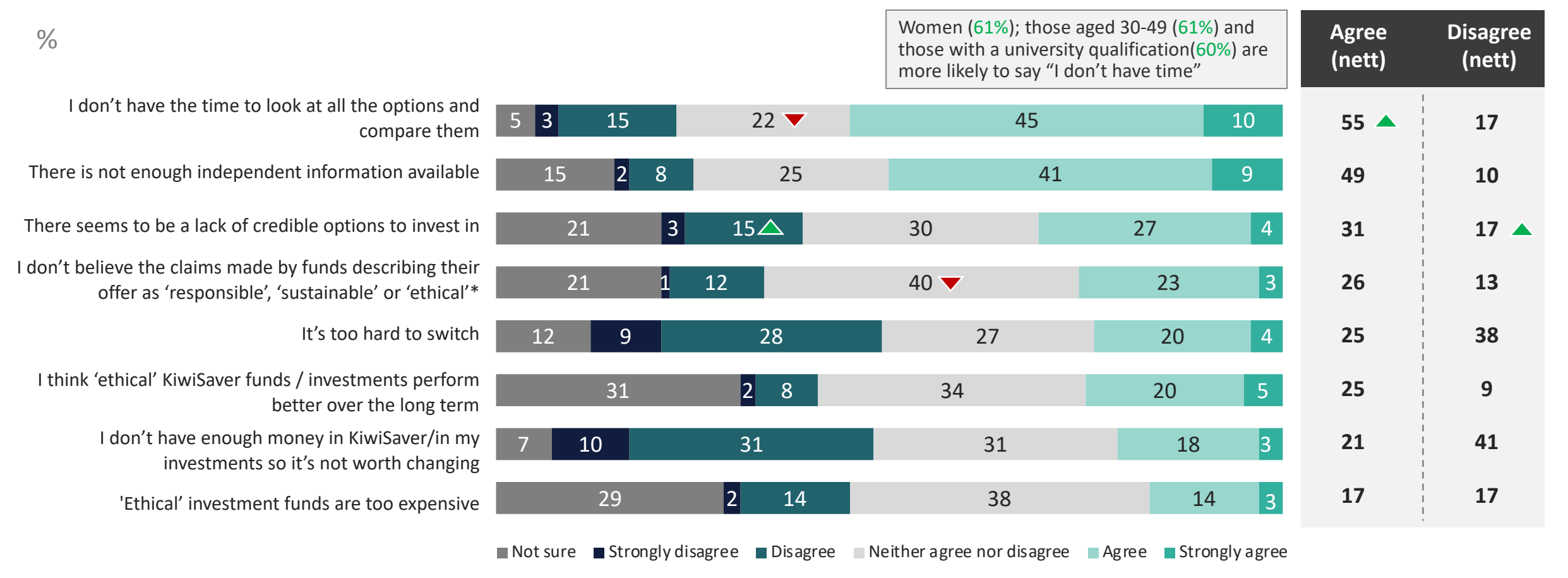
Source: Q15

Q15. How much do you agree or disagree with the following statements regarding switching to a responsible or ethical KiwiSaver fund/ investment scheme/company?

▲ significantly higher vs 2018
▼ significantly lower vs 2018
xx/xx significantly higher/lower vs total

Perceived barriers to responsible investment

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*Asked of those who have KiwiSaver (691)
 Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).
 Source: Q15
 Q15. How much do you agree or disagree with the following statements regarding switching to a responsible or ethical KiwiSaver fund/ investment scheme/company?

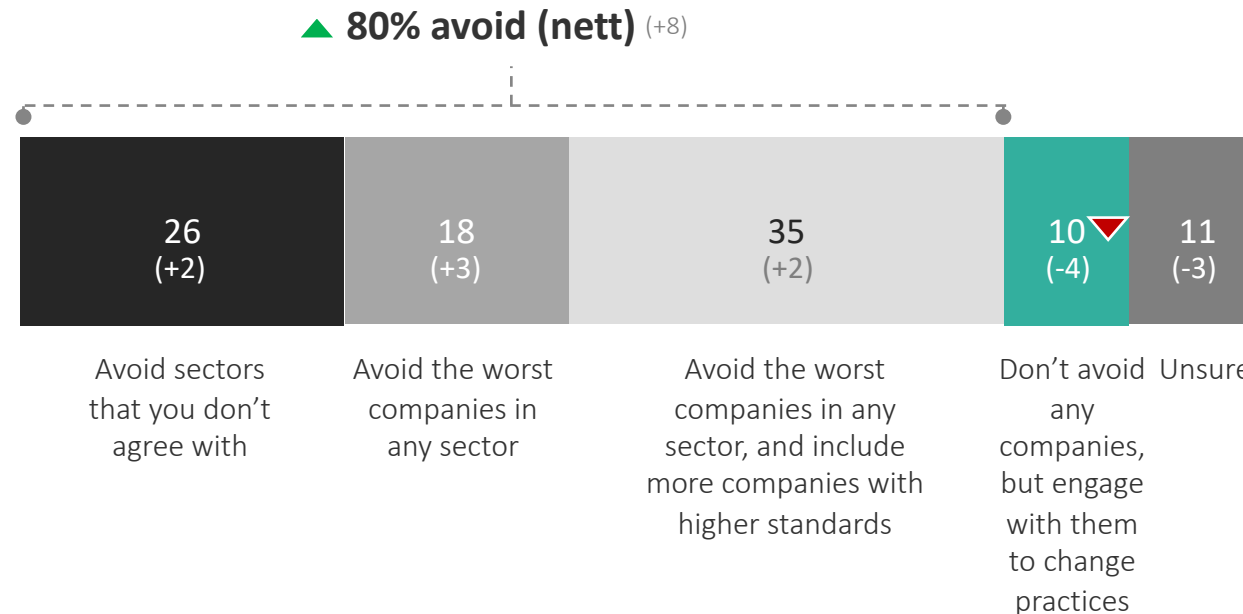
▼ ▲ significantly higher/lower vs 2018
 xx/xx significantly higher/lower vs total

CONCERNS OVER SECTORS AND COMPANIES

Perceived importance of avoiding or engaging with problematic companies or sectors

Overwhelmingly, more people with KiwiSaver or other financial investments believe it's important for an investment company to totally avoid companies or sectors they don't agree with – now 8 in 10.

% Is it more important for an investment company to...



The following demographic groups are more likely to say avoid sectors you don't agree with:

- Those who have a university qualification (31%)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

Source: Q12

Q12. Is it more important for an investment company to...?

▼▲ significantly higher/lower vs 2018
xx/xx significantly higher/lower vs total

Importance that KiwiSaver fund or investment scheme avoids the following issues

9 in 10 New Zealanders with KiwiSaver and other financial investments believe the most important issues to **avoid** are those that involve human rights violations and labour rights abuses. There are high levels of concerns with new issues added this year, including companies that do not pay their fair share of tax, animal testing, social media companies that breach privacy standards and predatory lending.



Women are more likely to say all of these issues are important.
Those aged over 60 are more likely than younger people to rate 8 of the 17 industries as important.

** New in 2019

*** Wording change

*Important (nett) defined as those who said it was at least somewhat important (i.e. somewhat important, important or very important)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

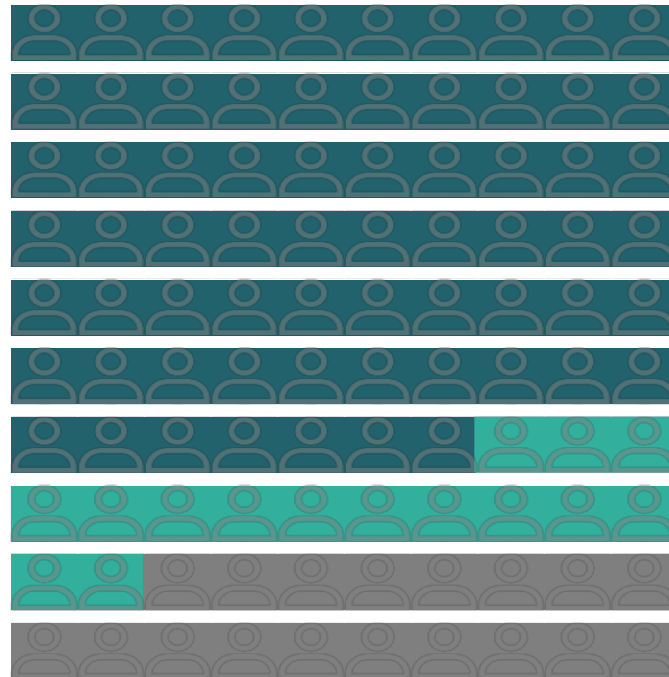
Source: Q13

Q13. How important it is to you that your KiwiSaver fund/ investment scheme/company avoids investing in the following industries?

▲ ▼ significantly higher/lower vs 2018
xx/xx significantly higher/lower vs total

Willingness to invest in KiwiSaver funds or investment schemes that aim to create positive social and environmental impacts

8 in 10 New Zealanders with KiwiSaver and other financial investments are prepared to invest in companies that create positive benefits but ideally, it should yield standard returns.



67%
If return is as high as a standard scheme

15%
Even if lower return

82%
TOTAL YES



Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

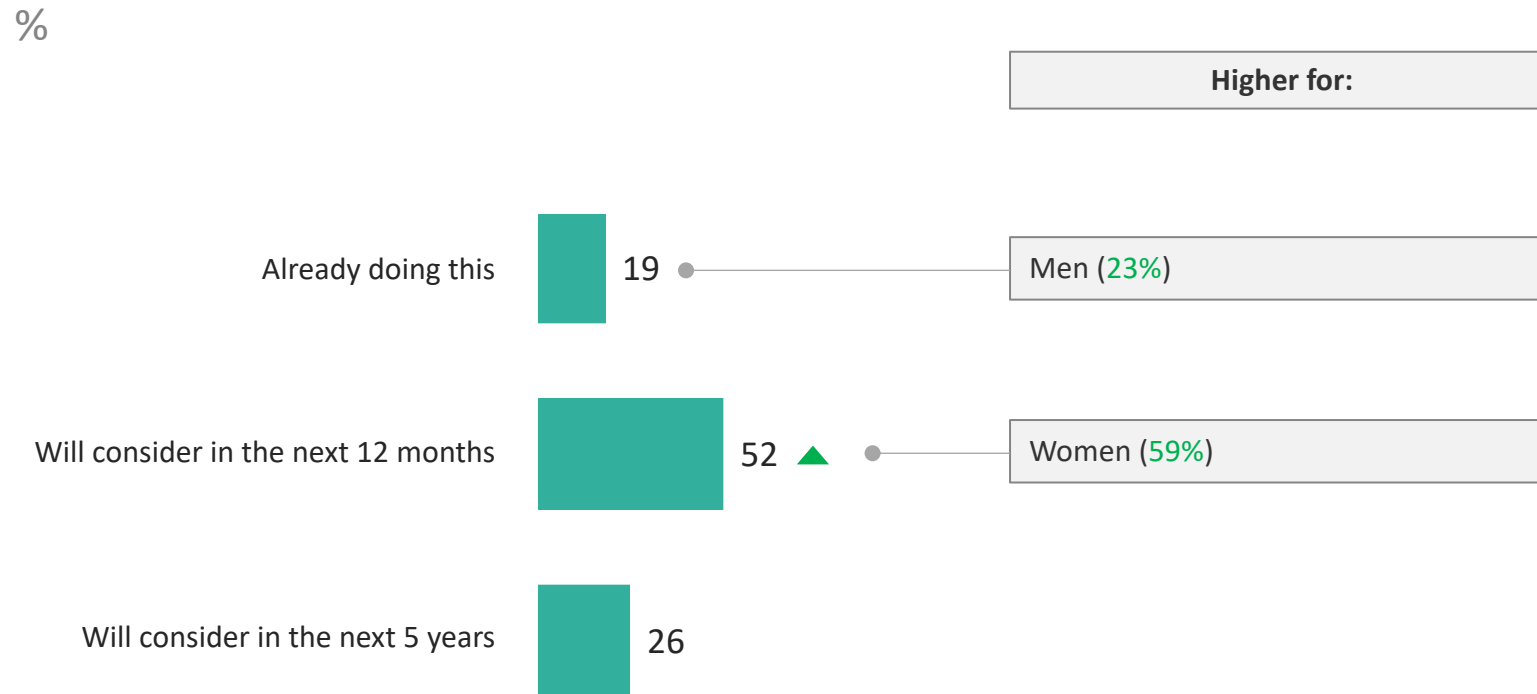
Source: Q9.

Q9. Would you be prepared to invest in a KiwiSaver scheme / investment scheme/company that invested **only** in companies that create **positive benefits** for society and the environment?

▼ ▲ significantly higher/lower vs 2018
xx/xx significantly higher/lower vs total

Timeframe in which New Zealanders would consider investing in KiwiSaver funds or investment schemes with a positive impact

Among those who would be prepared to invest in a KiwiSaver fund or investment scheme that has a positive impact, just over half are most likely to consider investing for positive impact in the next 12 months.

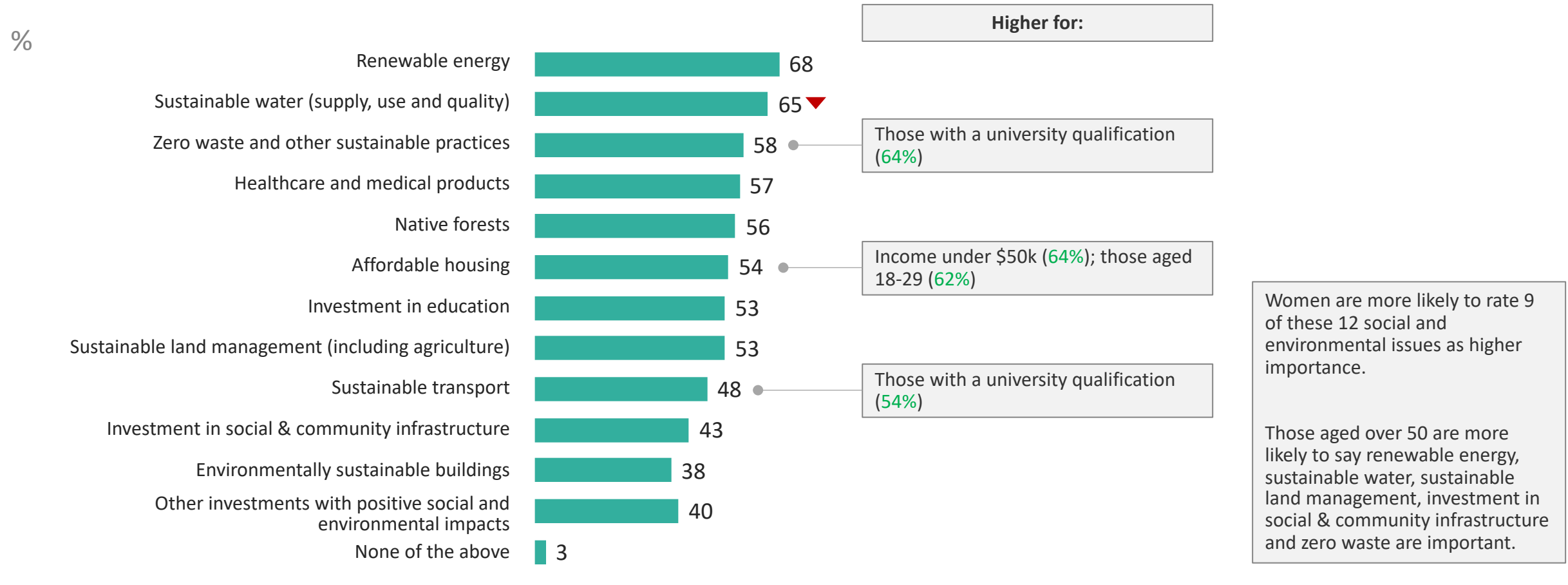


Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) who would be prepared to invest in a responsible KiwiSaver fund or investment scheme (638).
 Source: Q10.
 Q10. When, if ever would you be most likely to consider investing in responsible Kiwisaver funds / investments or companies that aim to create positive social and environmental impacts?

▼▲ significantly higher/lower vs 2018
 xx/xx significantly higher/lower vs total

Top social and environmental issues

Renewable energy and sustainable water are the two most important issues for New Zealanders when it comes to their ideal investment fund.



Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) who would be prepared to invest in a responsible KiwiSaver fund or investment scheme (638).

Source: Q10a.

Q10a. When thinking about your ideal investment fund, which of the following social and environmental issues do you find important?

▲ significantly higher vs 2018
 ▼ significantly lower vs 2018
 xx/xx significantly higher/lower vs total



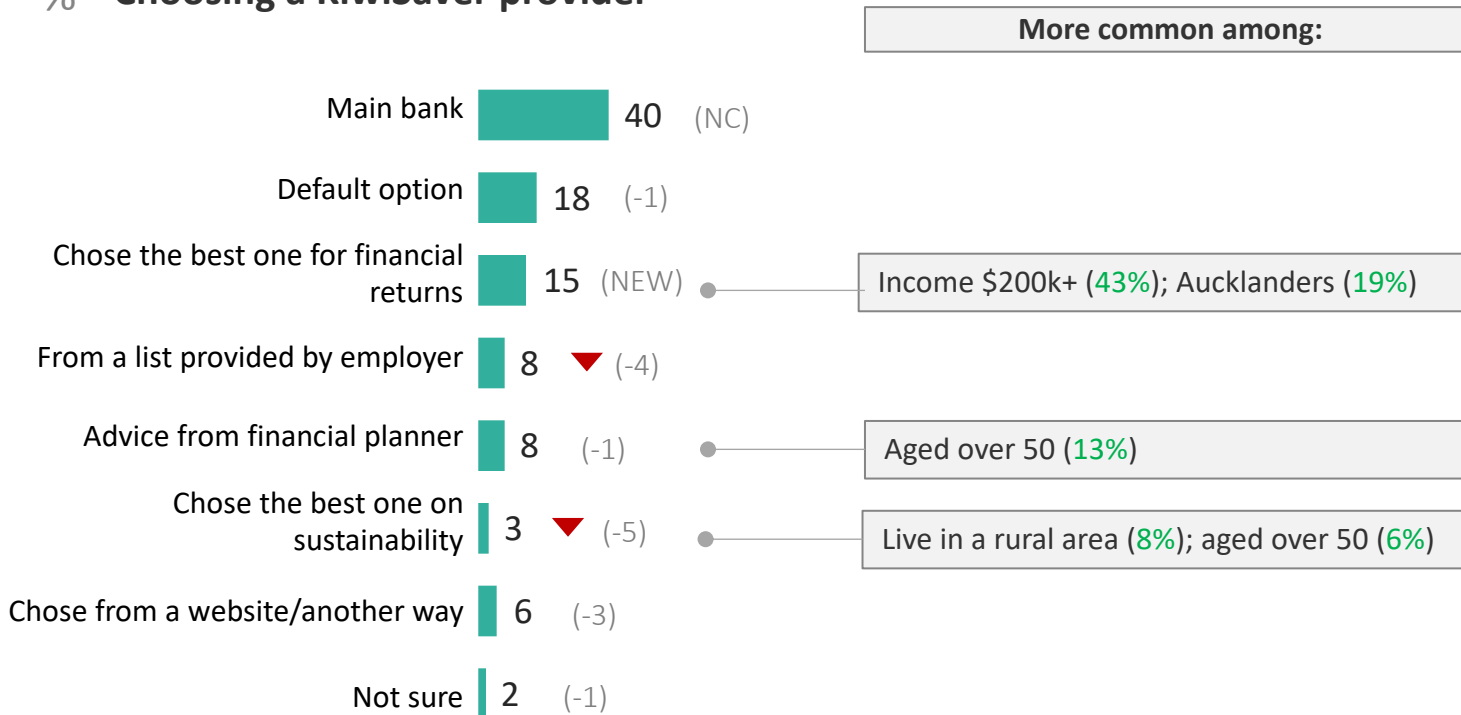
SUMMARY OF INVESTMENT AND KIWISAVER ACTIVITY



How New Zealanders choose a KiwiSaver provider

New Zealanders with KiwiSaver typically choose their provider based on convenience, by either choosing their main bank or the default option. 15% of those with KiwiSaver choose their provider based on best financial returns.

% Choosing a KiwiSaver provider



*Chose KiwiSaver provider another way...

“Has the lowest fees on the market.”
Male, 40 – 49 years

“Family recommendation.”
Female, 20 – 29 years

“My husband chose it and he set it up.”
Female, 40 - 49 years

“Recommendation from colleagues and researched options then chose lowest fees and good returns.”
Male, 50 – 59 years

“I got a personal loan from the bank at the time and they talked me in to moving all my banking to them.”
Female, 30 - 39 years

“On the advice of a friend.”
Female, 40 - 49 years

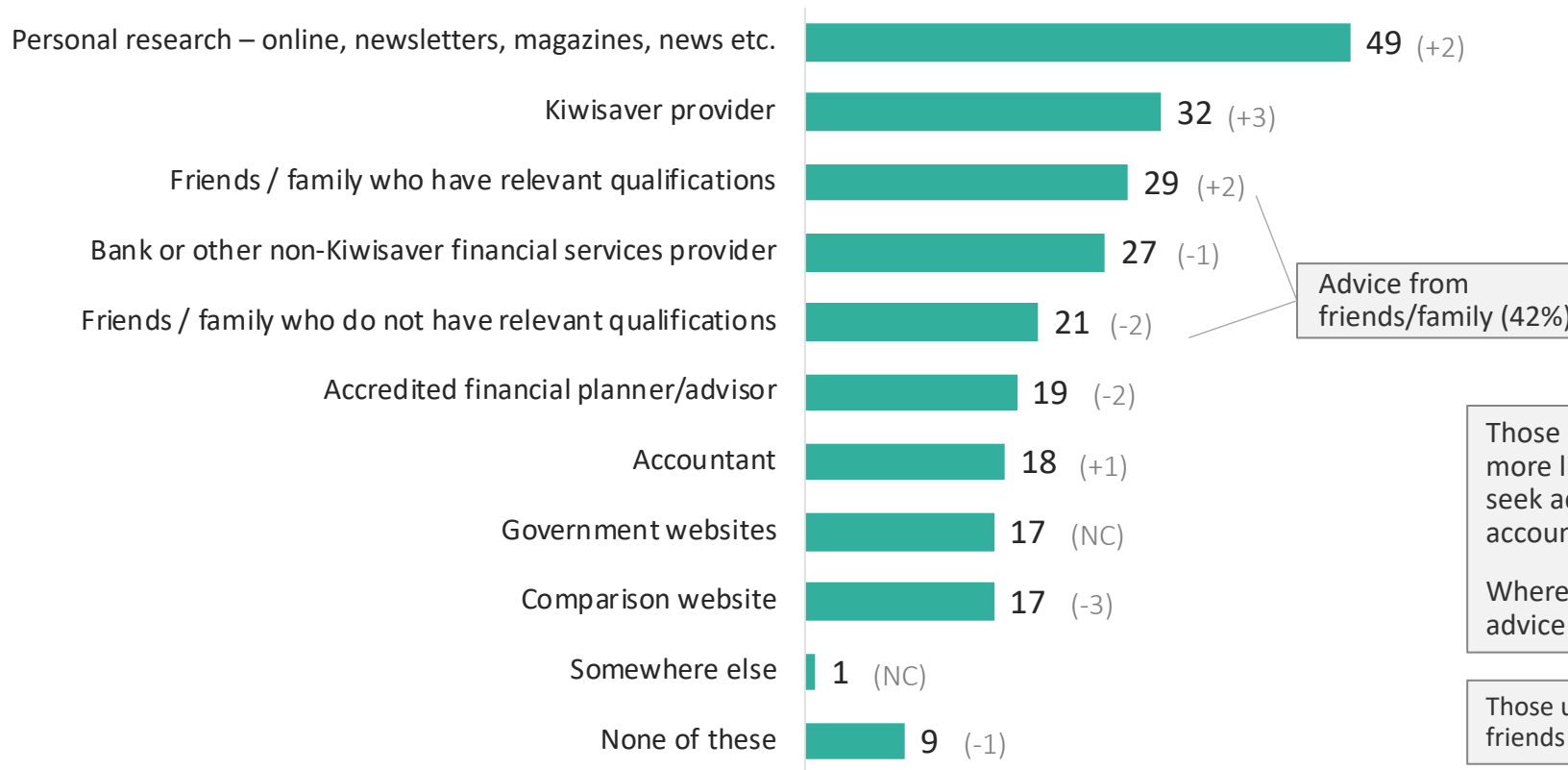
Base: All respondents with KiwiSaver (691).
Source: Q3
Q3. How did you choose your current KiwiSaver provider?

▼▲ significantly higher/lower vs 2018
xx/xx significantly higher/lower vs total

Sources of financial advice

New Zealanders with KiwiSaver or other financial investments most commonly source financial advice through personal research or from friends and family. Over a quarter get advice from their KiwiSaver or financial services provider. Only 1 in 5 get professional advice from a financial planner and even fewer receive advice from an accountant.

%



Those with financial investments such as shares are more likely to conduct personal research (66%), or seek advice from a financial planner (30%) or accountant (25%).

Whereas those with KiwiSaver tend to rely on advice from their KiwiSaver provider (36%).

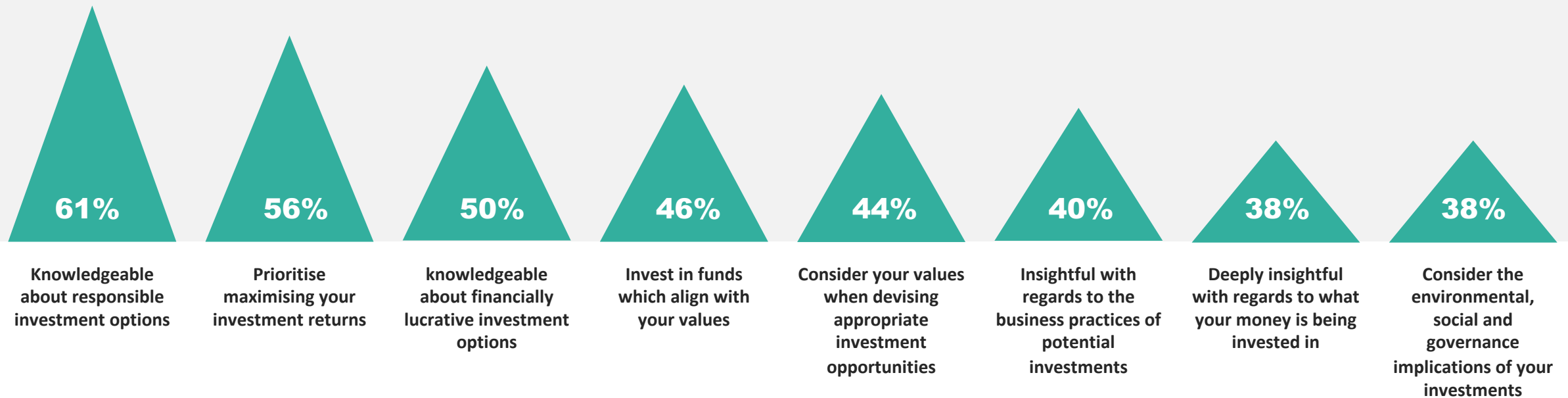
Those under 30 are more likely to rely on advice from friends or family with no relevant qualifications (29%)

Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).
 Source: Q17
 Q17. From which of the following sources do you get financial advice?

▲ significantly higher vs 2018
 ▼ significantly lower vs 2018
 xx/xx significantly higher/lower vs total

What New Zealanders expect from their financial advisor

6 out of 10 New Zealanders with KiwiSaver and other financial investments say it's important that financial advisors are *knowledgeable about responsible investment options and maximise returns on investments*.



Base: All respondents with KiwiSaver or have other financial investments (e.g. share portfolio) (778).

Source: Q18.

Q18. When working with a financial advisor, which of the following, if any, would you expect of them? If you don't work with a financial advisor, please answer hypothetically.

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IMPORTANT INFORMATION

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- They must not be disclosed by the Client to any third party, other than to a consultant working for a Client on that project. In particular, they must not be used by the Client to influence proposals or cost quotations from other researchers.

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- Publish the appropriate details of the project
- Correct any misleading aspects of the published presentation of the findings

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