

MEDIA RELEASE

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Leap in consumer demand for ethical investing: 2 in 3 Kiwis prepared to switch funds

More than 8 in 10 New Zealanders (83%) expect their KiwiSaver or other investments to be invested responsibly and ethically, new research commissioned by the Responsible Investment Association Australasia (RIAA) and Mindful Money has revealed. This compares with 7 in 10 New Zealanders (72%) in 2018.

In an important signal to New Zealand's KiwiSaver, banking and wealth management sectors, 2 in 3 New Zealanders would consider switching their KiwiSaver or other investments to another provider if their current fund engaged in activities inconsistent with their values.

The NZ-wide polling, conducted by Colmar-Brunton in September, shows consumer demand for responsible and ethical investment is on the rise, as the responsible investment industry continues to grow in size and influence.

"The rising consumer sentiment around ethical investing is reflected by the continuing growth in the responsible investment sector in NZ" said RIAA's CEO Simon O'Connor. "The challenge lies with fund managers to develop and provide consumers with suitable products which match their interests, concerns and values."

Mindful Money's founder and CEO, Barry Coates said "The survey shows that New Zealanders want to avoid investing in companies that do not reflect their values – human rights violations and labour rights abuses top the list. Now, for the first time, investors can see where their funds are invested by using the Fund Checker on Mindful Money's website."

"The survey confirms last year's findings that it is not only Millennials who want to invest ethically - support is even higher amongst those over 60 years old. Support is also stronger amongst women than men, especially in holding strong expectations of ethical performance in their KiwiSaver accounts and other investment funds."

"We know that despite this growing level of consumer demand, most people simply lack the time to research all the options available. With RIAA's Responsible Returns online tool and Mindful Money, we are making it easier for consumers, with simple, clear tools to help New Zealanders find investment options that match their values" said O'Connor.

The survey shows that 70% of consumers would be more likely to invest in a product certified by a third party. Underpinning these tools, RIAA runs the world's longest running Certification Program with the Responsible Investment Certification Mark indicating that a product has been independently verified to assure consumers that they are meeting highest standards of practices and are true to label.

The survey shows the vast majority of New Zealanders want their savings invested in companies that not only avoid damaging investments, but deliver positive outcomes, notably renewable energy and sustainable water solutions. Just over half will consider investing in responsible KiwiSaver funds, investments or companies that are aiming to have a positive social or environmental impact within the next 12 months. This is a strong signal to fund managers that there are opportunities for those offering impact investment funds.

80% of New Zealanders want to avoid investing in problematic companies or sectors. This survey asked about new issues that might be of concern. The data shows that 89% of the public want to avoid investing in companies that don't pay their fair share of tax, 86% want to avoid social media companies that breach privacy standards, and 86% want to avoid companies that practice predatory lending. Fund providers have opportunities to offer funds that meet these consumer demands.

Financial advisers should also take note, with 6 out of 10 New Zealanders with KiwiSaver and other financial investments saying it's important that financial advisors are knowledgeable about responsible investment options at the same time as prioritising returns on investments.

The results of this survey underscore the importance of a roadmap towards sustainable finance. The forthcoming report from the Sustainable Finance Forum can provide a framework to guide the finance sector's role in achieving a more resilient and sustainable economy, and result in even stronger uptake of responsible investments.

Available for interview:

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