

MEDIA RELEASE

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Australians' looking to finance sector to deliver for society - new research

As the nation grapples with the economic and health impacts of the COVID-19 pandemic, new research shows that 9 in 10 Australians believe our finance sector has a role to play in generating positive social, environmental and economic outcomes for the country.

The new study¹ commissioned by the Responsible Investment Association Australasia (RIAA) highlights the role of responsible and ethical investing in helping the business and finance sectors better meet the needs of clients, customers, staff and communities they are engaging with.

“The COVID-19 crisis is reinforcing how interconnected our societal wellbeing is with business and our economy. It’s no longer acceptable for a company to single-mindedly safeguard its profits to the detriment of its staff, the community, or our environment” said Simon O’Connor, RIAA CEO.

“How companies and investors respond to these uncharted and challenging times will inform how we shape our future economy – hopefully into one that is more inclusive, resilient and sustainable.”

While our health system battles to cope with the casualties from COVID-19, 1 in 2 Australians consider healthcare and medical products an important theme when investing their money, as well supporting the environment, such as through renewable energy and sustainable water management.

The study shows that 86% of Australians expect their savings and super to be invested responsibly and ethically. More than 2 in 3 Australians do not want their money to cause harm to the planet, such as environmental degradation, fossil fuels, or logging. Animal cruelty is a significant concern (60%), along with tobacco (54%), human rights abuses (51%), weapons and firearms (54%) and gambling (50%).

“People are seeing strong performance of responsible and ethical investment funds and products. Australians’ trust that ethical investments lead to better performance outcomes has skyrocketed with 67% of Australians believing ethical or responsible banks perform better in the long term and 62% for super funds. This is a very significant 33% rise since our 2017 research was conducted,” said O’Connor.

Younger generations leading the charge

The research shows younger generations are paving the way for ethical investing. Gen Z (73%) and Millennials (71%) in particular say they would save and invest more if they knew that their money would make a positive difference, when compared to Baby Boomers (31%).

The recent extreme weather conditions have hit home most for Gen Z (78%) and Millennials (69%), who are most likely to switch financial institutions to one which invests ethically or responsibly.

¹ Lonergan Research surveyed 1,135 Australians aged 18+. Surveys were distributed throughout Australia including both capital city and non-capital city areas. The survey was conducted online amongst members of a permission-based panel, between 7 and 13 February 2020. After interviewing, data was weighted to the latest population estimates.

Australians searching for information about responsible investing

While there is a clear passion towards ethical investment and its benefits, 82% of the nation believes it is the lack of independent information regarding ethical or responsible savings and superannuation which is impacting the Australians decision to change.

More than three-quarters of the population (79%) would be more likely to invest if a provider or product had been certified by an independent third party. [Responsible Returns](#) – [responsiblereturns.com.au](#) - is RIAA's free online tool which equips every Australian with the ability to find certified responsible or ethical banking, superannuation and investment options that match the individual's values and interests.

"The report shows that Australians' concern for climate action has reached a tipping point and they're now focusing on solutions such as responsible investing. We hope these results serve as a call to arms for the entire industry to deliver on Australia's demands and utilise capital for a sustainable future for everyone" said Allyson Lowbridge, Chief Customer Officer for Australian Ethical, sponsor of this research.

"Globally, more than US\$30.7 trillion of assets are being professionally managed under responsible investment strategies, so this is not just a feel-good option but one that can lead to better financial outcomes alongside better outcomes for people and the planet." said O'Connor.

Who should we invest in?

RIAA has identified 13 Australian super funds as leaders for articulating and demonstrating a comprehensive approach to responsible investment – Australian Ethical, AustralianSuper, CareSuper, Cbus, Christian Super, First State Super, Future Fund, Future Super, HESTA, Local Government Super, Unisuper, VicSuper and Vision Super

For further information, or to arrange an interview with Simon O'Connor, Chief Executive Officer, Responsible Investment Association Australasia, please contact Luke Dean-Weymark from Compass Studio on 0412 356 727 or email luke@compasscreative.com.au

For more information on RIAA or to to download the latest consumer report please visit <https://responsibleinvestment.org/>

Appendix:

Additional key findings from 2020 RIAA report

- Willingness to move money
 - 3 in 4 (74%) Australians would consider shifting their banking and superannuation to an alternative provider that invests responsibly and ethically. Millennials are the most likely to shift their money (82%).

- Role of financial advisers
 - 9 in 10 Australians believe it's important that their financial adviser provides responsible or ethical options.
 - 86% of Australians believe that it is important that their financial adviser asks them about their interests and values in relation to their investments.
 - 87% of Australians feel comfortable discussing their interests and values in relation to their investments with their financial adviser.

Top 10 areas Australians want included in their investments:

1. Renewable energy and energy efficiency (55%)
2. Sustainable water management and use (48%)
3. Healthcare and medical products (48%)
4. Healthy river and ocean ecosystems (45%)
5. Sustainable land and agricultural management (43%)
6. Education (42%)
7. Reforestation (40%)
8. Zero waste (37%)
9. Sustainable transport (36%)
10. Social and community infrastructure (35%)

Top 10 issues Australians want to avoid include:

1. Animal cruelty (60%)
2. Tobacco (54%)
3. Weapons and firearms (54%)
4. Human rights abuses (51%)
5. Gambling (50%)
6. Pornography (50%)
7. Companies that don't pay their fair share of tax (49%)
8. Predatory lending by financial institutions (45%)
9. Environmental degradation (land, water, air) (42%)
10. Labour rights abuses (40%)

STATE SPECIFIC STATISTICS**NSW**

Those in NSW/ACT are most likely to say their investment decisions can influence the amount of climate change caused by humans (59%; cf. national average 54%), and the recent conditions in Australia have prompted me to think about switching financial institutions to one which invests ethically or responsibly (49%; cf. national average 43%)

VIC

Those living in Victoria are the most likely to say they would be motivated to try and save and invest more if they knew their savings and investments made a positive difference in the world (57%; cf. national average 53%)

QLD

More Queenslanders say renewable energy and energy efficiency (62%; cf. national average 55%), reforestation (42%; cf. national average 40%) and zero waste (42%; cf. national average 37%), are important issues regarding investing their money than other states.

SA

South Australians are the most likely to say they will never consider investing in ethical companies, funds or superannuation funds that aim to create positive social and environmental impacts (34%; cf. national average 29%)

WA

Western Australians are the least likely to have heard of responsible, ethical or sustainable investing (39%; national average 50%)

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 300 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.

OTHER USEFUL INFORMATION:

- The research was commissioned by RIAA and conducted by Lonergan Research in accordance with the ISO 20252 standard. Lonergan Research surveyed 1,135 Australians aged 18+. Surveys were distributed throughout Australia including both capital city and non-capital city areas. The survey was conducted online amongst members of a permission-based panel, between 7th February and the 13th of February, 2020. After interviewing, data was weighted to the latest population estimates sourced from the Australian Bureau of Statistics.
- Responsible investment funds are largely outperforming their average mainstream counterparts year on year, as the market for responsible investment continues to grow in Australia. (RIAA's 2018 Responsible Investment Benchmark Report)
- RIAA's Responsible Returns online tool connects consumers who care about responsible and ethical investing, with over 150 certified superannuation, banking and investment products that best match their interests
- Globally, as at 2018 there are US\$30.7 trillion of assets being professionally managed under responsible investment strategies, a 34% increase since 2016. (Global Sustainable Investment Alliance 'Global Sustainable Investment Review 2018')
- Australia's responsible investment market continued its upward trajectory in 2018, with \$980 billion in assets under management, a rise of 13% on the previous year. This represents 44% of Australia's total \$2.25 trillion in professionally managed assets. (RIAA's 2018 Responsible Investment Benchmark Report)