



## Summary results of PensionBee survey on consumer investment views

In January 2020 PensionBee surveyed c.2,000 consumers in its largest fund, the Tailored Plan, a popular investment option for automatic enrolment provided by BlackRock.

The survey was designed to inform whether mainstream pension products are aligned with the changing investment expectations of consumers from a value as well as a values perspective.

The results will be used to inform the evolution of our investment offering.

Respondents expressed a strong interest in transparency about which companies their pensions are invested in, and a desire to balance making money for their retirement with investing in companies which promote positive social outcomes.

With respect to investments, there is strong consensus for companies that make banned weapons to be removed from investment portfolios. There is also agreement for there to be a strong screening approach when it comes to companies that break international laws, and for tobacco companies. On the other hand, respondents tend to prefer a strong 'engagement with consequences' approach when it comes to oil companies.

Most respondents expect pension providers to play a role in driving better behaviour within investee companies, whether through public or private engagement.

Respondents expressed gratitude about being asked to share their views on this subject. One female respondent, aged between 31 and 40, commented:

*'Thanks for the survey. I think all questions are extremely important to me. I would be interested to get the overall results of this survey.'*

Similarly a male respondent, aged over 50, said:

*'Thanks for the option to comment. I believe pension funds can be a powerful tool in encouraging better business practice.'*

Both respondents highlight a strong desire to engage with this debate.

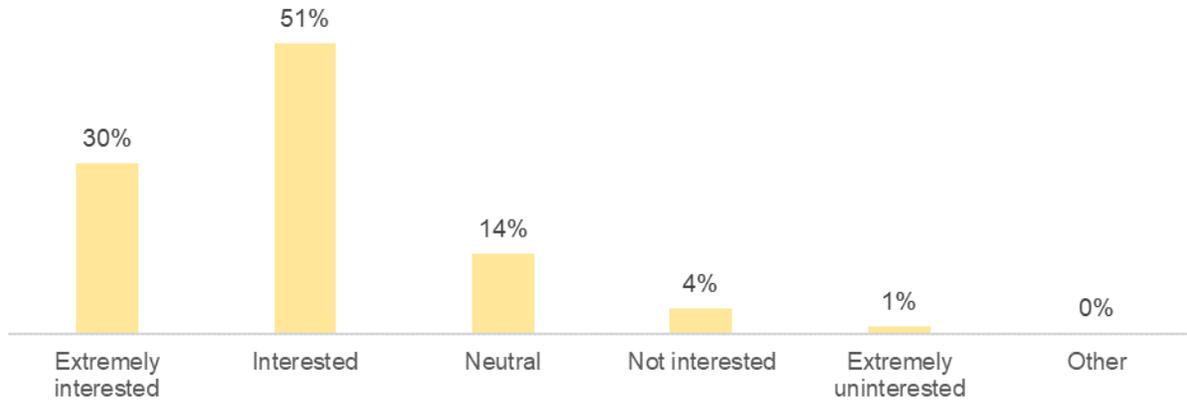
Overall the respondents were broadly reflective of PensionBee's customer base.

Respondents' age	Men	Women	Total
<=30	173	89	262
31-40	457	184	641
41-50	460	146	606
>50	299	94	393
Total	1,389	513	1,902

## Findings

- 81% of consumers want transparency about which companies their pensions are invested in, along with information about their business activities.**

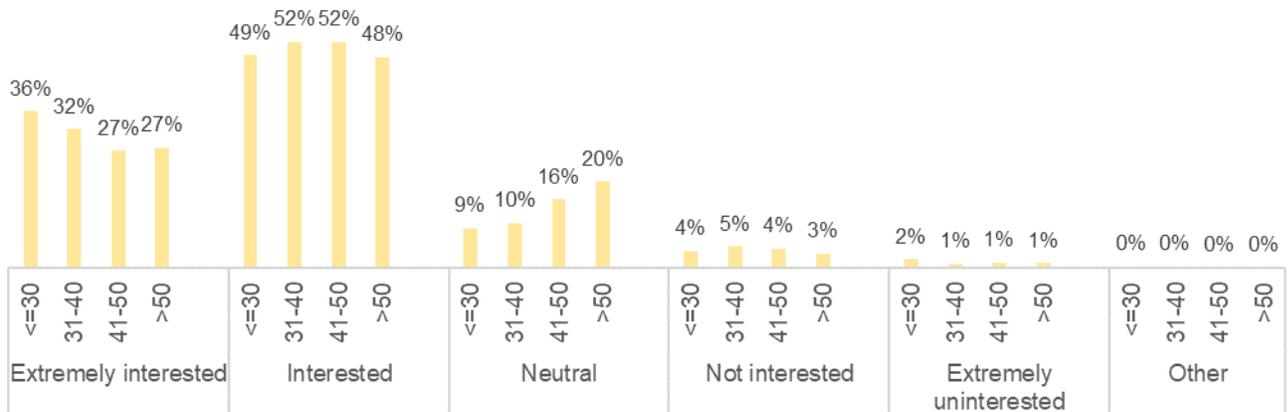
Your pension money is invested in thousands of companies around the world. How interested are you to know which companies these are, and more about their business activities?



Total question respondents: 1,898

The results were largely consistent across all age groups. As the graph below shows, about half of respondents of all age groups expressed that they are interested, and roughly a third said that they are extremely interested in knowing which companies their money is invested in.

Your pension money is invested in thousands of companies around the world. How interested are you to know which companies these are, and more about their business activities?



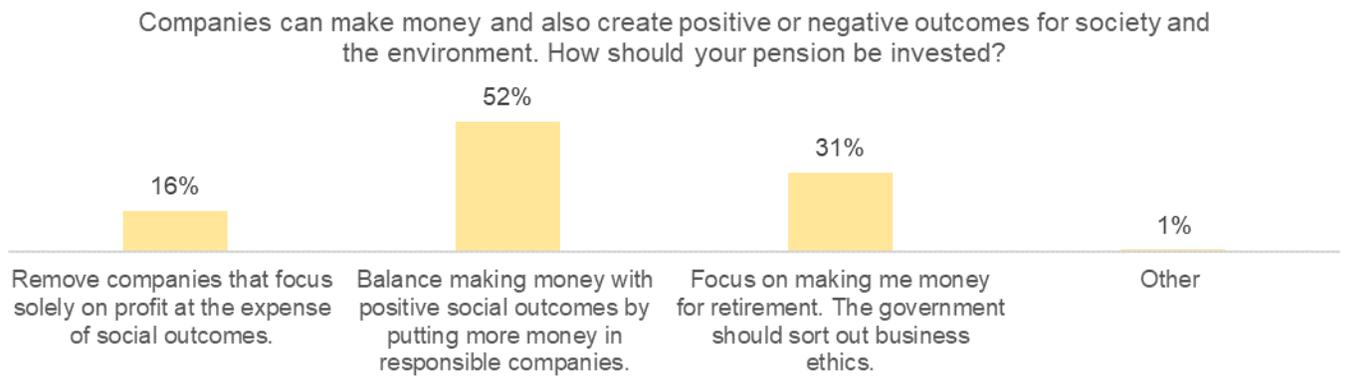
Total question respondents: 1,898

One female respondent, aged between 31 and 40, commented:

*'I would like transparency regarding my investments and choice as to which sectors my money is invested in.'*

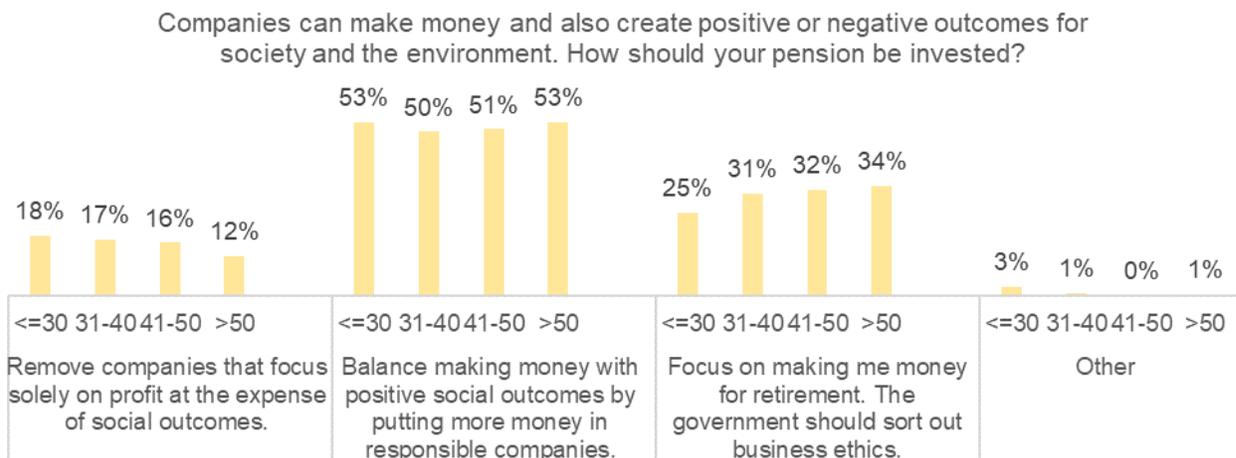
She links investment visibility with being able to choose how her money is invested.

- 2. A majority of consumers (52%) across all age groups seek to balance making money with creating positive social outcomes. A further 16% of all respondents would advocate for entirely removing companies that focus solely on profit at the expense of social outcomes.**



Total question respondents: 1,891

The desire to balance profit with social outcomes is consistent amongst respondents across all age groups. As the graph below shows, about half of the respondents from each age group chose this option.



Total question respondents: 1,891

One male respondent, aged between 41 and 50, explained:

*'Whilst wanting to grow my pension, I feel it is important to do this ethically and sustainably in order to best protect the planet, as this will ultimately be our legacy to our children and grandchildren.'*

A female aged over 50 shares a similar desire for balance:

*'As investors it would be ideal to concentrate on businesses with strong ethical codes, an eye to sustainability and social awareness. Ideal is not always practical or profitable. It would be encouraging to know that you are making moves in this direction, as more companies hopefully embrace the need for change.'*

Both respondents indicate their desire to grow their savings in a way that is consistent with wider societal wellbeing.

On the other hand, another male aged between 41 and 50 expresses concern about taking a balanced approach, and indicates preference for his pension provider to focus solely on making money:

*'When it comes to building a pension to live on in retirement, all I'm mainly interested is in that pension making as much money for me as possible. It's great being ethical, but I can not live on ethics. I vote for politicians and governments for that side of things.'*

Meanwhile, a male respondent aged between 31 and 40, suggests that investments can make money as well as create positive social outcomes:

*'There's enough profitable companies to stay away from the dodgy ones'.*

**3. A strong majority of consumers (61%) want providers to remove banned weapons' manufacturers from their pensions. This is consistent across age groups, but the preference is higher amongst women (82% vs. 53% for men).**

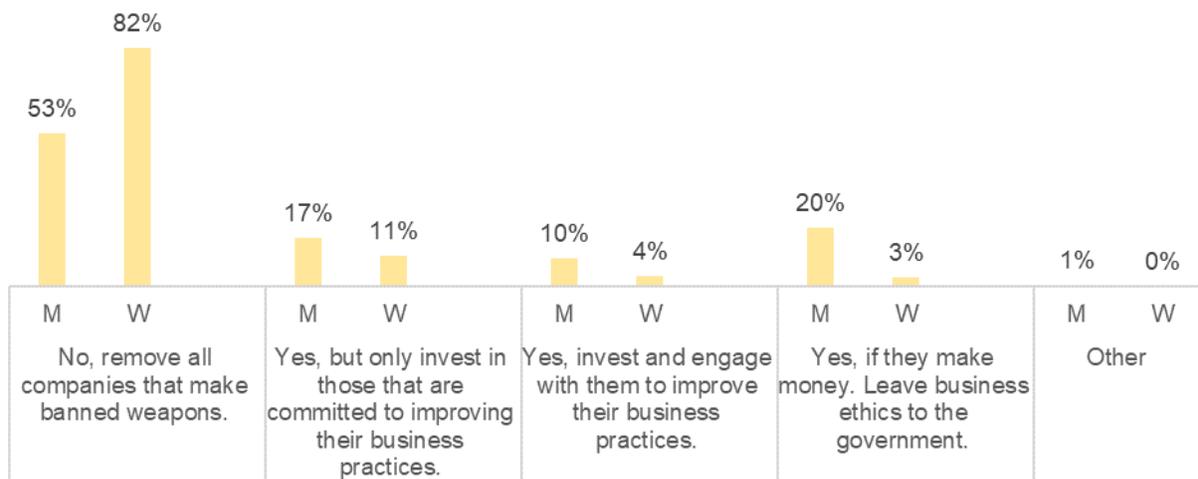
Most pensions invest in thousands of the largest companies in the world. Some of these companies make weapons that have been banned by international agreements. Should your pension invest in these?



Total question respondents: 1,893

The results were consistent across all age groups, but were especially pronounced among women, 82% of whom wished to see manufacturers of banned weapons removed from their pensions (compared to 53% of male respondents).

Most pensions invest in thousands of the largest companies in the world. Some of these companies make weapons that have been banned by international agreements. Should your pension invest in these?



Total question respondents: 1,893

A male respondent, aged between 31 and 40, commented:

*'These businesses only respond to falling profits and investments which is why I believe they should not be a part of portfolios in the first place.'*

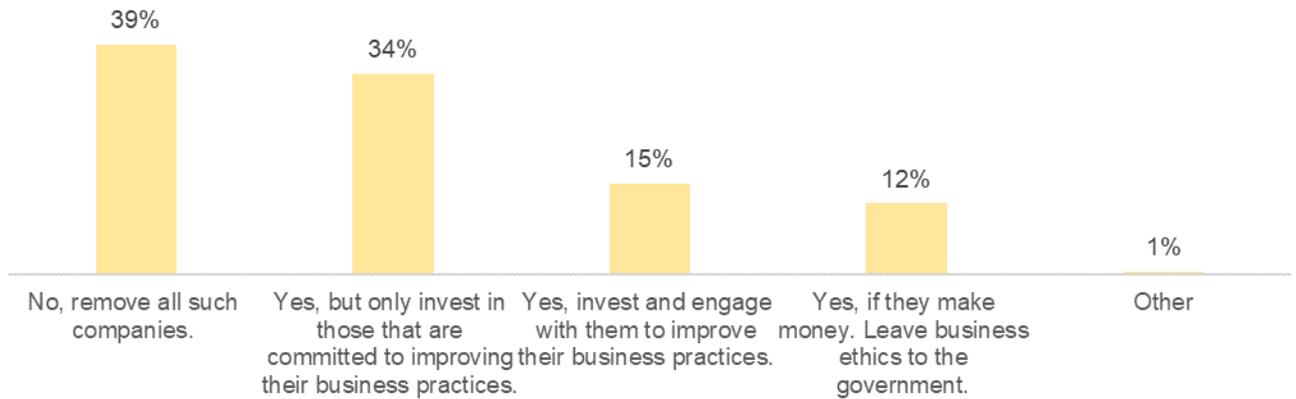
Selected list of companies who would potentially be impacted from pension screening of controversial weapons are:

- Hanwha Corp.
- General Dynamics
- Premier Explosives
- Tata Power Company Ltd

Source: Robeco Exclusion Policy and List

4. **73% of consumers would like to see an active screening approach to companies that violate international laws and norms (such as the United Nations Global Compact) on human rights and corruption. Most respondents (39%) would like to see these companies completely removed from their pensions, while 34% would only invest in those who have committed to change their business practices.**

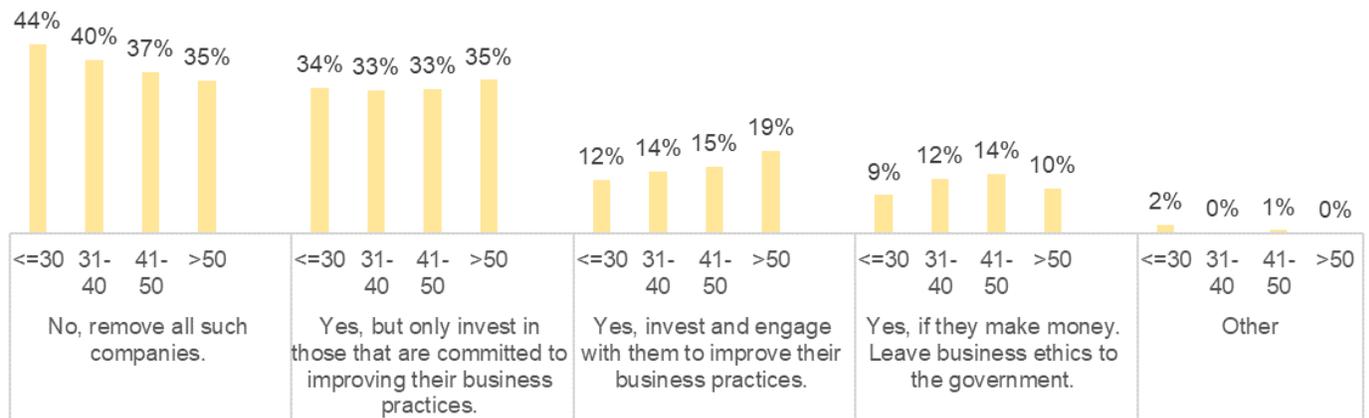
Some very profitable companies have been accused of breaking international laws, including agreements on human rights, labour, environment and corruption. Should your pension invest in these?



Total question respondents: 1,901

Younger consumers were more likely to favour outright removal, while older savers were more likely to be satisfied with strong engagement. Only a small minority of respondents across all age groups thought doing nothing was an option.

Some very profitable companies have been accused of breaking international laws, including agreements on human rights, labour, environment and corruption. Should your pension invest in these?



Total question respondents: 1,901

Consumer comments reflect their firm stance on this. One female respondent, aged between 31 and 40, explained:

*‘Protecting my pension should be the ultimate priority, but within that my money should not be used to support companies that break domestic or international law.’*

A male respondent aged between 31 and 40 expressed a similar sentiment:

'So long as practices are legal, I'm comfortable investing in profitable industries/companies.'

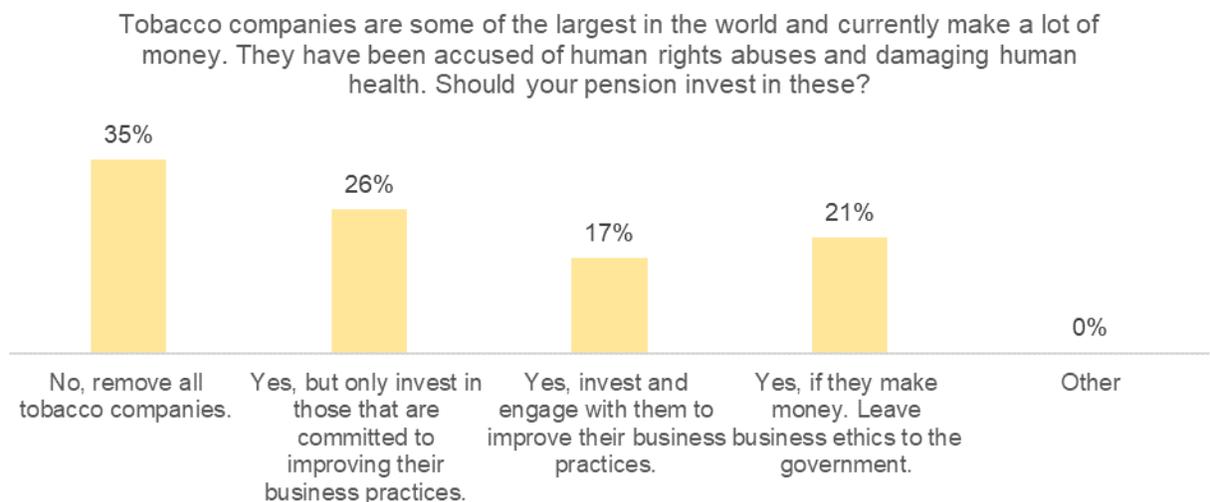
Both comments reveal that respondents see compliance to international laws as a hygiene factor for investments.

Selected list of companies who would potentially be impacted from pension screening for international norm violations are:

- Oil and Natural Gas Corporation (ONGC)
- Vale SA2
- G4S

Source: Robeco Exclusion Policy and List

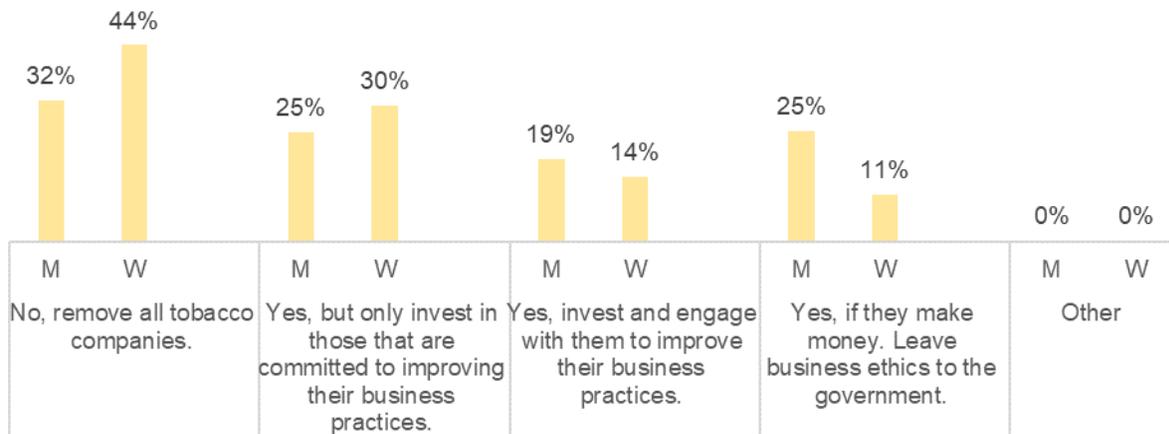
5. **61% of consumers favour an active screening approach towards tobacco companies, with more than half of those (35% in total) requesting outright removal. The results were consistent among all age groups and particularly pronounced among women (74% vs. 57% of men).**



Total question respondents: 1,900

Women were more likely to advocate for an active approach to screening tobacco companies. As the graph below shows, nearly half of female respondents request outright removal compared to about a third of male respondents. A further third of female respondents want to invest only in tobacco companies which are committed to improving, compared to a quarter of male respondents.

Tobacco companies are some of the largest in the world and currently make a lot of money. They have been accused of human rights abuses and damaging human health. Should your pension invest in these?



Total question respondents: 1,900

One male respondent, aged between 31 and 40, expressed that he wants to make money whilst avoiding harmful social outcomes:

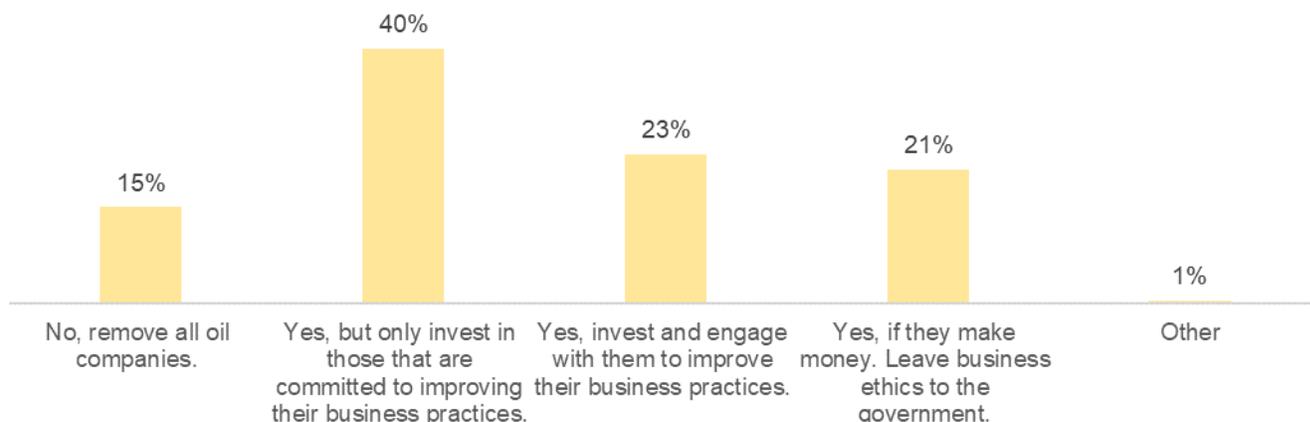
*'I am keen to see my pension savings be invested in ways that make maximum profits for myself, but not at the expense of others' health, livelihoods, or rights.'*

Companies who would potentially be impacted from pension screening for tobacco activities:

- British American Tobacco p.l.c.
- Imperial Brands PLC
- Philip Morris International Inc.

**6. There is a strong consensus (63%) for investing in an 'engage with consequences' approach for major oil producers, with only a minority (15%) favouring outright removal or doing nothing (21%).**

Oil companies currently offer big profits which could benefit you in retirement. They also emit a lot of carbon, and are accused of accelerating climate change. Should your pension invest in these?



Total question respondents: 1,899

The desire for engagement with consequences was consistent among the age groups, although savers under 30 and women were more likely to favour outright divestment (24% of under 30 year olds compared to 15% across all ages; and 22% of women compared to 13% of men).

One male respondent, aged between 31 and 40, indicates that investors should act to drive change rather than remove companies at the outset:

*'If a company who have proven to be poor on ethics and high on profit are unwilling to change their ethics then I do think investment in those companies should cease until they are able to prove that they have changed their operations to a satisfactory level. Point blank refusing to invest in companies without giving them a chance to change their operations is nonsensical and only damages people's pensions without changing those companies' operations. Private engagement should come first, and if it is unfruitful, public engagement should follow.'*

On the other hand, a female respondent aged under 30 expressed skepticism of an engagement approach and suggests that removing companies entirely could be more effective:

*'Unethical companies will only listen to concerns of individuals when they start losing money.'*

A male respondent aged over 50 brings a different view, and sees investing in alternative energy companies as a profitable opportunity:

*'Low carbon....renewables...anti plastic lobby...clean oceans...these are all ethical but real opportunities.'*

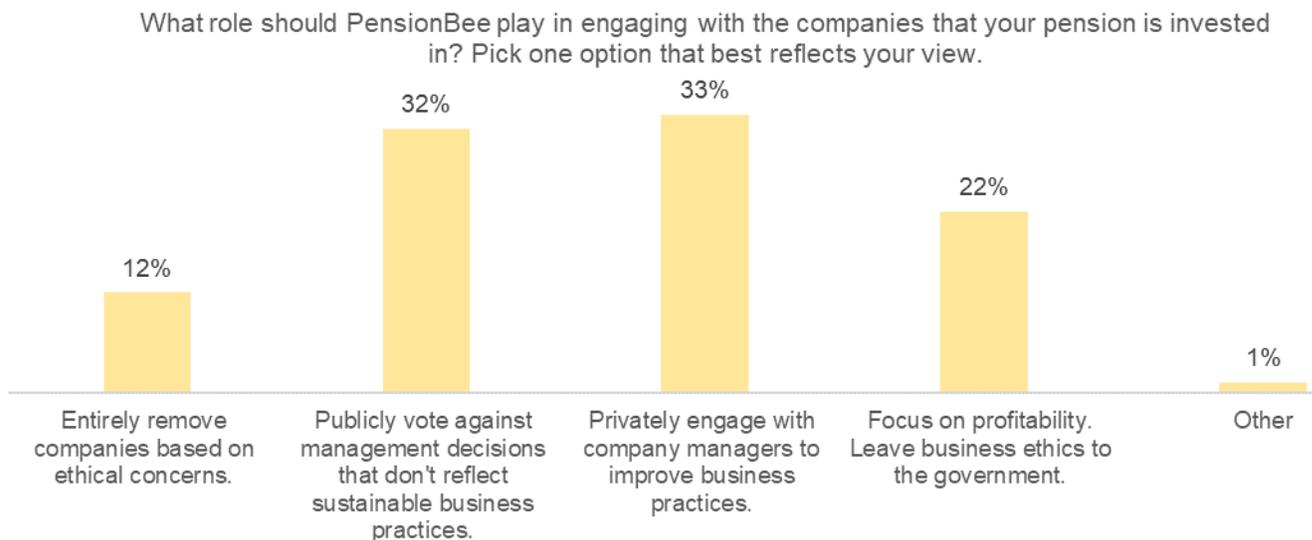
Whilst, another male respondent, aged over 51, feels a sense of urgency and calls for more extreme action:

*'We're running out of time to make a change... act now act hard and fast. The alternative is to be part of the problem. ... ie the destruction of our environment.'*

Companies who would potentially be impacted from pension screening for carbon emitting activities:

- ExxonMobil
- Royal Dutch Shell
- BP Plc
- Total SA

**7. There is a strong preference among consumers (65%) for pension providers to engage with companies on their behalf, both privately (33%) and through public voting (32%).**



Total question respondents: 1,875

One male respondent, aged between 41 and 50, commented on his preference that his pension provider focus on profitability:

*'I strongly disagree with pension providers (and any service providers) taking a moral/ethical stance on investments they make, since it is impossible to reflect the views of everyone investing in that fund and (perhaps more importantly) this guidance is an explicit responsibility of our democratically elected government.'*

Another male respondent, aged over 50, suggests that PensionBee should take firm action because of the impact this has on how they engage with their pension:

*'Where possible, I want to enjoy a guilt free pension. If this means reducing profits, then so be it.'*

Whilst a third male respondent, also aged over 50, calls for a more gradual and nuanced approach:

*'Your objective should be to ensure investments give good returns to investors whilst ensuring the companies leave the world in a better condition. Some organisations you might be able to influence whilst others you cannot and this is likely to change over time. So it is better to assess investments and have the option to divest when organisations are not prepared to consider ethics. You need people who can make these assessments and decide on a case by case basis whether to invest, invest and be active, divest.'*

Please contact PensionBee for more information on the data.