

FINDING OUT PEOPLE'S ATTITUDES TO SRI

THE NETHERLANDS AND BEYOND



BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

INTRODUCTION

.....

What are people's attitudes towards investing, and more specifically towards SRI, in The Netherlands? And how do they compare with those of people in some of the other major European countries?

To find out, between August 14th and September 8th, 2017 **we conducted online interviews on investing and Socially Responsible Investing (SRI) with 5,000 people aged 18 years and over with EUR 8,000 or more to invest.**

All these people were involved in making financial decisions and were evenly split across five countries:

Belgium, France, Germany, Italy and The Netherlands.

In each of these countries, we also considered the responses of around 200 people with EUR 100,000 or more to invest so as to compare the attitudes of high net worth individuals relative to the wider population.

1

ATTITUDES TOWARDS INVESTING IN GENERAL



PEOPLE WITH MORE MONEY HAVE BETTER FINANCIAL KNOWLEDGE



Unsurprisingly, more Dutch people with over EUR 100,000 available feel that they are well informed about financial investments than those with over EUR 8,000.

25%

with over **EUR 8,000** feel they are very well informed

30%

feel they have a poor level of knowledge

36%

with over **EUR 100,000** feel they are very well informed

17%

feel they have a poor level of knowledge

The Netherlands is doing worse than most countries in this respect: of the five nationalities in our survey, all but the Belgians felt better informed than the Dutch.





THE DUTCH ARE VERY PRUDENT WITH THEIR MONEY

1/3 DUTCH PEOPLE

with more than **EUR 8,000** investing in insurance, much lower than the other countries surveyed, and even fewer invest in real estate, bonds, or investment funds.

These figures are significantly lower than for the other countries we surveyed. Amongst the Dutch, regardless of wealth, there are more likely to hold less financial products.

with **EUR 8,000** or more available

34%

invest in insurance

21%

in equities or bonds, investment funds, or real estate

7%

do not hold any investment products

with **EUR 100,000** or more available

40%

invest in insurance

42%

in equities or bonds

32%

in investment funds

36%

in real estate



The Dutch are the most likely not to hold any investment products:

The Netherlands	7%
France	6%
Italy	4%
Germany	3%
Belgium	3%



THE DUTCH TURN TO THE INTERNET (WEBSITES) AND EXPERTS FOR FINANCIAL ADVICE

HOW DO THE DUTCH CHOOSE WHERE TO INVEST THEIR MONEY?

When given the choice about how they like to receive information about financial matters, websites are now the destination of choice.

Of those with **EUR 8,000** or more

39%

go to websites

36%

to their financial advisors

24%

to newsletters

20%

to the media

The Netherlands stands out amongst the participating countries, **as the only country where websites are more frequently consulted than financial advisors** by investors with EUR 8,000 or more when looking for information relating to financial matters for.

ATTITUDES TOWARDS SRI



SRI HAS LITTLE VISIBILITY IN THE NETHERLANDS, AS IN MOST OTHER EUROPEAN COUNTRIES

A third of Dutch people with EUR 8,000 available have heard of SRI, roughly in line with most other European countries.

35% of Dutch people with over EUR 8,000 available have heard of SRI



46% of Dutch people with over EUR 100,000 available have heard of SRI



UNSURPRISINGLY, ONLY A VERY SMALL PROPORTION OF THE DUTCH ACTUALLY INVEST IN SRI PRODUCTS

3% of Dutch people with over EUR 8,000 available

4% of Dutch people with over EUR 100,000 available

These figures are very similar to the ones of the other countries in our survey.

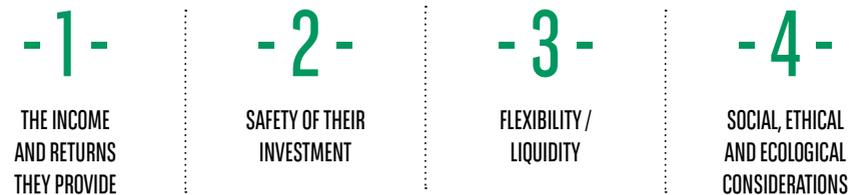
So why is the take-up of SRI so low in The Netherlands - and elsewhere?



DUTCH PEOPLE MAKE THEIR INVESTMENT DECISIONS PRIMARILY WITH REGARD TO THE RETURNS OFFERED; OVER SOCIAL, ETHICAL OR ECOLOGICAL CRITERIA...

Our survey made it clear that safety and return potential are what people care most about when choosing what to invest in, with social, ethical and ecological criteria playing a less important role in their decision-making process.

Social, Ethical and Ecological considerations came last of the four factors we asked participants to rank in importance when they consider what to invest in.



In fact, Social, Ethical and Ecological considerations were deemed the least important consideration in each of the five countries we surveyed.

...THUS, SRI HAS SIGNIFICANT PERSONAL BARRIERS TO OVERCOME

Many Dutch people surveyed hold a sceptical view with regards to responsible investing.

58% of those with over EUR 8,000 said they still feel they **need to be personally convinced** about the benefits of the approach

55% of those with over EUR 100,000

38% of those with over EUR 8,000 agree that it really matters for them that their **money is invested in sustainable companies**

31% of those with over EUR 100,000

31% of those with over **EUR 8,000** believe that SRI has a positive impact on society

31% of those with over **EUR 100,000**

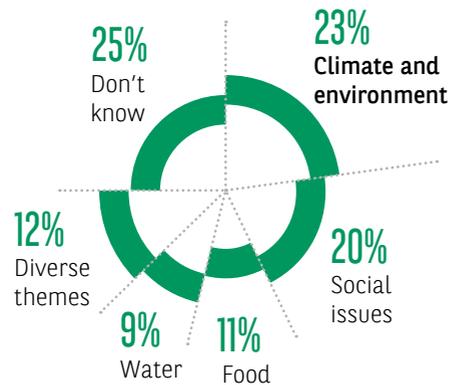
16% of those with over **EUR 8,000** believe that SRI products can provide a return equivalent to that of traditional investments

15% of those with over **EUR 100,000**

There is a similar landscape across Europe, with the Dutch being the most critical in their judgment of SRI. The Italians are the most open to the benefits of SRI.

THE CLIMATE AND THE ENVIRONMENT SEEM TO BE THE MOST INTERESTING AREAS OF SRI FOR INVESTORS

Just under a quarter of Dutch people with over EUR 8,000 (and a similar proportion of those with over EUR 100,000) say the climate and the environment are their major areas of interest within SRI. These are followed by social issues.



Climate and the environment were deemed the most interesting areas for investors across Europe.

THERE'S A LONG WAY TO GO IN TERMS OF RAISING INTEREST IN SRI



FEWER THAN FOUR IN TEN DUTCH PEOPLE SHOWED AN INTEREST IN FINDING OUT MORE ABOUT SRI

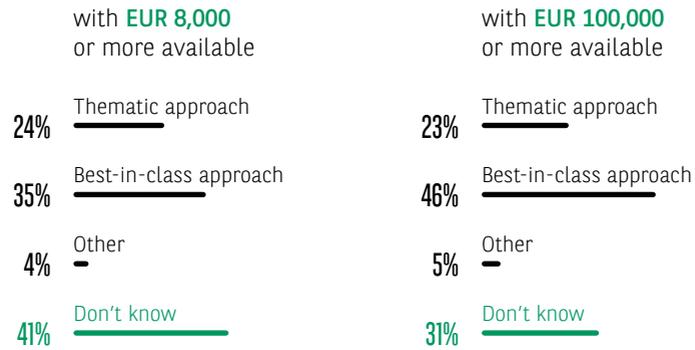
37% of those with over **EUR 8,000** are keen to learn more about SRI

32% expressed no interest in SRI at all



AND IT SEEMS THAT MORE EDUCATION ON SRI IS NECESSARY

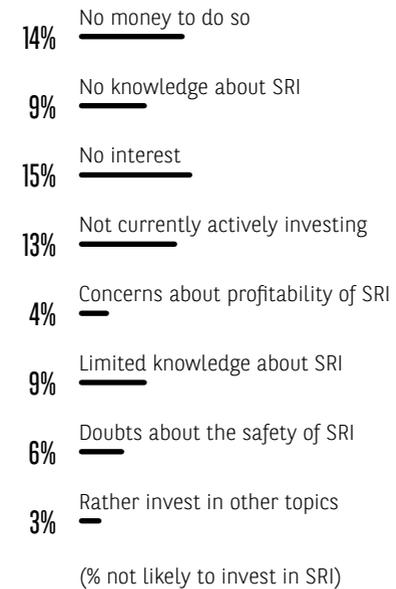
When we asked participants whether they would prefer to adopt a thematic or best-in-class approach to SRI, over 40% didn't know. **Of those that did express a preference, a best-in-class approach was 50% more popular than a thematic approach to SRI.**



46%

of Dutch people stated that **they are unlikely to invest in SRI over the next year.** Of these, nearly a third gave having no interest in the matter as one of their reasons, with an almost equal amount saying they were not currently actively investing.

MAIN REASONS FOR NOT INVESTING IN SRI:



CONCLUSION

.....

IT'S QUITE CLEAR THE DUTCH ARE SCEPTICAL ABOUT SRI

Only 13% stated they would be likely to invest in SRI if their advisor recommended that they do so. **This was the joint-lowest proportion in Europe, along with the Belgians.**

THE GOOD NEWS IS THAT THE FIGURE FOR PEOPLE ALREADY FAMILIAR WITH SRI WAS CONSIDERABLY HIGHER

of those already familiar with SRI, 25% would most likely invest in SRI following recommendations from their financial advisor.

39% of the Dutch surveyed using websites for aiding in decisions

Interestingly, websites are playing a greater role in the financial matters of Dutch people than ever before. As the only country where websites are more popular than financial advisors,

The Netherlands offers a fantastic opportunity to experiment with this communication channel.

Consequently, websites along with financial advisors can serve as a unique platform to educate a bank's clientele, by providing interactive and useful information that can help break certain stigma attached to SRI investments.

