

Summary results of PensionBee 2022 Tailored Plan survey

In February 2022 PensionBee invited all customers in its Tailored Plan to share their views on the plan's current exclusion policy and how the exclusion criteria should develop in the future. 2,314 customers responded to the survey, representing 3% of those invested in the plan. Overall, the respondents were broadly reflective of PensionBee's customer base.

Respondents' age	Women	Men	Both
<i>30 and under</i>	64	94	158
<i>31 - 40</i>	179	363	542
<i>41 - 50</i>	209	515	724
<i>51 and over</i>	204	686	890
<i>Total</i>	656	1,658	2,314

This is the third year of running our Tailored Plan customer survey as part of our ongoing commitment to representing our customers evolving investment views. We seek to understand the issues most important to our customers when it comes to driving change in the companies their savings are invested in. We also want to hear our customers' views on screening and the practice of removing harmful industries and sectors from their pension due to the financial and environmental risks they pose.

We rely on customer feedback to keep advancing our plans and moving the market forward. This input will provide us with the insights we need to make sure our plan continues to be aligned with our customers' views in 2022 and beyond.

The results revealed that respondents are satisfied with the current screens and are consistent with their views on excluding tobacco and weapons from their pensions. Although the plan aligns with their current expectations and views on divestment, most respondents expressed an interest in developing the exclusion criteria further while still considering the financial risks of doing so.

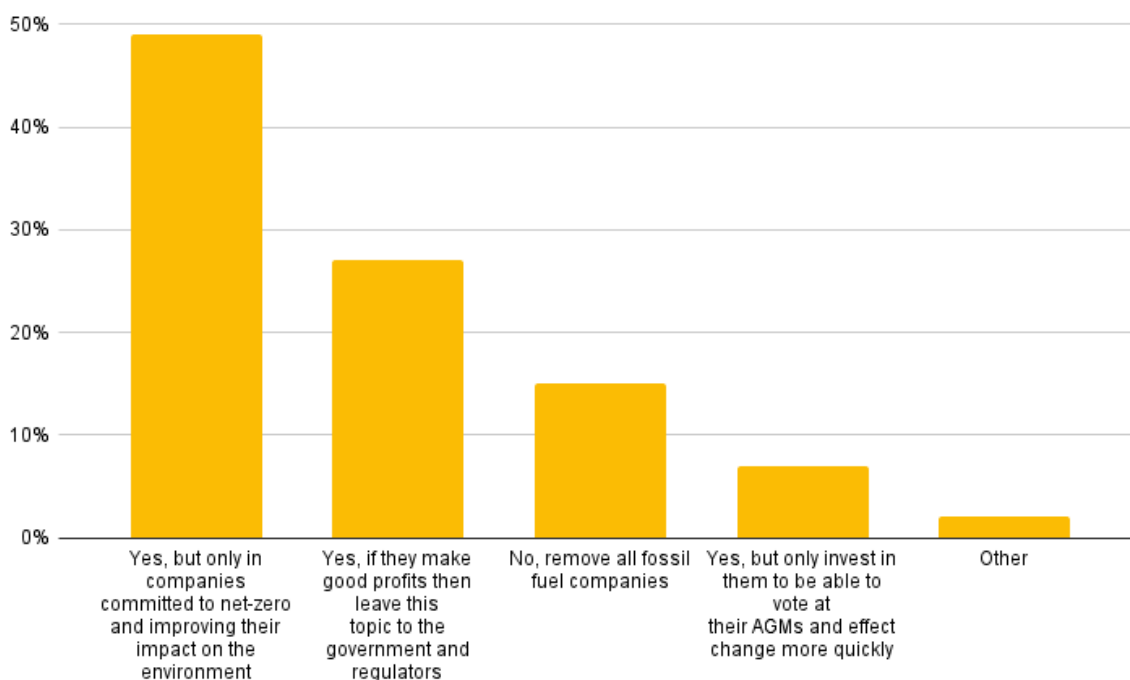
Overall, customers' views were consistent across all ages and genders, but the main point of divergence centred around the future of the oil industry. While the majority of respondents wish to keep investing in these companies only if they commit to improving their impact on the environment, a smaller proportion expressed a desire to completely exclude those companies from their investments. A minority of respondents declared their aim to influence the oil industry through voting.

Key findings

1. Half of the respondents want companies in the oil industry to take concrete actions towards halting climate change.

Our customers have clear views on the future of the oil industry. 49% of respondents wish to continue investing in fossil fuel companies, but only if they concretely show a commitment to net-zero and on improving their impact on the environment.

Q: Future of the oil industry. Should your pension continue to invest in these companies?



Total question respondents: 2,196

15% of respondents would like to see the oil sector completely excluded from their investments. These customers are no longer willing to invest their pensions in companies with business activities that negatively impact the environment.

A small minority (7%) want an active shareholding and to invest in fossil fuel companies only so they are able to vote at their AGMs and effect change more quickly. This appears to be a common sentiment among every age and gender segment.

One respondent commented: *"I want my pension to be invested only in those companies pivoting to green and renewable energy, where profits from fossil fuel are used to develop and accelerate green technologies"*.

Overall, 27% of respondents were happy for their pension to continue to be invested in the oil industry as long as they make good profits, however, views on this topic are quite fragmented. Among female respondents, only 12% would like to keep investing in these companies whilst a greater proportion of male respondents (33%) want their pension to be invested in fossil fuel companies, even though they are not excluding the possibility to engage in conversation and explore feasible alternatives to fossil fuels.

One male respondent, aged 41-50, commented: *“Continue to invest until balanced and open public discussion around possible solutions is had and after conclusions are made on viability”*.

Also, this trend can be noticed particularly amongst respondents aged 41-50 and over 50, showing that younger respondents seem to be more conscious about the environment.

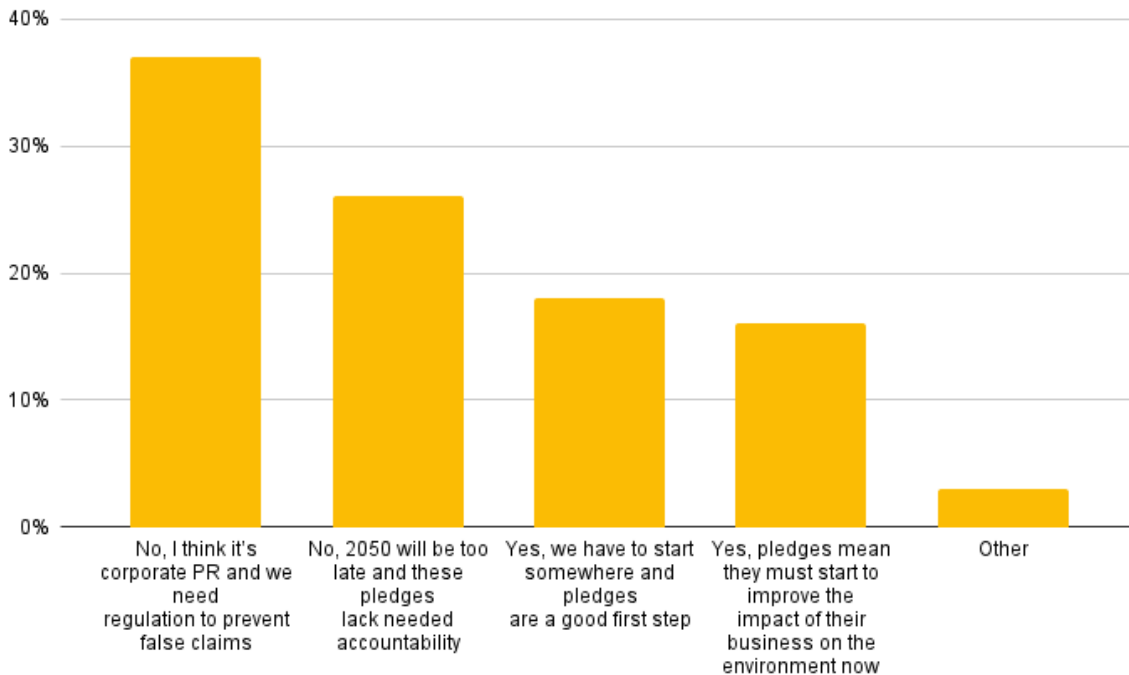
One female respondent aged over 50 commented: *“Without fossil fuel there will be no industrial civilisation, hence no pension”*.

2. Net-zero pledges are perceived as disingenuous by many, but still represent an important first step towards addressing climate change.

We asked our customers their views on companies that have pledged to go net-zero by 2050. The majority of customers (63%) believe that these pledges are disingenuous and will not make a difference to the climate crisis. 37% of respondents felt that net-zero pledges are merely corporate PR, with 45% of respondents aged under 30 believing this. A remaining 26% of respondents stated that 2050 is too late for change and that these pledges lack accountability, with women (33%) being more concerned than men (23%) about this issue.

However, there is also a consistent minority who believes that net-zero pledges are a good first step to start tackling the climate crisis (18%), and that this means companies have already started to improve the impact of their business on the environment (16%).

Q: In the last few years, many companies have pledged to go net-zero by 2050. Do you believe that these pledges are genuine and will make a difference to the climate crisis?



Total question respondents: 2,194

The concept of reaching net-zero emissions has grown from an emerging idea to a mainstream mechanism for countries, cities and corporations to drive emissions reductions and limit the effects of climate change. Corporate net-zero targets can be a powerful tool for curbing emissions and addressing the climate crisis, but only if proper measures are implemented. It is critical that businesses set net-zero targets and for everyone to be confident about how they will be achieved.

The need for pragmatism and accountability was echoed by several respondents in their supplementary written answers to this question. Indeed, 37% of respondents felt that the lack of a standardised approach allows companies to devise their net-zero strategies with little transparency on the scope and boundary of the targets and the plans for reaching them.

3. Halting deforestation, habitat and wildlife destruction, ocean pollution and plastic waste are key priorities for respondents.

The overwhelming majority of respondents across all ages and genders considered deforestation, habitat and wildlife destruction to be of significant importance. There was also a strong belief in the need to address ocean pollution and the indiscriminate use of plastic.

When considering what further screens they would like BlackRock to take into account in the future, there was broad agreement amongst customers on removing those companies whose operations contribute to deforestation, habitat destruction, and animal testing on non-medical grounds. Our customers seemed less interested in excluding genetic engineering and nuclear power generation.

When it comes to voting and influencing big companies to do less harm to the planet there was a consensus across all ages and genders on three pressing issues. In order of importance these were halting habitat and wildlife destruction, reducing emissions rather than offsetting, and preventing pollution to local communities. Setting public targets within the 1.5C Paris Climate agreement proved to be the least relevant issue.

4. Respecting human rights is of utmost importance for all respondents.

We asked our customers which social and governance issues they valued more in terms of voting and influencing the big companies their pension is invested in. All respondents agreed on the importance of respecting human rights.

One female respondent aged 41-50 commented: *“I am an active supporter for equal rights, especially regarding employment, as I am disabled”*.

One male respondent aged 31-40 mentioned how important it is to see improvements from companies in every social aspect: *“I would like to see what companies are doing in regards to investment in local communities and involvement in supporting local economic growth. This includes education, health, gender, diversity, environment and social developments”*.

One female respondent, aged 51 and over, remarked: *“Ensuring that more women are in management positions is a key goal for all organisations. Only when we build organisations that represent our wider society will we see the change that the different members of the society are asking for”*.

Priority	Overall
1	Human rights abuses
2	Fair pay and fair treatment of workers
3	Ensuring equal rights for everyone
4	Diversity and inclusion
5	Transparency and tax avoidance

Total question respondents: 257

These findings confirm that our customers are concerned about human rights abuses, both in core business operations and in the supply chain, discrimination of any type and lack of fair treatment and fair pay.

Our customers expect the big companies they are invested in to pay wages that represent the true cost of living (the Living Wage) and demand transparency to tackle tax avoidance and exploitative labour practices.

5. What environmental initiative would customers like PensionBee to prioritise in 2022?

Our final question looked to understand more about our customers' views on the main environmental initiatives PensionBee should prioritise in 2022. The results revealed that the top priorities were committing to net-zero, adding sustainability ratings on our existing plans and campaigning to stop the pensions industry sending out 40 million annual paper statements. Female customers also want to see our business strategy aligned with the delivery of UN sustainable development goals. In terms of priorities for PensionBee to action in 2022, TCFD and B-Corp reporting were considered the least important.

Priority for action	Overall	Men	Women
1	Commit to net-zero	Commit to net-zero	Add sustainability ratings on our existing plans
2	Add sustainability ratings on our existing plans	Add sustainability ratings on our existing plans	Commit to net-zero
3	Campaign to stop the pensions industry sending out 40 million annual paper statements	Campaign to stop the pensions industry sending out 40 million annual paper statements	Align our business strategy with the delivery of UN sustainable development goals
4	Plant a new tree for every new investor in our sustainable option, the Fossil Fuel Free Plan	Plant a new tree for every new investor in our sustainable option, the Fossil Fuel Free Plan	Plant a new tree for every new investor in our sustainable option, the Fossil Fuel Free Plan
5	Align our business strategy with the delivery of UN sustainable development goals	Align our business strategy with the delivery of UN sustainable development goals	Seek to introduce further climate screens on our plans
6	Seek to introduce further climate screens on our plans	Seek to introduce further climate screens on our plans	Campaign to stop the pensions industry sending out 40 million annual paper statements
7	Launch a new impact-focused fund	Launch a new impact-focused fund	Launch a new impact-focused fund
8	Report under Task Force on Climate-Related Financial Disclosures (TCFD)	Start the process to become a B-Corp	Start the process to become a B-Corp
9	Start the process to become a B-Corp	Report under Task Force on Climate-Related Financial Disclosures (TCFD)	Report under Task Force on Climate-Related Financial Disclosures (TCFD)

Next steps

This customer data will be used to inform our approach to BlackRock and in our engagement with their Stewardship team in 2022, where the priority will be a deforestation-free Tailored Plan. We will begin by understanding which investee companies, out of the thousands that the Tailored Plan invests in, pose not only a deforestation risk, but also associated issues such as human rights abuses and pollution in local communities. We will demand a clear plan of action from BlackRock on this topic and seek measurable progress over time.

Respondents of all ages and genders felt strongly that halting habitat and wildlife destruction is of vital importance and we want to ensure that future exclusionary screens cover this issue. We will also use our engagement with BlackRock to discuss how they ensure that human rights are respected in both investee companies' core business operations as well supply chains.

In our own business in 2022, we will also be guided by our customers' views. A priority for PensionBee will be measuring our own carbon footprint, with a focus on reducing rather than offsetting emissions to reach net-zero, and making public commitments to a target. While some customers see net-zero pledges as disingenuous, given greater incoming scrutiny and regulation, they will remain an important measure of how seriously a company assesses climate risk, and their commitment to the planet, wider society and all their stakeholders.

Finally, we agree that sustainability product ratings are a crucial measure by which savers can assess the risk and impact of their plans, and to drive broader trust and transparency in investing. The Financial Conduct Authority (FCA) and the EU are also aligned in this thinking and work is ongoing to produce sustainability disclosure requirements and investment labels for all plans in the UK. Classification will cover all types of investments and bring consumers greater clarity and confidence that the labels given to funds are regulated, preventing future "green-washing". We fully support this work and will seek to introduce formal labelling of our own products as soon as we have this data from our money managers.

Thank you to everyone who responded and continues to engage on these topics of crucial importance to customers and the planet. We welcome all your additional comments, feedback and suggestions to engagement@pensionbee.com, so please do get in touch!