

A guide for Investors

AUGUST 2025





Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

More information

Information, examples and answers to your questions about the topics covered here can be found on our website: www.employment.govt.nz

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This guide helps you as an investor understand ethical and sustainable work practices from a labour rights perspective. Find out what those rights are and why they are important for you.

Understand ethical and sustainable work practices

Today's consumers, employees, procurers and investors expect certain ethical standards. They increasingly want organisations to treat workers fairly, ethically and sustainably – not just their own employees but also the workers in the organisations they engage with.

New Zealanders are becoming more aware of exploitation and mistreatment of workers, especially of migrants, and do not want to engage with businesses that exploit their workers. When deciding where to shop, consumers consider how businesses treat their workers.

What ethical and sustainable means

Having ethical work practices means treating your workers legally, fairly and with dignity. It includes providing safe working conditions and meeting or exceeding all employment standards.

Sustainability means working in a way that meets the needs of your business or industry now and in the long term.

Exploitation, forced labour, human trafficking and slavery are the opposite of ethical and sustainable work practices.



ETHICAL AND SUSTAINABLE WORK PRACTICES

Go to www.employment.govt.nz and search 'ethical work practices'

Why good work practices matter

Behaving ethically and sustainably is the right thing to do.

Good work practices help create a level playing field where those who meet employment obligations cannot be undercut by those who cut corners using unfair work practices. Good work practices can have a positive impact on customer goodwill, loyalty and demand for your goods and services. They can also help to attract and retain good workers. On the other hand, employment practices that are not legal, ethical or sustainable can hurt your reputation and brand. This could reduce your company's revenue, profit, financial viability and market value.

Businesses that have been fined, penalised or ordered to pay compensation for exploiting or mistreating their workers are almost always identified in publicly available information. They may also be restricted from supporting visa applications and put on the employer stand-down list for a specified period.

Understand who an investor is

All kinds of investors can be responsible investors.

You could be:

- › an active investor: an institutional investor like a fund manager, or an individual choosing your own investments
- › someone looking to invest through a managed fund (a managed fund is an investment product where money from many investors is pooled together and managed by an investment manager)
- › someone deciding which KiwiSaver or other superannuation fund to invest in.

Understand what responsible (ethical) investment is

Where you put your money can make a difference to how workers are treated.

Responsible investment involves considering environmental, social and governance (ESG) issues, alongside financial performance, when making investment decisions.

For example, it could mean looking at:

- › how a company treats their workers, suppliers and other stakeholders
- › if a company pays fair wages and supports inclusion and diversity
- › how a company makes sure their supply chain does not exploit workers or contribute to slavery-like conditions.

Why responsible (ethical) work practices are important for investors

Investing ethically isn't just the right thing to do. You can be directly linked to human rights risks through the business activities of the companies you invest in. The UN Guiding Principles on Business and Human Rights, and recently updated OECD Guidelines for Multinational Enterprises, established that all companies, including investors, have a responsibility to respect human rights throughout their operations, business relationships and value chains (including supply chains).

Organisations with responsible work practices are more likely to last – so your investment is more likely to last too. These organisations are more likely to stay on the right side of the law and less likely to be fined or penalised. This means they will have more time, money and resources to grow the organisation. Investing in an organisation that does the right thing could also mean you get more dividends.

Use the resources at the end of this brochure to find out more about responsible investing.

CASE STUDY

Jeff is an investment manager for a New Zealand investment firm. He looks for opportunities to grow his customers' investments and manages their investments to get the best return. Through his network, he hears about a mining company in another country. Its annual report announces strong growth and profit, but he wonders if their work practices are responsible.

When Jeff googles the company, he's alarmed to find that it's being investigated for allegedly overworking and underpaying workers. While it has not been found guilty of anything yet, Jeff knows his customers will be uncomfortable investing in a company with question-marks against it. He decides to look elsewhere.

What investors think about responsible investment

Voices of Aotearoa: Demand for Ethical Investment in New Zealand

The 'Voices of Aotearoa: Demand for Ethical Investment in New Zealand' 2025 survey, from Responsible Investment Association Australasia and Mindful Money, found that:

- › 75% of New Zealanders want their KiwiSaver or managed fund to be invested ethically and responsibly
- › investors prioritise avoiding companies that violate human rights (91%), abuse labour rights (91%), and damage the environment (89%)
- › 76% would invest in a fund that creates positive benefits for society and the environment, with 60% seeking comparable returns and 16% willing to accept lower returns.



RESPONSIBLE INVESTMENT: NEW ZEALAND SURVEY

Go to mindfulmoney.nz. Go to the 'Learn' tab then 'Research and reports'. Look for the 'Voices of Aotearoa survey.'

Taking action as an investor

As an investor, or an agent for an investor like a financial advisor, make sure your new and existing investments are with organisations that treat workers fairly. This means researching the organisation and asking not only about their work practices, but also about their supply chains and business relationships, for example, franchisees.

Start by asking the organisation for information and checking their annual report and website. Here are some questions you could ask.

Code of conduct or workplace policy

You can ask: Do you have a code of conduct or policy about human and labour rights? Does it include compliance with employment standards?

The answer should tell you how the code or policy is implemented. The organisation should provide the most recent example of their document.

Social responsibility reporting

You can ask: Do you do any corporate social responsibility reporting, including reporting on fair treatment of workers?

The answer should tell you how they report and monitor, for example, what areas they cover and how regularly.

You can ask: Do you commit to report any situations where you, or your supply chain, have breached employment standards or exploited workers?

In their answer, the organisation should include the most recent report if there is one. It could be a separate corporate social responsibility or sustainability report, or a section in their annual report.

Supply chain map and risk assessment

You can ask: Do you have a supply chain map that shows where the greatest risks of poor treatment of workers are and how you will manage, mitigate and monitor those risks?

The answer should tell you what risks they have identified by mapping their supply chains and what they are doing to manage, mitigate and monitor the risks.



RISK FACTORS TO MANAGE

Go to www.employment.govt.nz and search 'risk factors procurers'. Click into the PDF document.

Employee/worker- voice platform

You can ask: Do you have an 'employee-voice platform' that gives workers, suppliers and customers a chance to provide feedback about their working conditions and how they're being treated at work?

The answer should tell you how workers, suppliers and customers can give feedback on how they are treated. The organisation should also tell you how they remediate issues.

Whistleblowing channel

Is there a hotline or whistleblowing channel (separate to an employee-voice platform), which is available at any time to report serious employment issues like breaches of employment standards? Is there an internal escalation process and point of contact to report worker exploitation? The organisation should also tell you how they remediate issues.

Certifications/accreditations

You can ask: Do you hold a certification or accreditation that has robust employment rights criteria and is externally audited? Do you require your suppliers to hold one?

The answer should tell you:

- › if they hold any accreditation or certification
- › if the accreditation requires the organisation to do due diligence on their suppliers and contractors
- › if the certification involves third-party audits and confidential employee interviews.

What you can do if you are a director

If you are a director of a company, you can also read our information for directors.



GUIDE FOR DIRECTORS

Go to www.employment.govt.nz and search 'guide for directors'.

Find out more about ethical investment

The Investor Alliance for Human Rights

The Investor Alliance for Human Rights is a membership-based, non-profit initiative focused on how investors can respect human rights, drive responsible business conduct, and push for robust business and human rights policies.

They have developed the Investor Toolkit, which provides institutional investors with ready-to-use guidance, practical tools, and illustrative case studies to support the implementation of their responsibility to respect human rights throughout the investment lifecycle.



Go to investorsforhumanrights.org and search 'investor toolkit on human rights'.

Responsible Investment Association of Australasia

The Responsible Investment Association of Australasia is an industry member association that certifies responsible investment funds and supports its members on ESG issues. They have guidance and toolkits about ethical investment for investors, including fund managers, KiwiSaver providers, brokers, trusts, financial advisors and individuals.



Go to responsibleinvestment.org

Financial Markets Authority

The Financial Markets Authority (FMA) has information about what to consider when making ethical investment decisions.



Go to www.fma.govt.nz and search 'ethical investing'

If you're choosing an ethical managed fund

If you want to invest ethically through a managed fund, you can get help from a financial advice provider, or look at online fund comparison tools, to find a fund that invests in companies which:

- › treat their workers fairly
- › have high ethical standards
- › do not contribute to worker exploitation or harm.

Managers of these funds monitor their company investments for any evidence of modern slavery, which includes telling you how they'll ensure any non-financial objectives are being achieved and what they'll do if the company breaches their investing policy, for example, divesting funds (reducing the amount they invest in the company).


Find out more from the Financial Markets Authority, including some useful tips on making ethical investment decisions.

 Go to www.fma.govt.nz and search 'ethical investing'

MoneyHub has an 'Ethical investing guide', which explores different options for managed funds, exchange-traded funds and KiwiSaver.

 Go to www.moneyhub.co.nz and search 'ethical investing'

Mindful Money has information about investment funds that meet high ethical standards.

 Go to mindfulmoney.nz and search 'responsible investment'

If you're choosing an ethical KiwiSaver

To make sure your KiwiSaver fund supports fair treatment of workers, you can choose from a growing number of KiwiSavers that:

- › invest in companies with high ethical standards
- › avoid companies which contribute to worker exploitation and harm.


Mindful Money has information about KiwiSaver funds that meet ethical standards. They have a fund-finder you can use to identify funds which avoid companies of concern and invest in companies with higher standards.

 Go to mindfulmoney.nz and search 'mindful money'

Read about choosing an ethical KiwiSaver fund.

 Go to www.fma.govt.nz and search 'ethical investing'

'Sorted' have a tool to help you choose a KiwiSaver fund.

 Go to sorted.org.nz and search 'KiwiSaver fund finder'

What the six Principles for Responsible Investment are

The United Nations' six Principles for Responsible Investment demonstrate how you can consider responsible investing issues when investing. For example, the principles say investors will actively find out about ESG issues when making decisions.



PRINCIPLES FOR RESPONSIBLE INVESTMENT

Go to www.unpri.org, navigate to PRI → What are the Principles for Responsible Investment?

What you can do if you are a director

If you are a director of a company, you may also be interested in our information for directors.



DIRECTOR'S APPROACH TO ASSURING ETHICAL AND SUSTAINABLE WORK PRACTICES

Go to www.employment.govt.nz and search 'director's approach'

Learn more and use our free resources

Resources on our website

Go to www.employment.govt.nz

To learn about...	...search for
Ethical and sustainable work practices	Ethical and sustainable practices
Investor's approach to assuring ethical and sustainable work practices	Investor's approach
Director's approach to assuring ethical and sustainable work practices	Director's approach
Meanings of terms	Glossary



Te Kāwanatanga o Aotearoa
New Zealand Government