



Invest for Better Climate EU'

Assessing retail investor
sustainability knowledge
and preferences in *Poland*

EXECUTIVE SUMMARY

What is the 'Invest for Better Climate EU'?	This is an educational and advocacy campaign, aimed at giving individual retail investors a better understanding of the impact on climate they have through their investments. It spans over 5 virtual sessions, encompassing introduction to investing, climate lens investing, financial and non-financial risks and greenwashing. With consolidated and translated materials, worksheets and 90 minutes long training sessions (circles) - facilitated by circle leads - the initiative collects feedback via surveys.
What are the key trends from Polish retail investors' sustainability preferences?	When asked about the most important learning objective from the course, 30% of Polish retail investors, indicated learning about how to grow their money in a way that benefits the environment, followed by 14% who want to grow their capital and fight climate change more specifically. The remainder, expressed interest in a combination of those factors (37%) and using money for a positive impact on environment with or without the prospect of growing capital (15%).
What is the diversity and inclusion lens of the Polish 'Invest for Better Climate EU'.	The educational campaign utilised multiple approaches in ensuring diversity of both circle leaders and participants. One of the ways this was achieved was by creating a targeted toolkit on inclusive and engaging sessions, where implementing country partners received insights on how to incentivise their groups and how to address marginalised communities among others. This includes gender, age, ethnic background, and level of education.
Where can I find the educational resources on climate-aligned investing?	You can find various sustainability resources and guides at: https://betterfinance.eu/greencorner/ . From May 23rd, you will also be able to find all materials and resources related to this educational campaign as well as information on how to start your own circles at: investforbetterclimate.eu

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About BETTER FINANCE

BETTER FINANCE, the European Federation of Investors and Financial Services Users, is the public interest nongovernmental organisation advocating and defending the interests of European citizens as financial services users at the European level to lawmakers and the public in order to promote research, information and training on investments, savings and personal finances. It is the one and only European-level organisation solely dedicated to the representation of individual investors, savers and other financial services users.

BETTER FINANCE acts as an independent financial expertise and advocacy centre to the direct benefit of European financial services users. Since the BETTER FINANCE constituency includes individual and small shareholders, fund and retail investors, savers, pension fund participants, life insurance policy holders, borrowers, and other stakeholders who are independent from the financial industry, it has the best interests of all European citizens at heart. As such its activities are supported by the European Union since 2012.

BETTER FINANCE position and recommendations

- Support the testing and the uptake of retail investors' understanding and preferences towards climate-aligned investing in Poland and enable greater female participation within the Capital Markets Union;
- Conduct further independent research into the motivational interplay between “returns” and “impact” from the perspective of retail investors;
- Provide investment education dedicated to climate-aligned products in a neutral and impartial way, offered by NGOs, academia and think-tanks.

Introduction

Financial literacy is key to investors to understand what they are investing in, but also to understand the impact they have through their investments. With this project we aimed to identify the **availability of climate-aligned investments for retail investors in Poland**, raise their **awareness of the impact their money/investments can have on climate**, and inform them about the existing standards as well as the ways in which they can participate in the capital markets union. In a series of training sessions, between circle participants and facilitators, Polish retail investors were introduced to the **basics of assets and liabilities, climate lens investing, the available sustainable finance tools and investment opportunities at national level, the relationship between financial and non-financial risk and how to spot greenwashing practices**.

In order to assess the levels of existing and developed knowledge on climate aligned investments, we **surveyed circle participants at the start and end of the course**, encapsulating key trends regarding their **overall motivations, understanding of investments as a tool to fight climate change, availability of local climate-aligned investment opportunities, financial literacy regarding risks and opportunities, greenwashing and access to free and unbiased advice** in managing personal finances among others.

The clear **shifts between ESG and sustainability uptake by participants from the beginning of the interactive course through to its completion**, not only signify the importance of financial literacy in the domain of sustainability, but also the importance of providing impartial information regarding the basics of finance and the way it relates to climate and the environment. The project utilised multiple approaches in **ensuring diversity of both circle leaders and participants**, not least by **placing greater emphasis on female participation**.

With the current gaps in baseline climate and finance literacy as indicated by Eurobarometer study from 2023¹², circle participants appreciated the independence of this educational campaign and its lack of specific product promotion/selling, as well as clear distinguishing lines between ‘advice’ and ‘education’ - which is strongly correlated with the ongoing policy debates around the Retail Investment Strategy. Despite the normative assumption on leaders and laggards vis-à-vis sustainability awareness across the EU, our **Polish results clearly signify that even in countries where climate-awareness is very nascent, citizens still want to be engaged and involved on the road to net zero**.

¹ Eurobarometer survey 2023, available at: <https://europa.eu/eurobarometer/surveys/detail/2954>

² Bruegel state of financial knowledge in the EU 2024, available at: <https://www.bruegel.org/policy-brief/state-financial-knowledge-european-union>

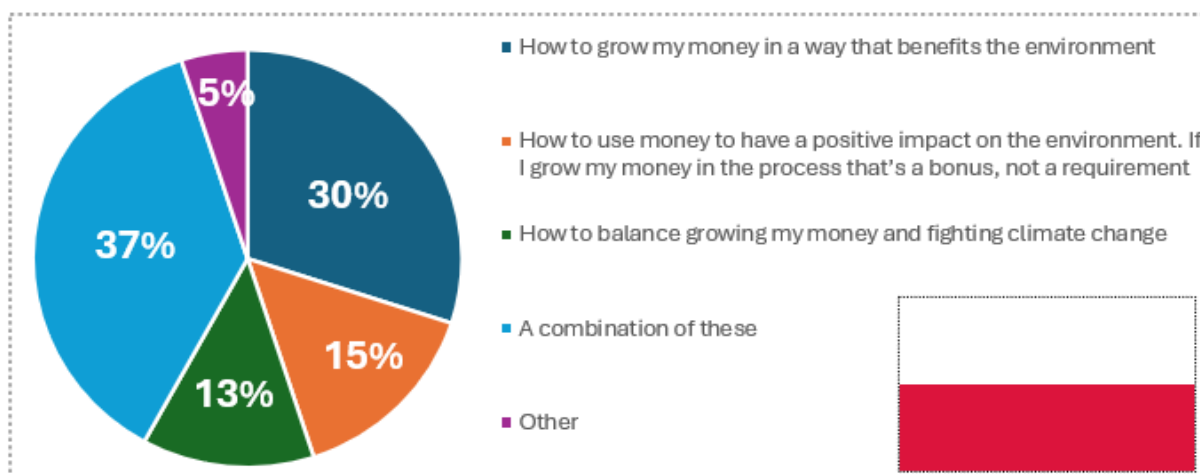
Results: Polish retail investor preferences

The results obtained from this study show that **retail investors' interest towards ESG in Poland is growing**, despite the country's underdeveloped sustainable investment market³. With over 200 registrants for the course, responses to the entry and exit surveys combined totalled 280. When asked about their preferred learning objective from the course, participants were given the following choices:

- How to grow my money in a way that benefits the environment**
- How to use money to have a positive impact on the environment. If I grow my money in the process that's a bonus, not a requirement**
- How to balance growing my money and fighting climate change**
- A combination of these**
- Other**

The findings showed that **most Polish retail investors were interested in the combination (37%)**, closely followed by **growing capital in a way that benefits the environment more specifically (30%)**. The remainder of the participants indicated a **preference on having a positive impact**, regardless of whether or not growing capital is possible (15%), which was closely followed by an interest to understand how to **grow capital and fight climate change specifically (13%)**.

What is the most important thing you want to learn?



Source: BETTER FINANCE and Stowarzyszenie Inwestorów Indywidualnych (SII) retail investor sustainability testing in Poland 2023

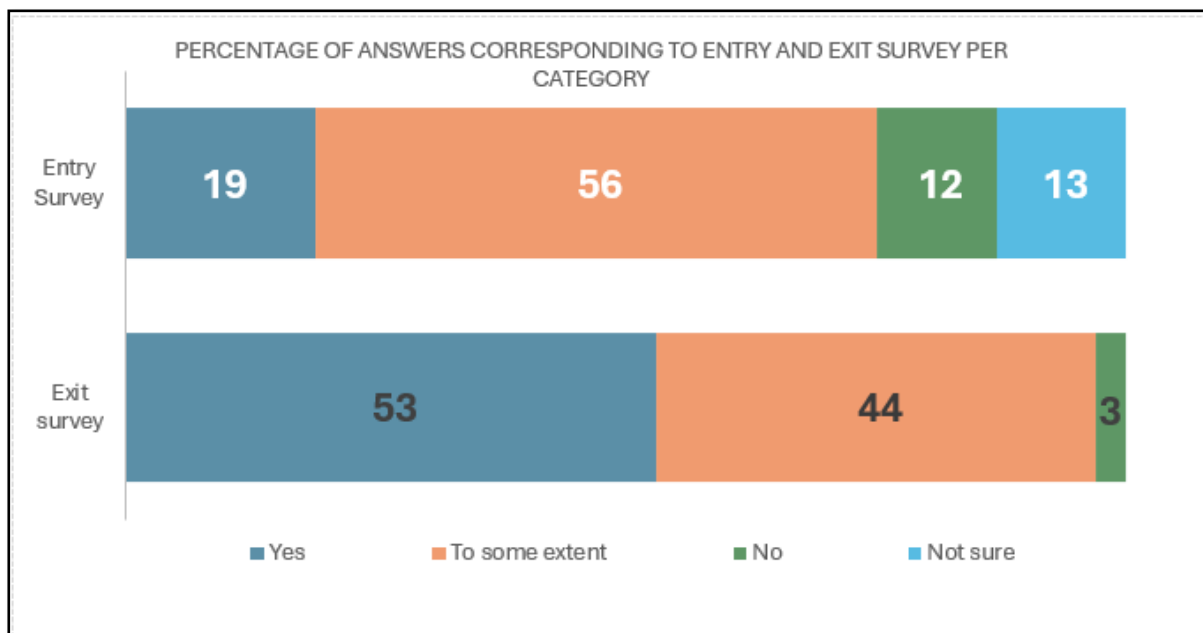
For most of the Polish (SII) circle participants, terms like sustainable, ESG and climate-alignment were still relatively new. The participants were very interested, in both elements provided within the campaign: a) basic financial education, as well as b) the impact of climate-aligned investments. Based on the opinions collected, the **meetings were considered extremely timely and helpful in raising participants' financial awareness, including on the impact of investment choices on climate issues**. Participants identified more opportunities than obstacles, and some even sought delving into “S” of ESG much deeper. This finding is also very much aligned with that of the European Investment Bank, which found that a large majority of

³ Bridging the climate financing gap with public policy instruments: Poland, available at https://reform-support.ec.europa.eu/publications-0/bridging-climate-financing-gap-public-policy-instruments-poland-good-practice-report_en

Polish citizens, rank climate change and environmental degradation among the top challenges for the country.⁴

In the context of ‘Invest for Better Climate EU: Poland’, a series of statements encompassing the content of the course were given to participants in a digital format. The results below show the difference of participants’ feedback (expressed in percentage), at the entry and exit surveys. It should be noted that the number of responses to the entry and exit surveys received, are not equal, but nonetheless, some key trends can be extrapolated from participants who did answer both of the surveys.

a) I understand how investing money is a tool to fight climate change



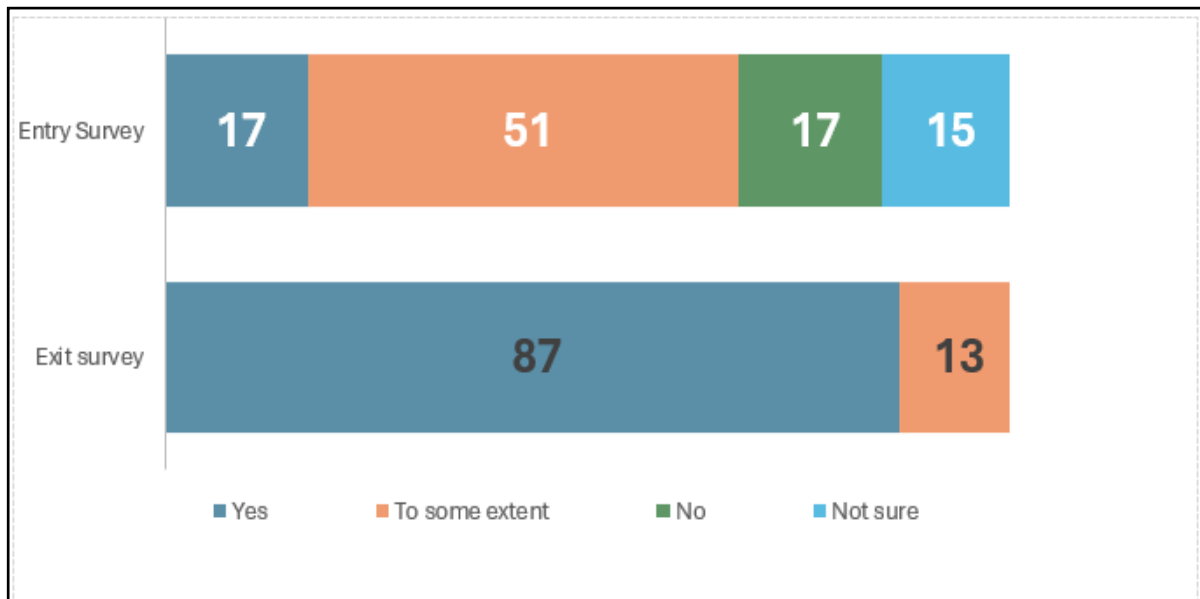
With over 200 registrants for the course, responses to the entry and exit surveys combined totalled 280. In the first instance of asking Polish retail investors whether they understand how investing is a tool to fight climate change, **only 19% indicated ‘yes’**, with the majority opting for ‘to some extent’ at 56% and the remainder, indicating ‘no’ or ‘unsure’, at 12% and 13% respectively.

Following the completion of ‘Invest for Better Climate EU: Poland’, participants were given the same statement, and in this instance **53% indicated ‘yes’ to understanding how investing their money is a tool to fight climate change, an increase of 34%**. Participants indicating ‘no’ by the end of the course dropped to 3% (-9%), while the category of ‘unsure’ disappeared completely (-13%).

Similar trends are observed throughout the remainder of the survey, with aggregated % shifts between the start and end surveys, and better-informed retail investors regarding the basics of investments, how to align investments with own values, the overall availability and familiarity of climate-aligned investment opportunities in Poland, knowledge on identifying risks and opportunities, as well as how to identify and protect oneself from greenwashing practices.

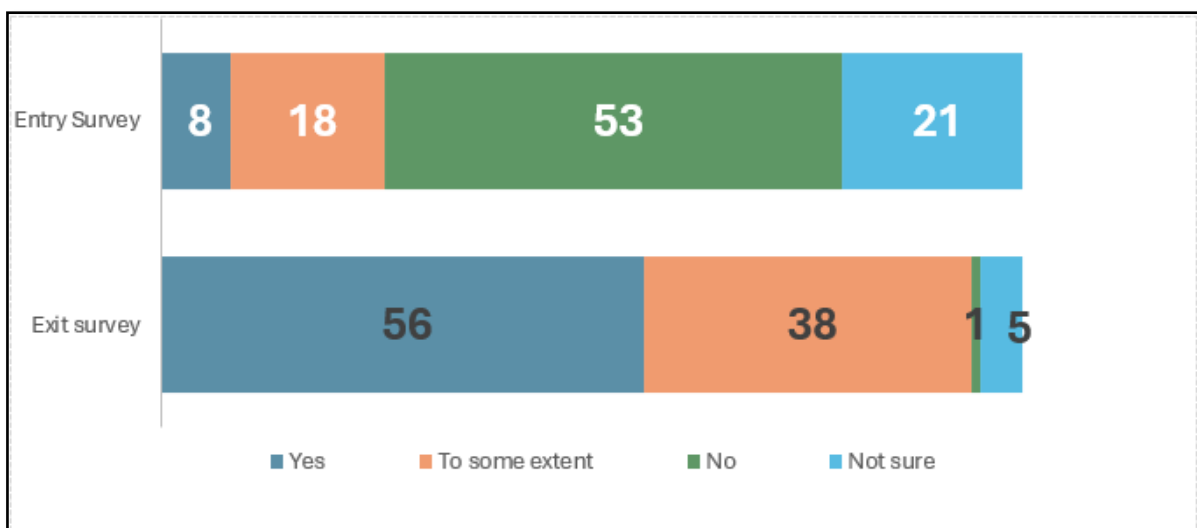
⁴ European Investment Bank Climate survey 2022-2023:Poland, available at <https://www.eib.org/en/press/all/2022-438-two-thirds-of-poles-say-the-war-in-ukraine-and-high-energy-prices-should-accelerate-the-green-transition.htm>

b) I understand the steps I can take to invest and how to invest in a way that aligns with my values



At the entry survey, **only 17% of Polish retail investors indicated 'yes' to understanding the basic steps to investing and how to align investments with their values.** This figure increased by **+70%** at the **exit survey, where 87% of respondents felt confident** with the basic tenets of investing. The large proportion of respondents (51%) indicated 'to some extent' to the statement at the start, while for the categories of 'no' and 'unsure', the figures were 17% and 15% respectively.

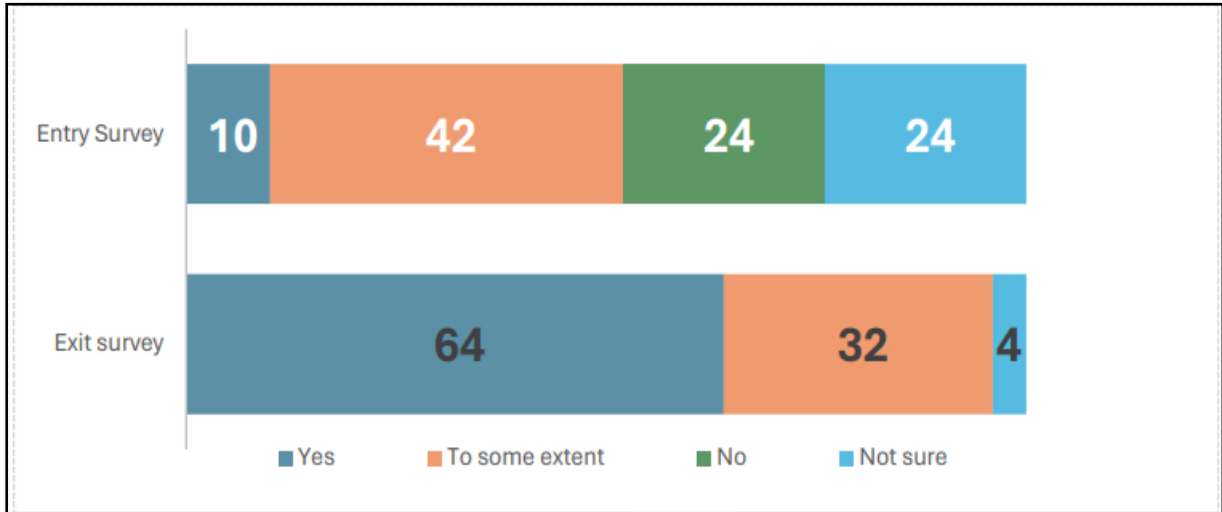
c) I have a clear overview of the climate-aligned investment opportunities that are available in my country



With **only 8% of respondents indicating in the initial survey they have a clear overview of the available climate-aligned investment opportunities in their national markets,** it is evident that more action is needed regarding enabling retail investors to participate in the capital markets union, both at EU and Member State levels. This figure increased to **56% at the exit survey** and

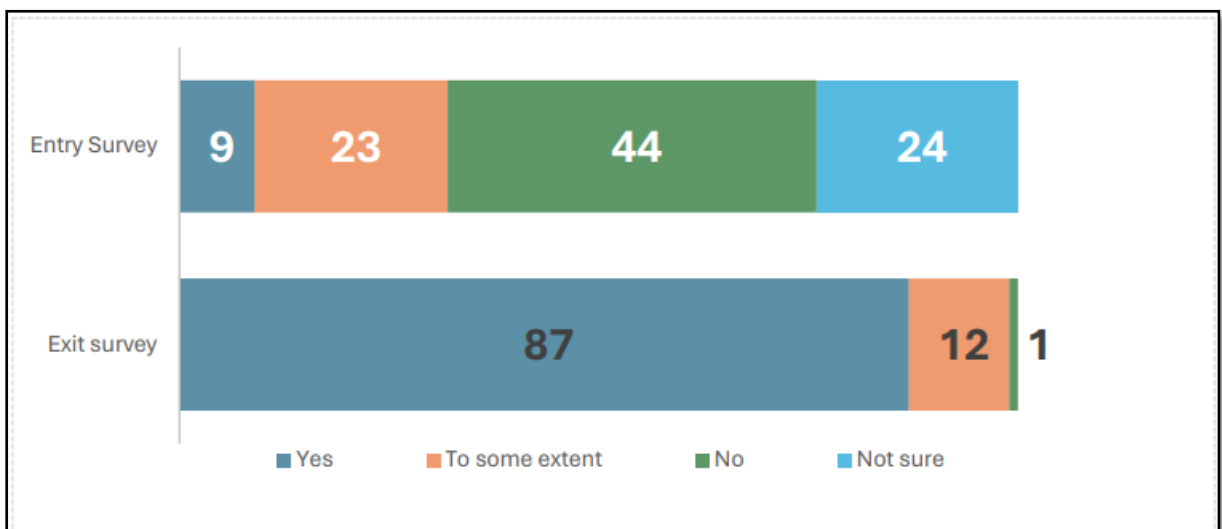
the categories of 'no' and 'not sure', which collectively represented 74% of Polish retail investors at the start, dropped significantly -68% by the exit survey to 6% (1% 'no' and 5% 'not sure').

d) I know how to identify opportunities and mitigate risks before making an investment decision



At the entry survey, the large majority of Polish retail investors indicated 'to some extent' to knowing how to identify opportunities and mitigate risks before making an investment decision (42%). While the percentage shifts for this category does not tell us much, it is clear that those who had indicated 'yes' to this statement at the start grew drastically by the exit survey, with 10% and 64% respectively (+54%). Almost half of the respondents (48%) either indicated 'no' or 'not sure' to this statement at the entry survey, which reinforces the need for further provision of independent investment education.

e) I understand how to protect myself from greenwashing and what to do if I see it occurring

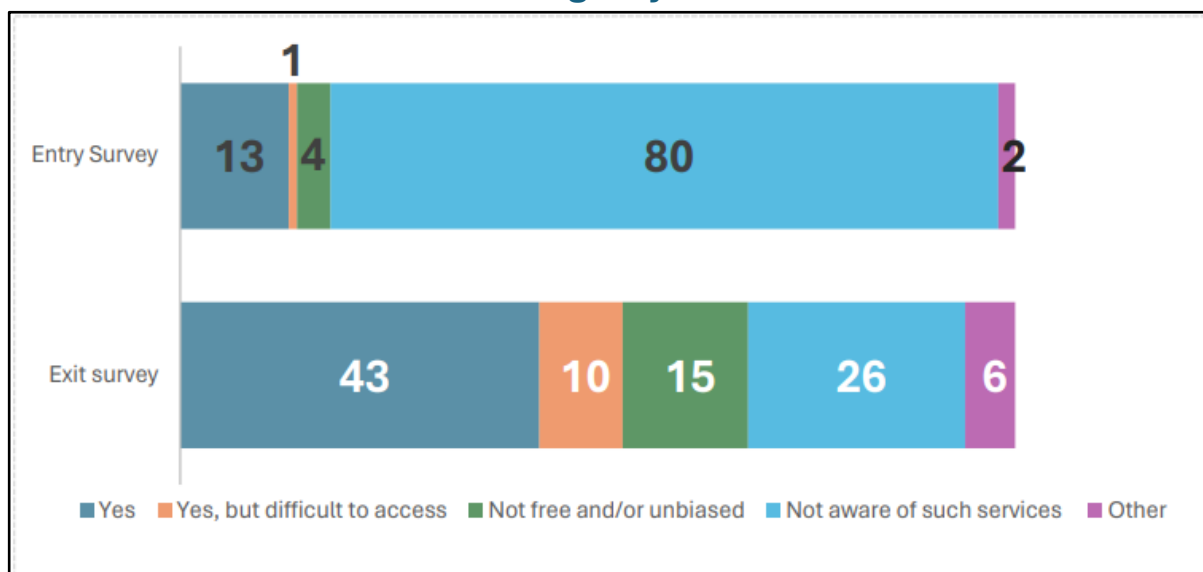


Large proportion of Polish retail investors (44%) indicated 'no' to understanding how to protect themselves from greenwashing at the entry survey. Similarly, those who indicated 'yes' represented the smallest group at 9%. However, upon the exit survey, 'yes' respondents grew

by **+78%**, whereby **87% of Polish retail investors felt knowledgeable about greenwashing following the completion of the independent educational campaign.**

Given the importance of preventing greenwashing for retail investors and consumers alike, BETTER FINANCE is of the view that clear guidelines presented in a user-friendly way and awareness raising on avenues for redress, can familiarise and better prepare a greater number of national and European-wide retail investors, with the topic of greenwashing and its accompanying key tenets.

f) There are services in my local community where I can access free and unbiased advice on how to manage my finances

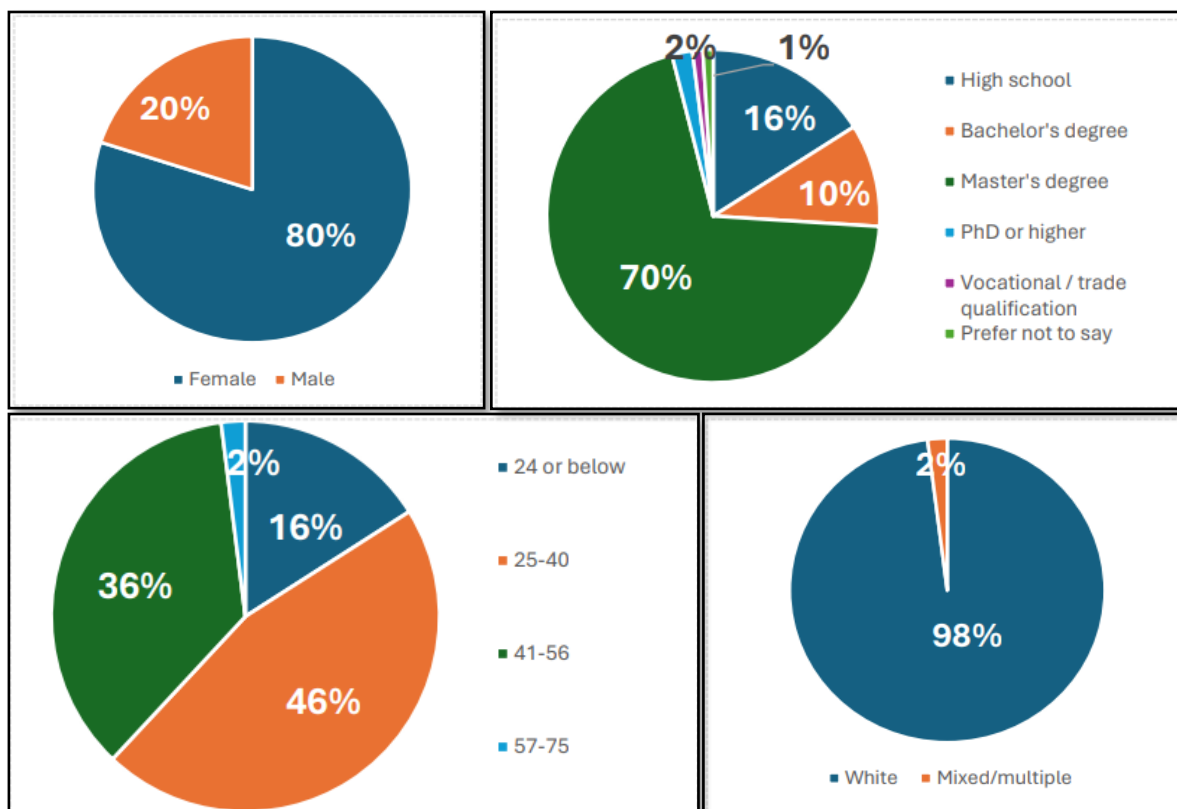


With the final statement of the survey, the majority of Polish retail investors **80%, indicated not being aware of local services, which provide access to free and unbiased advice on how to manage finances.** This is an alarming figure, as it reinforces why EU savers invest so little into capital market products. Upon the exit survey, participants improved their understanding on the available local unbiased advice, though more efforts are necessary to ensure consistent awareness of the types of advice and their accompanying advantages and disadvantages. For example, while only **1% indicated with 'yes, but difficult to access' free and unbiased advice at the entry survey,** this **figure changed to 10% by the exit survey.** Similarly, those who initially expressed their **views on 'not free and/or unbiased' access to advice at 4%, by the end of the course shifted to 15%.** While there is no right or wrong answer with any of the survey statements posed to the participants, **individual investors prioritise having access to independent investment and financial advice.**

Diversity and inclusion

Though the learning in this campaign is relevant for anyone in the EU, we **aimed to engage women and new investors more specifically.** One of the ways this was achieved was by **creating a targeted toolkit on inclusive and engaging sessions,** where our local SII country partner received insights on how to incentivise their groups and how to address marginalised communities among others. This includes gender, age, ethnic background, level of education and geographical residence across the country to name a few. With diverse social and economic backgrounds for circle leaders and participants, BETTER FINANCE, as well as partner

organisations in local EU countries, have learnt how to **expand the diversity and ensure further inclusion through a well informed and practically improved follow-up iteration.**



a) What gender do you identify as? b) What is your ethnic background?

The figures expressed in percentages represent the median of entry and exit surveys filled. Throughout the course of 'Invest for Better Climate EU: Poland', **80% of the participants who filled both surveys identified as female, while the remainder (20%) identified as male.** The purpose of a higher female ratio was inspired by the gender investment gap. Within European households, women possess only 40-45%⁵ of the wealth that men hold, according to studies by the European Commission. The same research shows that while men invest, women are more likely to save. These divergent behaviors lead to an investment gap that stems not from a lack of financial knowledge, but rather from the limited confidence women possess when it comes to investing.⁶

In the context of ethnic background, **only 2% of participants who responded to both surveys indicated a 'mixed/multiple' background, with the majority (98%) indicating 'white'.** While at first glance this may not seem as a significantly diverse Polish retail investor, it should be noted that even Poland's latest census identifies 'white' ethnic background with 96% of the total Polish

⁵ European Commission 2022, available at:

<https://ec.europa.eu/newsroom/fisma/items/749767/en#:~:text=Women's%20share%20of%20wealth%20in,likely%20than%20men%20to%20invest>

⁶ GFLEC Financial literacy and stock market participation, available at: <https://gflec.org/wp-content/uploads/2021/03/Fearless-Woman-Research-March-2021.pdf>

population, according to the OECD.⁷

c) What is your age? d) What is the highest level of education you have attained

The median percentage of Polish retail investors who identified **as 24 years old or below - during the entry and exit surveys - stood at 16%**. The highest figure represents those between 25-40 years old (46%) closely followed by those in the 41-56 (36%). The lowest represented age group 57-75, stood at 2% for both entry and exit surveys.

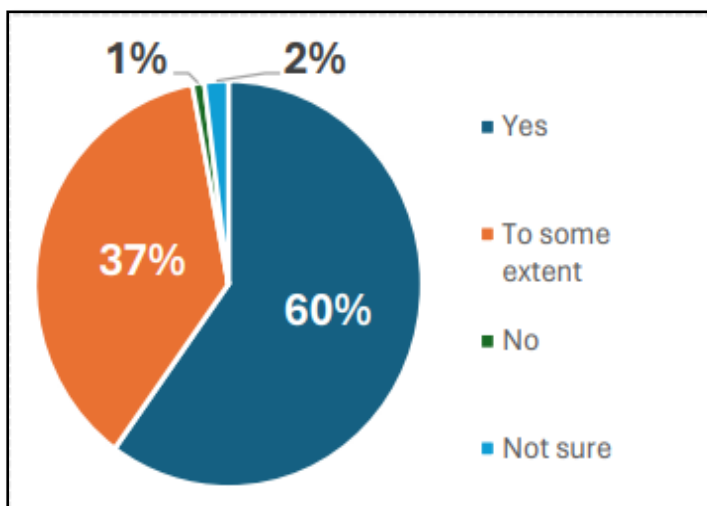
Throughout the course of ‘Invest for Better Climate EU: Poland’, **70% of participants indicated to have a ‘Master’s degree’**, while only **1% held a ‘Vocational and/or trade qualification’**. **10% of participants** who filled in the entry and exit surveys, also indicated to have obtained a



‘Bachelor’s degree’ and 1% ‘High school’ qualification.

With over **200 registrants**, 174 circle participants filled out the entry survey for the Polish pilot. Of those 174, when asked about the most important learning objective from the course, 30% indicated learning about how to grow their money in a way that benefits the environment, followed by 14% who want to grow their capital and fight climate change more specifically. The remainder, expressed interest in a combination of those factors (37%), using money for a positive impact on environment with or without growth of capital (15%) and 4% listed other reasons.

Now at the end of the course, do you feel you have achieved your initial objectives?



By the end of the pilot, 106 respondents filled the exit survey. When asked about **whether the course helped in achieving their initial objectives**, **37% indicated to “some extent”, 60% “yes”** and 3% “no/not sure”. This is a clear indication that **retail investors’ interest towards ESG and sustainability in Poland is growing**. Independent educational campaigns and initiatives are the only way that can enable savers and users of financial services to

improve their knowledge on financial and non-financial matters and make informed decisions.

⁷ OECD Diversity statistics on ethnic, racial and indigenous identity, available at: [https://one.oecd.org/document/SDD/DOC\(2018\)9/En/pdf](https://one.oecd.org/document/SDD/DOC(2018)9/En/pdf)

Recommendations: Polish retail investors' perspectives

While the sustainable finance legislation on EU level is still developing, there is also a clear indication that retail investors in Poland are interested in climate-aligned investing. Despite the normative assumption on leaders and laggards vis-à-vis sustainability awareness across the EU, the pilot clearly signifies that even in countries where climate-awareness is very nascent, citizens still want to be engaged and involved on the road to net-zero.

1. Support the testing and the uptake of retail investors' understanding and preferences towards climate-aligned investing in Poland and enable greater female participation within the CMU;

- The observations from the campaign show that Polish retail investors seek to become better-informed regarding the basics of investments, how to align investments with own values, the overall availability and familiarity of climate-aligned investment opportunities in Poland, as well as how to identify and protect oneself from greenwashing. There is a need for empowering citizens and marginalised groups to invest sustainably and bridge the current gender investment gap.

2. Highlight existing rules on combatting greenwashing and continue to improve visibility and transparency;

- Given the importance of preventing greenwashing for retail investors and consumers alike, clear guidelines presented in a user-friendly way, coupled with awareness raising on avenues for redress among others, can contribute to a greater number of national retail investors becoming better informed and equipped in regard to greenwashing practices.

3. Support provision of investment education dedicated to climate-aligned products in a neutral and impartial way, offered by NGOs, academia and think-tanks;

- Clear rules to distinguish 'advice' from education or non-financial planning is essential for retail investors. Appropriate revisions should be considered within the MiFID II and RIS legislative packages. An assessment of the level of engagement from financial sector towards financial literacy to those of NGOs, could serve as a comparison between the uptake of 'advice' vs 'education' respectively. Any future support and facilitation of independent investment education initiatives should also enable separate learnings for "beginners" and "advanced" retail investors, given their natural difference in experience with investing.

4. Conduct further independent research into the motivational interplay between "returns" and "impact" from the perspective of retail investors;

- Retail investors seek to grow their capital, but they also look for leveraging opportunities with impact, specific environmental and climate goals. Naturally, a combination of motivations is also prevalent, but the appetite for educational courses that distinguish between investment opportunities encompassing environmental, climate or social characteristics remains in high demand.



This insights report is part of series assessing retail investor sustainability understanding and preferences in Poland, Germany, France and Spain

