

Responsible Investment Certification Program Information Sheet – July 1, 2019

<http://responsibleinvestment.org/program-overview/>

Program Membership

Issuers of products and services that feature on the [Responsible Returns online tool](#) are members of the [Responsible Investment Association Australasia](#) (RIAA). Product providers pay annual membership fees as well as a certification levy and product fees that go towards offsetting the costs associated with the Responsible Investment Certification Program (the Program) administration. As at June 30, 2019 approximately 35% of RIAA members were certified financial advisers and/or had at least one product certified under the Program.

Program Goal and Approach

The Program aims to increase the uptake and deepen the impact of responsible investment by helping investors find, compare and select responsible investment products and services. It is built on a robust governance framework which tests investment processes are consistent with product and service claims.

The Certification Symbol



CERTIFIED BY RIAA

The Certification Symbol (the Symbol) is the Registered Trademark and is owned and managed by RIAA. Program applicants use the Symbol most suited to their investment style and enter into a two-year licence agreement to use the Symbol once certified under the Program.

The Symbol signifies that a product or service

- seeks to avoid significant harm
- makes honest and substantiated sustainability claims
- has relevant and accessible disclosures including performance, holdings and sustainability outcomes
- explicitly and systematically accounts for ESG factors
- is underpinned by reliable and auditable RI strategies and processes.

Issuers of certified products are active stewards with formalised commitments to responsible investing and that provide educational information to members and customer. When used with financial advisers the Symbol signifies that Certified financial advisers meet continuing education outcomes, consider a full range of client

interests in the provision of advice and have Certified products on their Approved Product List.

The Symbol enables investors to differentiate responsible investment products and services from other more conventional investment options and advice.

Program Requirements

RIAA certifies investment products and services against a Program Standard covering responsible investing behaviours. A full set of the Requirements are available [on RIAA's certification pages on its website](#).

Certified responsible [investment products](#):

1. Meet strict operational and disclosure requirements and publish their responsible investment strategies, underlying investment manager names, asset holdings and performance results and sustainability outcomes;
2. Are subject to an assessment by the Certification Assessment Panel, a delegated sub-committee of the RIAA Board as well as an independent verification of data by Grant Thornton or KPMG New Zealand;
3. Remain certified by resubmitting for renewal every two years or when material changes to the product occur;
4. Make themselves available to RIAA's annual spot audits (executed by RIAA or a Third-Party Verification Panel member designate) covering between 5-10% of eligible Program participants renewing Program certification in a given year; and
5. Have their issuers invite their members, clients and peers to hold them to account for their behaviours consistent with the Program *Code of Conduct*.

The Program Code of Conduct

RI Certification Program participants commit to:

Doing responsible investment well – making a demonstrable commitment to superior ESG and ethical investment management and advice;
Promoting success – providing an accessible narrative for the performance and impact of responsible investing; and
Being transparent - offering clear, transparent and easily accessible information for consumers and others to understand and navigate the broad array of products and services.

Requirement/Category	Financial Advice	Financial Advisory Group	Investment Management Service	Product	Superfund Whole of Fund
Financial, legal and governance compliance	✓	✓	✓	✓	✓
Professional membership	✓				
Specified level of RI education, training and experience	✓	✓	✓		
Sound client RI advisory process	✓	✓	✓		
Inclusion and promotion of RI products	✓	✓	✓		
Disclosure – RI products	✓	✓	✓		
Educational RI information for clients			✓	✓	✓
Avoid significant harm			✓	✓	✓
Account for ESG factors			✓	✓	✓
Honest and substantiated claims			✓	✓	✓
Disclosure - RI strategies, holdings, performance, sustainability outcomes			✓	✓	✓
Managed by active stewards			✓	✓	✓
Formalized organisation-wide commitment to RI			✓	✓	✓
Third party verification of RI strategies and processes			✓	✓	✓
Quality & Threshold Test (<i>internally applied</i>)	✓	✓	✓	✓	✓
Commitment to Program Code of Conduct	✓	✓	✓	✓	✓
Certification Symbol Trademark Licence Agreement	✓	✓	✓	✓	✓
Licensee Marketing Kit & Style Guide	✓	✓	✓	✓	✓
RI= Responsible Investment					

Program History and Update

The Program started operation in 2005 and in 2015 underwent a major review to strengthen its governance framework. Also, at this time RIAA added the *Quality and Thresholds Test* which requires the Certification Assessment Panel to take a ‘reasonable persons’ or normative point of view when reviewing the merits of a member’s product or service against the Program’s goals and approach. In 2019 it underwent another major update to incorporate minimum requirements including avoiding significant harm, accounting for ESG factors, and active stewardship and organisation-wide RI commitments. New guidelines on avoiding greenwashing in product labelling and marketing were also incorporated.

About RIAA

This information sheet is issued by the Responsible Investment Association Australasia (RIAA) ABN 988 248 315 60. RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand; and is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.

With 260 members managing more than \$9t in assets globally, RIAA is the largest and most active network of people and organisations engaged in responsible and impact investing across Australia and New Zealand.

Formed in 1999 as the Ethical Investment Association (EIA), the EIA pioneered programs such as the annual Benchmark Report, specialist courses for Financial Advisers and the world’s first Certification Program for products and services in responsible investment. In 2007, the organisation’s name was changed to Responsible Investment Association Australasia to reflect the increasing diversity of members within the organisation and the broadening interest in this type of investment from professionals, consumers and large institutional investors.