About the Responsible Investment Association Australasia

The Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and Aotearoa New Zealand (NZ). RIAA is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.

With over 500 members managing more than US$29 trillion in assets globally, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and NZ. Our membership includes super funds, KiwiSaver providers, fund managers, banks, consultants, researchers, brokers, impact investors, property managers, trusts, foundations, faith-based groups, financial advisers and individuals.

RIAA achieves its mission through:

• Providing a strong voice for responsible investors in the region, including influencing policy and regulation to support long-term responsible investment and sustainable capital markets;
• Delivering tools for investors and consumers to better understand and navigate towards responsible investment products and advice, including running the world’s first and longest running fund Certification Program, and the online consumer tool Responsible Returns;
• Supporting continuous improvement in responsible investment practice among members and the broader industry through education, benchmarking and promotion of best practice and innovation;
• Acting as a hub for our members, the broader industry and stakeholders to build capacity, knowledge and collective impact; and
• Being a trusted source of information about responsible investment.

CONTACT US

RESPONSIBLE INVESTMENT
ASSOCIATION AUSTRALASIA

Ground Floor, 555 Bourke St
Melbourne, VIC 3000
Australia

+61 3 7018 7653
info@responsibleinvestment.org
responsibleinvestment.org

ABN: 988 248 315 60
OUR MISSION

The Responsible Investment Association Australasia (RIAA) works to promote, advocate for, and support approaches to responsible investment that align capital with achieving a healthy and sustainable society, environment and economy.
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Message from the Chair</td>
<td>5</td>
</tr>
<tr>
<td>Message from the CEO</td>
<td>6</td>
</tr>
<tr>
<td>Year at a glance</td>
<td>7</td>
</tr>
<tr>
<td>2023-25 Strategy</td>
<td>8</td>
</tr>
<tr>
<td>Drive Standards</td>
<td>9</td>
</tr>
<tr>
<td>Embed Standards</td>
<td>11</td>
</tr>
<tr>
<td>Direct demand</td>
<td>13</td>
</tr>
<tr>
<td>Provide the platform for members to collaborate</td>
<td>15</td>
</tr>
<tr>
<td>Sustainable Organisation</td>
<td>17</td>
</tr>
<tr>
<td>Financial Summary</td>
<td>18</td>
</tr>
</tbody>
</table>
Dear RIAA members

Reviewing RIAA’s achievements over the year is a reminder of the awesome power of a small team empowered to facilitate the ambitions of our region’s much larger community of responsible investors.

As our community has grown and these ambitions have evolved, RIAA itself has adapted; continuous improvements that constitute BAU occasionally punctuated by periods of more purposeful metamorphosis.

This agility would not have been possible without the precision mission, effective governance, and strategic clarity which its members have supported the RIAA board to deliver over many years. However, it is RIAA’s people whose talents, efforts, and tenacity power RIAA’s ongoing achievements.

RIAA’s strength (at the time of writing) is enabled by Josh Edmunds and Michelle Lilley who keep RIAA close to members; by Briony Doyle-Galovic who drives the events that connect us to each other; and to Min Wah Voon and Antonia Bowlen who channel our community’s interests into collective action.

Its reach owes a lot to Zsuzsa Banhalmi-Zakar who leads the research widely used as the yardstick for our industry; to Susan Quinn who ensures policy makers are well informed about our interests and our insights; and to Carly Hammond and Katie Braid who make our collective efforts and insights visible to much wider audiences.

RIAA’s credibility in the community reflects the standards upheld by our certification team, including Cass Williams, William Suwandri, Anson Chan and Tori Huggins.

Dedication and deft management by Estelle Parker and Dean Hegarty scaffold all of the above, supporting Simon O’Connor to convert strategic plans into successes, via the operational foundations meticulously cultivated by Lynda Poke.

Heartfelt thanks to you all, for your unique contributions to the continuing advancement of the industry.

Susheela Peres da Costa
Chair
Dear RIAA members

I’m pleased to be presenting this year’s annual report to you, to wrap up a year of incredible momentum in responsible investment and sustainable finance.

We are all operating in a time of huge acceleration in our industry as we rapidly professionalise, being hardwired into the core financial sector and legislative infrastructure, and as we shift from an industry moving from commitments to action.

RIAA as an organisation continues to evolve at a rapid pace to both shape this momentum and respond to the opportunities that this time presents, to meaningfully influence finance in a manner that aligns with our mission – driving more responsible investment that aligns with a healthy and sustainable economy, environment and society.

Without a doubt, progress has been strong. We find ourselves in markets whereby investors are increasingly focused on their approaches to ESG, where regulators have our area on top of their priority lists, where consumer and advisers are switching raising the demand for responsible investments, which is driving a fundamentally different conversation across business and finance.

At RIAA, this report sets out how we have worked to shape and influence this moment across Australia and New Zealand.

We’ve worked hard to drive the financial sector policy settings; we’ve driven coalitions of finance groups to back an aligned agenda; we continue to define leading practice standards and prosecute these to the market; we’ve positioned to be the strongest verifier of quality responsible investment in our region with our ever stronger Certification Program; and we’re convening our growing network of members on a near weekly basis around the big sustainability issues to enable a more impactful sector.

RIAA has an incredibly talented and committed team of experts working with our members to drive this important agenda. It’s an absolute privilege to work with the RIAA team on a daily basis, and to see the amplification of the impact we have with our new and expanding team.

You’ll see in these pages that our reach continues to extend, with media mentions doubling in FY22 and downloads of our research and reports reaching over 60,000. We measure this to understand the reach and influence we have which gives us the best chance of driving change commensurate with the mission at hand.

As this report sets out, we continue to work to position RIAA to be a strong and influential voice in shaping financial markets in our region towards sustainability.

The international context becomes ever more important in our region, where we are being shaped and influenced by standards, frameworks and laws across the world. We continue to advocate strongly in our local markets for strengthened and aligned policy settings, ones that can ensure we don’t fall behind in the global race to position in sustainable finance.

New Zealand has always been an important part of our work, and this has stepped up in FY22 as this market continues to accelerate to embrace responsible investment. We were pleased to formally establish a presence in NZ in FY22, with our first staff member on the ground permanently after working in the market for nearly two decades.

I am pleased to present to you all this annual report, and look forward to our work together in the year ahead.

Simon O’Connor
CEO
RIAA membership grew by 24% to 498 members

Media mentions doubled to 1,731

61,000 downloads of RIAA’s research reports and publications

The value of RIAA certified investment products grew 91% from $66 billion in AUM to $113 billion in AUM

301 investment products certified

39 events delivered, attracting 4,465 attendees

RI Australia 2022 attracted 832 people

5 research studies published

9 out of 10 RIAA members are satisfied with their membership
The five pillars of our strategy are:

1. Drive standards of RI that align with real sustainability outcomes

2. Embed our standards in policy, codes, regulations, ratings and platforms

3. Direct the demand towards certified responsible investment products & advice

4. Provide the platform for members to collaborate to address the big sustainability issues

5. Maintain a strong, sustainable organisation that members value highly

To deliver on this in FY23-25, RIAA will:

Continue to build capability in the industry by articulating and driving leading practice including by better leveraging and disseminating our knowledge and content to more widely influence the market and drive higher standards;

Drive hard to influence and lift policy and standards so that doing responsible investment well is a compliance issue, greenwashing becomes harder, and more assets are being invested to achieve sustainability outcomes;

Deliver a step change in the Responsible Investment Certification Program that can service the strong demand, including implementing the Sustainability Ratings initiative;

Support our members who are delivering leading practice responsible investment to deliver on the sustainability outcomes, by making it easier for members to engage effectively with RIAA as a hub and strong community, including through effective facilitation of our working group collaborations;

Strengthen our NZ presence and value to NZ members as a key, fast-moving market of our region and where strong progress is occurring;

Strengthen our financial adviser engagement and value proposition as this segment remains a critical gatekeeper and driver of demand; and

Have an organisation that is operating strongly and professionally to drive this sector-wide change.

In June 2022, RIAA updated its rolling 3-year strategy to reflect and respond to the significant momentum and rapid development in our market.

The focus on RIAAs strategy is driving sustainability through finance. It aims to position the organisation as the authority and standard setter focused on moving the market towards responsible investment and finance that delivers real sustainability outcomes, whilst being highly valued by our community of members as the place for impactful collaboration.

OUR MISSION

The Responsible Investment Association Australasia (RIAA) works to promote, advocate for, and support approaches to responsible investment that align capital with achieving a healthy and sustainable society, environment and economy.
RIAA's work is critically focused on ensuring the development and implementation of the highest standards of responsible investment practices, that align capital with more sustainable and healthy economies, societies and the environment.

Our work brings together a close knowledge of the emerging leading standards of practice around the world through our deep global connections, and then applies them in the local market context for Australia and NZ.

Our work program works to guide the market in the ongoing strengthening of those standards, with our research articulating and assessing leading practices, our policy and advocacy program focused on ensuring these highest standards are embedded in the regulation, legislation, codes and standards across our markets, and our Certification Program integrating these standards in the assessment of financial services products.

We are focused strongly on the goal of not only strengthening responsible investment standards in our region, but also working to influence the global convergence of strong and appropriate standards. As the following sections outline, this work underpins much of RIAA's efforts in order to drive the development of a responsible investment and sustainable finance market that delivers real world outcomes commensurate with the global challenges we urgently need to tackle.

**RIAA IN THE MEDIA**

In FY22, RIAA continued to promote the growth and significance of responsible investment to the Australian and NZ media and set ambitious targets to increase our presence in the NZ media.

From supporting key regulatory developments such as greenwashing guidance from ASIC and the FMA, to advocating for a stronger emissions reduction target in Australia, RIAA lent its credible voice to pertinent issues facing investors. There was 128% growth in total RIAA media coverage in FY22, with 1,731 total mentions.

RIAA's research continues to be highly popular in the media with over 800 mentions of RIAA reports, adding quality data and evidence to the ever-changing public discourse around ESG and responsible investment.

Media mentions in NZ publications increased by 38% on the previous year, largely attributable to RIAA delivering more dedicated initiatives and events to the NZ market.

**RESEARCH PROGRAM**

RIAA's Research Program is fundamental to achieving RIAA's goal of driving standards of responsible investment that align to real sustainability outcomes. We do this by defining and benchmarking leading practice, as well as building awareness by the investing public of responsible investment.

Delivery of RIAA's Research Program involves rigorous collection of relevant, high quality, and timely data about responsible investment practices in Australasia and publishing findings and accompanying analysis to a wide range of stakeholders. RIAA's research publications are a key resource for members, opinion leaders, investors and the public, featuring prominently in local and global media.

Overall, FY22 was an extremely impactful year for RIAA's Research Program and the responsible investment industry overall. RIAA's research report downloads continue to climb, reaching over 40,000 in FY22. Over 900 stakeholders attended our live research report launch events, with more than 1700 registering, thus gaining access to the recordings.

The Research Program published five major research reports: the Super Study (focusing on the largest asset owners in Australia), From Values to Riches 2022: Charting consumer demand for responsible investment in Australia and NZ, and our annual Responsible Investment Benchmark Reports for Australia and NZ.

**RIAA’s Responsible Investment Super Study** is a biennial report that describes trends in responsible investment approaches and measures the performance of Australia’s largest 50 APRA-regulated super funds and other large asset owners. The Super Study was downloaded more than 8,000 times in FY22. The research includes designating super funds that demonstrate leading practice. The results revealed that responsible investment approaches are influencing strategic asset allocation for the majority of super funds in Australia (55%, up from 39% in 2019) and that 42% of total superannuation assets are owned by asset owners practising a leading approach to responsible investment (up from 28% in 2019).
The two Responsible Investment Benchmark Reports 2021 – Australia and NZ – were based on a survey of approximately 180 investment managers in Australia and NZ. The reports showed record growth in the responsible investment market and were received extremely well in the media and among the wider public.

In 2021, the proportion of responsible investors in Australia demonstrating a leading approach grew to 27% of investment managers (from 24%) and almost half in NZ. These managers were designated Responsible Investment Leaders. The Australian report, along with its factsheet was downloaded more than 14,000 times. The NZ report, with its factsheet was downloaded more than 4000 times. Those RIAA members that fill out our surveys receive analytics that provide further details about their performance on the RIAA Responsible Investment Scorecard including how they compare to their peers.

RIAA dedicated more resources to publishing the research focusing on consumer sentiments across Australasia in FY22. The From Values to Riches 2022: Charting consumer demand for responsible investment studies involved surveying 1,000 Australians and 1,000 New Zealanders aged 18 and over. Report downloads of the Australian study more than doubled, reaching almost 10,000, while the NZ report was downloaded over 800 times, growing 67% compared to when it was last published. The NZ consumer research was again conducted in collaboration with RIAA member Mindful Money.

Other notable updates for our Research Program included updating our website with a ‘Research’ menu tab to make it easier for visitors to navigate to our research outputs as well as the introduction of infographics as a new way to portray our findings. We continue to launch and publish our research online to ensure we reach a wide audience. Our research is available to anyone at no cost.

OTHER PUBLICATIONS

In addition to research studies, various other resources have been created and published for investors to provide guidance around leading practice responsible investment.

POLICY AND ADVOCACY

FY22 saw significant opportunities emerge to embed leading practice standards in regulation, including an Australian election driven by a climate agenda, and the establishment of the International Sustainability Standards Board by the G20.

RIAA launched its Australian policy platform Sustainable Finance for a Thriving Australia shortly after the May 2022 federal election. This sets out RIAA’s priorities for change over the next term of Government in Australia, to use finance and broader regulation to boost responsible investment and build a more sustainable economy.

RIAA advocated via government and industry initiatives for strong policies that embed RIAA standards and industry best practice in laws, regulation and industry standards. Our submissions included:

• Supporting the introduction of mandatory portfolio holdings disclosure for superannuation funds in Australia, and calling for stronger transparency, via the Australian Treasury’s consultation on the new requirements;
• Advocating for better integration of ESG consideration in the Australian Prudential Regulation Authority’s prudential practice guides and standards, including in investment governance and the management of the financial risks of climate change;
• Informing the NZ Ministry for the Environment on how to direct finance into low-emissions investments via its proposed Emissions Reduction Plan;
• Advocating for robust mandatory corporate reporting standards to better-inform investors under the NZ External Reporting Board’s (XRB) draft Climate-related Disclosures Standard;
• Supporting and providing detailed advice on the CFA Institute’s draft ESG Disclosure Standards for Investment Products; and
• Feeding investor views into the NSW Government’s work on natural capital, including blue carbon initiatives.

In collaboration with our First Nations Peoples’ Rights Working Group members, RIAA made formal submissions to several Australian Government inquiries. Through this engagement we:

• Highlighted examples of best practice engagement with First Nations communities by the responsible investment sector, including the Dhawura Ngilan Business and Investor Initiative, through the Australian House of Representatives Indigenous Affairs Committee’s Inquiry into and Report on Best Practice Indigenous Engagement by Corporations;
• Voiced strong investor support for Australian implementation of the UNDRIP through the Senate Legal and Constitutional Affairs References Committee inquiry into the Application of the United Nations Declaration on the Rights of Indigenous Peoples in Australia; and
• Emphasised investor support for First Nations cultural heritage protection, and highlighted examples of investor initiatives, through the Western Australian Government’s Aboriginal Cultural Heritage Act 2021 co-design process.

The Australian policy environment has shifted significantly with the new Labor Government elected in May 2022. The Government put on the agenda a target of net zero emissions by 2050 and a 43% reduction in emissions by 2030, as well as financial regulation including a climate disclosure standard and a review of the Your Future, Your Super regime. RIAA continues to take a leading role in influencing government policy and reform.

COLLABORATION WITH OTHER ORGANISATIONS AROUND STANDARDS

Given the significant scope of RIAA’s mission, targeted partnerships and collaborations with other industry groups and stakeholders builds critical mass and amplifies our ability to influence, and helps RIAA to reach its strategic objectives and achieve our mission. In this way, and especially at this time of rapid evolution of our sector, we see strategic collaboration and partnership as a critical enabler of our work to deliver on our mission.

In FY22, RIAA engaged in collaborative initiatives including:

• Taking a key role in establishing a joint global project to standardise ESG terminology, led by the CFA Institute, the Global Sustainable Investment Alliance (GSIA) and the UN Principles for Responsible Investment (PRI). The project aims to standardise terminology and definitions as well as provide guidance for the use of ESG-related investment approaches;
• Hosting briefings and Q&As for RIAA members on sustainability disclosure standards emerging globally, with the CEO of NZ’s XRB and key members of the International Sustainability Standards Board;
• Continuing to play a role contributing to the work of the Australian Sustainable Finance Institute to drive the delivery of the Sustainable Finance Roadmap, with a role on both the ASFI Advisory Board and the Technical Advisory Group for the taxonomy development;
• Working closely with Toitū Tahua: Centre for Sustainable Finance in the delivery of the NZ Sustainable Finance Roadmap. We continue to be involved in the investment implementation group to shape the ongoing work of driving the sustainable finance agenda at a policy and practitioner level;
• RIAA maintains a role on the NZ Impact Investment National Advisory Board to contribute to driving the market development for impact investment;
• RIAA holds a seat on the Natural Capital Working Group convened by the Commonwealth and NSW Governments to provide finance sector input to government and industry developments into how issues of natural capital are incorporated into commercial decision making;
• Contributing to a cross industry project to develop a Stewardship Code for NZ in FY22, which launched in September 2022. RIAA has now established a joint secretariat with Toitū Tahua: Centre for Sustainable Finance to drive the introduction of this Code to the NZ market;
• Building on our nature-related work, RIAA took up an opportunity to formally become the Consultation Group host for Australia and NZ for the Taskforce on Nature-related Financial Disclosures (TNFD), providing us a formal linkage into the international standards development, and the opportunity to host the important development of an Australian input; and
• RIAA has been proud to be a part of establishment of the Dhawura Ngilan Business and Investor Initiative, focusing on strengthening Australia’s First Peoples’ heritage laws and standards for the private sector to uphold the human rights of First Peoples. The initiative is led by the First Nations Heritage Protection Alliance in partnership with the Global Compact Network Australia (GCNA) and RIAA.

GLOBAL SUSTAINABLE INVESTMENT ALLIANCE (GSIA)

RIAA continued as Chair and Secretariat of the Global Sustainable Investment Alliance (GSIA), having held the two-year position since in May 2020. The GSIA is a global alliance of the world’s largest regional and national sustainable investment representative organisations across the US, Canada, Japan, Europe and the UK.

With the growing global nature of standards in responsible investment, there is immense value in this global collaboration to ensure strong alignment and cooperation across our many markets. The GSIA released our biennial report, the Global Sustainable Investment Review in 2021 that again presented data on the immense growth, development and sophistication of our sector, a report that is cited globally in the media as the preeminent source of industry data.

Australian Sustainable Finance Institute

The Australian Sustainable Finance Initiative was launched in March 2019, bringing together leaders spanning Australia’s major banks, superannuation funds, insurance companies, financial sector peak bodies, and academia to develop a Sustainable Finance Roadmap.

Co-chaired by RIAA’s CEO Simon O’Connor and with its secretariat housed within RIAA, ASFI launched its roadmap in 2020, recommending pathways, policies, and frameworks to enable the financial services sector to contribute more systematically to the transition to a more resilient and sustainable economy, consistent with global goals such as the UN Sustainable Development Goals and the Paris Agreement on climate change.

In FY22, the Initiative wound down its operations within RIAA and was established as a stand-alone entity, the Australian Sustainable Finance Institute, to drive forward with delivery of the roadmap, including the development of a sustainable finance taxonomy.

The establishment of the Initiative and the ensuing permanent body mark a significant milestone in the development of sustainable finance in Australia and a formative piece of work driven by RIAA to help progress our mission.
CERTIFICATION

RIAA’s Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical and impact investment products and services in Australia and NZ.

FY22 achievements demonstrated the Program’s increasingly significant influence in our region. The number of certified products increased from 225 to 301, driven by growing demand for third party verification of responsible investment credentials in financial products. Approximately half of all certified products are based in or available in NZ, with an increasing proportion of KiwiSaver products.

RIAA worked on building the distribution opportunities for certified products, ensuring the broader market has exposure to and can differentiate between the highest quality responsible investment products available. We continued to build strong relationships with investment and wealth platforms, with certified products informing the ESG menus and model portfolios of several large platforms, including BT’s Panorama, AMP North and Macquarie Wrap.

Due to the increased awareness and use of certification by investors, there was significant growth in AUM in certified products, growing 91% from $66 billion to $113 billion, due to a combination of more products, high in-flows and strong financial performance of certified funds.

RIAA focuses strongly on maintaining the rigour and credibility of the responsible investment sector and products in delivering this program, and as such find that approximately 80% of products assessed under RIAA’s Certification Program are required to make investment process or marketing material changes to comply with the certification requirements, ensuring RIAA’s Certification Program sets the gold standard for impactful finance.

With a growing focus by regulators in our market and overseas on greenwashing, RIAA’s Certification Program has both informed and is strongly aligned with the regulatory guidance for investors issued by ASIC and FMA.

The Program continues to develop and mature to remain fit for purpose, to meet the fast pace of change in the market, and to be in a position to meet demand. Over the past year, we have increased the emphasis on stewardship as a requirement under the Program, and we have broadened the definition of avoiding significant harm to include a requirement to exclude nuclear weapons, informed by the ratification of the international treaty. We are also continuing to build out our highly skilled certification team, with investments in the program, including the completion of the build of a new platform for certification applications, and new Responsible Returns website.

Three quarters (75%) of the population are more likely to invest in responsible investment products that have been certified or labelled as responsible by an independent third party.

Performance of certified funds

For the first time in 2022, the RIAA Benchmark Report undertook performance analysis of RIAA Certified Funds compared with their benchmarks, and the average responsible investment fund. On all accounts, the data demonstrates that, on average, leading practice in responsible investment materialises into substantial financial returns.

In Australia, products certified under RIAA’s Responsible Investment Certification Program on average outperformed the market in the medium to long term, and over some time frames achieved two or three times the returns. In NZ, products certified by RIAA on average outperformed benchmarks across all categories and almost all timeframes, while non-certified products labelled responsible investments stayed on par with benchmarks.

There are many developments underway for certification, including increased resourcing for the program, an expansion of the Certification Assessment Panel, and the development of our Sustainability Ratings Initiative that will introduce a star rating for products to differentiate them for clients on the basis of their intention to create sustainability impacts. This will continue to underpin the Program’s utility, relevance and growth into coming years.

Our Financial Adviser Certification Program continues to highlight those leading advisers with expertise in this sector. The number of certified advisers has grown this financial year by 42%, driven by strong demand from NZ based advisers and financial advisory groups who are embracing responsible investment from the top down. Plans are underway to further strengthen this offering for our financial advice members.
RESPONSIBLE RETURNS

The Responsible Returns online tool helps consumers and advisers find, compare and choose responsible and ethical superannuation, banking and investment products that best match their interests or needs of their clients.

All products that feature on Responsible Returns have been certified in accordance with RIAA’s Responsible Investment Certification Program, differentiating quality, true to label responsible investment products which meet the Responsible Investment Standard.

In FY22, RIAA engaged in a rebuild of the Responsible Returns website, to both modernise the site, enhance the user experience as well as provide greater profiling for products and providers. This was conducted in tandem with rebuilding the Certification Program’s administrative platform. The new website went live in August and is still in beta mode with further enhancements in train.

Almost two-thirds (64%) of Australians agree that responsible and ethical super funds/ investments perform better in the long term

72% of Australians are concerned that responsible investors engage in greenwashing

4 out of 5 Australians (83%) expect their bank account and their super to be invested responsibly and ethically

73% of Kiwis expect their investments to be ethical or responsible. The majority of people (56%) would consider moving their money if they found out their current fund invested in companies that engage in activities inconsistent with their values.
MEMBERSHIP

RIAA’s members are the driving force of the organisation, and come from the full spectrum of the investment chain, from retail to institutional.

In FY22, RIAA membership grew by 24% to 498 members (419 Australian members and 79 NZ members).

FY22 saw a strong focus from the team on increasing the membership value proposition for several key member categories including asset managers, financial advisory groups and financial advisers. This increased focus resulted in a 40%, 35% and 24% increase in these categories respectively throughout the financial year.

Member feedback about RIAA’s work is extremely positive with:

• 9 out of 10 RIAA members satisfied with their membership;
• 8 out of 10 members considering RIAA good value for money; and
• 9 out of 10 members saying they would recommend RIAA membership to their peers.

WORKING GROUPS

RIAA’s Working Groups are a critical part of the RIAA platform where our members come together to share knowledge, build capability and collaborate on the major ESG themes that are impacting our markets. These groups continue to be a program area of RIAA where we see deep and generous engagement by our members.

During FY22, on average, we saw 276 members engaging in our working groups each quarter, representing a huge step up in engagement of 160% member participation compared with FY21.

In FY22, RIAA facilitated five working groups: Human Rights, First Nations Peoples’ Rights, Impact Management and Measurement Community of Practice, the Financial Adviser Forum, and the Nature Working Group which was instigated in FY22. Working groups met quarterly and hosted sessions with renowned experts and industry leaders, sub working groups met across the year, numerous events were put on in conjunction with our working groups, working group sessions were held at our Australian conference, and the groups produced valuable resources led by industry for industry.

Key to the utility of the working groups for members has been the publication of toolkits and other practical resources, to help demonstrate how investors can consider and act on key ESG and sustainability issues. These have included modern slavery guides, investor engagement on human rights, and a cultural heritage protection toolkit. These resources are downloaded many thousands of times across FY22, for example, the Indigenous Peoples’ Rights and Cultural Heritage Protection Toolkit was downloaded, on average, 550 times a month following its release in October 2021, highlighting its practical value to responsible investors.

Working groups active in FY22 comprised:

RIAA’s First Nations Peoples’ Rights Working Group, chaired by Alan Dayeh (Point Advisory), continues to collaborate with First Nations peoples to increase their voices in responsible investment and sustainable finance. A significant collaboration emerging from this working group has been the Dhawura Ngilan Business and Investor Initiative. Established in the wake of the Juukan Gorge destruction by Rio Tinto, the Initiative is led by the First Nations Heritage Protection Alliance in partnership with the Global Compact Network Australia (GCNA) and RIAA. Its focus is on strengthening Australia’s First Peoples’ heritage laws and standards for the private sector to uphold the human rights of First Peoples.

The Nature Working Group launched in FY22 in response to the strong member demand for strengthened capability and knowledge development in relation to nature and biodiversity risks and opportunities. This working group is chaired by Guy Williams (Deloitte) and Shara Lohrasb (Clean Energy Finance Corporation). This group has established strong work streams and engagement, and has resulted in global connections into the Taskforce on Nature-related Financial Disclosures (TNFD). Based on the strong convening through this working group, RIAA has taken up a role as the Consultation Group Convenor of the TNFD across Australia and NZ in FY22 and hosted events to develop awareness and input into the development of the TNFD beta framework.

The Human Rights Working Group (HRWG), chaired by Måns Carlsson (Ausbil), continued to be a leading forum for Australasian investors. With work beginning in 2022 on a review of the Australian Modern Slavery Act as well as the instigation of NZ modern slavery legislation, the work continues to be important in arming investors with their response to key human rights issues and risks. An updated 2nd edition of the highly popular investor toolkit, Human rights with a focus on supply chains, was downloaded over 1,500 times on launch, with average monthly downloads of 530 in FY22. The group began working with the Australian Red Cross to develop investor resources on conflict and human rights.
Impact Management and Measurement Community of Practice (IMMCOP) continued its work to build RIAA members’ understanding and capabilities on managing and measuring impact, and share best practice from around the world. Chaired by Carly Hammond (RIAA), IMMCOP focused on general education webinars on topics including developing an impact thesis, leading practice impact reporting and software platforms for managing impact. There was also a Spotlight Series event doing a deep dive of two members into impact management. IMMCOP events were well-attended from across the RIAA membership with attendance in FY22 increasing by more than 50%, explained in part by our growing membership but also by the popularity of this subject across our membership, most notably asset managers, asset owners and advisory groups.

The Financial Adviser Forum (FAF), led by Dave Rae (Ethinvest) and Karen McLeod (Ethical Investment Advisers), was launched in FY21 and continued to bring together adviser members and those interested in the financial advice space around meetings that addressed key relevant issues. The FAF held events on thematic issues from climate change, the built environment and controversial weapons and featured experts, along with product providers highlighting how they are addressing the issues in their offering. These sessions aimed to deliver to RIAA’s adviser members, and the broader membership, information on responsible investment issues, products and best practice, which will enable them to be better informed on the issues relevant to them and their clients.

EVENTS

RIAA’s events keep members up to date with relevant information, profile experts, highlight leading practices and allow a platform for members to learn, share and demonstrate their thought leadership.

→ In FY22, RIAA hosted 39 events with a total of 4,465 attendees.

RIAA’s RI Australia conference is our flagship annual event attracting members, the wider investing public and other stakeholders. Held in Sydney in May 2022, this year’s event was a hybrid event with 534 attendee in-person and an additional 298 people accessing the online platform. This was our highest attended event and cemented its reputation as the premier sustainable finance conference in our region.

RIAA presented its 2021 RI Aotearoa New Zealand conference in June 2021 to 220 attendees, then due to COVID, was forced to delay its FY22 NZ conference until the second half of 2022. The 2022 conference, held in Auckland, brought together a record attendance of 375 delegates in September 2022.

For over a decade RIAA has been convening these major responsible investment conferences which play a key annual role in bringing this growing industry and community of practitioners to learn, share and build knowledge and capability for this sector.

RIAA launched five reports in FY22 and held corresponding events, attended by a total of 913 people. RIAA’s working groups made up 18 of the FY22 events, with 1382 members attending the online meetings.
We are privileged to continue to be joined by incredibly talented staff as our team grows and evolves. Since the end of FY22 to the date of publication we have been joined by the following team members:

- Michelle Lilley  
  Manager, Client Services
- Anson Chan  
  Responsible Investment Analyst
- Antonia Bowlen  
  Program Officer
- Tori Huggins  
  Administration Officer, Certification
- Jordan Wise  
  Communications Officer

Thank you to all of the organisations that provided RIAA with pro-bono support through FY21:

- **Advice to the Certification Program** – Baker McKenzie, Landers & Rogers, West Nine Consulting
- **ESG Research Providers** – MSCI, ISS ESG, Sustainalytics
- **Many of our members** who provide us with meeting rooms to allow us bring together our members and the broader sector for meetings.

**Sustainable Organisation**

**RIAA will work to maintain a strong, sustainable organisation that members value highly**

**BOARD MEMBERS** (as at end FY22)

- **Susheela Peres da Costa**  
  The Stewardship Centre – Chair
- **Ross Piper**  
  Christian Super – Vice-Chair
- **Grace Palos**  
  Future Super
- **Farren Williams**  
  Koda Capital – Treasurer
- **Simon O’Connor**  
  CEO/Executive Director
- **Francie Doolan**  
  Impact Investment Group – Chair of Governance Committee
- **Justin Medcalf**  
  Independent (to April 2022)
- **Arti Prasad**  
  New Zealand Super Fund
- **Matt Mimms**  
  The Investment Store – NZ representative
- **Dave Rae**  
  Ethinvest
- **Kathryn McDonald**  
  CAP Chair
- **Daniela Jaramillo**  
  Fidelity International
- **Tom May**  
  Australian Ethical (joined April 2022)
- **Måns Carlsson**  
  Ausbil

The Board and executive would like to extend a deep appreciation and thanks to Justin Medcalf who ended his 10-year term in April 2022. Justin has made a huge contribution to RIAA over those years having helped to shape the organisation from a small three-person outfit to where we are today. We look forward to continuing to work closely with Justin in years to come.

**STAFF MEMBERS** (as at end FY22)

The organisation is only as strong as the people working within it, and the work and impact of RIAA is a testament to the incredibly talented team of highly skilled and incredibly committed individuals who work within RIAA.

The RIAA team in FY22 included:

- **Simon O’Connor**  
  Chief Executive Officer
- **Dean Hegarty**  
  Executive Manager, Membership and Engagement
- **Estelle Parker**  
  Executive Manager, Programs
- **Lynda Poole**  
  Head of Operations | Company Secretary (from March 2022)
- **Carly Hammond**  
  Head of Marketing | Impact Investment Forum Program Manager
- **Min Wah Voon**  
  Head of Working Groups
- **Susan Quinn**  
  Head of Policy and Advocacy
- **Cassandra Williams**  
  Head of Certification and Ratings
- **Zsuzsa Banhalmi-Zakar**  
  Manager, Research Programs
- **Josh Edmunds**  
  Manager, Member Services
- **Katie Braid**  
  Communications and Media Coordinator
- **Briony Doyle Galovic**  
  Event Coordinator
- **William Suwandri**  
  Senior Responsible Investment Analyst
- **Ali el Saleh**  
  Responsible Investment Analyst
- **Bianca Olguin Malavisí**  
  Program Officer

**Staff members who departed RIAA during FY22**

- **Nicolette Boele**  
  Executive Manager, Policy and Projects
- **Sharon Rayner**  
  General Manager – Operations
- **Ryan Cook**  
  Senior Certification and Ratings Analyst
- **Natalie Sarau**  
  ASFI Coordinator

We are privileged to continue to be joined by incredibly talented staff as our team grows and evolves. Since the end of FY22 to the date of publication we have been joined by the following team members:

- **Michelle Lilley**  
  Manager, Client Services
- **Anson Chan**  
  Responsible Investment Analyst
- **Antonia Bowlen**  
  Program Officer
- **Tori Huggins**  
  Administration Officer, Certification
- **Jordan Wise**  
  Communications Officer
RIAA continued to focus on strengthening the financial position of the organisation that underpins our ability to adequately resource our ability to deliver on our constituted mission. Despite the ongoing impact of COVID restrictions, RIAA was able to hold its annual Australian conference and continued to grow revenues from membership and certification through the year, whilst the growing team added expenses to the organisation, the year ended in a deficit position of $122,000 with strong cash reserves.

**Financial Summary**

For full financial reporting, please refer to our audited financial statements.

### BALANCE SHEET as at 30 June 2022

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>1,051,671</td>
<td>918,763</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>357,845</td>
<td>336,813</td>
</tr>
<tr>
<td>Current Tax Receivable</td>
<td>27,942</td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>59,538</td>
<td>25,990</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,469,054</td>
<td>1,309,508</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>13,946</td>
<td>12,083</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>141,969</td>
<td>105,783</td>
</tr>
<tr>
<td>Deferred Tax Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>155,915</td>
<td>117,866</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,624,969</td>
<td>1,427,374</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Trade and Other Payables</td>
<td>228,737</td>
<td>200,755</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>150,186</td>
<td>139,708</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>1,199,867</td>
<td>916,750</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>1,578,790</td>
<td>1,257,213</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>12,794</td>
<td>14,144</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>12,794</td>
<td>14,144</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,591,584</td>
<td>1,271,357</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>33,385</td>
<td>156,017</td>
</tr>
</tbody>
</table>

### INCOME STATEMENT as at 30 June 2022

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>(1,758,854)</td>
<td>(1,405,509)</td>
</tr>
<tr>
<td>Conference and event expenses</td>
<td>(327,561)</td>
<td>(309,756)</td>
</tr>
<tr>
<td>Research and ASFI expenses</td>
<td>(284,528)</td>
<td>(303,138)</td>
</tr>
<tr>
<td>Telephone and IT expenses</td>
<td>(99,018)</td>
<td>(103,010)</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) before income tax</strong></td>
<td>(122,632)</td>
<td>96,829</td>
</tr>
<tr>
<td>Income tax expense/(benefit)</td>
<td>NIL</td>
<td>(12,396)</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) for the year</strong></td>
<td>(122,632)</td>
<td>84,433</td>
</tr>
<tr>
<td><strong>Total comprehensive income/(loss)</strong></td>
<td>(122,632)</td>
<td>84,433</td>
</tr>
</tbody>
</table>