



CERTIFIED BY RIAA

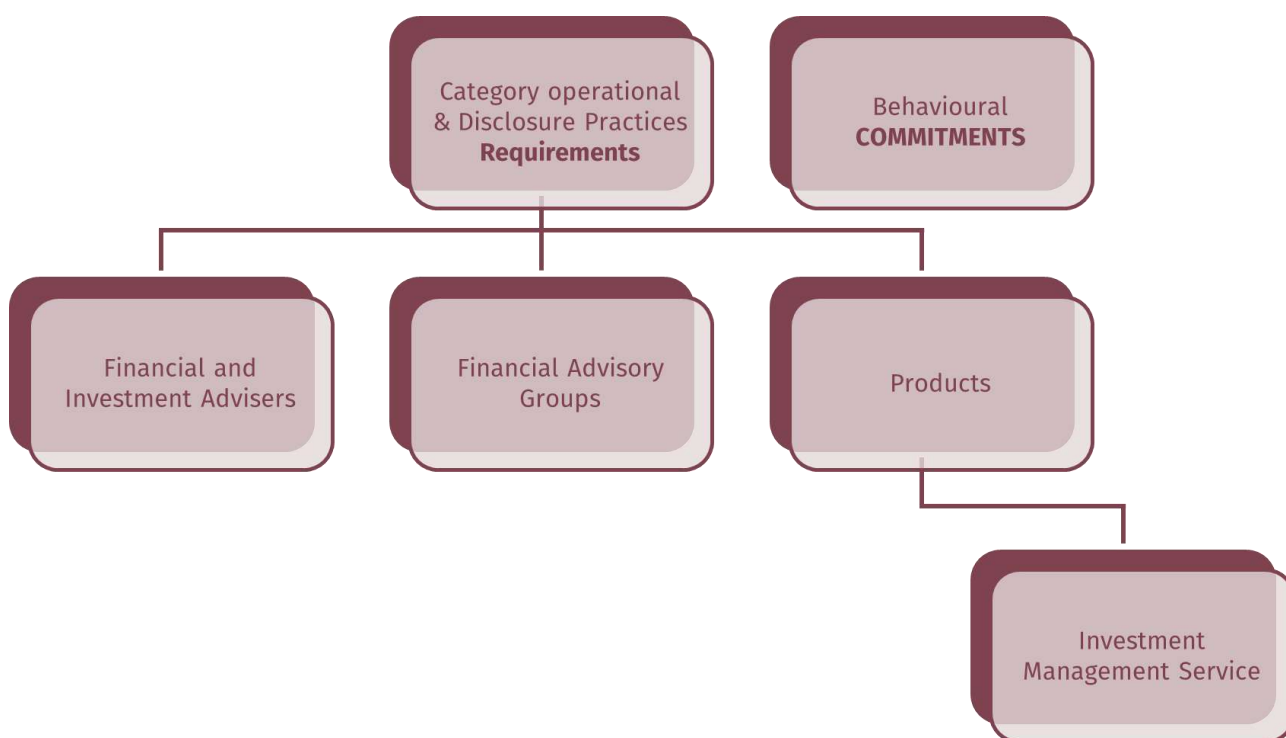
# RESPONSIBLE INVESTMENT STANDARD

Changes	Rationale	Date
Removal of all remaining eligibility criteria (including update to graphic), and wording updates	Removal of criteria E1-E3 noting that they are front-line filters applied separate to the application of the Responsible Investment Standard, and updates to wording.	28/08/2025
Removal of an eligibility criterion	Removal of criterion E4, "Are not persistently subject to legal proceedings and/or regulator investigation" noting that this is a front-line filter that is applied separate to the application of the Responsible Investment Standard	31/01/2025
Clarification of requirements for Financial Advisers and Financial Advisory Groups	Removal of "two years of relevant experience" from the experience requirements, with all new entrants to the Program now required to complete an approved training course to be eligible to apply for certification	01/07/2024
Clarification of requirements for Financial Advisers and Financial Advisory Groups	Harmonise with FASEA Code of Conduct and other improved expectations of advice behaviours	04/02/2020
Restructure of the Standard's criteria	Better classify the requirements underpinning compliance with the Standard	30/06/2020

## Meeting the Responsible Investment Standard

To be certified against the Standard, each of the following criteria must be met.

1. **Compliant** (requirements) - minimum product or service inclusions, relevant and accessible disclosures and passing the Quality and Thresholds Tests
2. **Committed** (commitments) – participating in the Concerns and Grievance Mechanism and other behavioural safeguards



### 1. Requirements

There are two sets of requirements pertaining to minimum product and service inclusions and having relevant and accessible disclosures – and BOTH must be satisfied, those relevant for all categories and those specific to each.

#### Requirements for all categories

Certified responsible investment financial advisers, financial advisory groups, products, and investment management services:

A1	Offer an investment style that takes into account environmental, social, governance or ethical considerations. Adheres to strict operational and disclosure practices and make publicly available specific details of their services as laid out under the respective Category requirements (following)
A2	Are subjected to and pass the <i>Quality and Thresholds Tests</i>

## Requirements by category

### Financial Advisers

Certified Responsible Investment Financial Advisers:

F1	<b>Are licensed:</b> maintain authority to provide financial advice in their jurisdiction
F2	<b>Have professional membership:</b> maintain a current membership with a professional body
F3	<b>Be Experienced:</b> be able to demonstrate an adequate client interview process including appropriate questioning as a minimum
F4	<b>Are educated:</b> have completed an approved training course and meet the minimum ongoing education requirements by demonstrating how they stay up to date with developments in responsible investment through continuing education
F5	<b>Promote responsible investment services:</b> undertake to enquire about the environmental, social and governance preferences of ALL their clients
F6	<b>Provide responsible investment products:</b> can demonstrate that they can research and offer responsible investment products, having RI products on their approved products list (or equivalent)

### Financial Advisory Groups

Certified Responsible Investment Financial Advisory Groups:

G1	<b>Are legal:</b> hold a current Australian Financial Services License; and
G2	<b>Are trained and/or experienced:</b> have at a minimum 50% of their advisers certified as responsible investment financial advisers against the Responsible Investment Standard.
G3	<b>Support their network:</b> are committed to and enable the provision of specialist responsible investment training to their adviser network; and
G4	<b>Provide responsible investment products:</b> include responsible investment products on its approved product list (or equivalent) including some that have been certified by RIAA; and
G5	<b>Promote responsible investment services:</b> include appropriate questions on responsible investing in their Financial Advisory Group Fact Find (or equivalent) that is used by ALL their advisers to ALL clients

### Products

Certified Responsible Investment Products:

P1	<b>Have formal, consistent, documented, and auditable RI strategies and processes: RI Strategies:</b> <ul style="list-style-type: none"><li>a. <u>are fully explained in legal product documentation</u> such as the Product Disclosure Statement (retail), Information Memorandum or Pitch book (wholesale) and/or equivalent documentation that supports the product, and</li><li>b. <u>are consistently and reliably represented</u> between the legal documentation, supplementary materials, website and other public platforms, and</li><li>c. <u>are underpinned by detailed, fit-for-purpose and formalised RI processes,</u> management systems and reporting frameworks and thereby <u>consistently and reliably applied to the Product,</u> and</li><li>d. applied to the Product and its management processes are 1. verified by a Third-Party <u>Verification entity appointed by RIAA;</u> where some or all of the Product is managed by</li></ul>
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	external manager/s, those managers' processes are also required to be verified by a Third-Party Verification entity appointed by RIAA (unless already certified by RIAA); 2. Subject 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 their product certification in a given year; and
P2	<p><b>Make honest claims and are appropriately labelled:</b></p> <ol style="list-style-type: none"> <li>are named to accurately reflect the social, environmental, sustainability and/or ethical outcomes or responsible investment approach applied to the product including definitions of terms used and</li> <li>describe what could be reasonably expected by an investor in terms of the portfolio holdings of the product as well as</li> <li>ensure all claims made about the product are honest and not false or misleading nor include puffery, un-substantiations, unqualified predictions and consider net effects; and</li> </ol>
P3	<p><b>Avoid significant harm:</b> detail how the responsible investment product strategy results in a product for investors that, as a minimum <i>avoids significant harm</i>; and</p>
P4	<p><b>Account for ESG factors in the investment process:</b> can evidence how the responsible investment approach accounts for the <u>explicit</u> inclusion of environmental, social and governance factors in its <u>systematic</u>:</p> <ul style="list-style-type: none"> <li>• selection, retention and realisation of assets, and/or</li> <li>• construction of portfolios and/or</li> <li>• risk assessment and management and/or</li> <li>• selection, assessment and management of managers; and</li> </ul>
P5	<p><b>Have relevant and accessible RI disclosures:</b> publish</p> <ol style="list-style-type: none"> <li>the benchmark against which the product is being financially measured (where relevant) and</li> <li>twice-annually, the past financial performance results/returns of the product and</li> <li>twice-annually, the details of their product's portfolio holdings (for equities funds, or an equivalent disclosure for other products (e.g. separately managed accounts direct to clients), including fund look through and derivatives) on the product's webpage with no longer than a 90-day lag and</li> <li>activities and outcomes from stewardship practices (in particular, engagement and voting)</li> <li>for products asserting certain sustainability outcomes or claims, the product's social, environmental and/or sustainability performance against benchmarks, goals or targets, at least annually, the methodology for measuring the Product's contribution to social, environmental and/or sustainability outcomes, and materially adverse information once discovered</li> <li>if the Product uses short-selling, how such instruments are managed, the proportion of the product likely subject to short-selling; and on a <i>look through</i> basis, all underlying positions including those to which there is zero net exposure after consideration of short-selling (or any other mitigating strategy); and</li> </ol>
P6	<p><b>Are managed by active stewards:</b> can detail the stewardship practices applied to the management of the responsible investment product and articulate the improved investee governance outcomes of these practices; and</p>
P7	<p><b>Are managed by organisations with a formalised commitment to responsible investing:</b> managing or issuing organisations can demonstrate their organisation-wide commitment to responsible investment; and</p>

P8	<b>Provide educational information to members and customers</b> about the responsible investment approaches and investment outcomes
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## Investment Management Service

Certified Responsible Investment – Investment Management Service meets Requirements P1-P8 as well as:

M1	<b>Are legal:</b> hold a current Australian Financial Services License; and
M2	<b>Are experienced:</b> their key and responsible investment personnel have at least two years' relevant experience providing responsible investment advice and can demonstrate how they stay up to date on developments in RI (such as by meeting the requirements of RIAA's Continuing Education Credits system); and
M3	<b>Have in place a published responsible investment charter or policy</b> that governs the way responsible investment is considered and implemented across the entire portfolio; and
M4	<b>Promote responsible investment services:</b> include responsible investments as part of the services systematically delivered to ALL clients, that should be able to be demonstrated by clear auditable process (e.g. such as questions in Fact Find, or online sign up)

## 2. Commitments

Once applicants can show they satisfy the Requirements, they must also provide assurance with respect to Commitments that endure for the life of Certification.

Certified responsible investment financial advisers, financial advisory groups, products, and investment management services:

C1	Invite their members, clients and peers to hold them to account for their behaviours consistent with the Program <i>Code of Conduct</i>
C2	When using the Certification Symbol, promote the Standard by incorporating it into marketing and communications material in accordance with the <i>Certification Symbol Licensee Agreement, Licensee Marketing Kit and Style Guide</i> and in compliance with legal obligations
C3	Agree to participate in good faith in RIAA's <i>Concerns &amp; Grievance Policy and Procedures</i> with a view to protecting the reputation of responsible investment peers, individual investors and/or the responsible investment industry as a whole
C4	Commit to notify RIAA of material changes in product characteristics that may impact the suitability of the product remaining Certified under the Program

## Overview of main requirements by Category

Requirement/Category	Financial Advice	Financial Advisory Group	Investment Management Service	Product
Financial, legal and governance compliance	F1	G1	M1	
Relevant professional membership (financial advice) and Member of RIAA (or equivalent demonstrable commitment to promote and support the responsible investing industry)	F2			
Specified level of RI education, training and experience	F4	G2/G3	M2	
Sound client RI advisory process	F3	G5	M4	
Inclusion and promotion of RI products	F6	G4	M4	
Disclosure – RI products	F6	G4	M4	
Educational RI information for clients	F5		P8	P8
Avoid significant harm			P3	P3
Account for ESG factors			P4	P4
Honest and substantiated claims			P1/P2	P1/P2
Disclosure - RI approaches, holdings, performance, sustainability outcomes			P5	P5
Managed by active stewards			P6	P6
Formalised organisation-wide commitment to RI		G3	P7/M3	P7
Third-party verifiable formal, quality RI approaches and processes			P1	P1
Quality & Threshold Test ( <i>internally applied</i> )	A2	A2	A2	A2
Commitment to Program <i>Code of Conduct</i>	C1	C1	C1	C1
Licensee Marketing Kit & Style Guide	C2	C2	C2	C2
Participate in Concerns & Grievance Policy and Procedures	C3	C3	C3	C3
Notify RIAA of material changes	C4	C4	C4	C4
RI= Responsible Investment				