



Responsible Investment
Association Australasia

RIAA Member Research: Financial Adviser Perspectives on Sustainable Investment Product Labelling

March 2026

Overview

Financial advisers are important stakeholders in informing the design and effective uptake of Australia's proposed [sustainable investment product labelling regime](#). As the primary point of contact for many retail investors, advisers help interpret sustainability claims, explain product labels, and guide clients through an increasingly complex responsible investment landscape.

[RIAA's research](#) shows that 88 percent of Australians increasingly expect their super or other investments to be invested responsibly and ethically (now 88% up from 83% in 2022), at the same time as concerns about greenwashing have increased. In this context, financial advisers are having to navigate the increased interest in sustainable, ethical and values-based investments amongst Australians. Their day-to-day experience with retail investors; and engagement with products available in the market provides practical insights to the design of the prospective product labelling regime.

RIAA's targeted research with financial advisers - including those [Certified by RIAA](#) to offer responsible investment products and consider client needs and concerns about responsible investment issues, aims to bring these real-world perspectives into policy discussions so the regime is **practical, transparent, and user-centred**, supporting Treasury's objective to "*help investors identify, compare, and make informed decisions about sustainable investment products*".

How adviser experience can help shape the regime

Financial advisers are uniquely positioned between retail investors and product issuers. Every day they see how real people understand (or misunderstand) sustainability concepts, how products align (or fail to align) with those expectations, and how greenwashing manifests in practice.

Their input into the design of the regime can assist with:

- The use of language that reflects how everyday Australians speak about sustainability

- Reducing misalignment between client expectations and product reality
- Minimising risk of greenwashing through naming and labelling standards
- Supporting, rather than restricting, product innovation

Without grounding the labelling regime in real adviser experience with retail investors, it risks low uptake, confusion, and standards that fail to meet expectations.

Data Collection Approach

RIAA conducted a targeted survey of its Australian-based individual financial adviser members and Advisory Groups to capture practical, client facing insights into the proposed sustainable investment product labelling regime. Advisers were asked to respond in their personal capacity, drawing directly on their day today experiences with clients.

The findings presented in below reflect aggregated responses from these participants. The respondents have an average of **over 17 years** of experience as a financial adviser, including an average of **over 13 years** of experience advising in ethical or responsible investments.

The key themes emerging from the survey are summarised below, offering insights to support Treasury’s development of the product labelling regime. A snapshot of results is also included to provide deeper context.

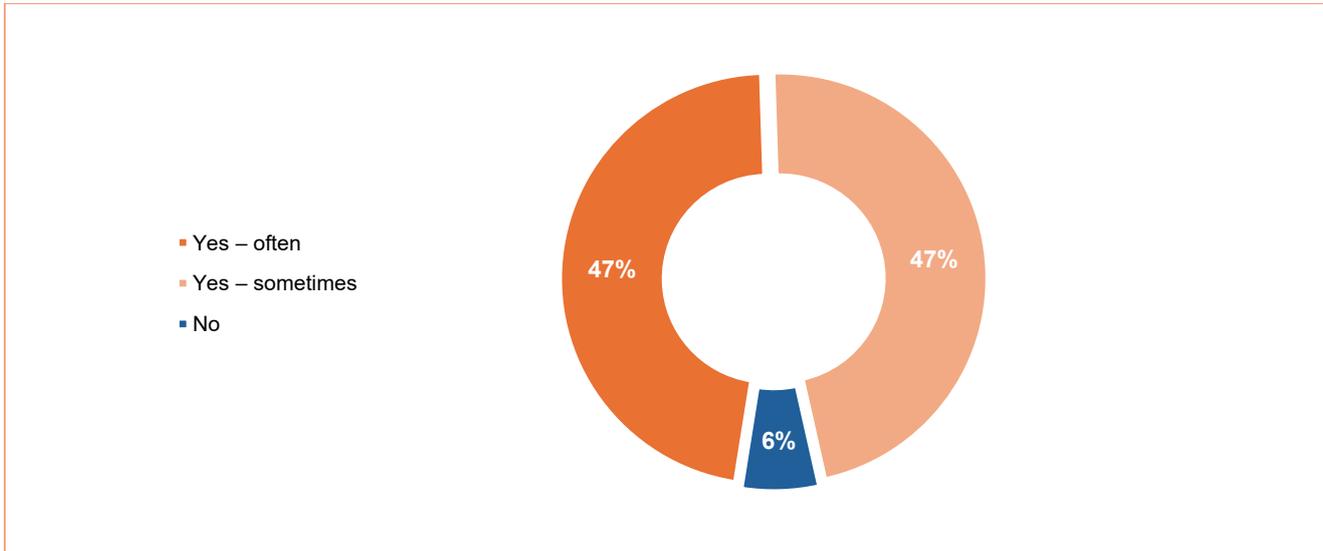
Summary of findings

The financial advisers surveyed overwhelmingly supported the need for clearer, more trustworthy, and more consistent sustainable investment labelling to support retail investors.

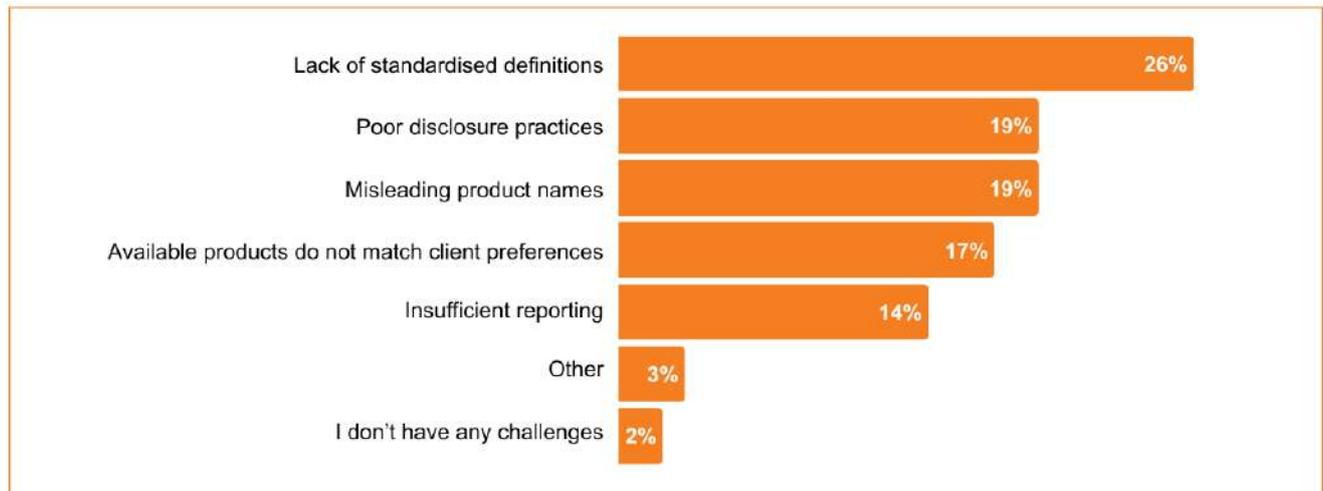
- **Advisers worry the regime could stifle product innovation and urge rigour and practicality** – Advisers emphasise that while clarity and guardrails are essential, a labelling regime that is too restrictive could discourage product innovation. They stress that the system must be practical for consumers and advisers.
- **Greenwashing is a near universal concern** – An overwhelming 94% of advisers report they have concerns about greenwashing or misleading sustainability claims made by investment products.
- **Advisers biggest challenge is the lack of standardised definitions**
- **Clients’ motivations centre on harm avoidance and positive contributions** – Advisers report that clients typically seek ethical investment advice because they *don’t want their investments to cause harm* and *do want them to contribute positively* – the two most common drivers of engagement.
- **Clients’ biggest concern is that product holdings don’t match product labels**, while product fees rank as their least significant concern.
- **Advisers strongly support restrictions on sustainability-related product labels** – Another 94% say they would find it helpful for certain terms to be restricted or requiring criteria, particularly labels like **“Sustainable”** and **“Impact”**, which advisers believe should require specific standards to use.

Specific findings

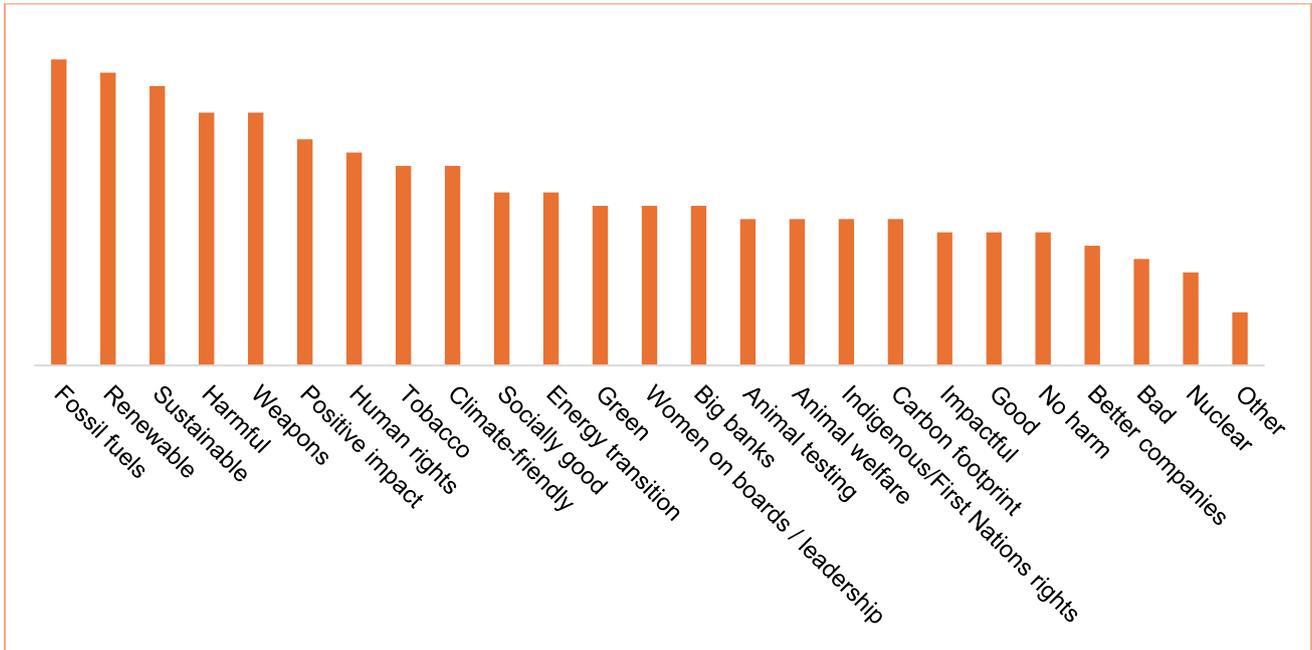
Do you have concerns about greenwashing or misleading sustainability claims by products you consider?



Which of the following challenges do you have when understanding responsible investment products?

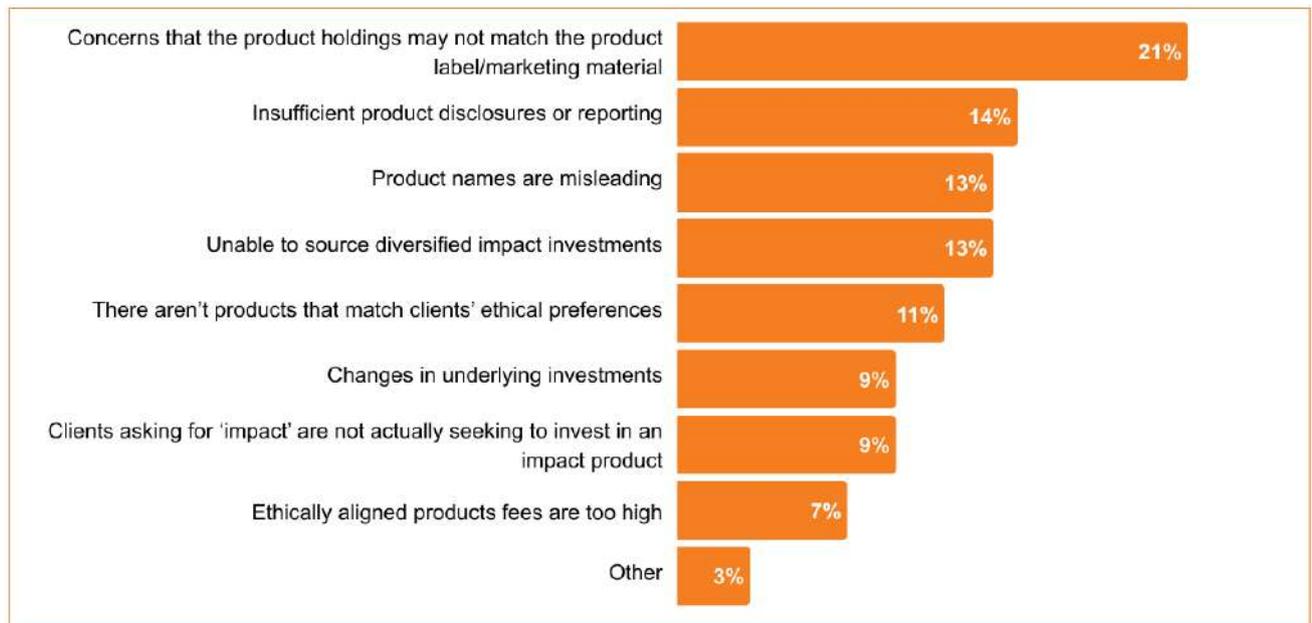


What terms are used by retail clients when they raise ethical issues?

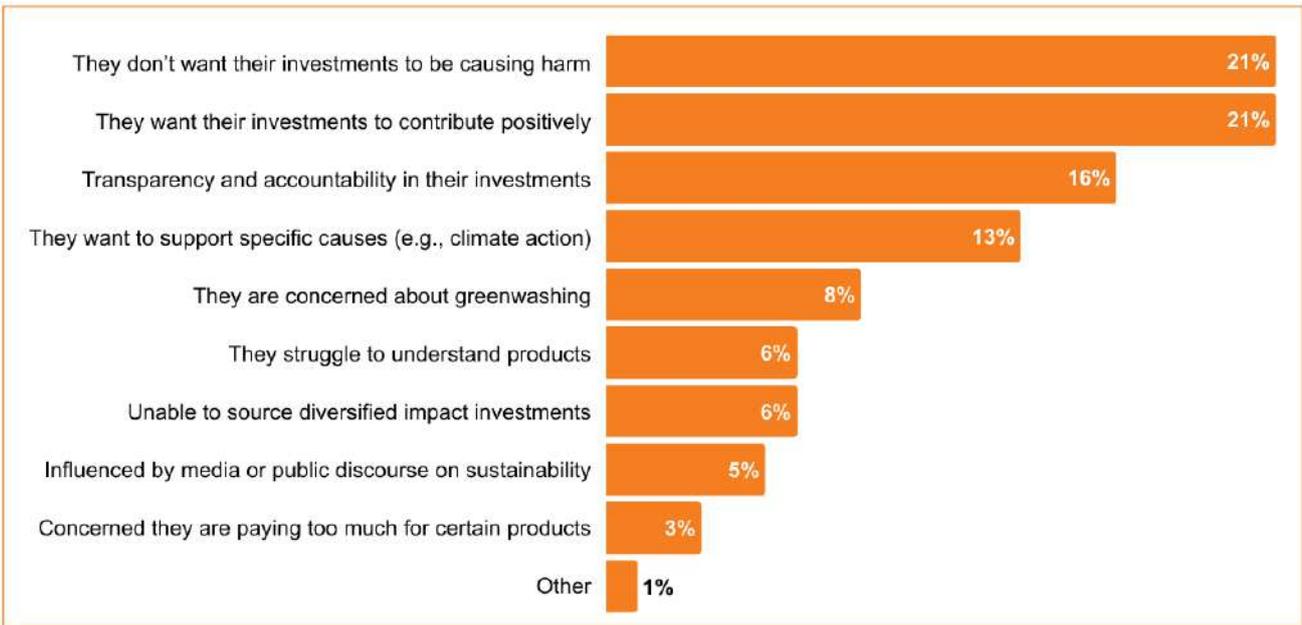


Note: The terms listed may be used by clients in either a positive or negative context. For example, “fossil fuels” typically reflects a concern or intention to exclude, while terms such as “women on boards” often indicate positive interest or support.

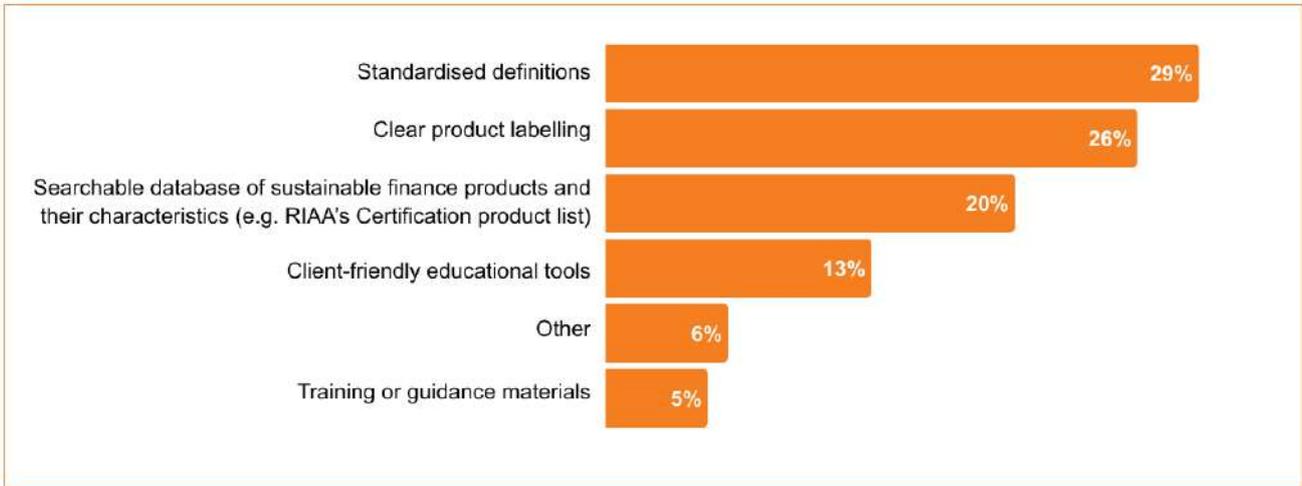
Which of the following challenges do you have when working with clients who are seeking responsible investments?



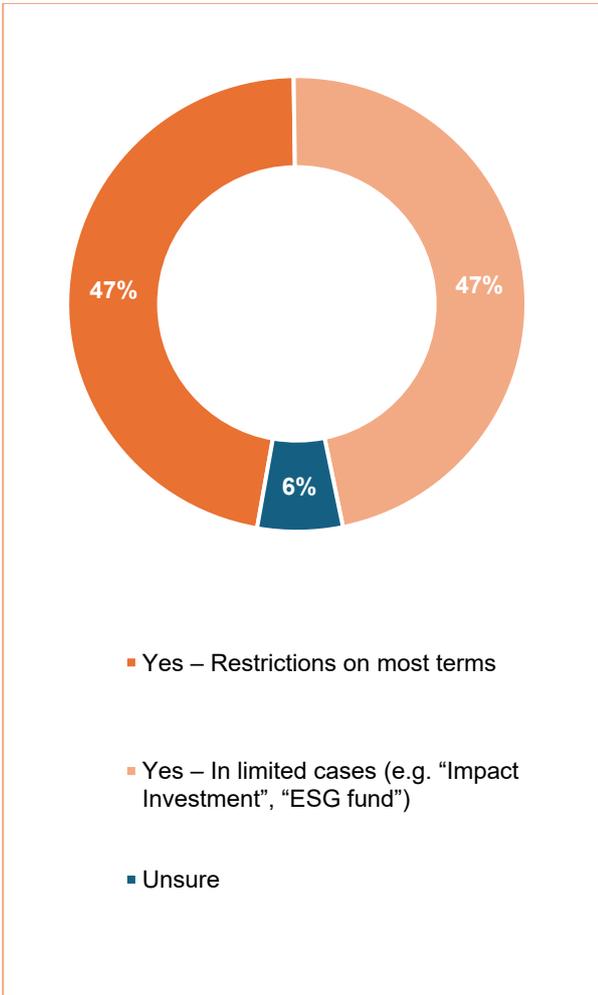
Why do clients come to you for ethical investment advice?



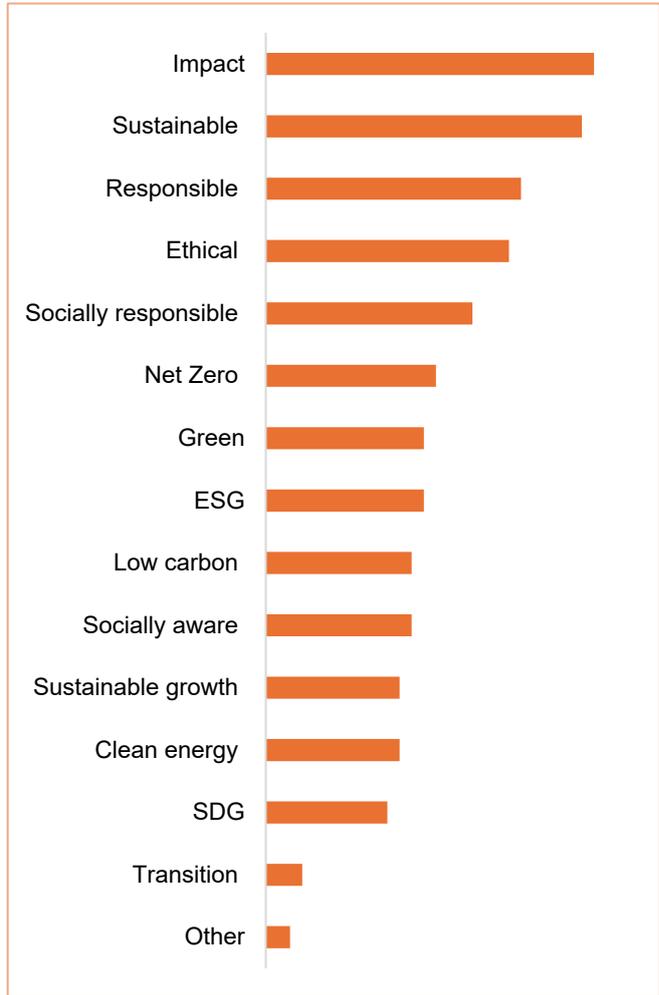
What resources would help you to better support clients interested in responsible investing?



Would you find it helpful if there were restrictions on terms which can be used to name a financial product, or if issuers had to meet certain criteria before using certain terms?



Which of the following commonly used labels should be restricted? I.e. which terms should have criteria which need to be met before the term is used for a fund?



What concerns (if any) do you have about a legislated product labelling regime?

