

RIAA WINDOW

Issue 21

> INDUSTRY NEWS

A tribute to Erik Mather

RIAA and the entire investment community have been deeply saddened by the passing of Erik Mather on 26 September 2011. Erik started the BT Governance Advisory Service in 2002, which then became Regnan, working tirelessly to forever promote good governance and develop robust engagement services. Erik's passion and commitment to responsible investing has been a major driver for the growth of our sector in Australia. His infectious drive, enthusiasm, kindness and humour will be missed by all. Erik is survived by his wife and his two children.

Donations may be made to:

[Melanoma Institute Australia](#)

[Fred Hollows Foundation](#)

Nine Local Government Super-owned buildings awarded 6-stars by NABERS

The Office of Environment and Heritage [awarded](#) nine Local Government Super (LGS)-owned commercial buildings with the top 6 star [NABERS](#) rating. A 6 star rating is awarded for market leading performance, and represents a 50% reduction in greenhouse gas emissions or water use from a 5 star rating. In addition, LGS signed a 6 star NABERS Energy Commitment Agreement to retrofit 76 Berry Street in North Sydney, including an innovative tri-generation system, to achieve a 6 star NABERS Energy rating without the use of green power.

MSCI adds ESG ratings to ESG manager platform

MSCI has added [MSCI ESG IVA](#) ratings to the MSCI ESG Manager platform. MSCI ESG IVA identifies key ESG issues at company and sector level and analyses risk exposure for these issues based upon a variety of factors such as business lines, production practices, and geographic distribution of operations.

China CleanTech Index launched

The [China CleanTech Index](#) was recently launched in Xiamen in the Fujian Province. The Index provides, for the first time, a complete picture of the performance of Chinese cleantech companies that are listed on stock exchanges around the world. The Index is weighted by market capitalisation and is benchmarked against Chinese and global indices measuring the performance of general stocks and also the cleantech sector.

GMI launches ESG evaluation platform

[GMI](#), which was created through the merger of three independent research leaders, recently launched "[GMI Analyst](#)", a fully integrated research platform that provides investors and corporate stakeholders with a comprehensive evaluation of public company environmental, social and governance risks.

Christian Super appoints COO

James Flavin has joined [Christian Super](#) as Chief Operating Officer from the Anglican Church National Office where he served as Business Manager. Prior to that James headed the Treasury unit of one of the NSW Electricity companies. James was a member of the board of Anglican National Super for ten years and its Chairman for five years.

FTSE Group seminars

FTSE Group is hosting a series of boardroom seminars with David Harris, Director of Responsible Investment at FTSE Group, who will share his knowledge and experience on ESG investment practices globally. Recently FTSE has been developing environmental thematic tools such as the FTSE Environmental Markets Classification System and the CDP Carbon Strategy Indices. This year, with the recent introduction of the FTSE4Good Ratings, asset owners, analysts and managers have new tools to research and identify correlation of ESG and investment returns. The seminars are for asset owners, investment consultants and fund managers and will be held in Sydney on Wednesday 2 November and in Melbourne on Thursday 3 November. For further information or if you are interested in attending please contact natalie.brooke@ftse.com or call [+61 2 9293 2867](tel:+61292932867).

Sustainalytics and Sustainvest form strategic partnership

Sustainalytics, a global leader in environmental, social and governance (ESG) research and analysis, and Sustainvest, Korea's leading responsible investment research and consulting firm, have announced their new strategic partnership. Together the companies will provide responsible investors in Korea with global ESG analysis. Sustainalytics' clients will benefit from enhanced coverage and analysis of Korean securities and direct access to ESG analysts in the region. Sustainalytics and Sustainvest will also explore new products and services for the Korean market, including an ESG ranking of Korean companies to be published in 2012.

Australia's first dedicated responsible investment platform

After a unique engagement process with the Australian financial adviser community, the Emerald Investment, Super and Pension Wrap is set for launch in the coming weeks. The main driver for a new wrap solution was a strong demand by advisers for a better priced, more transparent product for the retail consumer. The Emerald Investment Wrap is not owned or promoted by a financial institution but is influenced by financial advisers. The Wrap will boast over 25 RIAA Certified RI managed funds, over 5 RI SMA model portfolios, as well as a mixture of banking solutions with a community focus. The Emerald Wrap itself has recently been certified by RIAA.

Australian Ethical Advisers' Co-operative launched

Australia's first Ethical Advisers' Co-operative (EAC) was formed in July 2011 in Melbourne. The EAC is run by members for the benefit of the ethical advice profession and consumers of ethical advice in Australia. The aim of the co-op is to increase awareness about investing ethically, to promote the credibility of responsible investment and to assist financial advisers with providing value to their clients. The EAC aims to register in other states by the end of the year and ethical advisers across Australia will be invited to join. The first priority of the EAC is to establish a marketing and media committee. For more information contact ethicaladviserscoop@gmail.com.

Cruelty Free Super turns one

Cruelty Free Super will be 1 year old on 10 October 2011. They continue to receive new members every week and all of whom have come via Facebook, Twitter or by word of mouth.

New UN PRI signatories in Australia & New Zealand

Organisations in the region who have recently signed the UN backed Principles for Responsible Investment, which now has 917 signatories representing up to US \$30 trillion in assets, include:

- Catalyst Investment Managers Pty Ltd, Australia
- Phoenix Portfolios Pty Ltd, Australia

PRI launches the Farmland Principles

The Principles for Responsible Investment have launched the [Farmland Principles](#) with the goal of improving the sustainability, transparency and accountability of investments in farmland. Members of the PRI Farmland Working Group include AP2, APG, ATP, BT Pension Scheme, Hermes EOS, PGGM, and TIAA-CREF.

Apparel companies sign pledge to call for elimination of child labour in Uzbekistan

More than 60 of the world's best known apparel companies and brands have signed a pledge to not knowingly source Uzbek cotton harvested using forced child labour. The companies will maintain this pledge until the elimination of this practice is independently verified by the International Labour Organization (ILO). The pledge is being coordinated by the [Responsible Sourcing Network](#).

oekom introduces controversial weapons monitor

The [oekom Controversial Weapons Monitor](#) is a comprehensive and up-to-date collection of data on around 200 companies from all parts of the world, for which there are reasonable grounds to suspect that they manufacture controversial weapons. The web-based database enables targeted searches for individual companies or groups of companies which, for example, produce a particular type of weapon or are listed on a stock exchange. For more information please contact info@oekom-research.com.

Former Innovest Director launches niche ESG negative screening firm, Just Screening

[Just Screening](#), Inc. has established itself as a global responsible investment data firm, becoming the first dedicated exclusively to screening for involvement in controversial business activities such as weapons, tobacco and nuclear power. Based in Asia, it covers companies in over 55 countries. Founded by CEO Nick Brown, former Director of Research at Innovest and Head of Sustainability Analytics at RiskMetrics, the company has a vision to improve the quality, reliability and flexibility of traditional negative screening services. Just Screening's partners and clients include Responsible Research (Singapore), RepRisk (Zurich), and CRD Analytics (New York).

For more information, please contact Anny Barlow at anny@justscreen.com.

> NEWS FROM RIAA

RI Academy picks up speed in Europe

Louise O'Halloran and Greg Chipman had a number of successful meetings across Europe demonstrating the RI Academy's dynamic on-line training capabilities and curriculums to international financial institutions as part of a global roadshow to coincide with the ICGN and PRI conferences. They met with banks, asset owners and asset managers alike including HSBC, Lloyds Group, RBS, AXA, Caisse des Depots, Vontobel, Sarasin, Fidelity, SAM, UBS, Credit Suisse, Aviva and more.

The RI Academy is a global export initiative and has been two years in the making. It operates as an interactive, e-learning university and offers a learning pathway specifically designed for financial services and other professionals needing to understand how ESG issues are impacting:

- Financial modelling
- Best practice investment decision-making
- The proper discharge of fiduciary duties
- Quality of advice and client engagement
- Company performance and shareholder value
- Transparency, disclosure and reporting
- The deployment of investment capital

To learn more please go to www.riacademy.org, view our [e-brochure](#), or send an email to enquiries@riacademy.org.

Members who have been certified by RIAA

RIAA congratulates members who have met the strict disclosure requirements of the Responsible Investment Certification Program since our last newsletter. These members are now able to display the [Certification Symbol](#) that helps investors identify and compare responsible investment products. The Certification Symbol also helps to identify financial advisers with training and experience in this specialised area of financial advice.

Certification renewals

Greeve and Associates, Lisa Greeve, Financial Adviser
Green Equity Management, Justin Medcalf, Financial Adviser
Next Generation Financial Planning, Andrew Melling, Financial Adviser
Wise Wealth Creation, Richard Press, Financial Adviser
EthInvest, Trevor Thomas, Financial Adviser
Foresters – Community Trade Investment Fund (CTIF), Fund Manager
Sunsuper, Super Fund

Newly certified

The Emerald Club, Master Trust

AGM and 2011 Benchmark Report launch

RIAA members are cordially invited to the AGM which will be held on Monday 5 December 2011 at NSW Trade & Investment Centre in Sydney from 4 to 5pm.

If you are a member of RIAA and have not yet received our AGM notice and board nomination form please contact kateb@responsibleinvestment.org.

RIAA will also be launching the 2011 Benchmark Report – the real facts about the growth and the size of RI in Australia and New Zealand – on Monday 5 December 2011 at NSW Trade & Investment Centre in Sydney from 5:30 to 7:00pm.

We are thrilled to have Simon McKeon as our keynote speaker. Mr McKeon is the Australian of the Year 2011, Chairman of the Board of CSIRO, Executive Chairman of Macquarie Group's Melbourne Office and Chairman of Business for Millennium Development. He is also a fellow of the Australian Institute of Company Directors and the Financial Services Institute of Australasia.

Entry to the Benchmark Report launch is complimentary, however places are strictly limited. To reserve your spot please contact Kate Bell at

kateb@responsibleinvestment.org.

> RI LIBRARY

International Integrated Reporting Committee proposes enhanced reporting framework

[The International Integrated Reporting Committee \(IIRC\)](#) has brought together world leaders from the corporate, investment, accounting, securities, regulatory, academic, civil society and standard-setting sectors to develop a new approach to reporting. The IIRC's recent [discussion paper](#), *Towards Integrated Reporting – Communicating Value in the 21st Century*, is a call to action to enhance and consolidate existing reporting practices to move towards a reporting framework that provides the information needed to develop the global economic model to meet the challenges of the 21st century.

CDP Global 500 Report launched

The 2011 edition of the annual [CDP Global 500](#) report examines the carbon reduction activities at the world's largest public corporations. This report, entitled *Accelerating Low Carbon Growth*, provides the latest insight from these company responses into how the world's major companies are preparing for a low carbon economy. It highlights the link between greenhouse gas emissions management and financial performance and reveals this year's leaders in both disclosure and performance.

Trucost report on carbon footprints of Australian superannuation investment managers

The Government's proposed carbon price from July 2012 would have a limited impact on super funds overall, suggests new research recently released by Trucost for the Australian Institute of Superannuation Trustees (AIST).

The research into the [carbon footprints](#) of the Australian equity portfolios of 14 of the largest superannuation funds found that at a carbon price of A\$23 a tonne, carbon costs could amount to up to 0.8% of revenue from companies held. The carbon footprint of the 14 superannuation funds is 8% smaller than the carbon footprint of the ASX 200 Index, indicating a slight bias towards less carbon-intensive investments. However, some portfolios invest in carbon-intensive companies in the ASX 200 that will need to cut their emissions to manage financial risk from carbon costs.

Eurosif releases study on ESG practices among corporate pension funds

As European regulators prepare to launch new recommendations on sustainable and responsible investment, [Eurosif's 2011 Corporate Pension Funds & Sustainable Investment Study](#) reveals that a majority of EU corporate pension funds are already taking steps towards integrating ESG factors in investment decisions.

[Eurosif](#) also recently announced the appointment of François Passant as the new Executive Director and Anders Nordheim as the new Head of Research.