



Responsible Investment Association

ANNUAL REPORT 2018

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LETTER FROM THE CHAIR

The adoption of responsible investment (RI) is increasing - our survey last year showed just over half of the assets under management in Canada incorporated RI practices - and it must continue to grow if we are to deliver on two fundamental promises to investors. First, it must continue to grow because the integration of material environmental, social and governance (ESG) issues into the analysis and selection of investments is an essential component of actively managed portfolios and passive (index) funds. Failure to incorporate these qualitative, non-financial statement issues alongside other qualitative assessments such as firm strategy or management quality will lead analysts, portfolio managers and index providers to sub-optimal investment decisions.



Second, when material ESG issues are incorporated into analysis, it signals to corporations that the issues are important. That signal is often reinforced or amplified in subsequent engagement with corporations on material ESG issues. Corporations in turn disclose additional or improved ESG information and/or modify their practices in those areas, which can lead to reduced investment risk, improved performance, and broader societal or environmental benefits.

The two promises apply equally to private markets including real assets such as infrastructure and real estate, and to the provision of new capital through impact investments.

The Responsible Investment Association's primary mandate is to foster the adoption and awareness of RI in Canada, and to this end we have set five strategic priorities: enhancing awareness, understanding, and demand for RI amongst investors; supporting the integration of RI within investment firms and advisor practices; advocacy with government and regulators for a supportive framework; enhancing RIA's brand & reputation; building our internal capacity to support.

Our volunteer Board of Directors brings an exceptional set of skills to guide and monitor these strategic priorities and to ensure the continued financial health of our organization. Our professional staff work tirelessly and to incredible effect delivering on the strategic priorities across Canada and in both official languages via education programs, media and on-line presence (including our RI Marketplace), local events, advocacy, and our (most successful and best attended ever!) annual conference. Our membership is growing and reflects the diversity of our RI community - asset owners, asset managers, investment advisors, impact investment firms and individuals, consultants, academics, and many others.

We are a 'big tent' and our support of RI extends far more broadly than the integration of ESG issues into the analysis of and engagement with publicly traded corporations. We have much to be proud of in our growth and accomplishments of the past year, building upon decades of work by others who came before us, and look forward to continued growth in the awareness and adoption of RI across Canada.

A handwritten signature in black ink, appearing to read 'Ian Robertson'.

Ian Robertson, CFA
Chair of the RIA Board of Directors and
Portfolio Manager, Director, and Vice President with Odium Brown Limited

LETTER FROM THE CEO

The RIA and the concept of responsible investing are in uncharted territory.

When I'm speaking or networking at external investment industry events, I rarely need to define or introduce the concept of 'ESG' anymore; the term is now commonplace among investment professionals. Longtime RIA members and RI industry pioneers who have watched this evolution will know that this was not the case as recently as three to five years ago.

But the rise of responsible investing goes far beyond anecdotes. The size of Canada's RI market has doubled in the last four years, and RI accounts for just over half of all professionally-managed assets in Canada. Today, some three quarters of CFA charterholders report that they incorporate ESG factors into investment analysis. That's because it is increasingly recognized that a company is more than just the numbers, and ESG factors can provide a lens to view the full scope of risks and opportunities to which a company may be exposed.



Within that context, the RIA has been growing rapidly on all fronts. Our membership has doubled in four years, up from 152 members at the end of 2014 to 310 at the end of 2018. Our institutional members collectively manage more than \$12 trillion in assets.¹

This growing membership base has directly strengthened the RIA's capacity. When former CEO Deb Abbey hired me in late 2013, it was just her, me, and our part-time bookkeeper Wendy Mitchell. By the end of 2018, we had grown to six permanent staff plus seasonal interns and contract staff for various projects. I am, therefore, in the privileged position of leading an organization that has tripled its staff capacity in about four years.

This enhanced capacity has enabled us to grow our programs and events while also strengthening our brand and reputation as the national hub for RI in Canada. Our larger capacity also helped us to develop a new set of strategic priorities, which were delivered in June of 2018. This annual report, our first since 2012, summarizes our progress towards achieving those five strategic priorities in 2018.²

I would like to give a special thanks to our members for their ongoing support, and to our Board of Directors for their tireless commitment to governing, strengthening, and supporting the association throughout the year.

I believe the investment industry is entering a new era – the rise of responsible investing is not a trend; it's a paradigm shift. But the journey is far from over, and I look forward to working with RIA members to further drive the adoption of responsible investing in Canada's retail and institutional markets.

A handwritten signature in black ink, appearing to read 'DLanz', followed by a period.

Dustyn Lanz
Chief Executive Officer
Responsible Investment Association

¹ \$12.3 trillion refers to **all** assets managed by RIA Members, including non-Canadian domiciled and non-RI assets.

² The RIA did not publish annual reports from 2013-2017 due to capacity constraints.

440+

attendees at the
2018 conference
in Toronto

271K

total social media
impressions across
Twitter and LinkedIn

310

members including
advisors, consultants,
asset owners & managers,
& service providers

\$12.3T

in organizational
members' assets under
management (AUM)
as of Dec 31, 2018

RIA

2018 SNAPSHOT

400+

RI designation
holders as of
Dec 31, 2018

120+

participants in our RI
working groups
across the country

5

research reports
published on RI
trends in Canada

12

events and webinars
hosted by the RIA
across Canada

ABOUT THE RIA

The Responsible Investment Association (RIA) is Canada's industry association for responsible investment (RI). We are a nonprofit, membership-based organization with a mandate to drive the adoption of responsible investing in Canada's institutional and retail markets.

In June 2018, we adopted our five strategic priorities:

1. **Market Education:** Promoting awareness, understanding, and demand for RI;
2. **Integration:** Supporting the integration of RI within investment firms and advisor practices;
3. **Advocacy:** Working towards a policy framework that is conducive to RI;
4. **Brand & Reputation:** Bolstering the RIA's national brand & reputation as the leading hub for RI;
5. **Capacity Building:** Building our financial and human capital resources to support these goals.

This Annual Report summarizes the work we undertook in 2018 to deliver on these five priorities.

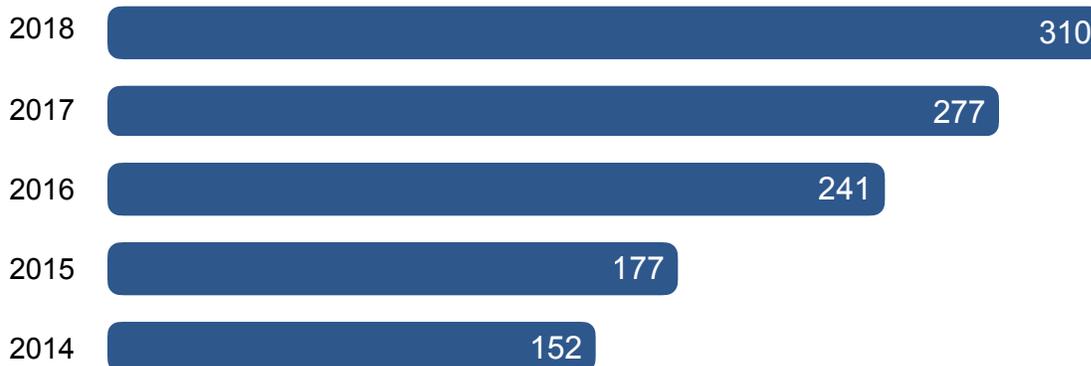
RIA Membership

Our membership includes asset managers, asset owners, non-governmental organizations, financial advisors, service providers and other market participants who practice and support responsible investing. As of December 31, 2018, the RIA had 100 organizational members and 210 individual members.

Our members support the practice of responsible investing in Canada. Our Sustaining Members, composed of institutions that lead and shape the development of responsible investing in Canada, include Addenda Capital, AGF Investments, NEI Investments, CIBC, Desjardins Group, iA Wealth, RBC Global Asset Management, Refinitiv and Sustainalytics.

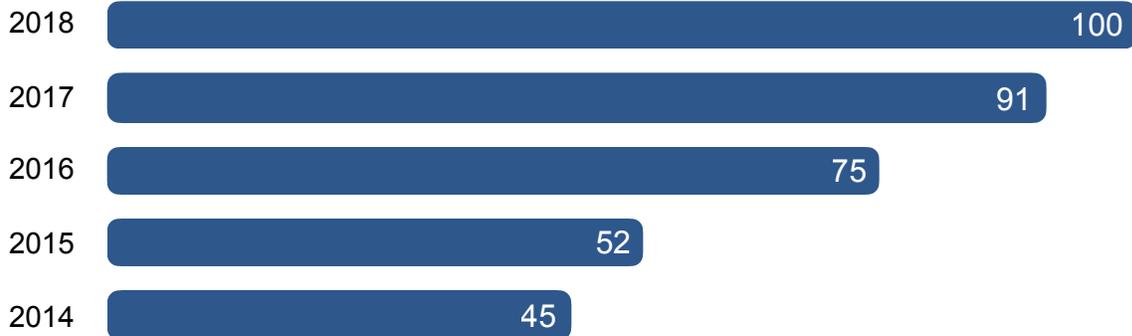
Membership Growth

Total Member Growth (2014-2018)

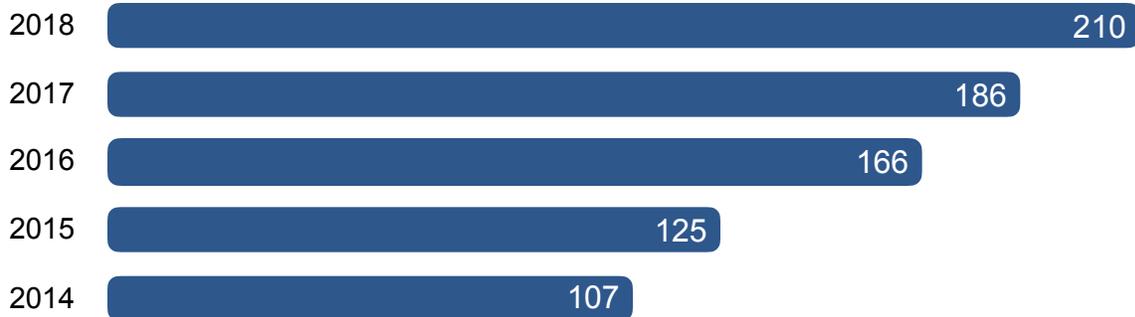


INTRODUCTION

Organizational Member Growth (2014-2018)



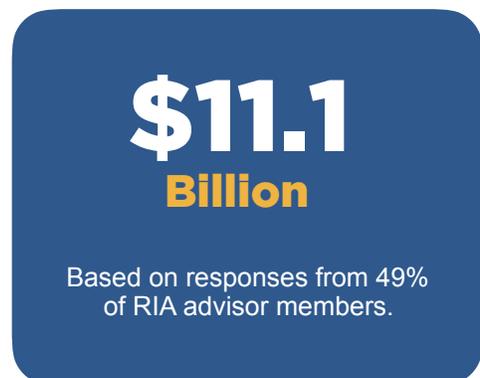
Individual Member Growth (2014-2018)



Organizational Member Total AUM (CAD Trillion)



Advisor Member AUM



BOARD OF DIRECTORS

The RIA Board of Directors provides strategic guidance and oversight for the association, while steering it towards growth and sustainability through sound governance practices. The Board brings a diverse set of skills to ensure the continued financial health of the organization while guiding and overseeing progress towards the RIA's strategic priorities.

The Board has several committees that undertook work in 2018. Additional Board committees will be struck for specific programs in 2019.

BOARD COMMITTEES

Executive Committee

The RIA Executive Committee consists of the Chair, Vice-Chair, Treasurer and Secretary, as appointed by the Board of Directors. The Executive Committee works closely with management and is responsible for overseeing the implementation of Board policies, ensuring that the Board is establishing and maintaining good governance practices.

Governance Policy Committee

The RIA Governance Policy Committee advises the Board on matters relating to the RIA's governance structure and processes through its policies. The Committee reviews existing policies periodically and develops new policies, as directed and approved by the Board, to help support sound governance and operations. The Committee also reviews the RIA's Annual General Meeting process and recommends changes, where necessary, to ensure the integrity of the membership voting process.

Nominating Committee

The RIA Nominating Committee is responsible for establishing and implementing best practices for recruiting and nominating the best-qualified candidates to fill vacant or new Board of Director positions. The RIA has established a Board skills matrix and Board Diversity Policy, which assists the Nominating Committee process for recommending candidates for election.

Strategic Planning Committee

The RIA Strategic Planning Committee conducted work in 2018 to develop the RIA's strategic priorities for the three-year period from 2018-21. The core objective is to drive the adoption of responsible investment in Canada's retail and institutional markets by delivering on five strategic priorities: market education, integration, advocacy, brand & reputation and capacity building. Download the RIA's Strategic Priorities document [here](#).

BOARD OF DIRECTORS



Ian Robertson,
CHAIR *EC, GPC, NC, SPC

Vice President, Director,
Portfolio Manager, Odium
Brown Ltd.



Jonathan Carter

Managing Director, CIBC
Private Wealth
Management / CIBC
Wood Gundy



Roger Beauchemin,
VICE-CHAIR *EC, SPC

President & CEO,
Addenda Capital



Milla Craig *NC

Founder & President,
Millani



Alicja Brown,
TREASURER *EC, SPC

Investment Advisor,
Remy Brown
Investment Group,
CIBC Wood Gundy



Hugh Smith ²

Manager, Investment
Management, Americas,
Refinitiv



Lisa Becker,
SECRETARY *EC, GPC

Chief Operating Officer
and Chief Compliance
Officer, University of
Toronto Asset
Management Corp.



Patti Dolan

Portfolio Manager,
Mission Wealth Advisors
of Raymond James Ltd.



Melanie Adams ¹

VP & Head, Corporate
Governance &
Responsible Investment,
RBC Global Asset
Management



Johnny Fansher

Responsible Investment
Specialist, iA Investia
Financial Services Inc.

BOARD OF DIRECTORS



Kelly Gauthier

Managing Director,
Impact Advisory, Rally
Assets



Louis Spadacini

Vice-President, National
Institutional & Strategic
Relationships, NEI
Investments



Edgar Hielema

*GPC

Partner, Gardiner
Roberts LLP



Sébastien Vallée

Directeur Principal, Desjardins
Investments Inc.



Daphne King

Vice President, National
Accounts and Strategic
Sales Initiatives, iA
Clarington



Karrie Van Belle

Senior Vice-President, Head of
Marketing and Communications,
AGF Investments Inc.



Simon MacMahon *NC

Executive Vice President,
Research Products,
Sustainalytics



Brent Zorgdrager

Interim CEO, Ten Thousand
Villages Canada



Michael Silicz

Investment Advisor,
National Bank Financial
Wealth Management

* Notes:

EC	Executive Committee
GPC	Governance Policy Committee
NC	Nominating Committee
SPC	Strategic Planning Committee

¹ Melanie Adams joined the Board on February 20, 2019. Previously, RBC GAM's Board seat was held by Jason Milne.

² Hugh Smith joined the Board on January 22, 2019.

RIA STAFF

The RIA staff manages the RIA's daily activities and works to implement the organization's strategic priorities. The RIA team has grown significantly from two full time staff in 2013 to six in 2018, largely due to the RIA's growing membership base.



**Olga
Bordatcheva**

Manager, Member
Relations



**Dustyn
Lantz**

Chief Executive
Officer



**Nicholas
Buccheri**

Manager,
Communications &
Digital Media



**Wendy
Mitchell**

Chief Financial
Officer



**Dorothée De
Angelis**

Senior Bilingual
Coordinator



**Mary
Robinson**

Director, Policy,
Research &
Collaboration

SUSTAINABILITY PRACTICES

With only six permanent staff, the RIA office has a very small environmental footprint. But we take sustainability very seriously, so we actively work to procure responsibly-sourced supplies for our office and events such as recycled or FSC-certified paper for our business cards, brochures, etc. We also promote sustainable and responsible practices at our events, in our travel arrangements, and in our own governance. Below are a few key highlights.

Greenhouse Gas Emissions

The RIA offset 33.34 tonnes of carbon emissions for 2018. Emissions were related to the RIA's office footprint as well as flights for RIA travel throughout the year. Offsets were purchased through the Gold Standard Foundation, which is widely considered to be the highest global standard for carbon offsets. It ensures that key environmental criteria have been met by offset projects that carry its label.

Looking Ahead Carbon Neutrality

RIA management has set a goal of becoming carbon neutral by 2020.

Responsible Conferences and Events

The RIA takes steps to manage the environmental impacts of its annual conference and other events. Our event sustainability practices include:

- **Food Waste:** We engage with hotels and other event venues to minimize food waste and to promote responsible management of any unavoidable food waste, such as donating unused food items to local charities.
- **Low Carbon Protein:** No beef, lamb or other red meat products are served at RIA events, as red meat is a major contributing factor to GHG emissions and to food-related deforestation.
- **Plastic Control:** No plastic water bottles or other single use cups or containers.
- **Offsets:** We offset the GHG emissions of our flights and operations.
- **Gender Balance:** Commitment to balanced gender representation on event panels.
- **Paperless Program:** A comprehensive mobile app at our annual conference to reduce paper waste.
- **Venue Selection:** We seek to work with hotels and venues that strive to reduce their operational footprint and contribute positively to the communities in which they operate.

Looking Ahead Board Diversity Policy

In 2018, the RIA Board of Directors began work on its Board Diversity Policy. The policy was formalized on February 28, 2019, and it strives for equal gender representation on the RIA Board over time. While the RIA is not a publicly-traded "for-profit" company, we aim to be part of the solution and to demonstrate leadership on governance and diversity. The RIA considers diversity to encompass all the various differences among people – including, but not limited to, gender, race, religion, cultural group including aboriginal status, sexual orientation, disability, geography, generations, and socio-economic status. We hope that our Board Diversity Policy will encourage others to join the pursuit of more diverse and representative boards in Canada.

PARTNERSHIPS

Collaboration is an important part of the RIA's work. In addition to our informal collaborations with many industry stakeholders and associations, we are also a formal member or collaborative partner with the following organizations. The RIA aims to grow our partnerships and collaborative efforts to strengthen our ability to achieve our five strategic priorities.

Global Sustainable Investment Alliance - Member



The RIA is a Member of the Global Sustainable Investment Alliance (GSIA) – a global network of membership-based organizations that are dedicated to responsible and sustainable investing. The GSIA's mission is to enable collaboration to deepen the impact and visibility of RI associations. The RIA joined the GSIA in 2018 to collaborate and learn from international peer organizations.

Principles for Responsible Investment - Network Supporter



The RIA is a Network Supporter of the United Nations-supported Principles for Responsible Investment (PRI). The PRI is a signatory-based organization that promotes the implementation of six principles related to ESG integration, stewardship, and collaboration. PRI Network Supporters are non-profit organizations that publicly express support for the PRI, raising awareness within the investment community of responsible investment and the PRI.

PRI Academy - Collaborative Partner



The RIA collaborates with the PRI Academy to provide educational opportunities for RIA Members. The PRI Academy was developed to train financial services, corporate and other professionals seeking to understand how ESG issues impact company performance, shareholder value and investment decision making. It provides courses in responsible investment for various proficiency levels.

Finance Montréal - Collaborative Partner



The RIA collaborates with Finance Montréal for our events in Montréal, such as the 2019 RIA Conference and the Montréal launch of the 2018 Canadian RI Trends Report. Finance Montréal works to enhance Montréal's reputation as a world-class financial hub and fosters cooperation among a vast range of institutions to stimulate the industry's growth while raising awareness of the financial specializations found in Montréal.

Fundata - Collaborative Partner



The RIA partners with Fundata to provide RIA Members with performance data on RI mutual funds, ETFs, and segregated funds. Fundata is a data distributor and investment fund data and analytics company. It provides information that reaches advisors, investors, and institutions through its network of newspapers, web and corporate clients across North America.

RIA Strategic Priority #1
MARKET EDUCATION

RIA Strategic Priority #1 MARKET EDUCATION

In June of 2018, the RIA launched its strategic priorities for the three-year period from June 2018 to June 2021. The five-pillar plan is designed to support the RIA's mandate of driving adoption of RI in Canada's institutional and retail markets. [View the full strategic priorities document here.](#)

STRATEGIC PRIORITY 1: MARKET EDUCATION

To drive demand for responsible investment in the Canadian market, the RIA focuses on engaging and educating market participants, developing tools that make responsible investment more accessible to investors, and raising public awareness of the benefits of responsible investing.

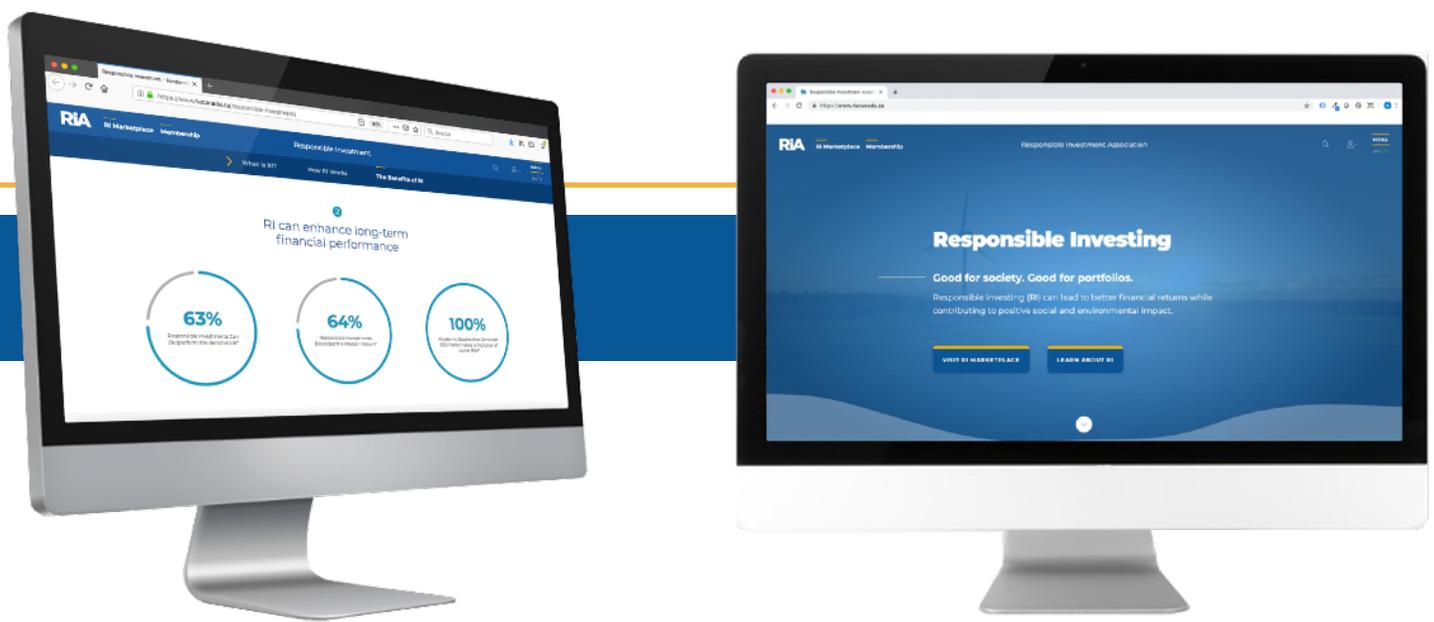
Market Education *in Action*

New RIA Website

In 2018, the RIA launched a new website designed to enhance the RIA's online presence, educational resources, member services, and public engagement. The new website is designed to engage investors and investment professionals with resources that are not only educational but also actionable. The website provides resources for professionals at different levels, including new features such as:

- A long-format introductory-level page dedicated to the fundamental concepts and benefits of RI
- An online magazine composed of op-ed style content by RIA staff, members and partner organizations
- A comprehensive yet easy-to-use online directory of RI products and services offered by RIA Members, called the RI Marketplace.

The outcome is a straightforward, actionable online experience that promotes education about responsible investing and RIA Members.



RIA Strategic Priority #1

MARKET EDUCATION

RI Marketplace

A core feature of the new RIA website is the RI Marketplace, a directory of RI products and services offered by RIA Members. The RI Marketplace includes three main categories:

- **Investment Products:** Over 200 mutual funds, exchange traded funds (ETFs) and other products dedicated to RI.
- **RI Advice:** Financial advisors and investment firms with RI expertise.
- **Service Providers:** Research & engagement firms, investment consultants, lawyers and other professionals with RI expertise.

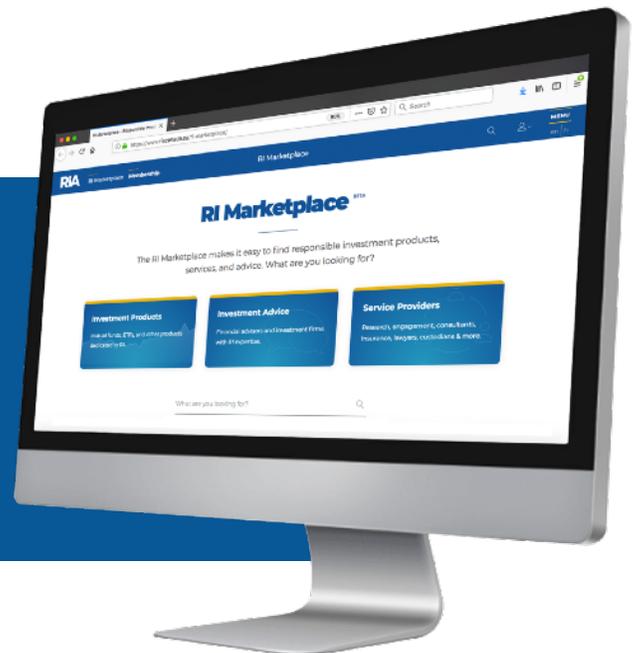
The RI Marketplace directly drives RI adoption by providing a consolidated, reliable and in-depth collection of Canadian RI products and services for the thousands of annual visitors to the RIA website. Learn more about the RI Marketplace [here](#).

Member Portal

The RI Marketplace is also integrated with the RIA Member Portal, an online members-only area that was planned and created in 2018 and launched in early 2019. The portal allows members to actively manage their marketplace profiles and investment products, access member-only research, fact sheets, presentations and more.

Looking Ahead RI Marketplace

The RIA plans to formally announce the RI Marketplace in 2019 and begin an ongoing campaign of marketing the tool via social media, events, webinars and earned media. As a first-of-its-kind repository of RI products and services, we expect significant excitement and attention from financial media, members and industry.



Responsible Investment Week

Responsible Investment Week is a week dedicated to education and awareness around RI. In 2018, RI Week took place from October 22nd to 26th. It featured 11 RI Week events in different Canadian cities and online webinars that promote learning & awareness around responsible investing.

RIA Research

The RIA conducts research to provide vital market intelligence about RI industry trends and perspectives. Research is shared widely with the RIA's online community, members, peer organizations and media to maximize awareness. The RIA released the following research reports in 2018:

2018 RIA Investor Opinion Survey

The 2018 RIA Investor Opinion Survey is the RIA's third annual survey of individual investors' views about RI; in 2018, the report examined investor perspectives on climate change and the environment. The report is based on findings from an online Ipsos poll of 800 Canadian individual investors in October 2018. The report was generously sponsored by AGF Investments. Read the full report [here](#).

Highlights:

- As we have seen in previous surveys, most investors are interested in RI but lack a sound understanding of the subject. The vast majority of investors agreed that they would like their financial advisor or institution to be knowledgeable about RI, and they would like to be informed about RI products that are aligned with their values.
- In addition, 80% of respondents were concerned about climate change and the environment. Most respondents view climate change as a financial issue: 70% believe climate change will have negative financial impacts on companies in some industries within the next five years, and 79% believe this to be true within twenty years.
- Most investors recognize climate change also presents opportunities: 66% of respondents said they would like a portion of their portfolio to be invested in companies that are providing solutions to climate change and environmental challenges.

2018 Canadian RI Trends Report

The RIA's biennial Canadian RI Trends Report provides insights on the growth and development of RI in Canada. In 2018, the RIA collected data from 106 asset managers and asset owners, as well as secondary research from publicly-available sources. The 2018 Trends Report was generously sponsored by NEI Investments. Read the full report [here](#).

Highlights:

- The 2018 Report revealed that RI is continuing to experience rapid growth in Canada. As at December 31, 2017, assets in Canada being managed using at least one RI strategy stood at \$2.1 trillion, compared to \$1.5 trillion at the end of 2015 - a 41.6% increase in RI AUM over a two-year period.
- Responsible investing now makes up a majority of Canada's investment industry, representing 50.6% of all Canadian AUM compared to 37.8% two years earlier. This marks a major milestone in the history and development of responsible investing in Canada.
- The outlook for responsible investing remains bullish, with 87% of respondents expecting moderate to high levels of growth over the next two years.

2018 Canadian Impact Investment Trends Report

The RIA's 2018 Canadian Impact Investment Trends Report provides insights on the growth and development of impact investing in Canada. This was the RIA's third biennial impact investment survey, representing data as of December 31, 2017. The Report is based on self-reported data collected from 59 organizations, as well as secondary data from publicly-available sources. Special thanks to our collaborative partner Rally Assets for making this research possible. Read the full report [here](#).

Highlights:

- In the past two years, impact investing has grown from \$8.15 billion to \$14.75 billion in Canada, representing 81% growth over a two-year period.
- Impact investments in Canada have expanded significantly into public markets, particularly into public equities that now represent 41% of impact AUM reported.
- Looking ahead, the vast majority of survey respondents expect continued growth in impact investing in Canada. Impact investors overwhelmingly reported that performance has met or exceeded their expectations.

GSIA Report: 2018 Global Sustainable Investment Review

As a member of the Global Sustainable Investment Alliance (GSIA), we contributed Canadian data to the 2018 Global Sustainable Investment Review. The Review provides a snapshot of sustainable investing in Europe, the United States, Japan, Canada, and Australia and New Zealand at the start of 2018 by drawing on the regional and national reports from GSIA Members: Eurosif, Japan Sustainable Investment Forum (JSIF), Responsible Investment Association Australasia, RIA Canada and US SIF. This was the fourth edition of the biennial report. Read the full report [here](#).

Highlights:

- Globally, sustainable investing assets in the five major markets stood at US\$30.7 trillion at the start of 2018, a 34% increase in two years.
- The largest sustainable investment strategy globally continues to be negative/exclusionary screening (US\$19.8 trillion), followed by ESG integration (US\$17.5 trillion) and corporate engagement/shareholder action (US\$9.8 trillion). Negative screening remains the largest strategy in Europe, while ESG integration continues to dominate in the United States, Canada, Australia and New Zealand in asset-weighted terms. Corporate engagement and shareholder action is the dominant strategy in Japan.

Quarterly Performance Reports on Canadian RI Funds

The RIA produces a quarterly report on the performance of RI mutual funds, ETFs and segregated funds available from RIA Members in Canada. The report provides a snapshot of each fund's performance as of the end of each quarter. Average returns for the RI funds are compared to their average asset class returns (including RI and non-RI funds) in the quarter and over longer-term periods of one, three, five and ten years (where available). Data for the report are provided by Fundata.

The full Quarterly Performance Report is available exclusively to members, while a brief Highlights document is made publicly available on the RIA website, social media and monthly newsletter. Access these reports by logging in to your RIA Member account.

RIA Strategic Priority #1

MARKET EDUCATION

Public Education

The RIA provides educational resources through various channels to the investing public, including introductory content on its website and in the RI Magazine. The goal is to increase awareness and overall accessibility of knowledge, products and services related to RI, while dispelling common misconceptions about the industry.

Investor-focused Website

The RI Marketplace, an online directory designed to help investors discover RI products and services, is strategically positioned on the home page and the main menu of the RIA website. This positioning allows users continual access to RI products and services throughout their experience. This feature has been given an overweighted emphasis in the design and structure of the website to drive awareness of Canada's substantial and dynamic RI market.

Digital Community Building

The RIA has continued to grow its online community in 2018 with a focus on Twitter, LinkedIn, the monthly newsletter, and engagement of digital publications. For more on our digital community growth, please read section below on Strategic Priority 4: Brand and Reputation.

Mainstream Media Engagement

While the RIA has long built strong relationships with industry publications, we set out in 2018 to improve our engagement of mainstream publications. These include lifestyle publications, with the potential to encourage demand among individual investors, as well as Canada's most widely-read news sources, like the Globe and Mail. For more on our media engagement performance, please read the section below on Strategic Priority 4: Brand and Reputation.

Professional Education

The RIA has continued to grow its training for investment professionals across Canada. Training advisors and other professionals is an opportunity to bring RI knowledge and guidance to the doorstep of investors. Our courses and designations help advisors and other investment professionals recognize the business opportunity as well as the societal and performance benefits of RI, and help them to incorporate it into their practices. Financial professionals who are knowledgeable about responsible investing are equipped to share that knowledge with their clients.

Looking Ahead Asset Owner & Consultant Outreach

In 2019, the RIA intends to increase its outreach to asset owners and investment consultants to further drive the adoption of RI in Canada's institutional market. It is important for us to engage with these key decision-makers driving the allocation of capital towards RI. Our membership already includes numerous consultants and asset owners such as pension funds, endowments and foundations with almost \$275 billion AUM as of the end of 2018. Asset owners and consultants regularly participate at our conferences and events, indicating there is interest from these important stakeholders to learn about RI.

RIA Strategic Priority #2
INTEGRATION

STRATEGIC PRIORITY 2: INTEGRATION

Our second strategic priority is integration, which also has a strong educational component. We aim to develop the RI capacity of investment professionals to support their efforts to integrate RI into their business practices. We support RIA members' RI/ESG integration efforts by providing professional education and peer collaboration opportunities. To do this, the RIA focuses on four main areas of activity:

1. Support the development of RI literacy and RI expertise for RIA Members by delivering RI training and certification for professionals at various levels of expertise.
2. Facilitate institutional working groups to enable peer-learning and collaboration among institutional RIA Members.
3. Collaborate with financial associations and other industry stakeholders to broaden the RIA's reach and amplify our impact.
4. Host conferences, webinars and other events to provide education and networking opportunities for RIA Members.

Integration *in Action*

The RIA offers three designations for investment professionals who meet educational requirements:

The Responsible Investment Specialist (RIS) is granted to professionals who complete the Canadian RI Fundamentals course, which is designed for mutual fund-licensed investment advisors and investment specialists. The RIS program provides learners with practical knowledge about Canada's RI market. It equips investment professionals with the knowledge they need to discuss environmental, social and governance (ESG) issues with Canadian retail clients, and the tools to offer advice about retail RI products in Canada. As of December 31, 2018, there were 327 RIS designation holders.

The Responsible Investment Advisor Certification (RIAC) is granted to RIA Advisor Members who complete the Foundations in RI course from the PRI Academy (formerly known as the RI Essentials course). This course uses real-life case studies to illustrate the materiality of ESG issues in business, introduces strategies for identifying and managing new approaches to ESG risk, and identifies methods for integrating sustainability data into financial modelling. Therefore, this program is suitable for IIROC-licensed advisors and investment professionals who analyze securities or work in an institutional setting. As of December 31, 2018, 49 RIA Members had earned the RIAC designation.

The Responsible Investment Professional Certification (RIPC) is granted to RIA Members who complete the Foundations in RI course from the PRI Academy. While the educational requirement is the same as the RIAC, this designation is tailored for consultants, analysts, lawyers, and other investment professionals who wish to develop and demonstrate expertise in RI. As of December 31, 2018, 33 RI Professionals completed the certification program.

Looking Ahead Education Partnerships

As of early 2019, the RIA has formed partnerships with several RIA Member organizations to provide training for large groups of investment advisors and other financial professionals. Through these partnerships, more than 850 investment professionals will have either earned an RI designation or are in line to earn one from the RIA. Read more [here](#).

Canadian RI Fundamentals Course

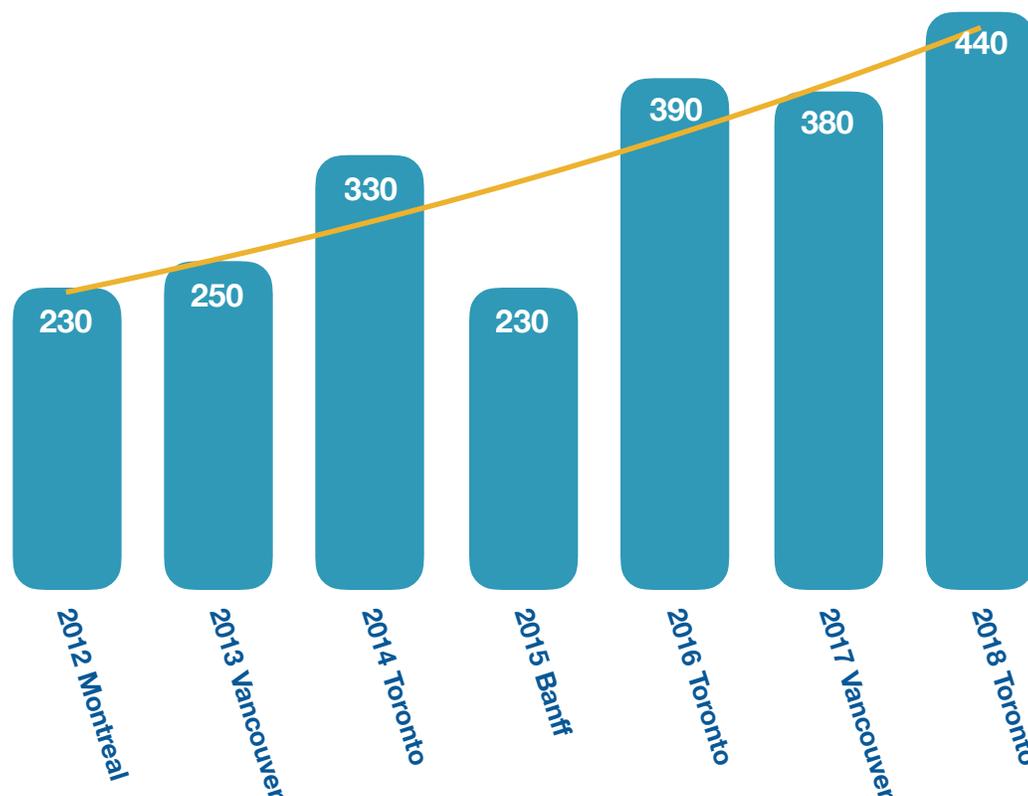
We launched the RIA's Canadian RI Fundamentals in 2016 to meet the demand for RI education among retail advisors. It is a five-hour online course designed for investment professionals who want to develop expertise and improve their understanding of RI and the Canadian retail market. The course is eligible for five CE credit hours from IIROC, IAFE, FPSC and five PDU credit hours from CSF and IQPF. We've had strong enrolment in this course, growing from 136 in 2017 to 165 in 2018, for a growth rate of 21.3%.

In the fall of 2018, we launched the Canadian RI Fundamentals course in French to improve access across Canada, particularly for RIA Members in Quebec. This is part of the RIA's broader effort to grow our national presence and to deliver more bilingual services.

RIA Conferences & Events

Events are an important part of the RIA's work, as they provide our Members with valuable opportunities for networking and learning. Our flagship event is the annual RIA Conference, the largest national responsible investment event in Canada, and we also host smaller regional events. As shown in the chart below, the RIA Conference has grown rapidly in recent years, demonstrating the growing demand and interest in responsible investing in Canada.

RIA Conference Attendance (2012-2018)



RIA Strategic Priority #2 INTEGRATION

RIA Regional Events

In addition to our national conference, the RIA hosts smaller regional events across Canada. These smaller events offer RIA members and other market participants an opportunity to learn about timely industry issues and network with experts and peers.

In 2018, the RIA hosted nine events and three webinars. Historically, the vast majority of the RIA's events have taken place in Toronto and Vancouver. But in 2018, we expanded our presence across Canada with events in Vancouver, Victoria, Calgary, Toronto, and Montreal, in addition to meeting with members in Edmonton and Winnipeg. Below is a summary of RIA events in 2018.



2018 RIA Events

February 28, 2018 - *Breakfast with HSBC's ESG team*

Location: Toronto

Partner: HSBC

Attendees: 37

March 13, 2018 - *The Growing Investor Demand for ESG Performance in the Energy Sector*

Location: Calgary

Partner: TMX Group

Attendees: 50

April 5, 2018 - *Tapping into the Rising Demand for ESG: Engaging Clients around Responsible Investment*

Location: Vancouver

Partner: Vancity Investment Management

Attendees: 49

April 26, 2018 - *Responsible Stewardship: Institutional Perspectives on ESG Integration*

Location: Toronto

Partner: SSGA

Attendees: 58

June 4-5, 2018 - *RIA Annual Conference*

Location: Toronto

Partner: Multiple

Attendees: 440

September 18, 2018 - *Investing in the Energy Transition: Risks & Opportunities in Renewable Energy*

Location: Vancouver

Partner: RE Royalties

Attendees: 85

September 21, 2018 - *Tapping into the Rising Demand for ESG: Engaging Clients around Responsible Investment*

Location: Victoria

Partner: Leede Jones Gable

Attendees: 39

October 23, 2018 - *Canadian RI Trends Report Launch*

Location: Toronto

Partner: NEI Investments

Attendees: 92

November 6, 2018 - *Soirée de lancement du rapport sur les tendances canadiennes de l'IR en 2018*

Location: Montreal

Partner: Finance Montreal

Attendees: 96

RIA Webinars

The RIA partners with other groups and organizations to deliver webinars of interest to RI market participants. 2018 RIA Webinars include:

August 20, 2018 - RIA Advisor Webinar: A Discussion with Aviso Regarding the NEI/OceanRock Merger
Partner: Aviso Wealth

October 24, 2018 - Responsible Investing 2.0 - The Next 20 Years in 45 Minutes
Partner: Evolve ETFs

October 25, 2018 - Gender Lens Investing: Advancing Gender Equality Across Public & Private Markets
Partner: MEDA

Working Groups

The RIA serves as the Secretariat for three institutional RI Working Groups. In addition to our full participation, we also coordinate scheduling and logistics of roundtable-style meetings, record and distribute minutes, and act as a facilitator for meetings and calls. We participate in the Working Groups' decision-making processes through representation on the steering committees.

RI Working Groups for Institutional Investors

The Toronto and Vancouver RI Working Groups were created as a service for institutional investors to achieve the common goal of growing the RI industry, and to leverage diverse networks and expertise to facilitate peer learning.

The Toronto RI Working Group is a participant-driven group of institutional investors that includes over 100 participants with Co-Chairs and a Steering Committee providing administrative leadership. The Toronto RI Working Group meets quarterly, usually with 20-25 members in-person and additional participants calling in.

There are five Workstreams where members collaborate on a specific topic of interest: Shareholder Engagement, Impact Investing, Climate Change, ESG Integration and Sell-Side Research. Notable Workstream activities in 2018 included the Impact Workstream publication "All In: Examining a 100% Impact Portfolio".

The Vancouver RI Working Group has approximately 10 regular participants including a Chair. The Vancouver Group meets periodically to discuss topics of interest to the participants and typically invites a guest speaker to present on relevant topics. Vancouver participants are welcome to join the Workstreams of the Toronto RI Working Group, and the Co-Chairs of the Toronto Steering Committee also participate in the Vancouver group, to enable knowledge sharing and collaboration between the groups.

The PRI and Finance Montréal have similar working groups for institutional investors in Québec.

Policy Stewardship Group

The RIA provides Secretariat services for The Policy Stewardship Group (PSG) – a national peer group that was created in 2016 by a small group of RIA members with expertise and interest in public policy opportunities related to RI. The PSG meets monthly to identify, discuss and understand policy issues and looks for opportunities to build coalitions around certain policy initiatives. The PSG enables peer-learning and collaboration on regulatory and public policy issues related to RI. As with the Working Groups, the RIA is included in the Group's decision-making processes.

RIA Strategic Priority #3
ADVOCACY

STRATEGIC PRIORITY 3: ADVOCACY

In addition to supporting the advocacy efforts of RIA Members, the RIA advocates for a policy landscape that is conducive to responsible investment. To achieve this, the RIA is building relationships with regulators and government, responding to policy/regulatory consultations that are relevant for responsible investing, and facilitating collaboration for RIA members who are engaged with policy and regulation.

Advocacy in Action

Prior to 2018, advocacy was not a core focus for the RIA due to capacity limitations. With a larger team and expanded strategic priorities in 2018, the RIA began to establish relationships with regulators and the federal government.

In January of 2018, RIA CEO Dustyn Lanz joined the Minister of International Trade for the announcement of Canada's Ombudsperson for Responsible Enterprise (CORE) in Ottawa. The announcement marked an important step for advancing human rights and increasing accountability in supply chains. The RIA leveraged this opportunity to grow its relationship with Global Affairs Canada (GAC), which led to subsequent meetings between GAC and RIA Members around human rights issues, as well as GAC's decision to be the official Government Partner of the 2019 RIA Conference.



ABOVE: RIA CEO DUSTYN LANZ JOINS MINISTER OF INTERNATIONAL TRADE FOR ANNOUNCEMENT IN OTTAWA

The RIA also held two meetings with representatives from the Ontario Securities Commission (OSC) to establish a relationship between the RIA and the OSC and position the RIA as a key stakeholder on issues related to responsible investing.

Canada's Expert Panel on Sustainable Finance

In early 2018, RIA CEO Dustyn Lanz met with the Department of Finance to advocate for federal government action in support of a sustainable financial system. This engagement started with a letter to the Department highlighting the policy work being done in Europe to encourage similar actions in Canada. A few months after this engagement, the federal government launched Canada's Expert Panel on Sustainable Finance to advise the government on aligning Canada's financial sector with a sustainable future. This positive outcome was the result of engagement from many stakeholders including the RIA. View the initial letter [here](#).

In November 2018, the RIA convened a conference call for a group of institutional RIA Members to engage directly with Expert Panel members. We also welcomed Expert Panel members as speakers at the 2018 RIA Conference in Toronto, as well as the 2019 RIA Conference in Montréal.

Letter to the OSC on Client-Focused Reforms

The RIA submitted a response to the CSA's request for comments on proposed amendments to National Instrument 31-103 and to Companion Policy 31-103CP relating to Client-Focused Reforms. In our letter we advocated for strengthening KYC requirements to ensure that registrants are obtaining important information about clients' environmental, social, and governance preferences when assessing a client's investment needs and objectives. View the letter [here](#).

RIA Strategic Priority #3

ADVOCACY

Letter to BCSC on Diversity Disclosure

The RIA submitted a letter to the BCSC on diversity disclosure requirements per National Instrument 58-101. The letter encouraged the BCSC to adopt the requirements already used in other Participating Jurisdictions, and commented on potential enhancements such as implementing corporate governance guidelines, disclosing policies related to diversity other than gender and presenting disclosures in a standardized format. View the letter [here](#).

Modern Slavery Investor Statement

The RIA signed on to the Modern Slavery Investor Statement. The letter encourages legislation in Canada that would involve disclosures that will assist investors in addressing modern slavery and child labour in global supply chains. View the letter [here](#).

Looking Ahead Ongoing Advocacy

In 2019, the RIA will be following up on our previous engagement with the securities regulators regarding the Know Your Client process. RIA Management will also assemble a Policy Advisory Council to lend their expertise on specific advocacy opportunities.

RIA Strategic Priority #4
BRAND & REPUTATION

STRATEGIC PRIORITY 4: Brand & Reputation

The RIA is committed to creating and maintaining a brand that positively reflects the organization and its members while strengthening our reputation as the hub for RI in Canada. The RIA’s brand and communications efforts include the delivery of high quality media exposure via mainstream, industry and digital media channels, as well as a focus on delivering excellent member services and strengthening our visibility and reputation as a truly national organization.

Brand & Reputation *in Action*

Strengthening the RIA Brand & Reach

In the fall of 2018, we created a new website to strengthen the RIA’s position as Canada’s leading hub for RI. Our website is the backbone of our communications strategy, serving as a repository for all of our resources, achievements, and stakeholder engagement efforts. The new website combines modern digital marketing practices, like search engine optimization, with minimalist web design and intuitive navigation, creating a streamlined and pleasant experience for first time visitors and members alike.

In addition to providing new online resources for members and investors, like the RI Marketplace and RIA Magazine, the new website also provides reimagined introductory-level RI content and easy ways to join the community via our monthly newsletter, social media and member registration.

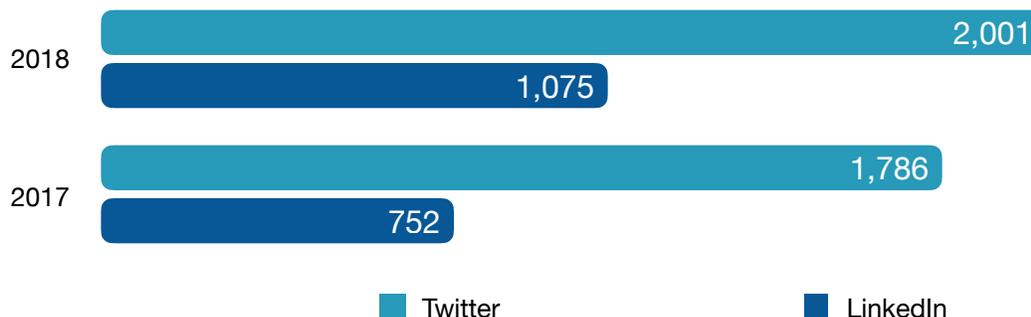
Total RIA Website Visitors



Mainstream, Industry and Social Media

LinkedIn and Twitter

The RIA is active on Twitter and LinkedIn to share news and insights related to the RIA’s activities, the activities of our members and the broader Canadian RI market. Our social media following has grown well in 2018, with our Twitter following growing by 12% and our LinkedIn following growing by 43% in the calendar year. Our social media posts on these platforms garnered **271,500** total impressions.



RIA Strategic Priority #4 BRAND & REPUTATION

Media Coverage

The RIA has successfully built relationships with editors and journalists in the financial and mainstream media to provide RI insights to industry professionals and the investing public. Many credible editors and journalists rely on the RIA's research and perspective to guide their stories on responsible investing, impact investing, and related topics.

Year	RIA Quoted in Mainstream & Industry Publications	RIA Cited in Mainstream & Industry Publications
2018	29 (2.4 Quotes / Month)	38 (3.1 Citations / Month)

Notable Publications that Featured the RIA:

- Globe & Mail
- Financial Post
- BNN
- Bloomberg
- CBC
- Investment Executive
- Benefits Canada
- Benefits and Pensions Monitor
- Advisor's Edge
- Wealth Professional
- Huffington Post
- Chatelaine
- Forbes
- Young & Thrifty

Thought Leadership in Financial Media

Investment Executive, a leading Canadian investment industry publication with over 200,000 monthly online page views, publishes bimonthly columns from RIA CEO Dustyn Lanz on various RI topics. Lanz is the only regular contributor focused on responsible investment topics.

2018 RIA CEO Columns:

Making Sense of the Debate on Fossil Fuel Divestment - January 26, 2018

We need to allocate capital to sustainability leaders across many sectors and invest in companies supporting the transition to a low-carbon economy. [Learn more.](#)

Cybersecurity is a Growing Issue for Responsible Investors - March 26, 2018

Cybersecurity has emerged as a major governance risk for companies and shareholders. [Learn more.](#)

RI Mutual Funds Leverage their Proxy Power - May 22, 2018

Canadian RI mutual funds are asking corporations to step up on climate change, gender diversity, indigenous rights, opioid accountability and other sustainability issues. [Learn more.](#)

Growing Demand for Food a Meaty Issue for Investors - July 16, 2018

The immense impact of animal farming presents environmental, social and governance risks — as well as opportunities. [Learn more.](#)

Busting the RI Performance Myth - September 10, 2018

A growing body of evidence shows that responsible investments perform just as well, if not better, than traditional investments. [Learn more.](#)

A Tipping Point for Responsible Investing - November 5, 2018

Responsible investing now accounts for a majority of assets under management in Canada. [Learn more.](#)

Growing the RIA's National Visibility

In 2018, we grew our national presence by organizing nine events across Canada. The events gave us the opportunity to host and interact with a combined total of more than 600 attendees in Victoria, Vancouver, Calgary, Montreal and Toronto. These RIA events are listed in the Integration section of this report on page 21.

In 2018, the RIA improved its French-language capabilities by launching a fully bilingual website, including the RI Marketplace and RI Magazine, as well as a French version of the Canadian RI Fundamentals course. To sustain our bilingual capabilities, we also hired a Senior Bilingual Coordinator in 2018. The 2019 RIA Conference, for which planning began in the fall of 2018, is a bilingual conference.

2018 External Public Speaking Engagements

In addition to the RIA's events listed in page 21, RIA staff also speak at external industry events. Below is a list of the RIA CEO's external public speaking engagements in 2018.

Month	Location	Event Venue / Host	Notes
January	Toronto	York University	Guest lecture on RI for graduate students
May	Toronto	Canadian Funds Summit	Panel on RI for fund companies
September	Vancouver	Vancity Due Diligence RI Conference	Keynote speech on RI trends for advisors
September	Winnipeg	Credit union (internal event)	Lunch & Learn presentation for advisors
September	Calgary	Credit union (internal event)	Lunch & Learn presentation for advisors
September	Edmonton	Brokerage (internal event)	Lunch & Learn presentation for advisors
September	Toronto	Financial institution (internal event)	Presentation on RI for internal leadership
September	Web	Canadian Credit Union Association	Presentation on RI for credit unions
November	Toronto	Canadian Risk Forum	Panel on RI for risk professionals
December	Toronto	Mutual fund company (internal event)	Presentation on RI trends for sales team
December	Television	CBC News	Interview about RI on national news

Brand Refresh

In 2018, the RIA refreshed its brand with a new logo design and colour pallet. The updated branding gives the RIA a modern aesthetic, which we believe strengthens our appeal to stakeholders and the media. The logo change also helped to distinguish the RIA from an international financial brand operating under a similar name and style.

RIA Strategic Priority #5
CAPACITY BUILDING

STRATEGIC PRIORITY 5: CAPACITY BUILDING

To successfully execute our strategic priorities, we must continue to build the RIA's financial and human capital resources. There are three main components to this strategic priority:

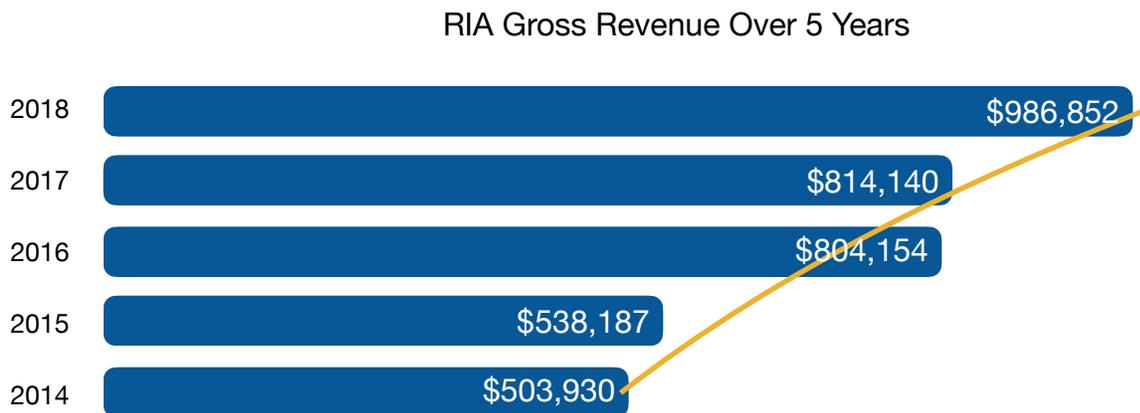
- Ensuring a strong and sustainable financial base to enable the achievement of these goals.
- Building revenues to strengthen organizational capacity, with a core focus on retaining and growing the RIA's membership base and delivering a financially successful annual conference.
- Developing human capital resources to deliver the highest level of service to RIA Members.

Capacity Building *in Action*

Growing the RIA's Financial Capacity

We continuously strive to grow our revenue-generating activities to strengthen the RIA's capacity to achieve our strategic priorities. Over the past five years, the RIA has grown its revenue base substantially, helping to place the association in a solid and sustainable financial position. Our growing membership, educational offerings, events and other initiatives have helped to build our capacity and to better fulfil our mandate and serve our members.

Below is a chart showing the RIA's gross revenue over five years. In 2016, we had a large increase in new Sustaining and Associate memberships, while 2018 saw a significant increase in conference revenue, as well as membership growth and strong retention of the membership base.



Strengthening Our Resilience

In 2018, the RIA formalized a reserve fund which covers approximately three months of operational expenses. This pool of savings will help to support the long-term sustainability and resilience of the RIA.

RIA Strategic Priority #5

CAPACITY BUILDING

Developing the RIA's Human Capital Resources

The RIA is committed to providing the highest level of service to our members, which in turn supports the RIA's reputation, membership growth and retention goals. To achieve this high level of service, we strive to attract and retain a talented staff team, with the skills and motivation to help the RIA achieve its goals. Practices to support and develop the RIA's human capital resources include investments in staff training & development, a positive, flexible and comfortable work environment, and social team-building activities.

Staff Training and Professional Development

The RIA provides support for staff to pursue education and industry qualifications. This helps staff to advance their professional knowledge of the investment industry and responsible investment. In 2018, staff successfully completed various courses including the Canadian Securities Course, CFA Investment Foundations, Canadian RI Fundamentals, Foundations in RI, Advanced RI Analysis, and RI for Trustees.

Staff are also encouraged to attend industry conferences and events, which help staff to be up-to-date on current trends and emerging developments in RI. In 2018, staff attended numerous conferences and events including the Bloomberg Sustainable Business Summit, RI Americas, PRI in Person, AIMA Canada Investor Forum, and Colloque Québécois de l'Investissement Responsable.

The RIA regularly invites members to present at internal "Lunch & Learn" sessions. In this informal forum, RIA staff benefit from our members' knowledge and experience and increase their understanding of RI and the diverse practices and approaches of our members.

Organizational Culture and Team Building

Workplace culture is an important factor for attracting and retaining talent, and RIA management believes that team building plays an important role in promoting a positive and productive office culture. The RIA conducts regular team building activities as part of our effort to retain talent and strengthen our internal communication and collaboration efforts.

In December 2018, staff held a strategic planning meeting alongside team-building activities at Blue Mountain, Ontario. In addition to planning our 2019 activities to deliver on our strategic priorities, the team enjoyed a snowshoe trek through the woods and warmed up with a local wine-tasting experience! Staff also engage in team-building activities throughout the year including team lunches, semi-annual afternoon social events such as ping pong or bowling, and celebrating staff birthdays.



ABOVE: RIA STAFF SNOWSHOEING.

New Hires in 2018

To support our capacity-building efforts, the RIA hired three new staff members in 2018:

- Olga Bordatcheva, CFP, Manager Member Affairs - Hired February 2018.
- Dorothee De Angelis, Senior Bilingual Coordinator - Hired July 2018.
- Mary Robinson, CFA, Director of Research Policy & Collaboration - Hired November 2018

FINANCIAL SUMMARY

FINANCIAL SUMMARY

FINANCIAL SUMMARY FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

STATEMENT OF OPERATIONS

	2018	2017
Revenues		
Memberships	\$ 465,395	\$ 399,110
Conferences	401,860	315,851
Projects and sponsorships	58,019	53,897
Education	46,004	41,672
Interest and other	15,574	3,610
Total Revenues	\$ 986,852	\$ 814,140
Expenses		
Salaries and benefits	415,704	444,748
Conferences	158,597	126,911
Accounting and legal	76,170	56,142
Marketing and development	54,743	44,672
Rent	45,950	37,228
Travel	25,756	12,497
Projects and sponsorships	23,366	15,337
Office and administration	20,116	20,005
Board and AGM	4,156	3,368
Dues and memberships	3,450	-
Contractors and consultants	2,325	2,150
Carbon offsets	1,067	-
Amortization	7,796	7,409
Total Expenses	\$ 839,196	\$ 770,467
Excess (Deficiency)	\$ 147,656	\$ 43,673

STATEMENT OF FINANCIAL POSITION

	2018	2017
Assets		
Cash	\$ 77,664	\$ 80,718
Term deposit	100,000	50,000
Amounts receivable	173,389	153,540
Prepaid expenses	49,090	36,079
Capital assets	5,245	7,989
Website	25,100	-
Total Assets	\$ 430,488	\$ 328,326
Liabilities		
Accounts payable and accrued liabilities	\$ 36,802	\$ 117,141
Deferred revenues	180,965	146,120
Total Liabilities	\$ 217,767	\$ 263,261
Net Assets	\$ 212,721	\$ 65,065

NOTES
