

Environmental and Social themed investing Advisory Committee - Terms of Reference (TOR)

A. Introduction

Advisory committees (formerly known as ‘steering committees’) and working groups (together known as ‘signatory groups’) play an important role in PRI’s work streams, as well as to provide opportunities for PRI’s signatories to convene, to share knowledge and to collaborate for change and impact.

PRI’s advisory committees are convened by the PRI Executive (Executive) to advise on the work programme and / or implementation of a work stream. For example support advisory committee may be convened to provide advice on practical, action-oriented research, tools, events and support to signatories around the world.

The Environmental and Social themed investing Advisory Committee (E&S AC) advises the Executive on the strategy and execution of the PRI E&S themed investing work stream¹.

This document presents the key elements of the E&S AC and its governance structure. In addition, it is important to highlight that this TOR has been drafted in full accordance with the [PRI Rules for Advisory Committees and Working Groups](#) (approved by the PRI Board in June 2015).

B. Objectives

The objectives of the Environmental and Social Themed Investing (E&S) work stream are:

1. To support asset owners making, or interested in making, E&S themed investments to overcome barriers;
2. To understand responsible investment practices within E&S themed investing; and
3. To collaborate with investors and stakeholders to achieve the above objectives.

¹ The PRI E&S work stream covers investments in areas such as clean technology (including renewable energy, waste and water management, sustainable forestry and agriculture), inclusive finance and products and services to support global health. In short, the work stream covers investments that can generate positive environmental and social impacts while producing attractive financial returns.

These objectives have been defined by the PRI Executive in partnership with the E&S AC.

C. Members

1. Target membership

- 9 - 15 members;
- Given the objectives of the committee, membership is currently restricted to individuals from indirect investor, preferably asset owner, organisations making environmental and social themed investments. Other investors, service providers and experts may be invited to participate on particular projects²;
- The aim is to have a geographic spread, representative of the signatory base; and
- Only one representative per organisation is recommended on a working group.

2. Appointment of members

The Executive will publicise membership opportunities as they arise, including the criteria for appointment of members and timelines – via relevant newsletters and the PRI website for a minimum of four weeks. The Executive will review applications. Final decisions on the E&S AC composition are at the discretion of the Executive.

The balanced composition of the E&S AC will be preserved to the greatest extent possible when replacing outgoing members. Advisory committee members are required to attend at least five committee meetings a year, and requested to attend all meetings of the Committee. If a member steps down from the Advisory Committee during their tenure, they are welcome to appoint an appropriate replacement from their organisation (according to the criteria described in the first paragraph of this section).

If the replacing member does not demonstrate the required level of commitment and engagement, then the Executive may terminate that signatory's participation and invite other interested signatories to participate. If a member steps down from the Advisory Committee towards the end of their organisation's tenure, then it is at the Executive's discretion whether to accept a replacement from their organisation for the rest of their tenure or whether to open the position up to other interested signatories.

3. Terms

- The chair is selected every three years, and the term for AC members is currently set at two years;
- Members have the option at the end of each year to step down;
- Members cannot serve two consecutive terms. After two calendar years, they will be eligible to re-apply;

² Investors that have not yet made environmental and social themed investments are invited to sign up to the PRI's environmental and social themed investing newsletter to be kept informed of the working group's activities.

- The Executive will review the E&S AC composition on a yearly basis, keeping in mind that there should be some degree of continuity from year to year; and
- The Chair is appointed at the start of the calendar year; and all members are entitled to submit their names for consideration. However, the Executive retains the right to choose the chair at its discretion based on the skills and experience required for the role. There is no limit to the number of re-submissions, but the Executive will aim to balance experience and continuity with diversity.

4. 2016 membership

Name	Organisation	Country
Tim Macready (Chair)	Christian Super	United States
Paulus Ingram	APG	The Netherlands
Herve Guez	Mirova	France
Berit Lindholdt Lauridsen	IFC	United States
Michael Lohmeier	Wespath Investment Management, a division of the General Board of Pension and Health Benefits of the United Methodist Church	United States
Philip Walker and Florence Derron	Obviam AG	Switzerland
Manuel Lewin	Zurich Insurance Group	Switzerland
Harry Hummels	SNS Impact Investing	The Netherlands
Piet Klop	PGGM	The Netherlands

D. Responsibilities

1. Role of the PRI Board

The PRI Board oversees the constructive relationship between the Executive and Signatories as well as acting as a final point of escalation on matters related to the Executive's work to drive signatory implementation of the Principles, including ESG incorporation, active ownership, collaboration and reporting. The Board has oversight of the terms of reference for all signatory groups.

If a signatory has a significant concern with the operations of a signatory group the signatory can escalate the issue(s) to the head of the PRI Executive. If the matter cannot be resolved by the head of the PRI Executive the issue(s) will be escalated to the PRI Board.

2. Role of the Executive

The role of the Executive is implemented through the PRI representative that sits on the E&S AC. In this case, the PRI representative is the E&S work stream manager. The E&S work stream manager sits in the PRI Investment Practices team, which is dedicated to providing support tools to help investors implement the Principles across multi asset classes.

The PRI Executive is committed to ensuring the E&S work stream has the appropriate resourcing and capacity. The PRI Executive provides senior oversight of the E&S work stream; work stream activities are monitored by the Head of Investment Practices and reported directly to PRI senior management.

The Executive manages the productivity of the E&S AC and will assess regularly the groups' aims, work plan and composition. The Executive commits to:

- Convening and administering E&S AC meetings and facilitating E&S AC activities; keeping E&S AC members updates on E&S themed investing work stream activities in between meetings;
- Developing the E&S work plan for the year, in collaboration with the committee;
- Assigning E&S AC members to working groups and/or E&S AC Sub-Committees;
- Providing expertise required for E&S work stream activities from either internal or external sources;
- Managing and delivering E&S work stream outputs; setting out the guidelines for the operations of a project, including the establishment of a dedicated working group if required; and
- Overseeing E&S AC composition: reviewing commitment and tenure; managing application process for open positions.

3. Advisory Committee Chair

The Advisory Committee Chair commits to:

- Provide the Executive and advisory committee with leadership and guidance as needed;
- Designating enough time to fulfil Chairing responsibilities (which include, but are not limited to: reviewing documents, advising the E&S work stream manager, chairing meetings, acting as E&S themed investing work stream spokesperson where required); and
- Regularly assess and manage the productivity of the working group.

4. Advisory committee members

All Advisory committee members (including the Chair) are expected to act in an advisory role to the PRI Executive (it includes the work stream strategy and activities). In addition, members agree to commit time and resources to promoting and overseeing the E&S work stream, as well as to providing inputs to the E&S work stream projects and tasks.

Typical responsibilities may include, but are not limited to:

- A minimum of five E&S AC conference calls/meetings per year, between one and two hours duration, one of which will be in person;
- Regular guidance/feedback to the Executive on relevant issues. This may include providing advice/feedback on outputs such as publications, toolkits and work stream strategy;

- Commit to representing the E&S work stream/speaking engagements where practical to do so. The Executive can provide support in the form of background research and presentation slides; and
- Outreach and engagement with peers on behalf of PRI. The Executive can provide support in the form of background research and pitching material.

All E&S AC members are welcome to undertake additional work, for example, drafting documents if their schedules enable them to do so.

E. Action plan and timeline

An action plan with suggested time frames and milestones will be established by the Executive and presented to the E&S AC for deliberation at the first E&S AC meeting of each year. Progress against the action plan should be evaluated by the E&S AC during the last meeting of each year.

F. Reporting requirements

The Executive will report on E&S AC activities every quarter on the signatory website. Meeting minutes will be published to the signatory website once approved by the E&S AC Chair. This E&S AC Terms of Reference will be published on the signatory website, including an up-to-date list of individual members and designations of Chair and Sub-Committee Chairs.

G. Code of conduct

- The proactive involvement of signatories is important to the success of the group. The Executive may cancel individual signatories' participation if the required level of commitment is not demonstrated.
- Advisory committee and working groups members must refrain from using this forum (AC or working groups) for explicit commercial purposes and should focus on furthering the goals and objectives of the work stream. Failure to meet these requirements may also lead the Executive to cancel signatory participation.
- Advisory Committee members are welcome to advertise their participation in other forums such as LinkedIn.
- An Advisory Committee and/or working group meeting should proceed only if a majority of members can attend (in person and/or on the phone). Due to regional time differences, separate calls may on occasion be held with members unable to join the meetings.
- Additional responsibilities based on confidentiality and/or public communications protocol may be applied.

H. Contact

If you are interested in learning more about the E&S themed investing advisory committee, please contact Kurt A Morriesen, kurt.morriesen@unpri.org +44 (0) 20 3714 3194