

PRI Corporate Reporting Reference Group (CRRG)

Terms of Reference

OBJECTIVES

The PRI Board and Executive have identified 'better' corporate reporting as one of the key objectives in its PRI Blueprint ('Driving meaningful data throughout markets'). As a global organisation of (responsible) investors, PRI can and will play a role to:

- improve the quality of corporate ESG reporting
- stimulate convergence in (corporate) reporting standards
- contribute to the development of a standard for SDG/impact measurement and reporting
- support innovations in incorporation of ESG-issues in financial accounting
- engage with policymakers and regulators related to the beforementioned issues.

As such PRI has published a paper together with other investor organisations (CERES, CFA, GSIA, GIIN, ICGN and UNEP-FI) to provide some high level guiding principles for corporate ESG reporting (see attachment), works closely with the Corporate Reporting Dialogue (8 corporate reporting standards) to create better alignment between reporting standards (incl. GRI, SASB, IIRC, CDP) and joined as a partner in the Impact Management Project (IMP).

The purpose of the group is for the CRRG members to provide input/feedback on the work of PRI in these initiatives, support PRI in developing their policies on these issues, serve as a soundboard for the PRI Executive in the activities the PRI Executive will undertake in this area, exchange information about relevant developments in their markets, and potentially play a role to influence policymakers and regulators in their markets based on commonly defined objectives.

BACKGROUND

The quality of corporate reporting on ESG and sustainability/SDGs is the number 1 issue of concern for PRI signatories who are practising responsible investment. That is the outcome of PRI's 2018 asset owner consultation process as well as of the three regional PRI/CFA projects. Meanwhile important steps have been set:

- Together with CERES, CFA, GIIN, GSIA, ICGN and UNEP FI, PRI has published an 'Investor Agenda for Corporate ESG reporting' (see attached)
- The TCFD has given guidance to reporting on climate related financial risks
- The Corporate Reporting Dialogue, a coalition of 8 global standard setters including CDP, CDSB, GRI, IASB, IIRC, IOSCO, ISO and SASB, has (November 2018) announced an initiative towards alignment for Environmental, Social and Governance (ESG) reporting
- The Impact Management Project, including (amongst others) GIIN, GRI, IFC, SASB, UNDP, UNEP-FI, UNGC and PRI was launched (late 2018) as a collaborative effort to set standards for management/measurement of SDGs/Impact

There seems to be 'momentum' to tackle one of the most important and urgent issues responsible investors are facing. PRI has played a role in bringing these coalitions together and will play an important role to make this agenda a success. Therefore, we invite signatories who have a key interest in these topics and want to contribute to this workstream, to be part of a 'PRI Corporate Reporting Reference Group'. The PRI 'Corporate Reporting Reference Group' will be a group of 15 to

20 PRI signatories. The group will be in place for 2 years, after which an assessment will be made of the progress made and the need for extension of the work.

MEMBERS

These terms of reference apply to the Corporate Reporting Reference Group, which is a group of international, senior investment and ESG professionals who are fully integrating responsible investment in their firm's investment decisions and active ownership. All members of the CRRG are listed on our website. The Group will normally have 4-5 conference calls annually, may try to convene once a year for an in person meeting during PRI in Person and group members can also be consulted by the PRI executive bilaterally. The 'PRI Corporate Reporting Reference Group' will be installed in June 2019.

Group members are appointed by the PRI based on the following criteria:

- Is a PRI signatory (members join the group in their capacity as representatives of their organizations)
- Demonstrable expertise in the area of corporate reporting and the use of corporate reporting by investors
- Interest and ability to contribute expertise on the diverse aspects of corporate reporting
- Proactive participation and ability to allocate time
- The aim is to have a group with adequate diversity (gender, asset owner, investment manager, geographic diversity).

Members can join if their organization is not a signatory if they agree to become a signatory in one year. If a committee member leaves their role and the signatory does not wish to nominate a replacement, the member may continue on the committee as a representative of a new signatory organisation, where that organisation meets the membership criteria, or in exceptional cases, as individuals if they are performing work that is related to PRI's mission, subject to approval by PRI executives. The Executive has the authority to remove signatory participants that do not abide by the agreed commitment levels and invite other signatories to participate.

RESPONSIBILITIES

PRI Executive: The PRI plays an active role in leading and coordinating the CRRG and commits to:

- Provide expertise from either internal or external sources, convening, and facilitating regular meetings of the group. PRI will convene calls only when necessary.
- Coordinating meetings, providing agendas, as well as sharing PRI briefings and publications with CRRG members.
- The Executive can provide support in the form of background research and pitching material.
- Represent PRI in outreach and engagement with other stakeholders in the area of corporate reporting, including policymakers, in alignment with PRI's overall policy.

Members: Indicative responsibilities include:

- Joining calls to share information and provide feedback on issues of relevance (content and process) for better corporate reporting.
- Being available for consultation with the PRI in relation to the development and progress of the PRI's work on corporate reporting.

- Outreach and engagement (in their relevant markets) with other stakeholders and regulators and policymakers in the area of corporate reporting, in alignment with PRI's overall policy on corporate reporting.
- All CRRG members are welcome to undertake additional work, for example, drafting documents if their schedules enable them to do so.

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 advisory committees and working groups.

CODE OF CONDUCT, CONFIDENTIALITY AND PUBLIC COMMUNICATIONS PROTOCOL

Conduct: Signatories must refrain from using signatory forums (including the CRRG) for explicit commercial purposes and should focus on furthering the goals and objectives as defined above. Committee members should treat their colleagues and PRI staff with courtesy and respect. Failure to meet these requirements may also lead the signatory being removed from the committee.

Confidentiality: The PRI Executive may record advisory committee's calls for internal purposes (i.e. note taking). Recordings are not circulated externally, including to members of groups, as they are presumed to be confidential and sharing them could increase the risk that discussions inadvertently appear in the public domain. Where recordings of group discussions are taken, PRI staff will state at the start of the call that the call is being recorded for note-taking purposes. Call recordings will be deleted within 1 year. Where external experts present to groups on a particular topic, with their prior, permission a webinar or audio recording may be taken and shared publicly and /or with investors as a resource.

Communication: The Executive is empowered to reference feedback received from the Corporate Reporting Reference group in general terms and, given the terms of confidentiality, will not attribute comments to specific members without prior consent.

Transparency: The Terms of reference of the CRRG and the composition of the group will be published on the PRI website.

CONTACT

If you are interested to be part of this PRI 'Corporate Reporting Reference Group', please send your application with a brief motivation, to Kris Douma (kris.douma@unpri.org) before 31 May.