

Reporting & Assessment Advisory Committee (RAAC) terms of reference

A. Introduction

PRI's Reporting Framework was developed via a significant consultative process, and designed to reflect the implementation of responsible investment (RI) across the diversity of signatory organisations and investment approaches. The PRI produces outputs that support signatories with their RI implementation, which include RI transparency reports, Assessment reports and the aggregated dataset.

This document sets the specific terms of reference for the Reporting and Assessment Advisory Committee (RAAC) which advises the work on Reporting and Assessment.

PRI's Board is collectively responsible for the long-term success of the PRI Initiative and in particular for establishing the PRI's mission, vision and values; setting the strategy, risk appetite and structure; delegating the implementation of the strategy to the PRI Association Executive (the "**Executive**"), through the Managing Director; monitoring the Executive's performance against the strategy; exercising accountability to signatories and being responsible to relevant stakeholders.

B. Objectives

The objective of the RAAC is to advise the Reporting and Assessment (R&A) team with its strategic path and development of the Reporting Framework outputs and services. This may include reviewing feedback from other advisory committees and working groups within PRI.

C. Advisory committee members

Selection criteria and characteristics of members

RAAC members are appointed by the Executive based on their ability to contribute expertise and leadership in the RI industry. The members of RAAC will comprise a majority of investor signatories (investment managers and asset owners). Service providers will be able to join RAAC in a minority.

RAAC members will be selected on their professional credentials based on experience:

- with reporting framework and/or assessment methodology design;
- in RI reporting processes and disclosure practice;
- seniority within their organisation and/or within the ESG/RI team and/or experience of making high-level strategic decisions;
- of working for or with multiple investment industry organisations and diverse asset management approaches; and
- of mainstream investment practice, not necessarily SRI.

The Executive will aim for proportional representation based on signatory categories and geographic spread. A maximum of 15 members will be accepted on the RAAC.

Members are appointed based on their individual skills and knowledge set and not based on which organisations they represent. It will not be possible to delegate colleagues to attend meetings without prior approval by the Chair/Executive.

Typically, members of RAAC would be expected to be in place up to five years. If a member of RAAC wishes to step down before the full term of three years, the Executive will actively seek to replace them with a new member with similar experience and from a similar background.

Current members of the Committee

The current list of Committee members will always be available on the [PRI website](#).

D. Responsibilities

Advisory committee members

Advisory committee members are expected to act in an advisory role to the PRI Executive. The committee has three focus areas:

- How the reporting and assessment tools and outputs can support more integration of RI into asset owner and investment manager interactions, as well as their interactions with the wider investment community.
- Targeting and development of service provider reporting, identifying the highest impact segments and structuring it for maximum accountability.
- Supporting on technical review of assurance options, including identifying material KPIs for audit.

This may involve the following activities:

- Advising on development of the reporting and assessment processes and outputs, including how best to develop supporting tools (pending consultation responses);
- Reviewing the signatory feedback (summarised by the PRI) and input from working groups, advising on coordinated and consistent solutions;
- Advising on the format in which assessments and comparisons with peers are reported back to each signatory;
- Advising and how best to develop the reporting and assessment to meet the objective of differentiating between signatories;
- Providing proactive updates to the Committee on relevant developments on reporting or disclosure from the member's local market or industry;
- Advising on steps that might be taken to encourage other disclosure initiatives relevant to PRI signatories to use the same data that is collected for the PRI Reporting Framework and to seek to harmonise such requirements over time;
- Voluntary speaking commitments on behalf of PRI. The Executive can provide support in the form of background research and presentation slides; and
- Provide opportunities for secondment to PRI R&A team members.

Advisory committee members are required to sign a Non-disclosure undertaking (see Appendix 1). This is to ensure that the discussions among members within meetings can be open.

Advisory committee chair

The advisory committee chair commits to:

- Designate enough time to fulfil work stream goals;

- Provide the Executive with guidance and working with the Executive to provide leadership to the advisory committee as needed.

PRI Executive

The PRI Executive commits to:

- Providing expertise from either internal or external sources, convening, facilitating and co-creating with signatories;
- Work with the advisory committee by coordinating meetings, providing agendas, producing meeting minutes, outcomes, publications etc.;
- Provide support in the form of background research and presentation slides to any advisory committee members who are speaking at events where the work of the PRI is mentioned;
- Provide support in the form of background research and pitching material for advisory committee members who are undertaking outreach and engagement activities on behalf of the PRI.

PRI Board

The Board acts 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.

E. Time commitments

RAAC members must commit to a minimum of three conference calls/meetings typically lasting around 1-2 hours each, with a longer annual review session. For further details, please see [Appendix 2: Work plan](#). These may take the form of group meetings or smaller consultations on areas of expertise. PRI will follow up with those unable to attend to ensure that their input is received.

Members of the advisory committee agree to commit a minimum of five working days over the year, for attending meetings, reading materials in advance, providing offline input and promoting the Reporting and Assessment process and outputs. 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.

F. Action plan and timeline

An action plan with suggested time frames and milestones will be established at the first advisory committee meeting of each year. The plan should be evaluated during the last meeting of each year.

G. Reporting requirements

The group will update its activities every quarter on the signatory website. The PRI executive will report on the committee’s activities through its regular quarterly reporting to the Board.

H. Contact

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Appendix 1: Non-Disclosure Undertaking

I _____ of

hereby undertake as follows

- 1) Recognising that certain information made available to advisory committee / working group members, may be unpublished and / or subject to restriction, [signatory organisation] shall keep as confidential all information disclosed to us by PRI Association (“the Principal”) relating to the Reporting and Assessment Advisory Committee, without the permission of the Principal.
- 2) The undertakings under Clause 1 shall not apply to:
 - I. any information which [signatory organisation] is able to reasonably establish as previously known to it; or
 - II. any information provided to [signatory organisation] by a third party who has the right to make such information available; or
 - III. any information which may become public knowledge other than through breach of any undertaking contained herein.
- 3) The confidentiality obligation will survive until such time as [signatory organisation] may receive formal notice from the Principal, or its authorised agent thereof, of a release therefrom.

Signed: _____

Name: _____

Date: _____

Appendix 2: Work plan

Focus areas. Groups to work on them individually.

Service provider reporting

Summary	Objectives for RAAC involvement in 2016
The PRI's 2015-18 strategy includes developing service provider reporting by 2018. The initial groundwork will be laid in 2016. The objective is to extend accountability to high impact service providers.	Put together a sub-committee focussing on: <ul style="list-style-type: none"> • Categorising service providers • Identifying the most impactful categories to target for reporting • Initial structure for reporting

Assurance

Summary	Objectives for RAAC involvement
In 2016, the assurance work stream is expected to focus on two areas: <ul style="list-style-type: none"> • Education: what is assurance, what role can it play, what standards are available. • Reviewing the PRI Reporting Framework to identify how it could be made more 'assurable'. 	Put together a sub-committee focussing on: <ul style="list-style-type: none"> • Helping PRI shape an education/outreach plan around assurance. • Sharing own experiences of assurance or data validation. • Providing feedback on the feasibility of different options. • Suggesting areas for further research.

Reporting Framework changes for 2017

Summary	Objectives for RAAC involvement
The PRI has identified that the selection, appointment and monitoring module needs revision. We will request a sub-committee of members input on structural changes.	Proposed changes should: <ul style="list-style-type: none"> • Reflect industry practice globally/account for regional variations • Use terminology that is clear, unambiguous and understood by the industry • Capture impactful RI behaviours

Data Query Tool development (joint with Asset Owner Advisory Committee)

Summary	Objectives for RAAC involvement
RAAC could support the PRI by identifying new reports or ways of presenting the data through the tool.	Agreement that the reports are fit for purpose or suggestions on how to improve them

Differentiation and accountability

Summary	Objectives for RAAC involvement
The consultation is currently open and will run until March. We will require RAAC input, but the exact format depends on the outcome of the consultation.	Advising the PRI executive on ways to implement changes to reporting framework, following consultation. Maintain integrity and industry recognition of reporting and assessment process and outcomes

Work plan timeline

	2016												2017		
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Meetings															
Workplan meeting	█														
Review meeting				█											
Meeting 3									█						
Review + plan for 2017													█		
Areas for committee input															
Service provider reporting	Determine working group members	█	█	█	█	█	█	█	█	█	█	█			
Assurance	Update on Board paper, discussion	█	█	█	█	█									
Reporting Framework changes for 2017				█	█	█	█	█							
Data Query Tool development	Update						█	█	█	█	█	█			
Differentiation and Accountability							█	█	█	█	█	█			