

RULES FOR ADVISORY COMMITTEES AND WORKING GROUPS

Approved by the PRI Board in June 2015 (not amendable)

INTRODUCTION

The PRI aims to deliver practical, action-oriented research, tools, events and support to signatories around the world, no matter where they are located or their level of responsible investment knowledge. Signatories that are committed to implementing the Principles are one of the greatest strengths of the PRI. Advisory committees (*formerly known as “steering committees”*¹) and working groups (together known as “**signatory groups**”) provide opportunities for signatories to convene, to share knowledge and to collaborate for change and impact.

These rules set out:

- the role of the PRI Board and Executive;
- the role of signatory advisory committees and working groups;
- the rules for advisory committees and working groups; and
- terms of reference templates.

PRI BOARD AND EXECUTIVE

The PRI Association is governed by the PRI Association Board (the “**Board**”) as set out in the Articles of Association of PRI Association. The 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.

An important role of the PRI Board is the promotion of signatories’ implementation of the Principles. As part of this role the PRI Board’s responsibility is to guide and oversee the PRI Executive’s work to drive signatories’ implementation of the Principles; and encourage and monitor overall progress of signatories’ implementation of the Principles. 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.

¹ The aim is to transition all steering committees to advisory committees by December 2015.

For more information on the role and responsibilities of the PRI Board see the Articles of Association² and the PRI Board Directors' Terms of Reference³.

ADVISORY COMMITTEES AND WORKING GROUPS

Signatory groups are opportunities for signatories to engage with their peers, to share updates on key research, develop strategies, share best practices and advance ESG issues and the implementation of the Principles. They play an important role in the PRI's many work streams. They are also an opportunity for the PRI Executive to share its expertise, convene, facilitate, engage and co-create with signatories to deliver on the PRI Strategy and annual business plan. Signatory groups are established to advise the Executive and are not part of the formal or legal governance of the PRI Initiative.

Advisory committees are convened by the Executive to advise on the work programme and / or implementation of a work stream. For example an implementation support advisory committee may be convened to provide advice on the fixed income asset class work stream. Working groups, for example investor engagement working groups or an asset class specific working group, are established for signatories to work together and / or advise the Executive on more focused and project specific tasks. In line with the Board agreed rules, the Executive appoints the members of every signatory group and ensures that terms of reference for each signatory group are in place.

RULES FOR ADVISORY COMMITTEES AND WORKING GROUPS

PRI strategy⁴ and resources

The purpose and objective of every signatory group, as defined in the terms of reference set out by the Executive, must be aligned with the PRI strategy and within the PRI's resources. Some signatory groups may require additional signatory, or outside funding (such as grant funding) and this will be clearly stated from the outset. The purpose and objectives can be refined over time in consultation with the signatory group. The Executive may establish a signatory group if there is significant signatory demand, lack of an established network and recognised challenges. However any ad hoc working group must align with the PRI strategy and resources.

Composition

The purpose and objective will dictate the ideal composition of the specific signatory group. The Executive has the responsibility of setting out the rationale for the composition requirements, including: the minimum / maximum number of members; the signatory mix (asset owners / investment managers / service providers); geographical spread of signatories; non-signatory participation (if appropriate); and where appropriate candidate selection criteria (skills / seniority / expertise / diversity). The PRI is a principle led organisation with an asset-owner focus and the Executive will aim for asset owner representation on all committees and working groups. The Executive may also convene a signatory group that is limited to one signatory category if this is

² [Articles of Association of PRI Association](#)

³ [PRI Association Board Directors' Terms of Reference](#)

⁴ See [PRI strategy 2015-2018](#)

aligned to the purpose and objective. The Executive, will work with the committee to establish a committee chair and members will be appointed to a committee or working group, in accordance with the established terms of reference and will report these to the Board on a regular basis via the management report. In some instances it may be more appropriate for the signatory group to be chaired by the Executive and this will be set out in the terms of reference in advance of establishing the committee.

Participation and renewal

Signatory groups are opportunities for signatories to engage with responsible investment issues and participate in the PRI Initiative and the Executive will aim to publicise open positions on committees and working groups as widely as possible. Open positions (and opportunities to participate) will be advertised through PRI signatory newsletters, the Clearinghouse (if appropriate) and on the PRI signatory website, for a minimum of four weeks. Committee turnover requirements, if relevant, will be defined in the terms of reference.

Commitment

Signatory groups often undertake substantial work with the Executive and require signatory commitment. By accepting a role, Chair or member, on a signatory group signatories confirm that they are able to allocate sufficient time to the role or project and duties as defined in the terms of reference. Proactive participation from all members is crucial for an effective signatory group and the Executive has the authority to remove signatory participants that do not abide by the agreed commitment levels and invite other interested signatories to participate.

Reporting and disclosure

All signatory groups formed and coordinated by the Executive will be disclosed on the PRI signatory website (and / or Clearinghouse if appropriate), including the terms of reference, chair and members. Reporting requirements for signatory groups depend on the purpose, objectives, work plan and time lines of each specific group. It is expected that every quarter, or as appropriate to the project or group's agreed milestones or timelines, each signatory group will provide an update of their activity on the PRI signatory website.

Conduct

Signatories must refrain from using signatory forums for explicit commercial purposes and should focus on furthering the goals and objectives as defined in the terms of reference. Signatory group members, including signatories and other stakeholders, 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 and Communication

Confidentiality arrangements will be determined on a case by case basis. Participants in advisory committees or working groups may be asked to sign a non-disclosure agreement to participate.

The Executive is empowered to speak on behalf of a PRI advisory committee or working group, within the terms of any confidentiality agreement in place for the group. For more information on the voice of the PRI see the PRI Communications Policy⁵.

Outputs

Outputs of signatory groups can include events, best practice case studies or guidelines and engagement outcomes. Following appropriate input from the signatory group, the Executive at all times retains ownership and final sign-off of any outputs of signatory groups that are published under the name of the PRI. The Executive is responsible for the timelines, resources and budget that have been allocated to the project. Outputs can be sponsored by signatories and other stakeholders. Signatories and stakeholders can determine whether or not to add their names and logos, where required to the final outputs.

Executive responsibility

It is the responsibility of the Executive to set out the terms of reference for each signatory group and to ensure that they are working effectively towards their stated purpose and objectives. The Executive manages the productivity of the group and will assess regularly the groups' aims, work plan and composition, taking action if required, in line with the PRI's strategy and resources.

PRI Board oversight

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.

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.

GUIDELINES

The Executive, taking into consideration the advice of an advisory committee, can set out guidelines for the operations of a project, working group and / or collaborative engagement. The aim of these guidelines are to facilitate effective projects that work towards the desired aim by establishing from the outset the required commitment, timeline, responsibilities and other contributors to a successful project. The guidelines are for the final decision of the Executive, taking into consideration the input of signatories.

TERMS OF REFERENCE

It is the responsibility of the Executive to set out clear terms of reference for every advisory committee and working group that are for the agreement of all the participants. Terms of reference should set out for every committee or working group, as applicable:

- Purpose;
- Objective;

⁵ [PRI Public Communications Policy](#)

- Action plan and timeline;
- Anticipated outputs and outcomes;
- Composition – ideal minimum and maximum number;
- Composition – signatory / non-signatory;
- Composition – asset owner / investment manager / service provider;
- Selection criteria for committee members – skills / seniority / expertise / diversity;
- Appointment process;
- Chair and member commitment period;
- Committee / working group refreshment;
- Chair responsibilities;
- Committee member responsibilities;
- Reporting and disclosure requirements;
- Code of conduct;
- Confidentiality;
- Public communications protocol; and
- Responsibilities and authority of the PRI Executive

Where possible the Executive should set out the reasons for particular signatory group requirements. For example the desired signatory composition is aligned to the aim or outcome of the project or working group, or the desired turnover within the signatory group is designed to balance continuity and the opportunity for new signatories to share knowledge and learn. Every signatory group will have different aims and outcomes, so there is not one standard terms of reference. However examples of advisory committee and working group terms of reference are in appendix 1 and appendix 2 respectively.

APPENDIX 1: .ADVISORY COMMITTEE TERMS OF REFERENCE (AMENDABLE)

SDG ADVISORY COMMITTEE TERMS OF REFERENCE

A. Introduction

The PRI Board has decided to put the Mission of PRI more at the centre stage of PRI's work. That includes increased focus on the contribution of the PRI and its principles to 'real world impact', or 'broader objectives of society', in particular the recently adopted UN Sustainable Development Goals.

B. Objectives

The purpose of the SDG Advisory Committee is to advise the Executive on what activities PRI should, could undertake to stimulate, support and potentially monitor signatories who seek to align their investment strategy, policy, asset allocation, mandates, selection processes, investment decisions or active ownership with the ambitions of the SDG's.

C. Members

The background reasons for the advisory committee composition are to have a broad representation of PRI signatories, asset owners, investment managers and service providers across asset classes and regions, who have already identified the SDG's as a relevant global agreement that requires investor attention and action. It can include non-signatories who may add value to the discussions based on their expertise. After an active search process and an open application procedure, the following people, organisations have committed to be part of the SDG Advisory Committee:

- Priya Mathur, CalPERS (chair) + Anne Simpson
- Claudia Kruse, APG (co-chair) + Marta Jankovic
- AIMCO (Alison Schneider)
- Alternative Prosperity (Cecilia Bjerborn Murai)
- AP2 (Christina Olivecrona)
- Aviva (Steve Waygood, Pauliina Murphy)
- BMF/Bovespa (Sonia Favaretto, Catarina Bronstein)
- Cbus (David Atkin, Alexandra West)
- eRevalue (Erin Levey)
- GPIF (Hiroshi Mizuno, Hiroshi Komori, observer)
- Hauser Centre Harvard (David Wood)
- JP Morgan Asset Management (Justin Kew)
- Pension Consulting (Allan Emkin)
- PGGM (Marcel Jeucken)
- PIMCO (Alex Struc) v
- PWC (Lauren Koopman)
- Saron (Narina Mnatsakanian)

- Sarona Asset Management (Vivina Berla)
- ShareAction/YGL (Catherine Howarth)
- Solaron (Vipul Arora)
- Swedfund (Karin Askelof)
- UNEP FI (Elodie Feller)
- UNGC (Jerome Lavigne)
- UBS (Simon Smiles, James Gifford)
- Walden Asset Management (Carly Greenberg)
- Western Asset Management (Mike Zelouf, Sara Gauntlett)

D. Responsibilities

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.

Advisory committee chair

The advisory committee chair commits to:

- Designate enough time to fulfil work stream / local network goals;
- Provide the Executive with guidance and working with the Executive to provide leadership to the advisory committee as needed.

Advisory committee members

Advisory committee members are expected to act in an advisory role to the PRI Executive.

Members of the advisory committee agree to commit sufficient time to promoting and overseeing the work stream/local network.

Typical responsibilities may include, but are not limited to:

- A minimum of three conference calls/meetings per year, between one and two hours duration;
- Regular guidance/feedback to the Executive on relevant issues. This may include providing advice/feedback on outputs such as publications and toolkits;
- Voluntary speaking commitments on behalf of PRI. 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 advisory committee members are welcome to undertake additional work, for example, drafting documents if their schedules enable them to do so.

E. Rules of engagement

The advisory committee has no decision making responsibilities. It is the intention to reach consensus or at least agreement by a clear majority. In the case that advisory committee members have conflicting opinions on their advice to the executive that cannot be resolved in the committee, the executive and the chair of the committee will consider whether the issue at stake should be brought to the attention of the PRI board for decision making.

F. Action plan and time line

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 report every quarter on the signatory website its activities.

H. Code of conduct, confidentiality and public communications protocol

Discussions in the Advisory Committee will be held under 'Chatham House rules', meaning that everybody is free to express their views and no external, public comments are made about any individual contributions to the deliberations.

I. Contact

If you are interested in understanding more about the SDG advisory committee, please contact Kris Douma, Director Investment Practices and Engagement, PRI, (mail) kris.douma@unpri.org,(mobile) +44 (0)7496729317.