

Net Zero Investment Consultants Initiative (“NZICI”) Terms of Reference

1. Purpose

NZICI is a global group of investment consultants committed to supporting the goal of global net zero greenhouse gas emissions by 2050 or sooner, in line with the ambition to limit the global average temperature increase to 1.5°C above pre-industrial levels. NZICI is endorsed by the Race to Zero campaign and supported by the Principles for Responsible Investment (PRI) who will provide the governance and reporting framework.

NZICI member firms have committed to nine actions which can be found on the PRI website in this [link](#) alongside additional information on NZICI and its membership.

2. Membership

NZICI is open to any firm or an individual division of a larger firm whose main line of business is to provide investment consulting services¹ to institutional asset owners. In joining NZICI, each firm commits to actively contribute to NZICI's activities through participation in the Steering Committee and offering to participate in at least one workstream. NZICI commitments extend to all investment consulting services provided by its members in all jurisdictions where these firms operate.

Firms interested to join NZICI will complete the NZICI signatory form maintained by the PRI with the statement of their commitment. Existing NZICI member firms take a decision whether to accept new members by the majority vote at Steering Committee meetings.

Member firms may cease their involvement in NZICI at any time on their own accord subject to a public announcement of their delisting from NZICI. Member firms may also be delisted by the majority vote of other existing member firms if they fail to comply with the annual reporting requirements or demonstrate their actions in line with the NZICI commitments or any other reason deemed appropriate by the majority of other existing member firms. Member firms will get a 12-month notice of potential delisting as an opportunity to remedy and deliver on their commitments.

NZICI acknowledges that member firms' activities may extend to other services (outside of investment consulting) and other clients (not receiving investment consulting services), but that such activities fall outside of NZICI's scope. Member firms will each take appropriate measures to avoid any conflicts of interest between NZICI's work and these other activities.

3. Operation of NZICI

NZICI will be overseen by a Steering Committee which will meet on a frequency it determines to be appropriate, but no less than three times each year. Each member firm will nominate one person and an alternate to sit on the Steering Committee. PRI will provide the secretariat functions for NZICI.

The Steering Committee will have two co-chairs based in different regions². Each co-chair will be elected by the majority vote of member firms with the tenure of two years or more. Where practical, the timing of new appointments will be managed in a way where a new co-chair will be appointed every year at the time when the second co-chair will still have another year in service.

In conjunction with the PRI, the Steering Committee will monitor and review (on at least an annual basis) member firms' progress towards commitments and engage with any firms to address lack of progress and determine whether any changes are required to the commitments.

¹ “Investment consulting services” being defined as:

Investment advisory services – meaning services provided to institutional asset owners which include, but are not limited to, advice on investment objectives, asset allocation, risk management, the selection and implementation of investment mandates and the ongoing monitoring of investment arrangements; and

Discretionary services – meaning services provided to institutional asset owners whereby the investment consultant has delegated responsibility for the execution of one or more of the investment advisory services set out above.

² Regions being defined as three geographic areas: (i) Europe, Middle East and Africa (ii) North America, South America and the Caribbean and (iii) Asia-Pacific.

The Steering Committee will create workstreams to progress its activities on a day-to-day basis as required and may add, change or discontinue workstreams as it sees fit.

In order to share workload and diversify thinking, each member firm will nominate one person to join each workstream it participates in. Each member firm will offer to participate in at least one workstream and can have different representatives in different workstreams. The composition of the workstreams will encompass a sufficient mix of relevant skills, competence and diversity of perspectives as well as geographical diversity to bring regional knowledge and perspectives.

Workstreams shall be self-organising but will be subject to oversight and guidance from the Steering Committee. Each workstream will report on its activities to the Steering Committee as required.

4. Output of NZICI

NZICI and its workstreams may produce output in the form of reports, statements, papers, consultation responses which will be published in the name of NZICI. The Steering Committee will be ultimately responsible for any output of NZICI.

Subject to the agreement of the Steering Committee, any member of the Steering Committee and any workstream lead may make comments to the press with respect to NZICI's activities.

5. Confidentiality and data sharing

Details of NZICI and its membership will be available on the PRI website. By accepting these terms of reference, member firms agree to the publication of their name and organisation name on the website and may themselves publicise their involvement on their organisation's website and social media.

By joining, member firms grant the right to share their work email address with other members.

Discussions and materials provided to member firms should be assumed to be confidential unless advised otherwise and agreed in writing. Member firms commit to maintaining such confidentiality.

6. Review of NZICI

The role of NZICI and these terms of reference will be reviewed by the Steering Committee on at least an annual basis. Any amendments of these terms of reference or to the NZICI commitments shall be approved by the majority vote of member firms with the tenure of two years or more and in consultation with PRI and GFANZ. They will come into effect with a minimum of six months' notice.

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