

RULES FOR SIGNATORY GROUPS

Approved by the PRI Board in June 2022

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. 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 Groups; and
- the rules for Signatory Groups.

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 CEO; 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.

For more information on the role and responsibilities of the PRI Board see the Articles of Association¹.

¹ [Articles of Association of PRI Association](#)

SIGNATORY GROUPS

Signatory groups provide 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.

There are four categories of Signatory Groups:

1. **Advisory committees.** Advice and input into the work programmes and execution of the strategy. The work of the advisory committees is aligned with our strategy and work programme.
2. **Working groups.** Technical input to support development and dissemination of work on a particular topic. Established for signatories to work together and / or advise the Executive on more focused and project specific outputs. May operate as sub-group of an Advisory Committee.
3. **Reference groups.** PRI information sharing and exchange over the lifecycle of an ongoing work programme - with individuals that work within signatory organisations with specific interest / expertise / roles. Established so that the PRI can keep the group informed, exchange information and use the members as a reference point, within a less structured format.
4. **Practitioner groups.** Share learning and develop new content on a specific topic where practice is new and emerging. Learning is typically shared through preparation of case studies and summary reports.

RULES FOR SIGNATORY GROUPS

PRI strategy 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.

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 Principles led organisation with an asset-owner focus and the Executive will aim for asset owner representation on all Signatory Groups. The Executive may also convene a Signatory Group that is limited to one signatory category if this is 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 Signatory Group, in accordance with the established terms of reference. 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 group.

Participation and renewal

Signatory Groups are opportunities for signatories to engage with responsible investment issues and participate in the PRI Initiative. The Executive will aim to publicise open positions on Signatory Groups as widely as possible. Open positions (and opportunities to participate) will be advertised through PRI signatory newsletters, the Collaboration platform (if appropriate) and on the PRI website, for a minimum of four weeks. 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 website (and / or Collaboration platform 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.

Conduct

Signatories must refrain from using Signatory Groups 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 group.

Confidentiality

Confidentiality arrangements will be determined on a case by case basis and defined in the terms of reference. Participants in some Signatory Groups may be asked to sign a non-disclosure agreement to participate.

Communication

The PRI Executive is empowered to speak on behalf of a Signatory Group, within the terms of reference and / or any confidentiality agreement in place for the group. For more information on the voice of the PRI see the PRI Communications Policy².

² [PRI Public Communications Policy](#)

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. 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.

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.

TERMS OF REFERENCE

It is the responsibility of the Executive to set out clear terms of reference for every Signatory 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;
- 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;
- Responsibilities and authority of the PRI Executive; and
- Review schedule

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.

REVIEW

Version No.	Approved by	Owner	Approved by date	Date last updated	Review date	Review frequency	Next review date
1.01	PRI Board	Director of Planning and Operations	June 2022	June 2022	June 2022	Every 2 years	June 2024