

GLOBAL AND MARKET-SPECIFIC ADVISORY COMMITTEES TERMS OF REFERENCE: PRI COLLABORATIVE SOVEREIGN ENGAGEMENT ON CLIMATE CHANGE

INTRODUCTION

These Terms of Reference (“**Terms**”) define the purpose and structure of global and market-specific advisory committees (“**committee(s)**”) to the Collaborative Sovereign Engagement on Climate Change (“**Initiative**”). They summarise the guidelines for members of committees (“**members**”). By participating in the committees, members agree to abide by these Terms, as well as the broader Participant Terms of Reference that are applicable to the Initiative overall.

Each member’s adherence to these Terms is subject to any legal, regulatory, fiduciary or other professional obligations that apply to them (“**duties**”). In the event of any conflict between the member’s duties and these Terms, the member’s duties will prevail.

ABOUT THE INITIATIVE

ACTING INDEPENDENTLY

The Collaborative Sovereign Engagement on Climate Change does not require or seek collective decision-making or action with respect to acquiring, holding, disposing and/or voting of securities. Signatories are independent fiduciaries responsible for their own investment and voting decisions and must always act completely independently to set their own strategies, policies and practices based on their own best interests. The use of particular engagement tools and tactics, including the scope of participation in the Initiative’s engagements, is at the discretion of individual signatories. The Initiative facilitates the exchange of public information, but signatories must avoid the exchange (including one-way disclosure) of material non-public or competitively sensitive information, including with other signatories, participants in engagements, the Initiative and the PRI itself. Even the exchange of information in the context of collaboration can give the appearance of a potentially unlawful agreement; it is important to avoid exchanging information which might result in, or appear to result in, a breach of corporate or competition law.

Signatories may not claim to represent other signatories or make statements referencing other signatories without their express consent. Any decision by signatories to take action with respect to acquiring, holding, disposing and/or voting of securities shall be at their sole discretion and made in their individual capacities and not on behalf of the Initiative or other PRI signatories or members. Signatories must avoid coordination of strategic behaviour between competitors that impacts or is likely to impact competition.

The Initiative does not act or speak on behalf of the Initiative signatories. The Initiative also does not seek directly or indirectly, either on their own or another’s behalf, the power to act as proxy for a security holder and does not furnish or otherwise request, or act on behalf of a person who furnishes or requests, a form of revocation, abstention, consent or authorisation. In addition, the Initiative does not provide investment or voting recommendations, and signatories are not obligated by the Initiative

to make investment or voting recommendations based on the investment or voting behaviour of other signatories. The Initiative does not provide investment, legal, accounting or tax advice.

These Terms are to be interpreted in a manner consistent with the foregoing.

OBJECTIVES OF THE INITIATIVE

The Collaborative Sovereign Engagement on Climate Change (“**Initiative**”) is a PRI initiative to support governments to act on climate change, in line with investors’ fiduciary duty to mitigate financial risk and maximise long-term value of assets. This includes supporting countries to hold the increase in global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit this to 1.5°C, consistent with commitments to the Paris Agreement, where applicable.

STRUCTURE OF THE INITIATIVE

The Initiative is organised by the PRI Executive and supported by the following advisory bodies:

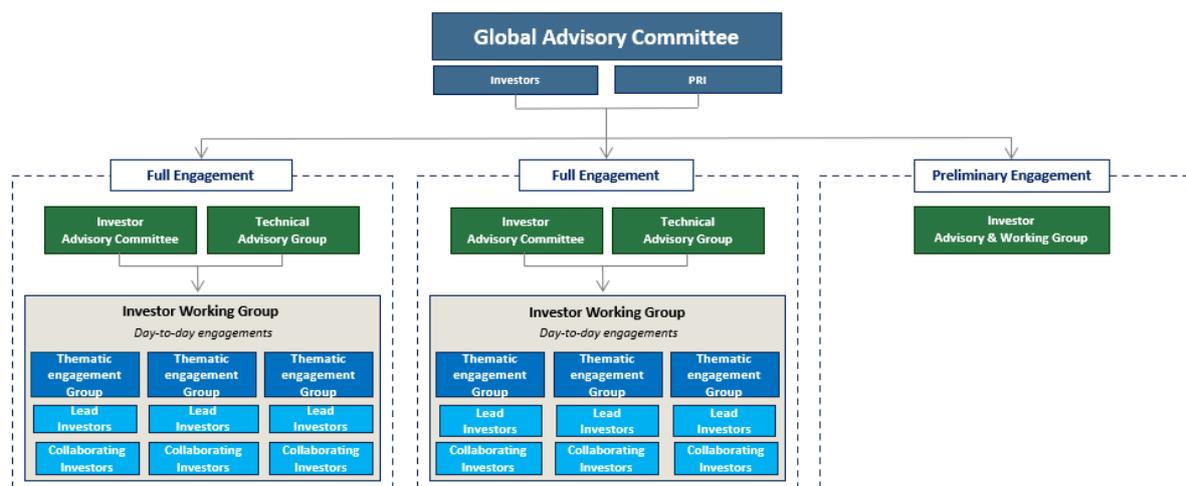
- **Global Advisory Committee:** This signatory group advises on the activities of the global Initiative, encompassing all related governance and engagement issues, and provides strategic advice to the PRI. It is typically¹ comprised of PRI signatories with strong experience in stewardship, sovereign engagement and climate change.
- **Market-specific advisory committees:** These signatory groups oversee the market-specific engagement programmes and provide strategic advice to the PRI. A market-specific advisory committee will generally exist for each market where there is a full engagement programme². They are typically³ comprised of PRI signatories with strong experience in stewardship, sovereign engagement, and climate change and have a sustained interest in the relevant market.
- **Technical advisory groups:** These groups are comprised of relevant stakeholders and technical experts, such as researchers, think tanks, domestic investor organisations and others, with deep expertise on climate change, sovereign engagement and the market. They provide technical insights to the PRI and participating investors.
- **Investor working groups:** These groups are formed of participating investors and carry out day-to-day engagements. Participating investors may be split into thematic engagement groups focused on different parts of the sovereign system or topics. Further details on the roles of participating investors and function of the investor working groups are available in the Initiative’s Participant Terms of Reference.

¹ The signatory advisory committee will traditionally comprise only of PRI signatories, but the PRI retains the potential to invite other stakeholders in rare circumstances where specific expertise is required.

² A full engagement programme refers to a market programme where there has been publicly communicated intent to have sustained engagements across different components of a sovereign system on a multi-year basis.

³ The signatory advisory committee will traditionally comprise only of PRI signatories, but the PRI retains the potential to invite other stakeholders in rare circumstances where specific expertise is required.

Elaborating on the roles within the Initiative outlined above, the diagram below provides an indicative illustration of the Initiative operating multiple full engagement programmes.



This diagram is illustrative only. The PRI Executive may adapt the structure of each market engagement programme over time in response to the advice of advisory committees and technical advisory groups, where strategically useful or practically beneficial.

The focus of the thematic engagement groups will be subject to the advice of the advisory committees and technical advisory groups. These could focus on different parts of sovereign systems to support an effective and holistic approach to the market engagement programmes or organise around specific topics relevant to the market. Further details on the roles and functions of the investor working groups are available in the Initiative’s Participant Terms of Reference.

Where the PRI Executive agrees to support participating investors with a preliminary engagement in markets where there is not a full engagement programme, an Investor Engagement and Advisory Group will be formed of participating investors and the PRI. Technical experts and other stakeholders with deep expertise on the relevant market, climate change and sovereign engagement may be invited by the PRI Executive to attend meetings in an observer status.

A signatory advisory committee is a voluntary body, almost always comprising of PRI signatories. In rare circumstance where the PRI Executive deems specific technical expertise is required, and a technical advisory group is not established, it may invite a non-signatory organisation or individual to join the advisory committee in an observer capacity. The committees provide guidance to the PRI on the development and administration of the Initiative to support the PRI’s decision making. The committees provide opportunities for members to collaborate and share knowledge on topics related to the Initiative. It is also an opportunity for the PRI Executive to share its expertise, collaborate and co-create with signatories to deliver on the PRI strategy. The Initiative is supported by a Global Advisory Committee, and market-specific advisory committees.

GLOBAL AND MARKET-SPECIFIC ADVISORY COMMITTEES

The committees act as voluntary advisory bodies and do not, in and of themselves, have power or authority in dealing with the matters on which they advise. The PRI Board is the ultimate decision-making body on matters related to the PRI Executive's work to drive signatory implementation of the Principles, including collaborative stewardship initiatives.

GLOBAL ADVISORY COMMITTEE

OBJECTIVES

The Global Advisory Committee works to:

- Support the design, development and assessment of the overall Initiative.
- Provide input, advice and insights to the PRI Executive on the strategy and activities of the overall Initiative.
- Support with the identification of, and participant resourcing for, ad hoc engagement opportunities with organisations or in markets beyond the scope of established full and preliminary engagement programmes.⁴

MEMBERS

Members of the advisory committees are appointed by the PRI following an open invitation to the signatory body.

TARGET COMPOSITION AND TENURE

- The Global Advisory Committee is usually comprised of 10-15 members.
- It will typically be made up of PRI signatories.
- It should aim to represent the broader membership base of the Initiative and will therefore ideally be comprised of asset owners, investment managers and engagement service providers where these are participating in the Initiative.
- It should aim to be geographically diverse.
- Membership of this Committee is to be reviewed regularly based on identified future needs of the Initiative.
- The maximum amount of sequential time any organisation can be part of the Global Advisory Committee is five years.

⁴ A full engagement programme refers to a market programme where there has been publicly communicated intent to have sustained engagements across different components of a sovereign system on a multi-year basis.

- Where an advisory committee Chair is appointed, they should have a maximum two-year period.
- The PRI has sole discretion to waive the time limits above, in exceptional circumstances and where required for the smooth administration of the committee.

MEMBER APPOINTMENT AND REVIEW

- The Global Advisory Committee will include at least one representative from each full engagement programme's market-specific advisory committees and preliminary engagement committees appointed by the PRI Executive. Any other positions will be publicised by the PRI Executive including the criteria for appointment of new members and timelines.
- Where the committee is lacking specific signatory group or member diversity, the PRI Executive may invite applications that will bring that aspect of diversity to the group via an 'exclusivity period'. If no suitable eligible candidates apply during this 'exclusivity period', the application process will be made open to all PRI signatories.

Global Advisory Committee members are typically required to represent a PRI signatory as an asset owner, investment manager, or engagement service provider (with a specific mandate to engage with sovereign entities on behalf of an institutional investor(s)).

Global Advisory Committee members are appointed by the PRI Executive based on the following criteria:

- Level of stewardship, policy engagement or fixed income responsible investment integration experience.
- Experience or knowledge on climate change, stewardship and sovereign engagement.
- Ability and commitment to contribute expertise and time.
- Diversity of the signatories in the group, defined by type, size and location of signatories.
- Diversity of the committee members in terms of gender, race and other characteristics.

Members join the committee in their capacity as representatives of their organisations. If a committee member leaves their role, the member may apply to continue on the committee as a representative of a new signatory organisation, where that organisation meets the membership criteria above. Similarly, the original signatory organisation may apply to continue on the committee with a new representative.

Decisions about the composition of the committee, including appointment, Chair selection (if applicable) and ongoing membership, lie solely with the PRI Executive. The PRI Executive reserves the right to remove members who fail to comply with the terms of reference.

MARKET-SPECIFIC ADVISORY COMMITTEES

OBJECTIVES

A market-specific advisory committee works to:

- Support the design, development and participation of the relevant full engagement programme.
- Provide input, advice and insights to the PRI Executive on the strategy and activities of the relevant full engagement programme.

MEMBERS

Members of the advisory committees are appointed by the PRI following an open invitation to the signatory body.

TARGET COMPOSITION AND TENURE

- Market-specific advisory committees are usually comprised of 6-10 members.
- They will typically be made up of PRI signatories.
- They should aim to represent the broader membership base of the Initiative and will therefore ideally be comprised of asset owners, investment managers and engagement service providers where these are participating in the Initiative.
- They should aim to be geographically diverse.
- Membership of these committees is to be reviewed regularly based on identified future needs of the Initiative.
- The maximum amount of sequential time any organisation can be part of an individual advisory committee is five years.
- Where an advisory committee Chair is appointed, they should have a maximum two-year period.
- The PRI has sole discretion to waive the time limits above, in exceptional circumstances and where required for the smooth administration of the committee.

MEMBER APPOINTMENT AND REVIEW

- The Executive will publicise new membership opportunities for market-specific advisory committees, if and when they arise, including the criteria for appointment of new members and timelines.
- Where the committee is lacking specific signatory group or member diversity, the PRI Executive may invite applications that will bring that aspect of diversity to the group via an 'exclusivity period'. If no suitable eligible candidates apply during this 'exclusivity period' the application process will be made open to all PRI signatories.

Members of market-specific advisory committees are typically required to:

- Represent a PRI signatory as an asset owner, investment manager, or engagement service provider (with a specific mandate to engage with sovereign entities on behalf of an institutional investor(s)).
- Commit to participate in the Initiative as a lead investor for the relevant full engagement programme of which they are an advisory committee member.

Market-specific advisory committee members are appointed by the PRI Executive based on the following criteria:

- Level of stewardship, policy engagement or fixed income responsible investment integration experience.
- Experience or knowledge on climate change, stewardship and sovereign engagement.
- Ability and commitment to contribute expertise and time.
- Diversity of the signatories in the group, defined by type, size and location of signatories.
- Diversity of the committee members in terms of gender, race and other characteristics.

Members join a committee in their capacity as representatives of their organisations. If a committee member leaves their role, the member may apply to continue on the committee as a representative of a new signatory organisation, where that organisation meets the membership criteria above. Similarly, the original signatory organisation may apply to continue on the committee with a new representative.

Decisions about the composition of the committee, including appointment, Chair selection (if applicable) and ongoing membership, lie solely with the PRI Executive. The PRI Executive reserves the right to remove members who fail to comply with the terms of reference.

RESPONSIBILITIES

RESPONSIBILITIES OF THE PRI EXECUTIVE

The PRI Executive commits to:

- Developing an action plan with suggested timeframes and milestones to be evaluated on a regular basis.
- Organising, administering and, if relevant, chairing advisory committee meetings.
- Keeping advisory committee members updated on Initiative activities in between meetings whenever necessary.
- Developing materials for discussion by the advisory committees.
- Communicating the activities of the Initiative to signatories and PRI Board.
- Reporting on the activities of the committee on the PRI website and/or the Collaboration Platform, including the terms of reference and members.

The PRI Executive at all times retains ownership and final signoff of any outputs that are published under the name of the PRI, including events, research and any other publication. The PRI Executive is responsible for the timelines, resources and budget that have been allocated to all programmes and projects.

RESPONSIBILITIES OF ADVISORY COMMITTEE MEMBERS

By accepting a role on an advisory committee, members confirm that they can devote sufficient time to the role and duties, as defined below. Proactive participation from all members is crucial for an effective advisory committee and the PRI Executive has the authority to remove participants who, in the PRI's reasonable opinion, are not able or willing to actively contribute.

Committee members will:

- Act in an advisory role to the PRI Executive on the development, strategy and activities of the Initiative, ensuring that advice is aligned to the objectives of the Initiative and represents the interest of the Initiative's broad membership base rather than solely the interests of their own organisation.
- Ensure their contributions to the committee reflect the scale and urgency of action needed to achieve the PRI's mission and the objectives of the Initiative.
- Provide guidance/feedback to the PRI Executive when requested, such as on priority entities, officials and elected representatives for the engagement; improvements to the administration of the Initiative; future focus markets; and outputs such as investor guidance on the topic and progress reports.
- Participate in advisory committee meetings, approximately between one to two hours duration, on a biannual basis where a member of the Global Advisory Committee and/or a quarterly basis where a member of a market-specific advisory committee. This may be substituted in a one-to-one conversation with the PRI where time zone or diary issues prevent attendance in the group call.

RESPONSIBILITIES OF ADVISORY COMMITTEE CHAIRS

The PRI Executive may choose to appoint a Chair for the Initiative from amongst the members of an advisory committee. Should a Chair be appointed, the Chair commits to:

- Designate the required additional time to the committee beyond that of committee members.
- Provide the PRI Executive with guidance and work with the PRI Executive to provide leadership of the committee as needed.
- Being available to chair committee meetings.

Should the PRI Executive decide to not appoint a Chair, the PRI Executive will fill this role.

PRI BOARD OVERSIGHT

The PRI Board is responsible for overseeing the relationship between the PRI Executive and Signatories as well as acting as a final point of escalation on matters related to the PRI Executive's work to drive signatory implementation of the Principles, including active ownership and collaboration. The Board has oversight of the terms of reference for all advisory committees and working groups.

If a member has a significant concern with the operations of an advisory committee, the member can escalate the issue(s) to the CEO of the PRI Executive. If the matter cannot be resolved by the CEO the issue(s) will be escalated to the PRI Board.

RULES AND CODE OF CONDUCT

Failure to meet the below rules may result in the member being removed from the committee.

CONDUCT

- Advisory committee members must refrain from using signatory forums 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.

CONFLICTS OF INTEREST

- It is the responsibility of members to ensure that they are not subject to conflicts of interest when taking part in any activities of the committee. Should any conflicts of interest arise – either real or perceived – the member should promptly disclose these to the PRI Executive.

LEGAL CONSIDERATIONS

- Each member has the responsibility to obtain its own legal advice pertaining to their participation in the committee. Members must ensure they are aware of and always in compliance with all relevant regulatory and legal requirements.

NON-PUBLIC INFORMATION

- Members must not seek, discuss or exchange material non-public and/or competitively sensitive information with other members, Initiative participants, the PRI Executive or members of other PRI advisory groups.
- If a member encounters information that it suspects may be material non-public information or competitively sensitive information during an engagement, it should consult with its own legal counsel to determine the appropriate steps.

DATA PROTECTION AND PRIVACY

- Personal data of contacts at each member ("**Member Contacts**") will be used to support their involvement with the committee as set out below.

- Personal data (information related to an identified or identifiable real person) will never be shared with third parties without an adequate legal basis for doing so (e.g. consent).
- Members' data will be processed in accordance with PRI's privacy policy.
- By joining the committee, members grant the PRI Executive the right to share their work contact details with other members.
- Member Contact's names and email addresses will be used to support their involvement with the committee and invite them to meetings.
- Member Contacts' name, title, organisation and email address will be shared with other members for the purposes of allowing discussion between members on matters related to the committee.
- The PRI may record group meetings for internal purposes, such as note taking. When recordings of group discussions are taken, meeting attendees will be notified. Typically, recordings will not be circulated to members. On occasion, however, recordings may be shared – for example, for educational briefings given to members.
- Where meetings are being recorded by the PRI, meeting participants will be notified in advance and will be given an opportunity to object to the recording if they are not happy for the meeting to be recorded.
- Some members or invited attendees to group calls may have individual organisational policies that require the recording of all calls. All members with such a requirement are expected to honour the same confidentiality and transparency commitments as detailed in these terms.
- The PRI reserves the right to use trusted and secure artificial intelligence (AI) tools to facilitate note taking and summarising of meetings.
- Where experts present to members on a particular topic, with their prior permission, a webinar or audio recording may be taken and shared with participants as a resource.

Further information about how PRI uses personal data and information about individuals' rights in relation to their data is set out in PRI's [Privacy Policy](#).

Personal data that members receive in connection with the committee may only be used for the purposes of the committee. Each member is an independent controller of personal data that it receives and is responsible for ensuring compliance with all applicable data protection laws when storing and processing personal data.

Important: Members are responsible for ensuring that Member Contacts are made aware that their contact details will be passed to PRI and used for the purposes described above and must provide a copy of this section of the Terms to each Member Contact. Members should only provide business contact details and are responsible for ensuring that Member Contact details are accurate and kept up to date. Notification of updates to Member Contacts or their contact details should be made via sovereign.engagement@unpri.org or directly to a PRI Initiative representative.

TRANSPARENCY

- The theme of the committees, and membership of the committees will be available on the public website and/or the Collaboration Platform. By accepting these terms of reference, committee members agree to the publication of their name, job title and organisation name on

the PRI website, and may themselves publicise their involvement on their organisation's website and/or social media.

- Committee meeting notes may be taken and shared with the group. These notes should be treated as confidential.
- Discussions of the advisory group and material provided to the advisory group by the PRI Executive should be assumed to be confidential unless advised otherwise in writing by the PRI Executive. Members commit to maintaining such confidentiality.

COMMUNICATION

- The PRI Executive is empowered to speak on behalf of an Initiative advisory committee, 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 Policy](#).
- Committee members should not represent or imply they represent the PRI, any investor, the committee or the Initiative itself without explicit written permission from the PRI Executive.

FAILURE TO MEET THE TERMS

If a member fails to comply with these Terms, where possible and reasonable, the PRI Executive will firstly issue the member with a warning. If following the warning, the member still fails to comply with these Terms, the PRI Executive may take the decision to remove the member from the committee.

If a member has a concern with this decision, the member can escalate the issue to the CEO of the PRI. If the matter cannot be resolved by the CEO of the PRI, the issue can be escalated to the PRI Board.

UPDATING THESE TERMS OF REFERENCE

These Terms will be reviewed by the PRI Executive periodically, as needed. Members will be consulted on any proposed changes. Once finalised, members will be notified of any changes at least 90 days before those changes come into effect. Members will be deemed to have agreed to the updated Terms upon expiry of the notice period, unless they have notified the PRI Executive that they are unwilling or unable to abide by the new Terms.

CONTACT

Those interested in understanding more about the advisory committees should contact sovereign.engagement@unpri.org.