

ADVISORY COMMITTEE ON CREDIT RATINGS TERMS OF REFERENCE

INTRODUCTION

The PRI's signatories and partners are its greatest strength. Advisory committees and working groups provide opportunities for key stakeholders to convene, share knowledge and collaborate for change and impact. Through work with these groups, the PRI Executive ('Executive') aims to deliver practical, action-oriented research, tools, events and support to investors around the world.

This document is a terms of reference for the PRI Advisory Committee on Credit Ratings (ACCR). The Executive establishes advisory committees to oversee each of its work streams or projects. Unlike other PRI committees, the ACCR will be made up of representatives from signatory organisations, credit rating agency signatories to the Statement on ESG in Credit Ratings, and the Executive.

The broad objectives of the ACCR are to:

- Advise PRI on its program to promote more systematic and transparent incorporation of ESG in credit ratings and assessment
- Oversee the various expert working groups PRI will set up to address ESG in the ratings of specific categories of fixed income
- Review and advise on material which will be published as part of this initiative
- Review and advise on draft agendas for PRI Ratings Forums
- Support outreach and awareness raising efforts for this initiative

ROLE OF THE ADVISORY COMMITTEE

All work stream objectives should be specific, measurable, achievable, relevant, and time-bounded. Suggested objectives for the next strategic phase of the work stream include:

- Raise awareness and understanding of the links between ESG factors and issuer creditworthiness among credit analysis and ratings professionals
- Improve understanding of different approaches to ESG integration into credit analysis
- Identify and share examples of best practice and thought leadership on ESG integration
- Engage with other key stakeholders including regulators, banks and issuers to raise awareness of the importance of ESG

ADVISORY COMMITTEE MEMBERS (as of October 2017)

AO – Asset Owner, IM – Investment Manager, CRA – Credit Rating Agency

Name	Title	Account Name	HQ Country	Type*
Jonathan White	Head of Pan-European Credit Research	Aberdeen Asset Management	UK	IM
Barbara Lambert	Senior Portfolio Manager	Addenda Capital Inc.	Canada	IM
Genevieve Dube	CCO	AlphaFixe Capital Inc.	Canada	IM
My-Linh Ngo	Senior ESG Analyst	BlueBay Asset Management LLP	UK	IM
Kenton Freitag	Senior Credit Analyst	British Columbia Investment Management Corporation	Canada	IM
Pascal Coret	Head of Fixed Income	Caisse des dépôts et consignations - CDC	France	AO
Lin Wenjie	Vice President	Dagong Global Credit Rating	China	CRA
Ole Hagen Jørgensen	Research Director	Global Evolution	Denmark	IM
Will Pomroy	Manager - Responsible Investment	Hermes Investment Management	UK	IM
Joshua Kendall	ESG Analyst	Insight Investment	UK	IM
Catherine Ogden	ESG Analyst	Legal & General Investment Management (Holdings)	UK	IM
Rahul Gosh	Senior Vice President - ESG and Green Bonds	Moody's Investors Service	US	CRA
Kaan Nazli	Senior Economist	Neuberger Berman Group LLC	US	IM
Ulrika Linden	Senior Portfolio Manager	Ohman	Sweden	IM
Erika Wranegård	Portfolio Manager	Ohman	Sweden	IM
Stéphanie Lachance	VP Responsible Investment and Corporate Secretary	Public Sector Pension Investment Board	Canada	AO
Promod Dass	Deputy CEO	RAM Rating Services Berhad	Malaysia	CRA
Mike Wilkins	Managing Director – Head of Global Environmental and Climate Risk Research	S&P Global Rating	US	CRA
Nick Robins	UNEP Inquiry co-director	UNEP	US	NGO

NOTES ON MEMBERSHIP

Target composition and tenure

- Target composition is a 15-20 member ACCR
- The ACCR should comprise an even balance of investors and credit rating agencies
- Initial terms for the ACCR will be for the two-year life of this project. If the project then continues beyond the two years PRI will review the length of standard terms
- Members have the option to step down at the end of each year
- Members may be replaced by an appropriate colleague at the PRI's discretion
- PRI will select an investor to chair the ACCR once members have been selected

Appointing members

- The Executive will publicise membership opportunities as they arise, including the criteria for appointment of members and timelines. This will be done via updates to all signatories of the Statement on ESG in Credit Ratings
- With regards to composition the Executive aims for reasonable diversity in terms of the scale, region and type of member organisations and a range of skills among individual members
- The Executive has the discretion to accept two representatives from an organisation to sit on the ACCR; in which case, dual representation should offer complementary strengths from the two individuals rather than a duplication
- Representatives should hold relatively senior management positions within their organisation
- Member organisations will be selected on the strength and engagement of their representative. FIAC members will ideally have demonstrated proactive interest/a history of activity within the FI work stream, leadership in responsible investment (including connections with FI associations and other relevant industry associations)
- Priority will be given to those investors that have actively participated in the PRI Fixed Income Engagement Sub-committee from 2015-16

RESPONSIBILITIES

The PRI Executive commits to:

- convene, administer and facilitate ACCR meetings and activities; keeping the ACCR members updated on project activities between meetings
- provide expertise from either internal or external sources, convening, facilitating and co-creating with members
- support ACCR members by providing background material for outreach and research activities
- managing and delivering project outputs including reports and Ratings Forums; setting out the guidelines for the operations of a project, including the establishment of a dedicated working group if required
- coordinating communication on the activities of the FI work stream to signatories and the PRI Board; quarterly reporting on FIAC activities through the PRI signatory portal, publishing FIAC meeting minutes once approved by the FIAC, keeping all references to FIAC membership updated on the PRI signatory portal
- managing communication flow with working group and sub-committees and PRI regional networks on their FI activity and ensuring alignment with FI work stream objectives
- overseeing FIAC composition: reviewing commitment and tenure, managing the application process for open positions

The ACCR chair commits to

- designate enough time to fulfil project goals (estimated at a minimum of five hours per month)
- work with the Executive to provide leadership to the ACCR as needed
- monthly one-hour meetings with the PRI Executive (in person or by phone) to discuss progress of the project and prepare for ACCR meetings
- provide the Executive with guidance on overarching strategy
- attend and chair semi-regular ACCR meetings

ACCR members commit to

ACCR members are expected to act in an advisory role to the PRI Executive. Members agree to commit sufficient time to promoting and overseeing the work stream/local network. Estimated time commitments for ACCR members are at least two hours per month plus at least six one-hour conference calls per year.

Typical responsibilities may include, but are not limited to:

- A minimum of six 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.
- Outreach and engagement with peers on behalf of PRI. The Executive can provide support in the form of background research and pitching material.
- All ACCR members are welcome to undertake additional work, for example, drafting documents and participating in working groups if their schedules enable them to do so

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 will be evaluated during the last meeting of each year.

CODE OF CONDUCT, CONFIDENTIALITY AND PUBLIC COMMUNICATIONS PROTOCOL

- ACCR meetings should proceed only if a majority of members can attend (in person and/or on the phone). Due to regional time differences, separate calls may on occasion be held with members unable to join the meetings.
- The proactive involvement of signatories is important to the success of the group. The Executive may cancel individual signatories' participation and invite other interested signatories to participate if the required level of commitment is not demonstrated.
- Signatories must refrain from using these forums for explicit commercial purposes and should focus on furthering the goals and objectives of the project. Failure to meet these requirements may also lead the Executive to cancel member participation.
- Advisory Committee members are welcome to advertise their participation in other forums such as LinkedIn.

CONTACT

If you would like to learn more about the ACCR, please contact FI@unpri.org or the work stream manager or project manager.

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