A. INTRODUCTION

The circular economy is a cross-cutting solution to systemic issues such as climate change and nature loss. PRI previously convened a Plastics Investor Working Group, which has supported investors to understand risks and opportunities across the plastics value chain, and address plastic pollution through their stewardship activities.

PRI is committed to providing information and support on circularity as part of its 2021-2024 strategy. Building on the findings of its circular economy discussion paper, PRI will support investor action on circular economy across a broader range of materials and value chains (including the plastics value chain).

The purpose of the Circular Economy Reference Group is to support investor capacity to address circular economy across relevant value chains (with a continued focus on the plastics value chain, whilst expanding this focus to other relevant value chains- subject to group preferences). It will do this by providing a forum for investors to share relevant developments on circular economy, learn from experts and share tools and experiences. The reference group will also be invited to provide input on PRI’s circular economy strategy, and future guidance to support signatory action.

B. OBJECTIVES

The Circular Economy Reference Group is a voluntary body, comprising of members from PRI signatories. The Group will:

- Support investors to promote a circular economy in the plastics value chain (e.g. enable members to share relevant experience, developments and initiatives- including building investor awareness / engagement with the forthcoming UN Treaty on Plastics)
- Build investor awareness of how circular economy can address climate and nature goals in a wider range of value chains (e.g. plastics, apparel, electronics, renewable energy, automobiles, food, buildings)
- Support PRI to identify the next priority value chain(s) to focus further technical guidance on (and provide input on any future guidance for signatory understanding / engagement on circular economy)

The Group will be active for one year from the date of the first call, with members committed to attending 1 hour calls every 2-3 months as a minimum. Based on members’ interest and feedback, as well as PRI capacity, the PRI Executive (the ‘Executive’) will consider whether the group will remain
active beyond this. If the Group is extended, the period of time for which the Group is extended will be decided and communicated to members, and will take account of members' preferences and feedback.

C. MEMBERS

Members of the Circular Economy Reference Group are appointed by the PRI following an open invitation to the signatory body. All members of the PRI’s Plastics Investor Working Group will be invited to participate in the Group, and because they meet the criteria already (see below), will not have to go through the application process. New prospective members will be asked to apply by completing a short form demonstrating their interest to join this group.

The Executive will publicise new membership opportunities, if and when they arise, including the criteria for appointment of new members and timelines. Alternatively, signatories may request to join by emailing noah.wescombe@unpri.org. All appointed members will be listed on the PRI website.

Group members are appointed by the PRI Executive based on the following criteria:
- Is a PRI signatory (asset owner, investment manager, or service provider)
- Demonstrated interest and/or experience on the issue of circular economy (e.g. prior involvement in PRI’s Plastics Investor Working Group), or considering risks and opportunities for relevant products and value chains (e.g. plastics, apparel, electronics, buildings, automobiles, renewable energy, food)
- Ability and commitment to contribute experience and time to the objectives of the Group (minimum time commitment: 1 hour calls every 2-3 months)

Geographical diversity will also be considered by the Executive in the initial composition of the group. Members join the group in their capacity as representatives of their organisations. The Executive encourages, where possible, the same members to participate throughout for continuity. Decisions about the composition of the Group, including appointment, chair selection and ongoing membership, lie solely with the PRI Executive. The Executive reserves the right to remove members who fail to comply with these terms of reference.

D. RESPONSIBILITIES

PRI Executive

The PRI plays an active role in leading and coordinating the group and commits to:
- Convening, administering and chairing reference group meetings
- Keeping reference group members updated on PRI work stream activities in between meetings whenever necessary
- Coordinating meetings, providing agendas, producing summaries of meetings, briefings and publications, etc
- Providing expertise from either internal or external sources
- Providing support in the form of background research and pitching material for discussion

Following appropriate input from members of the reference group, the PRI Executive at all times retains ownership and final sign-off of any outputs that are published under the name of the PRI,
including events, research and any other publication. The Executive is responsible for the timelines, resources and budget that have been allocated to all programmes and projects.

**Reference group members**

By joining the reference group through the formal application process (or joining directly from the Plastics Investor Working Group), members confirm that they are able to devote sufficient time to the role and duties, as defined below. 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.

Responsibilities include, but are not limited to:

- Participating in reference group meetings (minimum 1 hour every 2-3 months)
- Sharing information on updates and developments in the member’s jurisdiction and/or area of expertise
- Providing feedback on PRI’s content and programme strategy (as appropriate in reference group meetings or ad hoc requests to review future PRI guidance on circular economy)

All group members are welcome to undertake additional work, for example drafting statements or supporting the group to convene on relevant topics, if their schedules enable them to do so.

The PRI Executive may seek to convene one or more sub-groups on specific topics (e.g. relevant to specific value-chains), comprised of reference group members who have insight on that topic. This would be categorised as additional work upon request, which will be voluntary/opt-in for reference group members.

**PRI Board Oversight**

The PRI Board oversees the 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 signatory groups. If a signatory has a significant concern with the operations of a signatory group, the signatory can escalate the issue(s) to the CEO 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.

**E. PLAN AND TIMELINE**

A plan and approach for the group will be shared on a regular basis and progress evaluated on an annual basis.

**F. REPORTING REQUIREMENTS**

The PRI will report on the activities of the reference group on the PRI website, including the terms of reference and members, and updates on activities.

**G. CODE OF CONDUCT, CONFIDENTIALITY AND PUBLIC COMMUNICATIONS PROTOCOL**
Conduct
Signatories must refrain from using signatory forums for explicit commercial purposes and should focus on furthering the goals and objectives as defined above. Group members should treat their colleagues and PRI staff with courtesy and respect. Failure to meet these requirements may lead the signatory being removed from the Group.

Confidentiality and data sharing
The theme of the group, and membership of the group will be available on the public website and/or the Collaboration Platform. By accepting these terms of reference, group members agree to the publication of their name and organisation name on the PRI website and may themselves publicise their involvement on their organisation’s website and/or social media. By joining, group members grant the PRI Executive the right to share their work email address with other members of the group. The PRI Executive may record reference group calls for internal note taking purposes. Recordings are not circulated externally by the PRI Executive and will not be shared with Group members. Where recordings of group discussions are taken, PRI staff will state at the start of the call that the call is being recorded for note-taking purposes. Call recordings will be deleted within 1 year.

Discussions of the reference group and material provided to the reference group by the PRI Executive should be assumed to be confidential unless advised otherwise in writing by the Executive. The group will follow the Chatham House Rule, whereby information disclosed during a meeting may be reported by those present, but the source of that information may not be explicitly or implicitly identified. Members commit to maintaining such confidentiality.

For more information, please refer to the PRI privacy policy.

Communication
The Executive is empowered to reference feedback received from the Circular Economy Reference Group in general terms and, given the terms of confidentiality, will not attribute comments to specific members without prior consent.

H. CONTACT
If you are interested in understanding more about this investor reference group, please contact noah.wescombe@unpri.org.