

Terms of Reference – PRI Stewardship Advisory Committee

A. INTRODUCTION

Active ownership, or stewardship, is a critical tool through which PRI and its signatories work towards the achievement of the PRI Mission – i.e. the creation of a sustainable financial system that takes into account society and the environment as a whole. Stewardship is recognised in [Principle 2 and 3](#) as well as in the [PRI 10 Year Blueprint](#).

The PRI's Stewardship team within the PRI Executive is responsible for:

- Setting expectations of PRI signatories' active ownership practices and supporting signatories to align their activities with those expectations (including [Active Ownership 2.0](#)).
- Facilitation of the PRI's coordinated collaborative stewardship initiatives.
- Leading and/or contributing to projects which address system or regulatory barriers or perceived barriers to effective stewardship.

The PRI Stewardship Advisory Committee is a voluntary body, comprising PRI signatories, which provides input to the PRI Executive on the above areas so as to support the Executive's decision making and programme development. The committee acts as a voluntary advisory body and does not, in and of itself, have power or authority in dealing with the matters on which it advises.

B. OBJECTIVES

The committee will work to:

- Support the shift to an ambitious strategy for stewardship at the PRI and amongst its signatories, one that is proportionate to the need for urgent action on critical ESG issues.
- Provide direction and insights to the PRI Executive on the substance and implementation of its work programme, including [Active Ownership 2.0](#).
- Provide input and advice to the PRI Executive on improvements to the process by which it facilitates collaborative stewardship initiatives.
- Provide input and advice to the PRI Executive on market and regulatory barriers to effective stewardship, and on how they should be addressed.

C. MEMBERS

Members of the Advisory Committees are appointed by the PRI following an open invitation to the signatory body. 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', eligibility

requirements will be removed, and the application process will be made open to all PRI signatories.

Stewardship advisory committees are typically comprised of 5-9 asset owners, investment managers or engagement service providers/investor networks. The PRI is a principles-led organisation with an asset owner focus, and the Executive will aim for asset owner representation to reflect the makeup of the signatory body as a whole.

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

- Proactive interest, topic knowledge and ambition on stewardship.
- 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 group 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.

Membership of the committee is to be reviewed annually. The maximum amount of time any signatory organisation can be part of the advisory committee is five years.

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

D. RESPONSIBILITIES

PRI Executive

The PRI Executive commits to:

- Convening, administering and, if relevant, chairing advisory committee meetings.
- Keeping advisory committee members updated on PRI stewardship work stream activities in between meetings whenever necessary.
- Developing materials for discussion by the advisory committee.
- Providing support in the form of background research and pitching material for committee members who are undertaking outreach and engagement activities on behalf of PRI.
- Coordinating communication on the activities of the stewardship work stream to signatories and PRI Board.

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.

Advisory committee members

By accepting a role on an advisory committee, 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.

Committee members agree to:

- Act in an advisory role to the Executive on workstream strategy and activities, ensuring that in doing so, they represent the PRI's broad signatory 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.
- Provide guidance/feedback to the Executive when requested, such as by providing comments on outputs such as publications.
- Participating in advisory committee meetings, of between one to two hours duration, on a quarterly basis; or in a substitute one-to-one conversation with the PRI where time zone or diary issues prevent attendance in the group call.
- Outreach and engagement with peers on behalf of the PRI, in support of the workstream and broader organisation's objectives.

Advisory Committee chair:

The Executive may choose to appoint a signatory chair for the initiative from amongst the advisory committee members. Should a chair be appointed, the chair commits to:

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

Chair appointments are annual, with a maximum tenure of five years.

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

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. The Board has oversight of the terms of reference for all advisory committees and working 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. ACTION PLAN AND TIMELINE

An action plan with suggested time frames and milestones will be established at the first advisory committee meeting, and evaluated on a regular basis.

F. REPORTING REQUIREMENTS

The PRI will report on the activities of the committee on the PRI website and/or the Collaboration Platform, including the terms of reference and members.

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. Committee 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 committee.

Confidentiality and data sharing

The theme of the committee, and membership of the committee 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.

By joining, committee members grant the PRI Executive the right to share their work email address with other members of the group.

The PRI Executive may record advisory committee calls for internal note taking purposes. Recordings are not circulated externally to the PRI Executive. 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 one year.

Advisory committee meeting notes will 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 Executive. Members commit to maintaining such confidentiality.

By joining the committee, members agree to the [PRI's privacy policy](#).

Communication

The Executive is empowered to speak on behalf of a PRI 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](#).

H. CONTACT

If you are interested in understanding more about the committee, please contact: Josephine Notaras via josephine.notaras@unpri.org.