

Reporting Equivalency Proof of Concept Working Group for Stewardship (REPOC-WG-S) Terms of Reference

A. INTRODUCTION

The PRI recognises that, as the responsible investment reporting landscape has changed over recent years, the reporting burden has increased for our signatories.

In response to this increasing effort, the PRI is establishing a programme of work aimed at better understanding and addressing the duplication of requirements faced by signatories across different reporting frameworks.

We are beginning this work with a proof of concept to determine, in collaboration with signatories, equivalent reporting requirements in focussed areas where signatories have identified a significantly increased reporting effort. This Terms of Reference describes the requirements for the working group for the UK Stewardship Code.

This proof of concept work is planned from mid-June 2023 and will run until December 2024.

The Reporting Equivalency Proof of Concept Working Group for Stewardship (REPOC-WG-S) is a fixed term voluntary body, comprising of members from PRI Asset Owner signatories that have historically completed both PRI reporting and UK Stewardship Code reporting. The membership and scope of this working group will be limited initially to allow the development of the proof of concept. The working group provides advice and technical input to the PRI.

Formal signatory groups are established to **advise** the Executive, however are not part of the PRI's governance (strategic, fiduciary, or legal). The PRI Board sets the direction and oversees the implementation of the strategy by the PRI Executive.

B. OBJECTIVES

The Reporting Equivalency Proof of Concept Working Group for Stewardship (REPOC-WG-S) will work to:

- Advise on an approach to assessing equivalency

- Determine key and common requirements of reporting and assessment (i.e. equivalency) between PRI reporting framework and the **UK Stewardship Code**
- Provide input, advice and insights to the PRI Executive where signatories have identified a significantly increased reporting burden
- Support PRI in developing a long-term approach to reporting equivalency

C. MEMBERS

Target composition and tenure

- Target composition is up to 15 members.
- The working group will comprise PRI Asset owner signatories who are signatories to, and currently report on, the UK Stewardship Code.
- Initial terms for the working group will be until Dec 2024, though a significant part of the work is expected to be completed from June-Dec 2023.
- Members may be replaced by an appropriate colleague from the same signatory organisation at the PRI's discretion.

Appointing members

- The Executive will publicise new membership opportunities, if and when they arise, including the criteria for appointment of new members and timelines.
- Working group members are appointed by the PRI Executive based on the following criteria:
 - PRI Asset Owner signatories that have reported against the UK Stewardship Code at least once in either 2021 or 2022, and who intend to report in 2023.
 - Representative of a PRI signatory that has reported to PRI at least once
 - Personal knowledge and experience of PRI's reporting framework
 - Understanding and experience of reporting requirements of the UK Stewardship Code.
 - Commitment to contribute expertise and time to the work of the Working group
 - Diversity of the group.
- Compatibly with the above criteria, the Executive will also aim at diversity of representation between REPOC-WG-S and other PRI signatory groups.
- Members join the group in their capacity as representatives of their organisations. If a working group member leaves their role they will be asked to step down from the working group and the signatory organisation asked to nominate a replacement.

Decisions about the composition of the working group, 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 these terms of reference.

D. RESPONSIBILITIES

PRI Executive

The PRI Executive commits to:

- Convening, administering and, if relevant, chairing the working group meetings.

- Defining objectives, strategy and timelines for the work, based on input from the working group.
- Providing expertise from either internal or external sources.
- Keeping working group members updated on related PRI activities in between meetings whenever relevant.
- Providing support in the form of background research and material for group members.
- Coordinating communication on the activities of the REPOC-WG-S to signatories and PRI Board.
- Ensuring the group moves forward and adheres to agreed timelines.

The PRI Executive at all times retains ownership and final sign-off of any outputs that are produced by the Working Group and 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.

Technical Working Group members

By accepting a role on a 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.

Working group members agree to:

- Advise the Executive on the focus, objectives and workplan of this working group, ensuring that in doing so, they represent the PRI's broad signatory base rather than solely the interests of their own organisation.
- Reviewing materials provided by the Executive and advising on appropriate links to the group's work.
- Participate in Working Group meetings, of between one to two hours duration, the frequency of which will be based on project needs; or in a substitute one-to-one conversation with the PRI where time zone or diary issues prevent attendance in the group call. These are expected to be no more than once or twice per month.
- Provide guidance and feedback to the Executive when requested, such as by providing comments on documents between meetings.
- Provide sample (unverified) responses to selected stewardship indicators
- Provide advice on how PRI can continue to develop global data insights from equivalent reporting requirements
- Participate in meetings with relevant stakeholders, such as the FRC, as necessary
- Contribute to thought leadership on metrics for evaluating stewardship and best practices on stewardship reporting

Technical Working Group chair

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

- Designate the required additional time to the working group beyond that of working group members.

- Provide the Executive with guidance and work with the Executive to provide leadership of the working group as needed.
- Being available to chair working group meetings.
- The Working Group chair will be reviewed after a one year period.

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

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 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. PLAN AND TIMELINE

The working group term is due to commence in mid-June 2023 and will run until Q4 2024.

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

F. 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. Working 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 working group.

Diversity

The composition of the working group will try to reflect the diversity of PRI signatories that meet the criteria. This should encompass a sufficient mix of relevant skills, competence, and diversity of perspectives as well as geographical diversity to bring regional knowledge and perspectives.

Confidentiality and data sharing

The theme of the working group, and membership of the working group will be available on the public website and/or the Collaboration Platform. By accepting these terms of reference, working 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, working 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 working group calls for internal note taking purposes. Recordings are not circulated externally by 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.

Discussions of the working group and material provided to the working 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.

For more information, please refer to [PRI privacy policy](#).

Communication

The Executive is empowered to speak on behalf of a PRI working group, 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 working group, please contact: Emmet McNamee, via stewardship@unpri.org

I. REVIEW TERMS OF REFERENCE

1. The Executive will review the REPOC-WG-S terms of reference at least annually.

Version No.	Approved by	Owner	Approved by date	Date last updated	Review date	Review frequency	Next review date
1.01	Nathan Fabian, Chief Responsible Investment Officer	Emmet McNamee	March 2023	March 2023	-	Annually	March 2024