

TECHNICAL ADVISORY GROUPS TERMS OF REFERENCE: PRI COLLABORATIVE SOVEREIGN ENGAGEMENT ON CLIMATE CHANGE

INTRODUCTION

These Terms of Reference (“**Terms**”) define the purpose and structure of technical advisory groups to the Collaborative Sovereign Engagement on Climate Change (“**Initiative**”) and summarise the guidelines for members of the technical advisory groups (“**members**”). By participating in the technical advisory groups, members agree to abide by these Terms.

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:

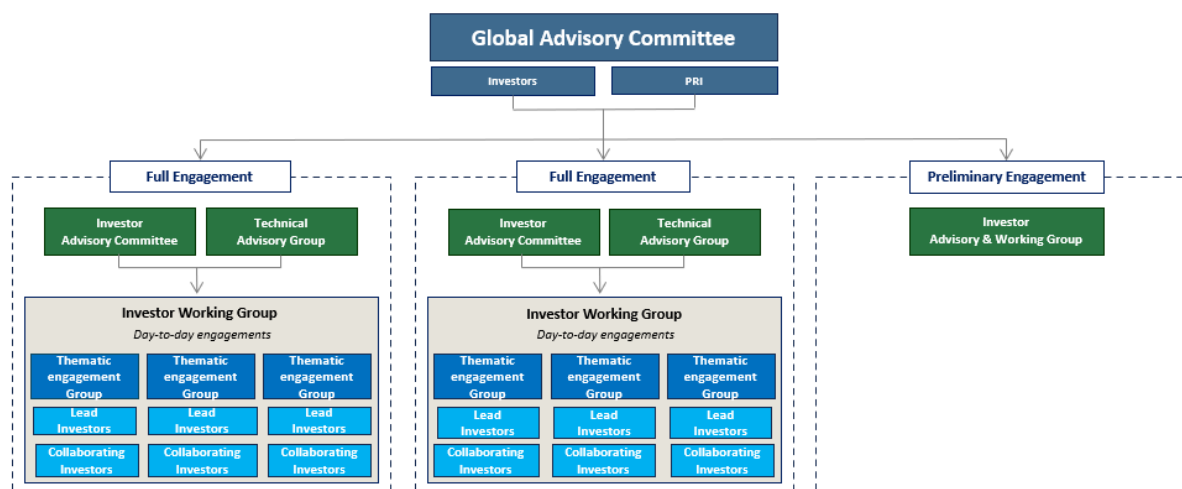
- **Global Advisory Committee:** This signatory group advises on the activities of the global Initiative, encompassing all related governance and engagement issues, and provides strategic advice to the PRI. It is typically¹ comprised of PRI signatories with strong experience in stewardship, sovereign 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.

TECHNICAL ADVISORY GROUPS

A technical advisory group is a voluntary body, comprising other relevant stakeholders with deep expertise on climate change, sovereign engagement and relevant markets, such as domestic investor groups, industry networks, researchers and other technical specialists. A technical advisory group provides expert guidance on climate change, sovereign engagement and market-related issues to help inform the PRI and participating investors in the development, strategy and activities of the Initiative.

A technical advisory group does not, in and of itself, have power or authority in dealing with the matters on which it advises. 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.

OBJECTIVES

A technical advisory group works to:

- Contribute to the Initiative strategy by providing technical expertise and insights.
- Provide guidance to the PRI Executive and participating investors on matters related to the Initiative, such as the focus areas of the engagement and context of the market in which it is operating in.
- Assist with the inclusion of stakeholder perspectives in the Initiative.

MEMBERS

TARGET COMPOSITION AND TENURE

- The group is typically comprised of 6-10 members.
- Groups will typically be made up of non-PRI signatories, and instead stakeholders with expertise on climate change sovereign engagement and focus market issuers.
- The target composition and size of the group is to be reviewed regularly based on the identified future needs of the Initiative.

MEMBER APPOINTMENT AND REVIEW

Members of each technical advisory group are appointed following an invitation by the PRI Executive. Appointments will be based on the following criteria:

- Technical knowledge of climate change, stewardship, sovereign engagement, the relevant market's policy environment, and other relevant issues.
- Understanding of how sovereign engagement on climate change is a potential means of mitigating financial risk and maximising long-term returns.
- Connections to networks of stakeholders relevant to the Initiative, such as industry bodies and technical experts.

- Ability and commitment to contribute expertise and time.
- Diversity of the organisations in the group, defined by the type of organisation and the focus area of the organisation's work in terms of sector, market and specific area of expertise.
- Diversity of the group members in terms of gender, race and other characteristics.

In the instance that a member, formally representing an organisation leaves their role, the organisation may express an interest to continue in the group with a new representative.

Membership of the group will be reviewed regularly. Decisions about the composition of the group, including appointment 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 or whom the PRI Executive determines are no longer required in the group.

RESPONSIBILITIES

RESPONSIBILITIES OF THE PRI EXECUTIVE

The PRI Executive commits to:

- Organising, administering, and chairing technical advisory group meetings.
- Keeping group members updated on Initiative activities in between meetings whenever necessary.
- Developing materials for discussion by the group.
- Communicating the activities of the Initiative to signatories and PRI Board.
- Reporting on the activities of the technical advisory group 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 TECHNICAL ADVISORY GROUP MEMBERS

By accepting a role in a group, 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 technical advisory group 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.

Technical advisory group members will:

- Act in an advisory role by providing technical advice on climate change, stewardship, sovereign engagement and the relevant market policy environment to inform the PRI Executive's decision-making around the development and strategy of the Initiative, and

participating investors' engagement activities ensuring that advice is aligned to the objectives of the Initiative.

- Ensure their contributions to the group reflect the scale and urgency of action needed to achieve the objectives of the Initiative.
- Provide guidance/feedback to the PRI Executive and participating investors when requested, such as on focus priority entities, officials and elected representatives for the engagement; progress tracking; and the identification of specific topics that could be prioritised within engagement groups.
- Participate in advisory group meetings and one-to-one conversation with the PRI, approximately between one to two hours duration each quarter.

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 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 the technical advisory group, 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 group.

CONDUCT

- Technical advisory group members must refrain from using group forums for promotional purposes and should focus on furthering the goals and objectives as defined above.
- Technical advisory group members should treat their colleagues, PRI Signatories 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 technical advisory group. 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 technical advisory group. 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 technical advisory group 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 technical advisory group, 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 technical advisory group 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 technical advisory group.
- 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 technical advisory group may only be used for the purposes of the technical advisory group. 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 and membership of the technical advisory 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, job title and organisation name on the PRI website, and may themselves publicise their involvement on their organisation's website and/or social media.
- Technical advisory group meeting notes may be taken and shared with the group. These notes should be treated as confidential.
- Discussions of the group and material provided to the 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 the technical advisory 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](#).
- Group members should not represent or imply they represent the PRI, any investor, the technical advisory group 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 technical advisory group.

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 technical advisory group should contact sovereign.engagement@unpri.org.