

# TERMS OF REFERENCE: CLIMATE REFERENCE GROUP

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## A. INTRODUCTION

Climate change presents growing financial risks to investors. The purpose of the Climate Reference Group is to build investor awareness, capacity and interaction by sharing good practice and thought leadership on climate mitigation and resilience strategies. Among other issues, the group will explore the implications of the likely breach of the 1.5°C global temperature limit in the Paris Agreement, on their portfolios and investment strategy. It will also facilitate knowledge-sharing on climate-related transition planning, assessment of transition and physical risks and climate resilience. The group will engage climate leaders within our signatories in a two-way dialogue, where signatories have the opportunity to contribute technical expertise and precision to PRI's thought leadership on climate-related investor practice, climate policy and wider systems change.

## B. OBJECTIVES

- **Advance signatory awareness and understanding** of climate-related impacts, dependencies, risks and opportunities relating to their investment activities.
- **Build investor capacity and peer learning to enable investors to develop their climate-related specialist knowledge**— to facilitate knowledge-sharing on e.g., the use of scenario analysis, good practice transition planning, and technological and nature-based solutions to climate-related challenges.
- **Support investors to integrate climate related risks and opportunities** in their investment practices and policies, and to use the best available tools and frameworks.
- **Facilitate investor input on PRI climate programme** – drawing on investor perspectives to inform PRI's work programme and positions.

The Climate Reference Group will be active from the date of its first meeting until December 2025, with members committed to attending a minimum of one 1-hour meeting every 6 weeks. Based on members' interest and feedback, as well as PRI capacity, the PRI 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. MEMBERSHIP

Members of the Climate Reference Group are appointed by the PRI following an open invitation to the signatory body. PRI Reference Groups are typically made of 50 to 60 signatories. The PRI 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 [sudeshna.ray@unpri.org](mailto:sudeshna.ray@unpri.org). All appointed members will be listed on the PRI website.

Climate Reference Group members are appointed by the PRI Executive based on the following criteria:

- PRI signatories who are either asset owner, asset manager, or service provider.
- The signatory must have a public commitment on climate.
- The signatory has displayed leadership in addressing climate issues via one or more of the following:
  - Adopted a climate action plan/ transition plan;
  - Set interim emissions reductions targets;
  - Active corporate and/or policy engagement climate issues;
  - Investment strategy gives attention to systemic climate risks;
  - Membership in a net-zero or sustainability-focused collaborative initiative.
  - Additional consideration will be given to ensure representation of signatories of different types, sizes, and geographies.
- The group member must have expertise in climate issues and responsible investing.
- The group member must have ability to contribute expertise and time – in appointing members the PRI Executive will seek individuals that have a balance between seniority and ability to commit a certain level of engagement.

Diversity of organisations in their type (asset owner, asset manager, service provider), size, asset classes, and geography will be considered by the PRI Executive in the initial composition of the group. Members join the group in their capacity as representatives of their organisations. The PRI Executive encourages, where possible, the same members to participate throughout for continuity. Gender balance in members will also be considered. 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 these terms of reference.

### Tenure

An individual may remain a member of the Climate Reference Group as long as they continue to meet the membership requirements (see membership criteria above and responsibilities below). Members can request to discontinue their involvement at any time. Membership will also cease if the PRI Executive discontinues the reference group.

If a member leaves their role, the member may continue on in the group as a representative of a new signatory organisation, where that organisation meets the membership criteria, or in exceptional

cases, as individuals if they are performing work that is related to PRI's mission, subject to approval by the PRI Executive. The signatory from who the member left is also welcomed to nominate a replacement member to be appointed to the group by the PRI Executive, pending a determination from the PRI Executive that the new nominee satisfactorily meets the membership criteria above.

The PRI Executive maintains the right to amend these terms of reference to impose future term limits if doing so is deemed necessary to help the group fulfil its purpose.

## A. RESPONSIBILITIES

### PRI Executive

The PRI Executive plays an active role in leading and coordinating the Climate Reference Group and commits to:

- Convening, administering, and chairing the reference group meetings.
- Updating reference group members on PRI work programs 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 developing material for discussion.
- Sharing insights and learning from the reference group internally within PRI to inform PRI workstreams.
- Conducting a regular review of the reference group's activities and, where appropriate, reporting relevant points to the PRI Board.

Following appropriate input from members of the Climate 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 PRI Executive is responsible for the timelines, resources and budget that have been allocated to all programmes and projects.

### Reference Group Members

By joining the Climate Reference Group through the formal recruitment process, members confirm that they are able to commit sufficient time to the role and duties, as defined below. Proactive participation from all members is crucial for an effective signatory group and the PRI 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 (one 1-hour call every 6 weeks).
- 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 climate).

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 guidance development), 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 PRI Executive and Signatories as well as acting as a final point of escalation on matters related to the PRI 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 reference 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.

## **B. PLAN AND TIMELINE**

A plan and approach for the Climate Reference Group will be shared on a regular basis.

## **C. REPORTING REQUIREMENTS**

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

## **D. CODE OF CONDUCT, CONFIDENTIALITY AND PUBLIC COMMUNICATIONS PROTOCOL**

**Conduct:** Signatories must refrain from using signatory forums (including the Climate Reference Group) for explicit commercial purposes and should focus on furthering the goals and objectives as defined above. Members should treat their colleagues and PRI staff with courtesy and respect. Failure to meet these requirements may also lead the signatory being removed from the group.

### **Confidentiality and Data Sharing:**

- The theme and membership of the Climate Reference 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, Climate Reference Group members grant the PRI Executive the right to share their work email address with other members of the group for the purposes of facilitating discussion between group members on reference group business.
- Discussions of the Climate Reference Group and material provided to the 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.

- The PRI Executive may record reference group calls for internal purposes (i.e. note taking). Recordings are not circulated externally, including to members of groups, as they are presumed to be confidential and sharing them could increase the risk that discussions inadvertently appear in the public domain. Where recordings of group discussions are taken, attendees will be notified. Call recordings will be deleted within 1 year. Where external experts present to groups on a particular topic, with their prior permission, a webinar or audio recording may be taken and shared publicly and /or with investors as a resource.
- Reference group meeting notes will be taken and shared with the group. These notes should be treated as confidential.

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

**Anti-Trust Disclaimer:** The PRI does not require or seek collective decision-making or action with respect to acquiring, holding, disposing and/or voting of investments or securities from any of the members of this group. Signatories are independent fiduciaries responsible for their own investment decisions, including proxy voting, and must always act completely independently to set their own strategies, policies and practices based on their own best interests.

Any use of PRI guidance and tools is at the discretion of individual signatories.

Group members will avoid the exchange (including one-way disclosure) of any non-public, competitively sensitive information as part of the informal or formal work of the group.

## E. CONTACT

For more information about the Climate Reference Group, please contact [sudeshna.ray@unpri.org](mailto:sudeshna.ray@unpri.org).

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