

TERMS OF REFERENCE: ADVISORY COMMITTEE FOR THE PRI- LED COLLABORATIVE STEWARDSHIP INITIATIVE ON SOCIAL ISSUES AND HUMAN RIGHTS

INTRODUCTION

The PRI-led stewardship initiative on social issues and human rights seeks to maximise investors' collective contribution to the goal of global respect for human rights and does this primarily through investors collaboratively engaging with companies.

The initiative is facilitated by the PRI Executive and supported by two advisory bodies:

- **Signatory advisory committee:** this group is typically comprised of PRI signatories with strong experience in stewardship and human rights. This group provides strategic advice about the initiative to the PRI.
- **Technical advisory group:** this group is comprised of PRI stakeholders, such as NGOs, with deep expertise on human rights. This group provides technical advice related to human rights to the PRI.

The signatory advisory committee is a voluntary body, comprising of mostly PRI signatories¹. The committee provides guidance to the PRI on the development and coordination of the initiative to support the PRI's decision making. The advisory committee also provides opportunities for members to convene and share knowledge on topics related to the initiative. It is also an opportunity for the PRI Executive to share its expertise, convene and co-create with signatories to deliver on the PRI strategy.

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. The PRI Board is the ultimate decision-making body on matters related to the Executive's work to drive signatory implementation of the Principles, including the facilitation of collaborative stewardship initiatives.

To join the advisory committee, members are required to agree to the following terms of reference as well as to contribute to define the broader terms of reference applicable to this initiative overall.

OBJECTIVES

The committee works to:

- Support the design and development of the initiative.
- Provide input, advice and insights to the PRI Executive on the strategy and activities of the initiative.

MEMBERS

Members of the advisory committees are appointed by the PRI following an open invitation to the signatory body.

¹ The signatory advisory committee will traditionally comprise only of PRI signatories, but the PRI retains the possibility to invite investor networks to join the committee

TARGET COMPOSITION AND TENURE

- The committee is usually comprised of 10-15 members.
- The committee will typically be made up of PRI signatories.
- The committee should aim to represent the broader membership base of the initiative and will therefore be comprised of asset owners, investment managers and engagement service providers.
- The committee should aim to be geographically diverse.
- Membership of the committee is to be reviewed annually based on identified future needs of the initiative.
- The maximum amount of time any organisation can be part of the advisory committee is five years.
- Where an advisory committee chair is appointed, they should have a maximum 2-year period.

APPOINTING MEMBERS

- The Executive will publicise new membership opportunities, if and when they arise, including the criteria for appointment of new members and timelines.
- 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.

Committee members are typically required to meet the following minimum criteria:

- Represent a PRI signatory as an asset owner, investment manager, or engagement service provider (with a specific mandate to engage with companies on behalf of an institutional investor(s)).
- Commit to participate in the initiative as a lead investor for at least one company.
- For the PRI signatory to have made a public commitment to respect human rights recognising the responsibilities set out in the UNGPs; and implemented a human rights due diligence programme within a year of joining the committee.

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

- Level of stewardship experience.
- Experience or knowledge on human rights.
- 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.

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 the terms of reference.

RESPONSIBILITIES

RESPONSIBILITIES OF THE PRI EXECUTIVE

The PRI Executive commits to:

- Developing an action plan with suggested timeframes and milestones to be evaluated on a regular basis.
- Convening, administering and, if relevant, chairing advisory committee meetings.
- Keeping advisory committee members updated on initiative activities in between meetings whenever necessary.
- Developing materials for discussion by the advisory committee.
- Coordinating communication on the activities of the initiative to signatories and PRI Board.
- Reporting on the activities of the committee 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 Executive is responsible for the timelines, resources and budget that have been allocated to all programmes and projects.

RESPONSIBILITIES OF ADVISORY COMMITTEE MEMBERS

By accepting a role on an advisory committee, 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 advisory committee and the Executive has the authority to remove participants that do not abide by the agreed commitment levels.

Committee members agree to:

- Act in an advisory role to the Executive on the development, strategy and activities of the initiative, ensuring that advice is aligned to the objectives of the initiative and represents the interest of the initiative's broad membership 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 and the objectives of the initiative.
- Provide guidance/feedback to the Executive when requested, such as on priority companies and sectors for inclusion in the engagement; improvements to the facilitation of the initiative; and outputs such as investor guidance on the topic and progress reports.

- Participate in advisory committee meetings, approximately 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.

RESPONSIBILITIES OF THE ADVISORY COMMITTEE CHAIR

The Executive may choose to appoint a 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.

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

PRI BOARD OVERSIGHT

The PRI Board is responsible for overseeing 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 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 advisory committee, the member 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.

RULES AND CODE OF CONDUCT

Failure to meet the below rules may result in the member being removed from the committee.

CONDUCT

- Advisory committee members 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.

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 for the purposes of facilitating discussion between committee members on committee business.

- 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, attendees will be notified. 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 the initiative 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](#).

CONTACT

Those interested in understanding more about the committee should contact nabylah.abodehman@unpri.org.