

PASSIVE INVESTMENTS WORKING GROUP (PIWG): TERMS OF REFERENCE

OBJECTIVE

PRI aims to deliver practical, action-oriented tools and support to signatories and potential signatories to implement the Principles of Responsible Investment. The Passive Investment Working Group (PIWG) provide opportunities for signatories to convene to share knowledge and to collaborate for change and impact. Given the strong increase in Asset Owners' allocation in Passive Investments, The Passive Investments Working Group is tasked to promoting ESG integration in Passive Investments across asset classes. This will be primarily achieved through publication of a practical guidance

ROLES AND RESPONSIBILITIES

CHAIR

A chair for the Working Group will be selected by the PRI Executive. The chair will be preferably from the Asset Owner Advisory Committee in order to simplify the communication process between Advisory Committee and Working Group. If this is not possible then a chair will be selected from the Working Group members.

The chair will:

- Work with the PRI Executive to provide leadership to the Working Group;
- Attend meetings with the PRI Executive (by phone) to discuss progress of the project and prepare for Working Group meetings;
- Provide the PRI Executive with guidance on overarching project strategy;
- Attend and chair Working Group meetings;
- Designate enough time to fulfil the commitments listed above.

WORKING GROUP MEMBERS

A Working Group will be formed to develop the project “Passive Investments”. The Working Group will act in an advisory role to the PRI Executive to provide inputs, advice and feedback to help scope, strengthen and ensure the credibility of the guidance.

In selecting members of the Working Group the PRI will:

- Limit the size of the group to between 6 and 8 members;
- Focus on people with clear expertise and/or experience in passive investments across asset classes, managing/designing passive investments in the markets, ESG integration in passive investments.
- Aim for reasonable diversity in terms of the scale, geography and type of member organisations and a range of skills among individual members;
- Look for members who hold a relatively senior position within their organisation;
- Select individual members on the strength of their application which demonstrates proactive interest/a history of activity with the PRI and/or leadership in Passive Investments and responsible investment.

Members terms will be for the life of the project which is expected to be 6 months.

Working Group members will be acknowledged in the published deliverable, dependent on their approval having viewed the final version, and their attendance in a majority of the meetings.

PRI EXECUTIVE

The PRI Executive responsible for this project is the Senior Manager of Investment Practice team

The PRI Executive will:

- Maintain overall management responsibility for the project ensuring that it remains focused, sticks to the agreed timescale and delivers the project objectives;
- Write the deliverable through an iterative revision process of drafting and soliciting feedback from the Working Group and external parties as required;
- Oversee Working Group composition, manage the application process and review commitment/meeting attendance;
- Convene, administer and facilitate Working Group meetings and activities;
- Keep Working Group members updated on project activities between meetings;
- Coordinate external communication on the activities of the Working Group;

- Manage communication flow between the Working Group and the SDG Advisory Committee, Asset Owner Advisory Committee, PRI regional networks and ensure alignment with PRI's high-level objectives;
- Be responsible for final editing of any deliverable;
- Be responsible for the graphic design of the final deliverable;
- Utilise the PRI network to promote the deliverable once it has been published.

CODE OF CONDUCT

- Working Group meetings should proceed only if a majority of members can attend (via teleconference). Due to regional time differences, separate calls will be held;
- The proactive involvement of signatories is important to the success of the group. The PRI Executive may cancel individual members' participation and invite other interested parties to participate if the required level of commitment is not demonstrated;
- Members must refrain from using these forums for explicit commercial purposes and should focus on furthering the goals and objectives of the project. Failure to meet these requirements may also lead the PRI Executive to cancel a member's participation;
- Working Group members are welcome and encouraged to advertise their participation in the project in other forums such as LinkedIn.

GOVERNANCE

The project falls under the oversight of the PRI Asset Owners Advisory Committee (AOAC). The PRI Executive is responsible for updating the AOAC on the progress of the Working Group, and the AOAC may provide feedback during the scoping and drafting phases of the project. The PRI Executive bears responsibility for final sign-off on the completed work.

CONFIDENTIALITY

The theme of the project, and membership of the Working Group will be available on the PRI website. The PRI Executive may record Working Group meetings for internal purposes (i.e. note taking). Recordings are not circulated externally, including to members. Where recordings of group discussions are taken, PRI staff will state at the start of the call that the call is being recorded. Call recordings will be deleted within 1 year.

CONTACT

Asset owners, investment managers, consultants and service providers interested in being involved, are invited to contact **Catherine Chen** (catherine.chen@unpri.org) @ **+44 20 7421 5229** by **2nd October, 2017**