

Terms of Reference – Tax Signatory Reference Group

INTRODUCTION

The PRI has been working closely with investors and broader stakeholders on corporate tax responsibility and transparency since 2015. The lack of corporate disclosure on tax issues is a key impediment for investors that want to understand companies' positions on tax issues and assess tax risks in their portfolio.

The PRI has identified tax fairness as a priority issue for investors and committed to providing further resources, as outlined in our three-year 2021-2024 strategy. Through this programme, we aim to achieve a step change in tax practices via increased focus on tax fairness.

As part of this programme, the PRI will bring interested signatories together to share knowledge and promote best practice. The purpose of the group is for the PRI and group members to share developments, learn from experts and discuss key questions for investors on tax related issues. The group will provide a space for signatories to share tools and experiences.

OBJECTIVES

The Tax Signatory Reference Group is a voluntary body, comprising of members from PRI signatories. The Tax Signatory Reference Group will work to:

- Provide an opportunity to meet interested parties and actors, and to express and be exposed to different viewpoints.
- Refine signatories' awareness and understanding of the impacts, risks and opportunities surrounding tax.
- Encourage the construction of a common narrative around tax by aligning expectations
- Provide investors with knowledge and increased confidence to incorporate tax related issues into their stewardship practices
- Provide input, advice and insights on resources that PRI develops to support signatory understanding and engagement on tax.

The Group will be active for one year from the date of the first call. Based on members' interest and feedback, as well as PRI capacity, the PRI Executive (the '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.

MEMBERS

Members of the Tax Reference Group are appointed by the PRI following an open invitation to the signatory body. The 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 corporate.governance@unpri.org or sebastien.akbik@unpri.org.

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

- Is a PRI signatory.
- Proactive interest in the issue of tax.
- Ability and commitment to contribute experience and time.

Participating signatories can be represented by more than one member e.g., if tax managers want to participate. The Executive encourages, where possible, the same members to participate throughout for continuity.

Members join the group in their capacity as representatives of their organisations.

Decisions about the composition of the Group, including appointment, chair selection 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.

RESPONSIBILITIES

PRI Executive

The PRI plays an active role in leading and coordinating the group and commits to:

- Convening, administering and, if relevant, chairing reference group meetings.
- Keeping reference group members updated on PRI work stream activities 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 pitching material for discussion

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

Reference group members

By joining the reference 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.

Responsibilities include, but are not limited to:

- Participating in reference group meetings
- Sharing information on updates and developments in the member's jurisdiction and/or area of expertise
- Reviewing existing research, resources and literature and advising on appropriate links to the group's work
- Provide guidance and feedback when requested, such as by providing comments on related work programmes and outputs such as publications.

All group members are welcome to undertake additional work, for example, drafting statements if their schedules enable them to do so.

Reference group chair

The Executive can choose to appoint a signatory chair from amongst the reference group.

The role of the Chair is to:

- facilitate effective meetings;
- encourage open discussion and participation across the group.

If a member agrees to chair, the Chair commits to:

- Participate in briefing calls prior to each meeting of the group;
- Work with the Executive by providing guidance and advice on meeting agendas, selection of external and internal speakers, etc.;
- Chair group meetings, moderating questions and discussions, and ensuring time-keeping.

If a member agrees to chair, the Executive commits to:

- Brief the Chair before every meeting;
- Assist the Chair in any matter relating to the responsibilities of the Chair set out above.

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 reference groups 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.

PLAN AND TIMELINE

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

REPORTING REQUIREMENTS

The PRI will report on the activities of the reference group on the PRI website and/or the Collaboration Platform as appropriate, including the terms of reference and members, and updates on activities.

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. 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 Group.

Confidentiality and data sharing

The theme of the group, and membership of the 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, 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 reference group calls for internal note taking purposes. Recordings are not circulated externally by the PRI Executive and will not be shared with Group members. 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. Call recordings will be deleted within 1 year.

Discussions of the advisory group and material provided to the reference 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

Group members and the Executive will not speak on behalf of the Group. Any exceptions to this will have to be communicated and approved in writing by the Executive and Group members. Unless written consent is provided, any external communication will not attribute comments to specific members.

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

CONTACT

If you are interested in understanding more about the reference group, please contact corporate.governance@unpri.org or sebastien.akbik@unpri.org