

Terms of reference – CDSB Technical Working Group

Introduction

CDSB's mission is to advance integration of climate change and natural capital information into mainstream corporate reporting by acting as a focal point for collaboration by businesses, investors, governments and accounting bodies on how existing standards and practices may be enhanced so as to link financial, climate change and natural capital reporting and respond effectively to regulatory developments.

The manifestation of CDSB's work is the development of Reporting Frameworks designed to elicit consistent, unified, reliable information that will help to ensure fair and transparent markets, and inspire confidence in corporate reporting.

CDSB was created in response to the need for a market intervention to bring order to global corporate reporting practices on climate change and natural capital. CDSB's mission, aims and objectives are agreed to support and build on the work and best practice of Board members' activity, allowing CDSB to harness their collective power to drive change. In turn, Board members generally nominate a representative to the CDSB Technical Working Group (TWG), to join with other representatives from leading industrial & financial services companies, NGOs, the major accounting firms, professional bodies, academics and other specialist collaborators.

This document sets out the role, membership criteria and operations for the CDSB TWG.

Role

The Technical Working Group's role is to:

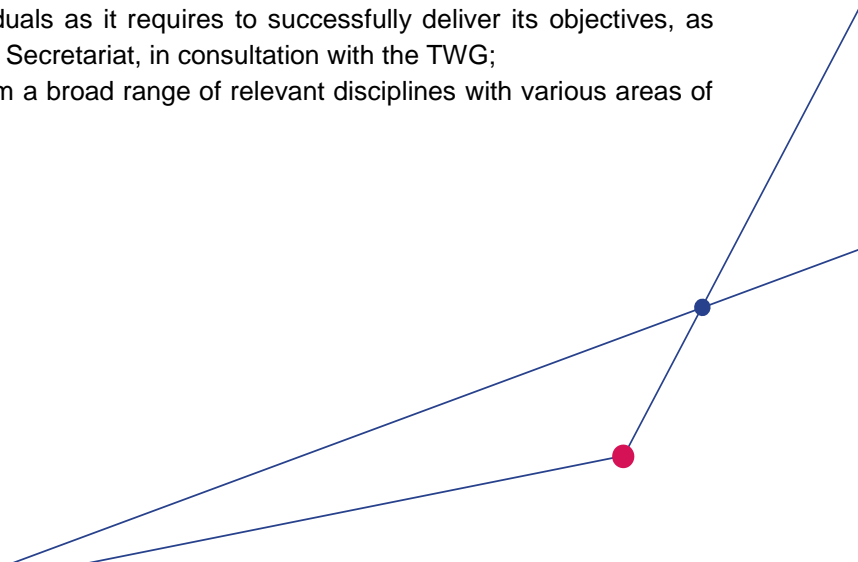
- Set out and manage CDSB's technical work plan;
- Make recommendations to the Board on the development and update of a generally-accepted reporting framework;
- Contribute to the development of the CDSB Framework and other projects;
- Develop and advocate proposals relating to reporting risks associated with information about environmental matters;
- Oversee public consultations where feasible;
- Support CDSB's outreach and engagement activities;
- Support the advocacy for and dissemination of the CDSB Framework;
- Lend weight and credibility to the CDSB's profile; and
- Provide expert knowledge and practical experience of climate change, environmental and natural capital-related reporting.

Membership

- The TWG will consist of as many individuals as it requires to successfully deliver its objectives, as determined by the TWG Chairperson and Secretariat, in consultation with the TWG;
- Members of the TWG shall be drawn from a broad range of relevant disciplines with various areas of complimentary expertise.

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- Members of the TWG shall have an understanding of, and be sensitive to the challenges associated with the adoption, application and promotion of globally accepted standards developed for use in the world's capital markets;
- CDSB Board members shall nominate a representative to the TWG;
- Except for CDSB Board member representatives, members of the TWG serve as individual experts and not specifically as representatives of their organization. In the case where a member cannot participate, a proxy may participate with the agreement of the TWG Chairperson and Secretariat;
- Some members may be appointed to serve in an observer capacity; this designation shall be determined by the TWG Chairperson and Secretariat;
- Non-members may be invited to attend meetings when a particular subject or objective is to be addressed, as determined by the TWG Chairperson and Secretariat;
- No financial re-numeration is allocated to membership of the TWG;
- The TWG recognizes that members' organizations release their staff *pro bono* to take part in the TWG and related CDSB activities and greatly appreciates this support;
- Financial and in-kind contributions towards the work of CDSB are not a condition of membership of the TWG, but members must consider how they might contribute to the resourcing and adoption of the work;
- Members of the TWG are expected to fully support the TWG's role and activities as outlined above;
- Members may resign by informing the TWG Chairperson and Secretariat in writing. Members are deemed to have resigned if they have not attended (either virtually or in person), or sent apologies for, at least one meeting in a calendar year.

New members

- New members will be considered at the request of an existing Board / TWG member or the Secretariat. Priority will be given where skills are required within the group to achieve the mission;
- A consensus within the TWG must be recorded for a formal approval;
- Members shall be required to confirm their availability and commitment to undertake the duties attached to the TWG;
- CDSB Board member representatives do not require approval;
- On appointment, TWG members must commit to advocate and advance the work of CDSB and the use of the CDSB Framework.

Governance

- The TWG Chairperson shall be appointed by the members of the TWG at its annual meeting, as appropriate. They shall be appointed for a 2-year renewable period and can be removed by the Board and/or TWG;
- The TWG Chairperson shall, *ex officio*, attend CDSB Board meetings;
- The TWG Vice Chairperson/s shall be appointed by the members to the TWG to support the Chairperson and deputize in their absence. They shall be appointed for a 1-year renewable period and can be removed by the Board and/or TWG. There can be more than one vice chairperson appointed, with no more than three.

Operations

The CDSB Technical Working Group shall:

- Have responsibility for all CDSB technical matters including the preparation and issuing of consultation drafts and revisions of the CDSB Framework;

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- Have full discretion in developing and pursuing CDSB's technical agenda, subject to approval of work plans by the Board;
- Form working groups or other types of specialist advisory groups to give advice and address specific projects / work streams;
- Consult the Board on major projects and work priorities;
- Assist in advancing the goals and mission of CDSB, as appropriate, through public speaking, professional work and outreach to contact networks;
- Establish procedures for reviewing comments made within a reasonable period on documents published for comment; and
- Engage in reflective, self-evaluative process to improve the TWGs effectiveness.

The CDSB Technical Working Group shall:

- Meet either virtually or in person, no fewer than 4 times in a calendar year on provisional dates provided by the Secretariat no later than 31st December of the preceding calendar year;
- Receive the meeting agenda and supporting papers no less than 5 days in advance of the meeting from the Secretariat. TWG members are invited to submit agenda items and papers for consideration no less than 10 days in advance of the meeting;
- Record meetings digitally; and
- Publish a concise annual report outlining its activities for the preceding year.

Technical Working Group Chair duties:

- Together with the CDSB Secretariat, plan and chair CDSB's technical working group meetings and annual planning day;
- Consult with the CDSB Board Chair at regular intervals on strategic technical work program activities;
- Represent the interests of the TWG to the Board and report back to the TWG as appropriate;
- Act as a spokesperson for the TWG with governments, media and others as required;
- Ensure that the TWG members receive timely, relevant information and are briefed properly on agenda items and others issues that may arise during TWG meetings;
- Remain independent in implementation of duties; and
- Ensure that all TWG members are enabled and encouraged to participate fully, and collectively are involved in the role and purpose of the TWG.

Technical Working Group Vice Chair/s duties:

- Serve in interim capacity as TWG Chair in the event that the Chair is unable to perform this function;
- Oversee the annual TWG member self-evaluation process and act on the results, in partnership with the CDSB Secretariat; and
- Other ad hoc duties as requested by the TWG Chair, Board or Secretariat.

The TWG does not have fiduciary responsibility for CDSB, however the TWG may request to review the budget and financial accounts each year. Ultimate responsibility for program implementation lies with the Secretariat who takes seriously its commitment to operationalise and reflect the views, opinions and recommendations of the TWG.

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