

REQUEST FOR PROPOSALS

VALUE CREATION AND SUSTAINABILITY

BUILDING INVESTOR CAPABILITIES ON LEVERAGING SUSTAINABILITY FACTORS
FOR VALUE CREATION IN PRIVATE MARKETS (PHASE 1 ONLY)

BACKGROUND AND PROJECT OUTCOMES

The PRI is the world's leading proponent of responsible investment. It works:

- to understand the investment implications of environmental, social and governance (ESG) factors;
- to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

More details about the PRI are available [here](#). We currently have over 5,000 signatories globally – including investment managers, asset owners and service providers.

Much of the work the PRI has done on private markets to date has been derived from the belief that incorporating ESG factors are crucial for long-term value creation. There is an increasing belief among PE experts that robust ESG practices not only fulfil risk management and regulatory requirements but also significantly contribute to financial performance upside and strategic positioning in the market while at the same time driving sustainability outcomes. For example, academic studies indicate that strong ESG activities can, among other outcomes, increase EBITDA margins and exit multiples.

PROJECT AIMS

Building on this, the PRI has set out a three-phase work programme on ESG and Value Creation in Private Markets. The aim is to build capacity, raise awareness, and initiate dialogue on use of ESG for financial value creation while simultaneously achieving sustainability outcomes and real-world change.

The three broad phases are as follows:

1. Phase 1 (2024-2025): Developing an introductory ESG Value Creation guidance and tools setting out the most common ESG value creation levers available to investors
2. Phase 2 (TBC): Developing playbooks and case studies for each of the identified levers
3. Phase 3 (TBC): Quantitatively assessing the contribution of the identified value creation levers to real world financial performance and exit

Note: the above is only to give an idea of the intended overall direction of the project. Any subsequent phases will be subject to alignment with PRI strategy and overall business plans. Phase 2 and Phase 3 (both TBC) are not part of the current agreement.

OUTPUTS AND ACTIVITIES

The PRI intends to appoint a consultancy to support the development of the Phase 1 piece of guidance and tools. This guidance and tools are intended to be produced via interaction and dialogue with investors using surveys, interviews, workshops, webinars and case studies.

The consultant will review the current PRI position and thinking on signatory progression (through [progression pathways](#)) and consider how it might influence the final outputs and guidance and tools

The PRI also intends to collaborate on this project with academia – NYU Stern, who are conducting [studies in this area](#) - to ensure the knowledge from academia on this topic is incorporated in the practical guidance and tools developed for investors.

The PRI will manage both relationships and lead this collaboration.

The consultancy will be expected to support the PRI deliver the final draft of the guidance and tools/report and conduct the necessary investor surveys, interviews, and workshops to inform this.

REQUIREMENTS

As such, the key skills and experience required of the consultancy include:

- In-depth technical knowledge of ESG value creation across sectors and value creation levers
- A thorough understanding of how and why investors across all private market asset classes may take action with regards to ESG (for managing risks and identifying opportunities)
- A background in engaging directly with global investors, including at senior levels, across geographies and sectors, on sustainability issues
- The ability to gather, analyse and synthesise raw information to deliver meaningful insights

CONSULTANCY ACTIVITIES AND EXPECTATIONS

The key activities under this engagement will be:

Investor Insights:

- The consultancy will agree with PRI as to the most efficient and effective mechanism to provide an overview of high-level insights of the current practices, key challenges, and opportunities relating to ESG value creation in private markets. This may involve a survey, review of the PRI R&A data, collection of data during PRI in Person or other mechanisms

Investor interviews:

- The consultancy will conduct up to 20 interviews with investors (identified jointly by the PRI and the consultancy, across a range of private market asset classes) to gather insights into current practices, key challenges and opportunities in relation to using ESG to drive value creation. The interviews would be based on templates agreed upon with the PRI; however, the consultancy would be expected, based on their expertise in this area, to shape the conversations with each investor to gather the most meaningful insights.
- The consultancy will write up notes from each interview so that key findings are easily understood and can be integrated into the guidance and tools being developed. The consultancy will be expected to compile relevant examples from interviews into examples (minimum 4 in total covering various aspects of ESG value creation that would be useful for private market investors) to be integrated into the introductory guidance and tools. These examples could also then be used to produce case studies.

Investor workshops:

- The consultancy will conduct up to 5 workshops with investors (identified jointly by the PRI and the consultancy, across a range of private market asset classes) to gather insights into current practices, key challenges and opportunities in relation to using ESG to drive value creation. The workshops would be based on templates agreed upon with the PRI and will be designed to increase awareness and peer learning while also testing some of the hypotheses. The consultancy would be expected, based on their expertise in this area, to lead the conversations.
- These workshops would have between 10 – 15 investors, preferably those who have not participated in the 1<>1 interviews
- The consultancy will write up notes from each workshop so that workshop summaries are easily understood and can be integrated into the guidance and tools being developed.

Content production:

- The consultancy will draft the guidance and tools document and share for review with the PRI. The consultancy will be expected to include knowledge of existing investor practices on the topic based on their experience of working in this area with private market investors and to complement the findings from surveys, interviews and workshops
- The final editing and design of the guidance, tools and outputs will be managed and owned the PRI. These will be PRI guidance and tools that acknowledge the involvement of the consultant
- The consultancy will also draft any other educational or marketing materials as jointly agreed with the PRI (for example for investor conferences)

Fees: The consultancy fees associated with the delivery of these activities is expected to be upto GBP 30,000 (exclusive of VAT).

DELIVERABLES AND TIMINGS

We expect the engagement to run **over a period of seven months** with key dates/timelines to be agreed with the consultant. The payment schedule will be agreed with the successful consultant at the start of the contract / agreement.

Below are key deliverables and proposed timings for the project (with some dates still tbc), to be agreed with the selected consultancy:

Activity	Timing (<i>potential, exact dates tbc, calendar year</i>)
Developing and conducting survey	Q3 2024
Investor interviews	Q3-Q4 2024
Investor workshops	Q3'24 – Q1'25
Investor interviews and workshop write-ups	After each event
Prepare for PRI In Person Event, other conferences	As and when needed, to be agreed with consultant
Guidance production	Q1'25

HOW TO SUBMIT A PROPOSAL

Please send your proposal via email to aditya.vikram@unpri.org and daram.pandian@unpri.org by **close of business on Friday 18th October 2024**. Feel free to contact us with any questions regarding the project or the requests outlined in this document.

Proposals must include:

- Evidence demonstrating that the consultancy possesses the key skills and experience outlined in this RFP;
- A brief biography of up to 3 key individuals who would be involved
- A proposed budget for the engagement
- Proposals should not extend over **2 pages**. Please also include any standard (or draft) terms of references as an appendix to your proposal

All proposals will be treated as confidential.