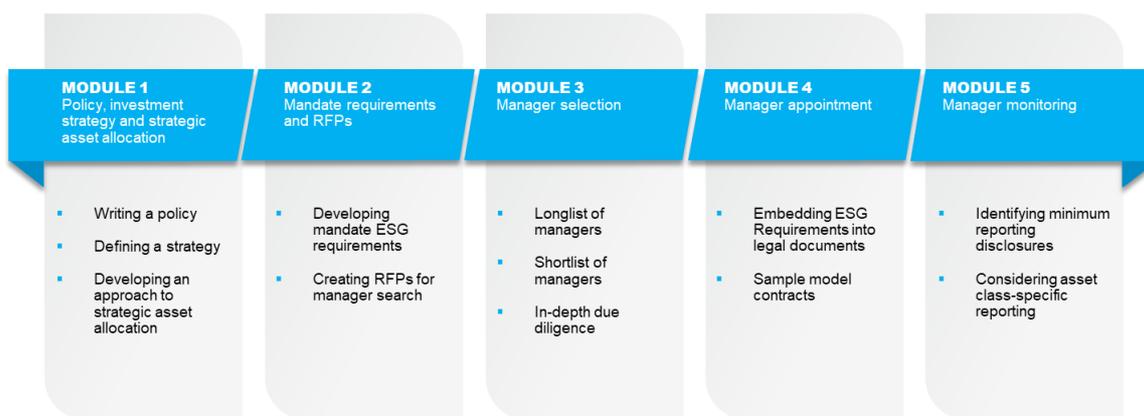


RFP – RESPONSIBLE INVESTMENT IN MANDATE DESIGN

PROJECT OBJECTIVES

The PRI is planning to review existing industry practices and provide a framework for asset owners to systematically incorporate ESG issues into mandate design. This project will contribute to PRI's Asset Owner Program and build on recent guides and tools on selecting, appointing and monitoring asset managers. The intention is to improve practices among a wide range of signatories through the provision of practical guidance on how to start to effectively incorporate ESG issues and sustainability outcomes into the design of investment mandates. The work completed within the project *Responsible investment in mandate design* outlined here will form the basis of future work to be completed within the areas Mandate requirements and RFPs, Module 2 as visualised below.

PRI Asset Owner Program – key modules



BACKGROUND

The *Responsible investment in mandate design* project will build on existing PRI work incorporating ESG factors in investments across all major asset classes (in particular in listed equities), strategic asset allocation and manager selection. It will help asset owners transpose how an investment strategy and policy should be implemented in investment mandates across a multi-asset portfolio. It will also differentiate between approaches and options available in segregated and pooled accounts.

Links to relevant work include:

- [PRI Asset Owner website](#)
- [Strategic Asset Allocation](#)
- [Strategic Asset Allocation case studies](#)

REQUIREMENTS

The PRI asset owner team invites investment consultant firms/external partners to submit a proposal for the PRI's *Responsible investment in mandate design* project. Please submit a written proposal (maximum 2 pages) including the following criteria:

- Organizational overview (10%)
- Asset allocation / Mandate design skills and experience with institutional investors through segregated and pooled vehicles (35%)
- Responsible investment (RI) experience (25%)
- Competitive advantages among your peers, a short overview of suggestions of how you would approach the project and a quote on pricing for the work (30%)

SCOPE AND APPROACH

This project will be the initial phase of this work and undertake a number of tasks:

- Undertake a review of current signatory practices of incorporating ESG issues into mandate design:
 - This will include current asset owner practices with respect to segregated institutional mandate requirements;
 - This will also include current asset manager practices of pooled institutional mandate requirements;
- Identify the key barriers to integrating ESG issues into mandate design;
- Provide the basis for further work PRI might undertake in this area – helping signatories develop mandates that reflect signatory RI policies and sustainability outcomes.

The consultant is expected to undertake the following activities:

1. Information gathering process

The main research for this project should be through **interviews and surveys** with selected asset owners and relevant service providers (investment managers, law firms, investment consultants, industry associations, etc.)

2. Summary report

The consultant will provide a summary report that may (if deemed appropriate) be published. The scope of this report will be discussed with the consultant throughout the process. This report might aim to answer a couple of question outlined below:

- What ESG or RI mandate requirements are commonly demanded by asset owners?
- How can asset owners engage the important gatekeepers to improve take-up of ESG mandate requirements?
- How can asset owners encourage investment managers to formally adopt ESG issues in mandates?
- How can sustainability outcomes be incorporated in mandate requirements?

SELECTION PROCESS

The PRI Asset Owner Team will identify, review and select a suitable investment consultant/external partner. It will follow the below selection steps:

- Interested parties are required to complete and return their proposal to the PRI Asset Owner team;
- The PRI Asset Owner team evaluates each proposal according to the selection criteria;
- Short listed candidates will be invited for one-on-one interviews to present their skills, experiences and resources that support the proposal;

- PRI announces the selected external partner.

TIMELINES

- Submit proposals by 1st December 2020
- Shortlist interviews 18th December 2020
- Final decision 18th January 2021

DURATION OF THE PROJECT

The project is expected to take 4 months to completion. A final schedule will be drawn up between the PRI and the external partner prior to commencement of the project.

BUDGET

The allocated budget for this project is approximately £25,000, inclusive of any project-related expenses the consultant may incur.

HOW TO SUBMIT A PROPOSAL

Please send your proposal to assetowners@unpri.org by close of business **1st December 2020**.