REQUEST FOR PROPOSALS:

COMPANY SELECTION FRAMEWORK FOR PRI’S NATURE STEWARDSHIP INITIATIVE

INTRODUCTION

The PRI is looking to hire consultancy for the development of a company selection framework for its new stewardship initiative on Nature. This project is expected to result in the development of a robust and sound selection methodology and ultimately a list of appropriate companies to be the focus of collaborative investor engagement through this new initiative. The process for this request for proposals will result in the selection of one, or a consortium of multiple service providers, who will enter into a contracting phase for a specific and detailed scope of work.

ABOUT PRI AND THE STEWARDSHIP INITIATIVE ON NATURE

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;
- support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

We currently have over 5,000 signatories globally – including investment managers, asset owners and service providers.
The PRI is developing a new collaborative stewardship initiative on nature. This initiative will convene a group of investors, who will use their collective voice and influence to shape positive outcomes for nature. The initiative seeks to maximise the investment community’s contribution to the goal of halting and reversing biodiversity loss by 2030, including a halt to commodity-driven deforestation. By addressing nature loss, the initiative also aims to make a substantial contribution to limiting global warming. In line with PRI’s Active Ownership 2.0 framework, the initiative seeks positive real-world and systemic outcomes, centred around common goals and collaborative action.

Our initial focus will be on forest loss and land degradation, as a key driver of biodiversity loss and climate change. The initiative may expand to other drivers of biodiversity loss as the initiative further develops. The initiative aims to contribute to real-world change in key geographies with high risks of future forest loss and land degradation. The geographies targeted through this initiative include:

- Argentina (Gran Chaco)
- Paraguay (Gran Chaco)
- Bolivia (Amazon)
- Brazil (Amazon; Cerrado)
- Indonesia (Borneo; Sulawesi; Moluccas)

The initiative will focus on systematic alignment of public policies with the Global Biodiversity Framework and the Paris Agreement. Focusing investor efforts on influencing policy change will make it more likely that change does not only happen on an individual or voluntary basis, but instead across economic sectors and at an appropriate pace. Relevant public policies include both domestic policies concerning land use, conservation and production in the countries listed above, as well as relevant demand side regulations in countries where forest-risk commodities are consumed. They may also include broader international trade and investment agreements.

The initiative will facilitate investor engagement with companies regarding their responsible political engagement, given the importance of strong public policy design and implementation. Companies may have an influential voice in the development of public policies that shape the realities within our key geographies, either through their direct lobbying or indirectly through their membership in trade associations.

**PROJECT AIMS AND CONSULTANT PROFILE**

The aim of this consultancy project is, for each selected geography listed above, to identify and analyse:

- Policy arenas affecting land use dynamics, and
- Corporate influence in the identified policy arenas.

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

- Proven understanding of the (existing and emerging) drivers of deforestation in multiple biomes;
• Proven understanding of the political economy and regulations landscape of forest loss and land degradation - including interplay between government interventions and corporate conduct;
• Proven understanding of dynamics in international commodity supply chains;
• Proven understanding of structures and practices of political engagement by the private sector

ACTIVITIES AND EXPECTATIONS

Project activities are foreseen to consist of two phases of work:

Phase 1 will focus on developing and applying a robust methodology to identify priority policy arenas, based on their ability to halt and reverse forest loss and land degradation in the targeted geographies. We would expect the methodology to consider the following elements:

• How to capture existing and upcoming policies and regulations that may contribute to shifts in deforestation rates, directly and indirectly.
• How to identify policy arenas that may alter the economic incentives and disincentives in major forest-risk commodity supply chains.
• How to ensure coverage of policy arenas is comprehensive, including domestic land tenure, forest conservation and commodity production regulations; demand side due diligence regulations; and international trade and investment frameworks.
• How to take into consideration the systemic complexities of the drivers of forest loss and land degradation and the need for an economy-wide and whole-of-government approach to policy interventions.
• How to filter out policy arenas that are deemed not to be substantially influenced or influenceable by the private sector directly or indirectly.
• How to prioritise 6-10 policy arenas in total, including some that may affect multiple target deforestation front geographies.

Phase 2 will focus on producing a list of focus companies for engagement. To identify the selected companies, the consultant should develop a methodology to map corporate influence in priority policy arenas, based on how companies influence these arenas. We would expect the methodology to consider the following elements:

• How to assess corporate performance on political engagement\(^2\).
• How to capture both direct and indirect corporate influence (through trade associations or similar bodies).

---

1 Forest-risk commodities are understood here as both agricultural commodities (e.g. cattle, wood, palm oil, soya, rubber, coffee and cocoa) and mineral commodities.
2 Political engagement includes (but is not limited to): lobbying, making political contributions, responding to policy consultations, using revolving doors, shaping public opinion through mass media and social media campaigns, and funding grassroots organisations and think tanks. Political engagement can be carried out directly or through a third party such as a trade association or industry body. More information on PRI’s views on responsible political engagement is available at https://www.unpri.org/governance-issues/the-investor-case-for-responsible-political-engagement/9366.article
• How to mitigate for limited transparency around corporate political engagement, including lobbying.
• How to identify companies that may be more receptive to investor engagement, whether due to ownership structures or other factors.

Please Note: Ultimately, the PRI will make the final decision on the focus companies of the initiative. This decision will be based on the list provided in this project but may also consider a company’s direct or indirect exposure to deforestation risks. The appointed consultancy is expected to maintain in close dialogue with the PRI team to ensure this project is conducted in harmony with PRI’s in-house analysis of deforestation risk exposure.

We would encourage the selected consultant to apply existing methodologies (e.g., from InfluenceMap, World Benchmarking Alliance), even when they may differ slightly from the elements outlined above. Data collection methods (desk research, expert interviews...etc.) are to be decided by the consultant.

Throughout the course of this project, we would expect to have regular meetings with the selected consultant to monitor project progress and help clarify any questions or doubts as work progresses. In addition, the consultant may be requested to present their findings to the initiative advisory groups (Signatory Advisor Committee and Technical Advisory Group).

The consultancy fees associated with the delivery of these activities are expected to be within the following range: GBP 35,000 – 50,000. Consultants are asked to break down their proposed budget for each of the two phases described above.

DELIVERABLES AND TIMINGS

Based on the activities above, we would expect the following deliverables to be completed.

Phase 1:
• Documentation of the methodology for the identification of priority policy arenas, including relevant rationales.
• Documentation to show the initial policies/regulations universe considered, and the step-by-step filtering results (via application of the methodology) to transparently show how the final set of priority policy arenas are derived.
• Final set of 6 to 10 policy arenas to be prioritised.

Phase 2:
• Documentation of the methodology for the identification and measurement of corporate influence in priority policy arenas, including relevant rationales.
• Documentation to show the initial universe of companies considered, and the step-by-step filtering results (via application of the methodology) to transparently show how the final list of companies are derived.
• Final list of companies derived (up to 80 companies).
The expected timeline for this work is September–December 2023. More detail on timings and milestones is provided in the table below:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for RIP responses</td>
<td>1 September 2023</td>
</tr>
<tr>
<td>Project start date</td>
<td>18 September 2023</td>
</tr>
<tr>
<td>Draft Phase 1 deliverables due</td>
<td>16 October 2023</td>
</tr>
<tr>
<td>PRI review (may include review by our initiative advisory groups)</td>
<td>23 October 2023</td>
</tr>
<tr>
<td>Final Phase 1 deliverables due</td>
<td>1 November 2023</td>
</tr>
<tr>
<td>Draft Phase 2 deliverables due</td>
<td>1 December 2023</td>
</tr>
<tr>
<td>PRI review (may include review by our initiative advisory groups)</td>
<td>11 December 2023</td>
</tr>
<tr>
<td>Final Phase 2 deliverables due</td>
<td>18 December 2023</td>
</tr>
</tbody>
</table>

**HOW TO SUBMIT A PROPOSAL**

Please send your proposal via email to tim.steinweg@unpri.org, jonathan.ho@unpri.org and isabella.coin@unpri.org by Friday 1 September 2023. 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 RIP;
- A brief biography of up to 3 key individuals who would be involved
- An outline of the proposed activities
- A proposed budget for the project
- Proposals should not extend over 8 pages

All proposals will be treated as confidential.