



# United Nations Environment Programme

برنامج الأمم المتحدة للبيئة · 联合国环境规划署

PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT · PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE

ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

## Finance Initiative

Innovative financing for sustainability

### Request for Proposals (RFP)

**Project:** White Paper - Integrating Sustainability into Corporate Governance

**Core Deliverable:** White Paper

**Deadline for Proposal Submission:** 22 March 2013

**Deadline for Project Completion:** 30 August 2013

This Request for Proposals is divided into the following sections:

- I. Tendering Organisation
- II. Project Description
- III. Deliverables
- IV. Timeline for Consultant
- V. RFP Framework
- VI. Deadlines & Contact Details

#### I. Tendering Organisation

The **United Nations Environment Programme Finance Initiative** (UNEP FI) is a public-private partnership between the United Nations Environment Programme (UNEP) and the global financial sector. UNEP FI works closely with over 220 financial institutions that are signatories to the UNEP FI statements, and a range of partner organisations to develop and promote linkages between the environment, sustainability and financial performance. Through regional activities, a comprehensive work programme, training programmes and research, UNEP FI carries out its mission to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.

#### II. Project Description

The last five years have been a tumultuous time for the global economy and hence for global investments. Asset owners and asset managers have struggled with an unprecedented financial crisis that shook many of the assumptions on which investments are grounded.

Corporations that through time voluntarily adopted ESG (environmental, social and governance) policies may exhibit fundamentally different characteristics from those that have not adopted such policies. In particular, the board of directors of these companies may be likely to be responsible for sustainability and top executive incentives are more likely to be a function of sustainability metrics. These companies are also more likely to have organized procedures for stakeholder engagement, be longer term oriented, and exhibit more measurement and disclosure of non-financial information.

The aim of the project is to produce a white paper that illuminates how corporate governance interacts with sustainability, and whether it is possible to identify various governance indicators that are particularly effective in promoting a durable culture of sustainability within firms.

This RFP is for developing the white paper on “Integrating Sustainability into Corporate Governance”, which requires the consulting organization to:



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1. Develop a comprehensive and consistent literature review that examines how sustainability is integrated into the structure and conduct of corporate governance, including in board and senior management operations.
2. Identify a series of case studies that integrate good corporate sustainability practices into board structures. This will contribute to the assessment of how industry leaders integrate sustainability schemes into governance structures to drive business practices.
3. Outline a set of recommendations, in line with the both case studies and prior literature on the subject, that best integrate sustainability into corporate governance practices.

**Core Deliverable:** White Paper

**Deadline for Project Completion:** 30 August 2013

### Provisional Project Outline & Focus:

- I. Title Page
- II. Foreword from the Investment Commission
- III. Preface
- IV. Message from the Project Lead
  1. Executive summary
  2. Background and context
3. Part I – Commitment to Sustainability
  - a. Current state of sustainability governance
  - b. Structure and functioning of the board of directors and executive management

*The consultant will describe current trends in how sustainability is being integrated into board practices, and how sustainability is governed in selected cases by examining the role of the board of directors and senior management in decision-making regarding sustainability. The consultant will illustrate item b with case examples. These should not only focus on best practices but rather look at a large scope of governance mechanisms and structures that can be assigned to a large number of industry players.*

4. Part II – Integration and implementation
  - a. Board composition, structure and management
  - b. Innovative instruments that reflect board's accountability and engagement towards sustainability integration (i.e. integrated reporting, or other indicators)
  - c. Policies and programs dictated from the board to carry out sustainability policies throughout the company, such as (but not limited to):
    - i. Elaboration of sustainable values and standards within the company
    - ii. incentives management at board level



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- iii. Management succession planning
- iv. Board composition, structure, and oversight practices
- v. Accounting and integrated reporting on ESG performance and ESG performance ratings

*The consultant will map existing and innovative competencies that appear to be associated with better integration of sustainability into board functioning mechanisms. Equally the consultant will examine how executive compensation can promote the integration of sustainability, analyse disclosure of information practices, how the company reports to stakeholders and shareholders on sustainability (is there any link between more rigorous reporting and sustainability integration?). Last, the consultant will identify transitional support mechanisms and operational succession plans to identify what type of architecture can ensure that sustainability is integrated over time. The consultant should simultaneously look at key challenges that boards need to overcome in order to achieve a concrete commitment to sustainability. The consultant will illustrate each item with case examples.*

### 5. Part III – Recommendations to achieve board sustainability integration

*Based on the literature review and the selected case studies, the consultant will map common practices on how to achieve sustainability in board practices and will formulate recommendations.*

### 6. AMWG summary conclusion

The consultant will identify and summarize key practices as identified in parts I, II, III.

### 7. Roadmap for going forward

*The consultant will identify how companies can begin/continue to integrate sustainability into their corporate governance practices with a view to making this common practice and to identify how investors and fund managers can support companies in these efforts. The consultant will outline how investors can incentivise the integration of sustainability in companies' corporate governance practices via their voting policies.*

### 8. References

## **III. Deliverables**

The deliverable is a concise white paper that reveals how a company board culture that promotes sustainability can be generated and how can it be assured to remain integrated over time.

## **IV. Timeline for Consultant (timeline can change if a number of briefs are developed)**

- Deadline for applications: 22<sup>nd</sup> March 2013



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- First draft completed: 14<sup>th</sup> June 2013
- Review by project team by 15<sup>th</sup> July 2013
- Second draft: 30<sup>th</sup> August 2013
- Publication Printed & Released: October 2013

### V. RFP Framework

The purpose of this RFP is to:

- a. Understand if your organisation has the necessary experience and resources to undertake the work outlined for the satisfactory completion of the project;
- b. Solicit your organisation's ideas - no more than two to three pages - presenting details on how you would endeavour to undertake the project.

Your proposal should specifically cover:

- a. The reasons you wish to be considered for undertaking the project and indications as to why you consider your company to be suited to the task. Please indicate your organisation's previous work relating to this topic, as well as the experience/resources you would bring to the project overall;
- b. How you would undertake the proposed work within the parameters outlined in the RFP;
- c. The fees and business conditions associated with the implementation of the project;

Your proposal should ideally be no longer than five pages in length (excluding annexes).

The five best proposals will be short-listed for final approval and subsequent appointment by UNEP FI. The project will be awarded 8<sup>th</sup> April 2013. Implementation of the project should immediately thereafter and the research should be completed no later than 30<sup>th</sup> August 2013.

If your organisation is interested in bidding for this project please:

- a. Send a brief e-mail communicating your intention to submit a proposal on the project;
- b. Submit your full proposal by email no later than the deadline specified.

### VI. Deadlines & Contact Details

#### **Deadline**

We look forward to receiving your proposal no later than close of business (18.00hrs EST) on 22<sup>nd</sup> March 2013. Proposals received after this time and date will not be considered.

#### **Contact details**

The proposal should be submitted to: [elodie.feller@unep.org](mailto:elodie.feller@unep.org)

For more information, please contact:

Elodie Feller  
UNEP FI Secretariat  
Tel: +41 22 917 8465  
E-mail: [elodie.feller@unep.org](mailto:elodie.feller@unep.org)



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We look forward to any comments that you may have and, in advance and on behalf of UNEP Finance Initiative Secretariat, thank you for your interest in this project.