

# PRI Strategy and Fees Consultation

Report of findings by Opinium Research - May 2024



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# PRI Strategy Consultation 2024; Responding to a Changing World

The objective of the PRI Strategy Consultation 2024: Responding to a changing world, was to offer signatories the opportunity to actively participate in the PRI's governance and to help in setting our strategic direction. The consultation addressed several key areas in the proposed strategy that represent a significant shift for the PRI including; The streamlining of mandatory reporting, signatory progression and a change in our fee structure.

The consultation was conducted via an online formal consultation survey, meetings with signatory advisory groups and regional workshops, March 2024 – May 2024.

The analysis in this presentation is from the online formal consultation survey, where the PRI sought to capture all signatories' formal feedback. One survey submission was permitted per signatory organisations: 926 signatories responded to the online survey.

The analysis should be read in conjunction with the *PRI Board response to the PRI Strategy Consultation 2024: Responding to a changing world*.

## Survey content

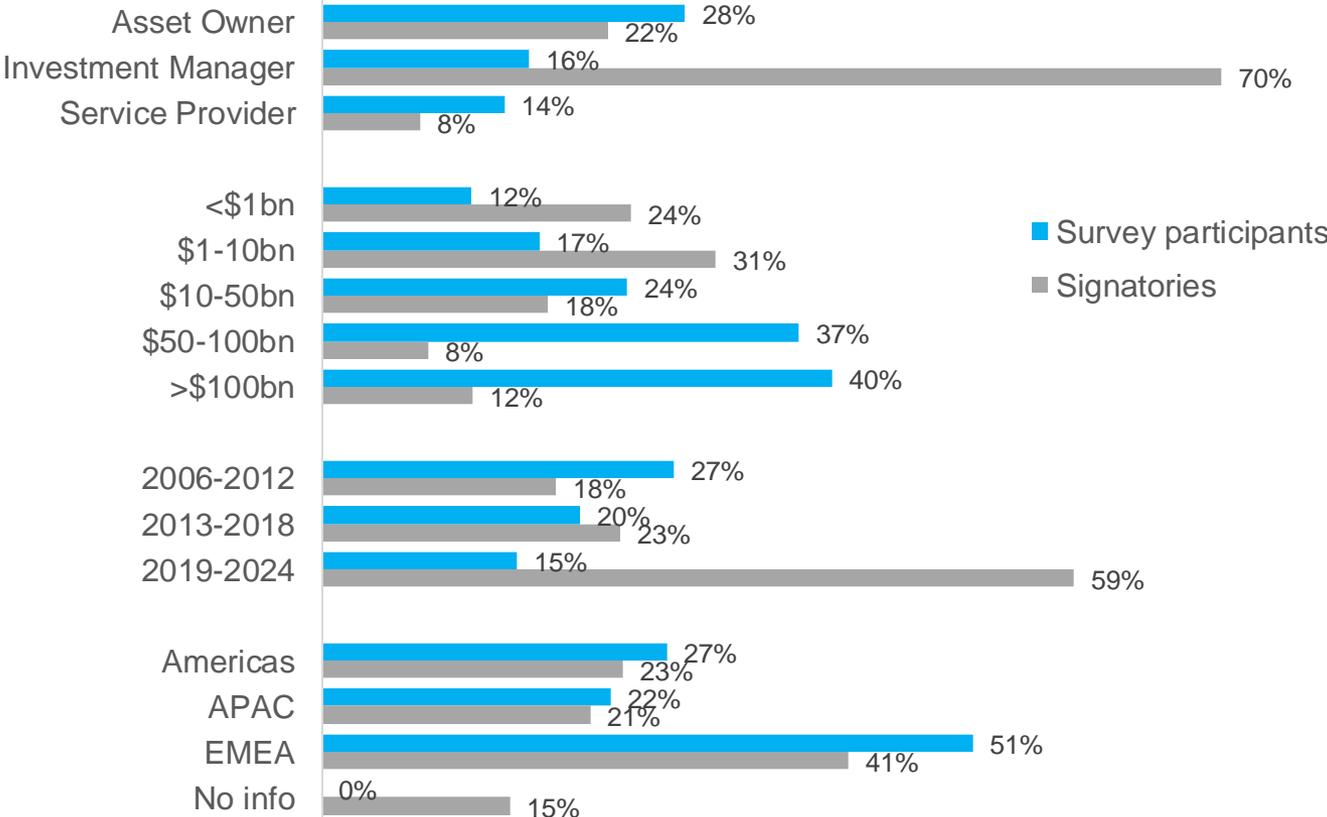
In this survey we examine four areas:

- The refreshed strategy and changes to our fee structure
- Signatory progression
- Future of mandatory reporting
- Signatory value

# Sample and methodology

Responses were collected between 24<sup>th</sup> of March and 13<sup>th</sup> of May 2024. Of 5,332 Signatories, 939 took part. This equates to a response rate of 18%. Industry standards for this kind of survey are around 10%.

Proportion of respondents per Signatory type



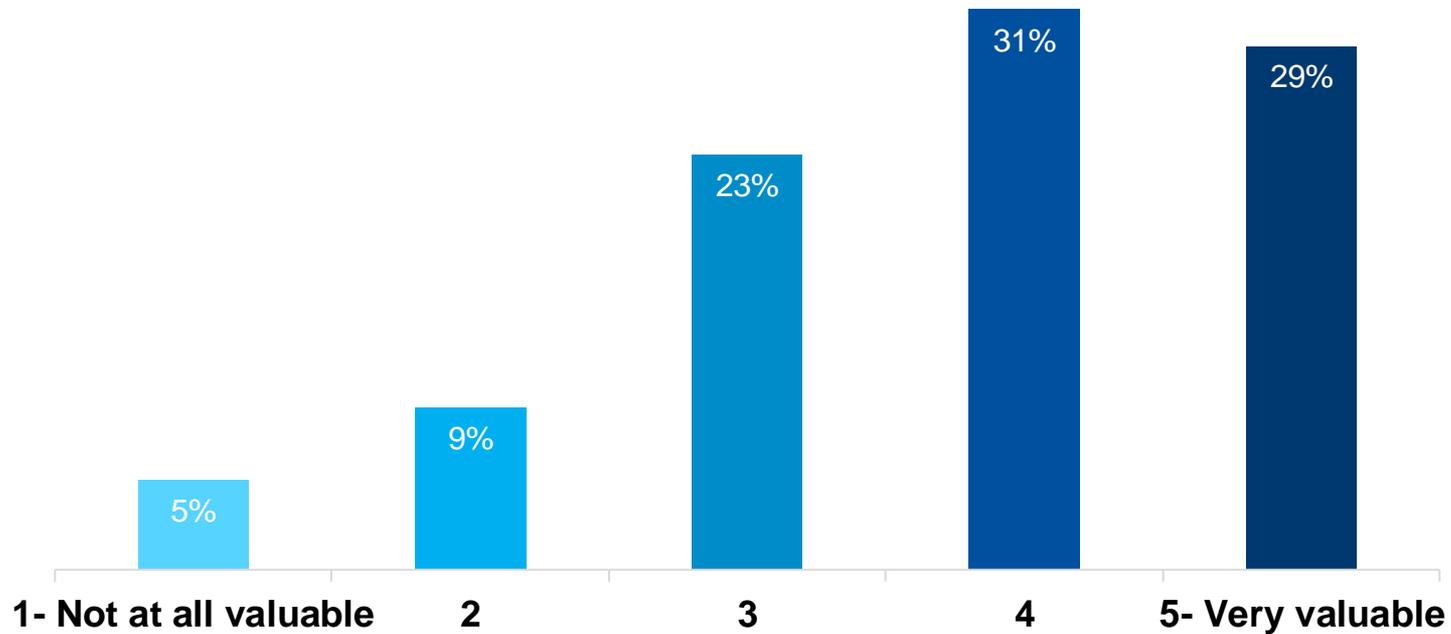
## Sample and methodology

- The consultation document, including survey questions, was published in [Chinese](#), [English](#), [French](#), [Japanese](#), [Portuguese](#) and [Spanish](#).
- The survey included 9 compulsory closed questions, 4 compulsory open-ended questions and 9 optional open-ended questions for further comments at the end of each section.
- Signatories were given the choice of submitting their response in English, Chinese, Japanese, French, Portuguese or Spanish.
- Opinium have analysed the data from Signatory respondents at an overall level and also at sub-level, looking at Signatory category, Signatory Relations (SR) Region, Tenure and Staff Size / Gross AUM.

# 1. The Refreshed Strategy and Changes to our Fee Structure

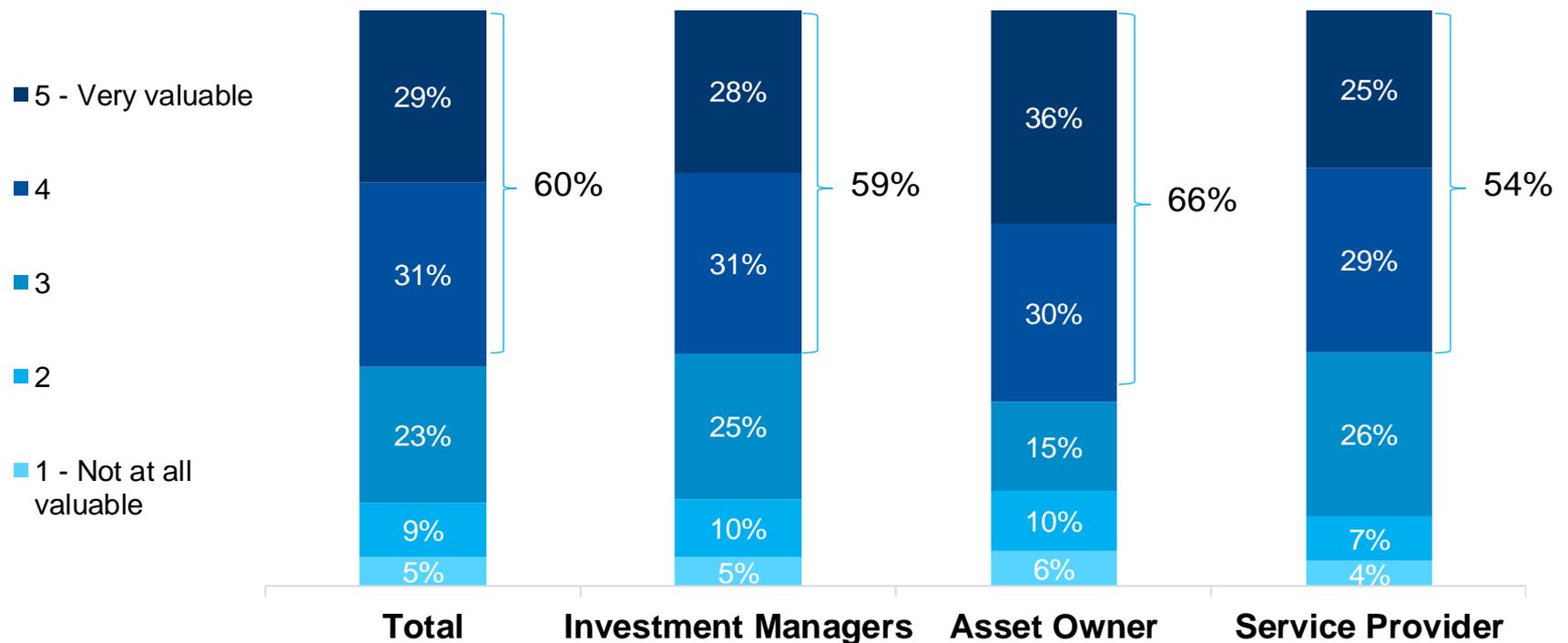
# Six in ten signatories find PRI's work valuable in helping to drive progression and streamline reporting

## “Driving progression and streamlining reporting” Total



# Asset Owners are the most likely to find PRI's work in driving progression and streamlining reporting valuable

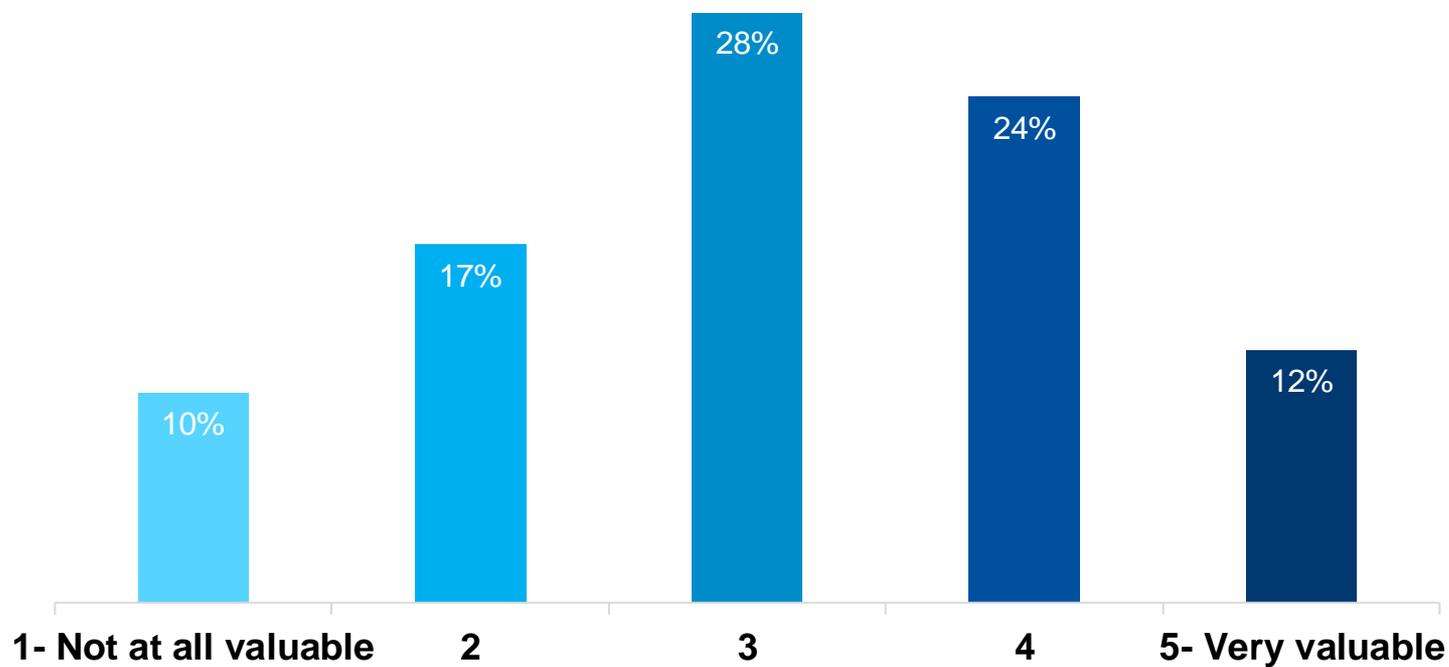
**“Driving progression and streamlining reporting”  
By signatory category**



## Only a third of signatories suggested the organisation would find the PRI's work in supporting regional RI ecosystems and extending reach in EMDE's valuable

**“Supporting regional RI ecosystems and extending our reach in emerging markets and developing economies.”**

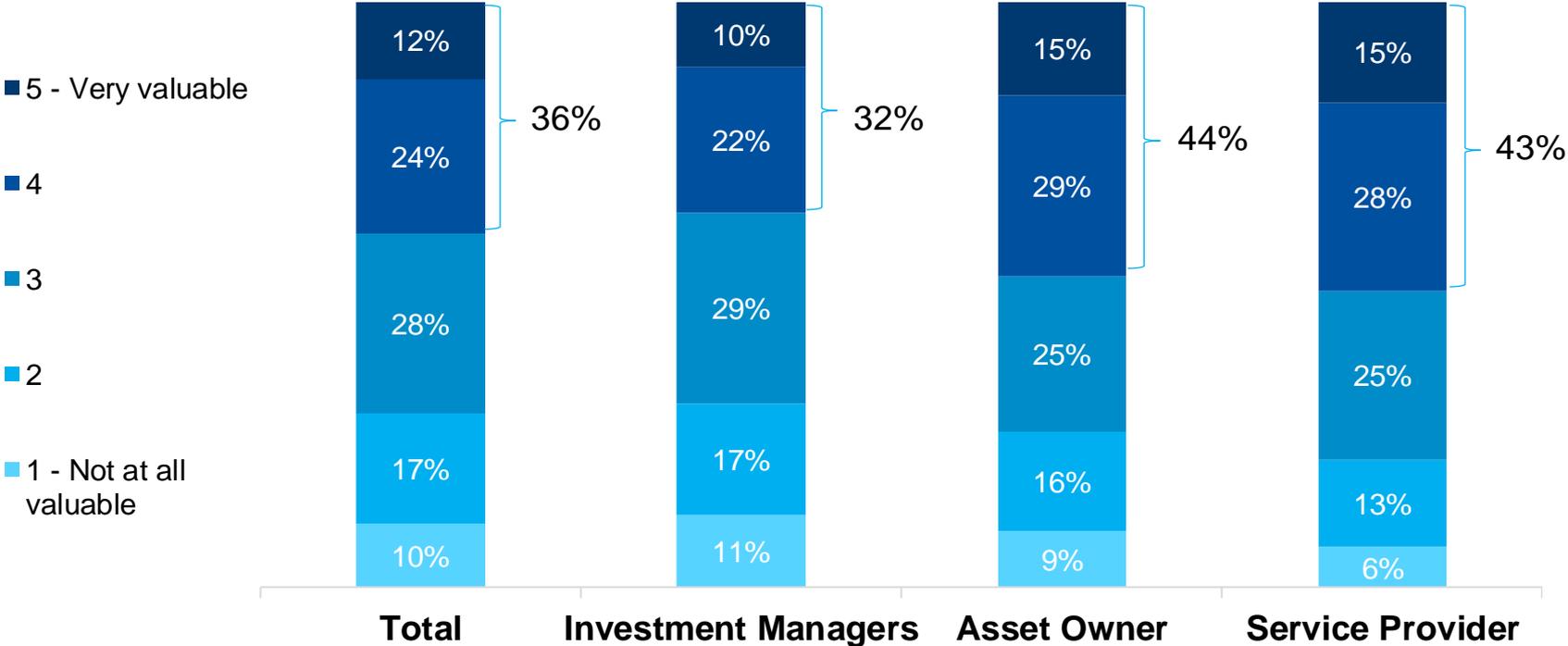
**Total**



# Asset Owners and Service Providers are more likely to find the PRI's work in this focus area valuable

**“Supporting regional RI ecosystems and extending our reach in emerging markets and developing economies.”**

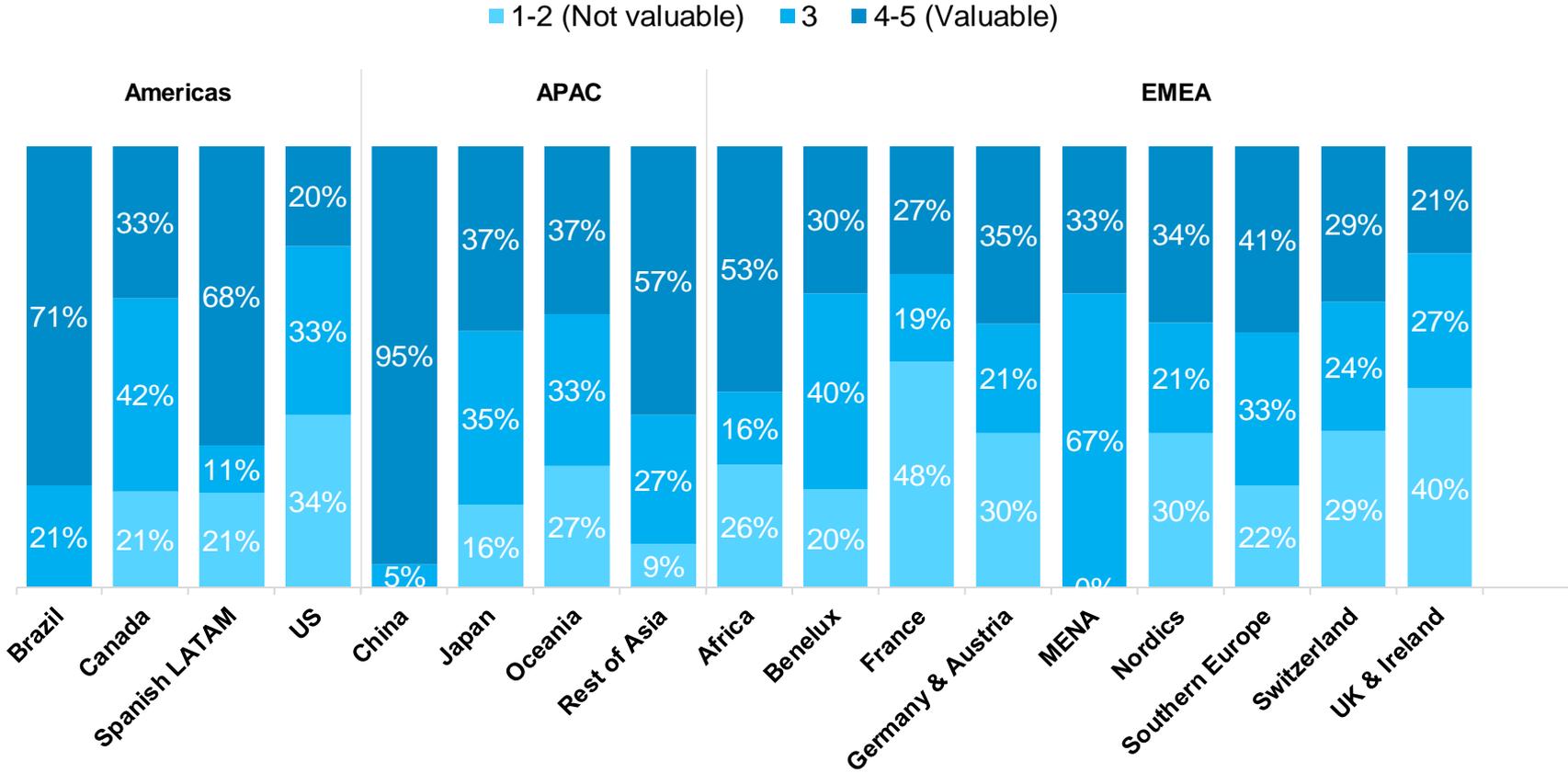
**By signatory type**



# Developing parts of APAC and the Americas find the PRI's work in this focus area most valuable

“Supporting regional RI ecosystems and extending our reach in emerging markets and developing economies.”

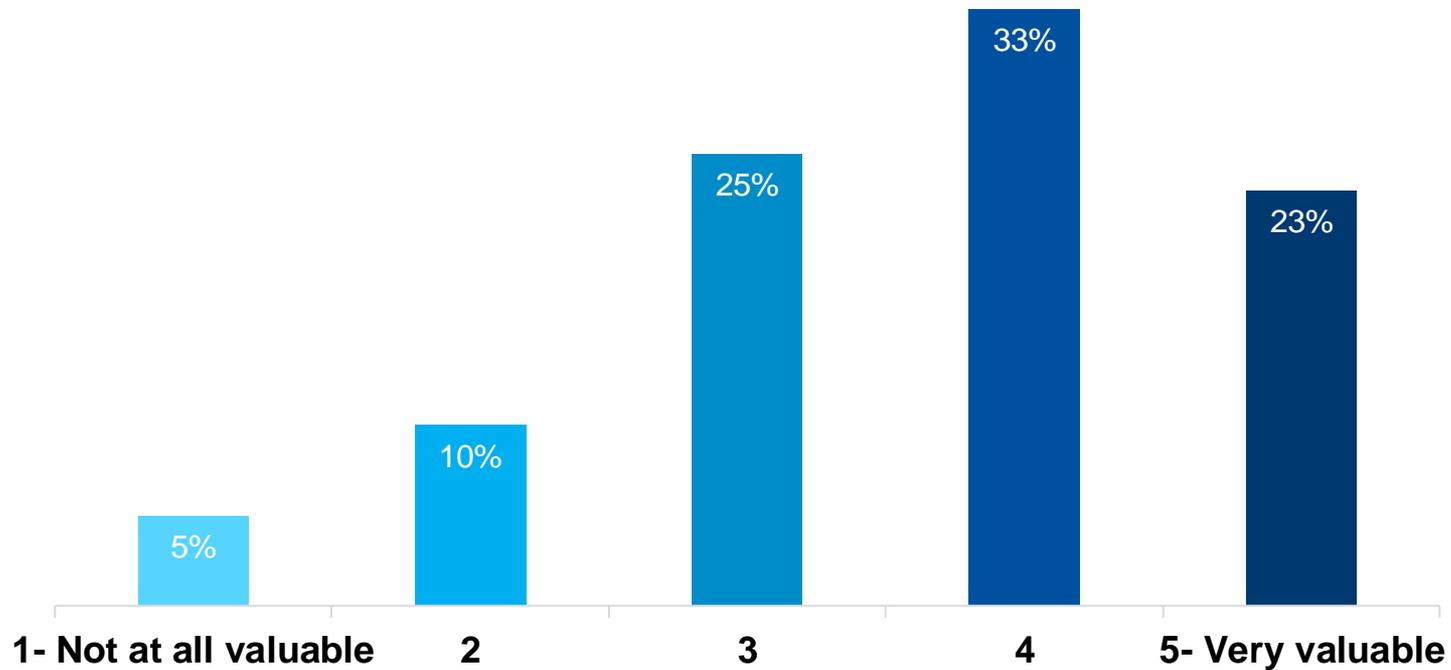
By SR region



Base: Total N = 939; Brazil = 14; Canada = 57; Spanish LATAM = 28; US = 153; China = 39; Japan = 98; Oceania = 30; Rest of Asia = 44; Africa = 19; Benelux = 30; France = 48; Germany & Austria = 66; MENA = 3; Nordics = 94; Southern Europe = 54; Switzerland = 59; UK & Ireland = 103  
 1.2 How valuable is the PRI's work in each focus area to your organisation?  
 Please answer using the below scale from 1 to 5, where 1 is 'not at all valuable' and 5 is 'very valuable'. "Supporting regional RI ecosystems and extending our reach in emerging markets and developing economies"

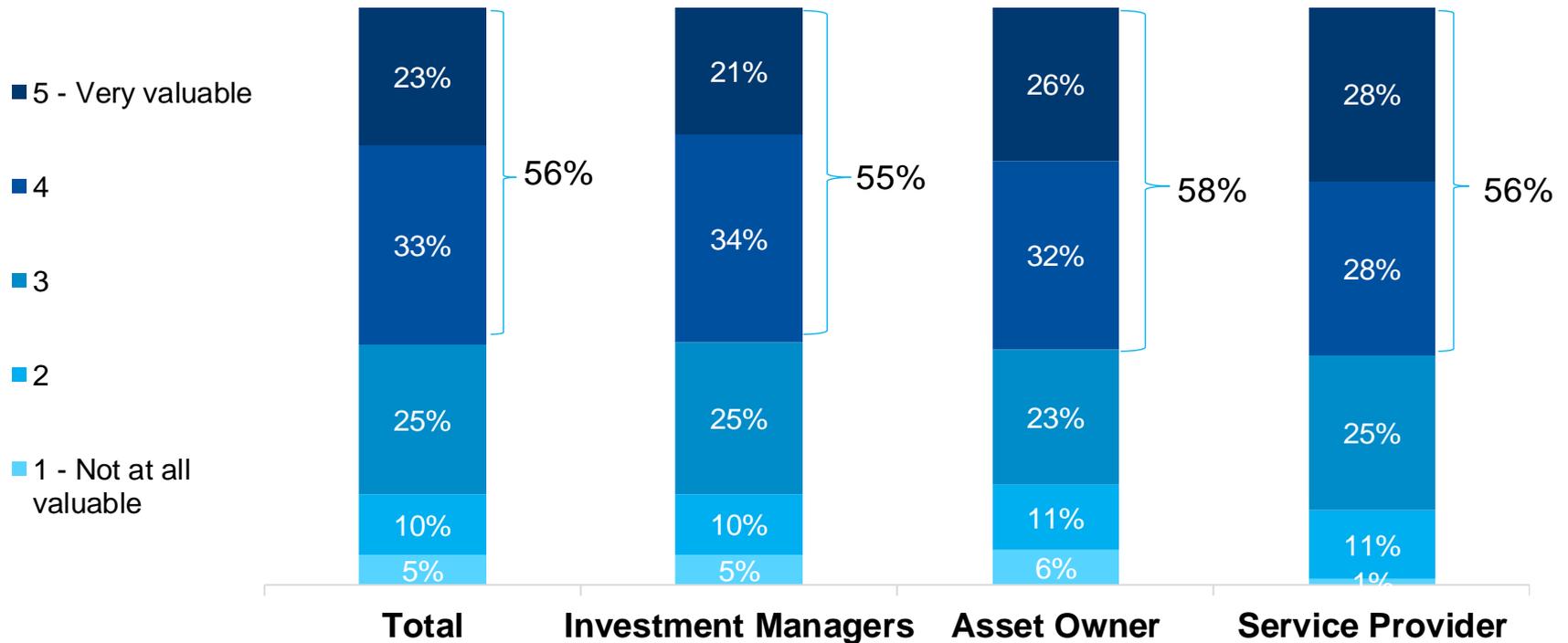
# Over half of Signatories find PRI's work in supporting and leading collaborative initiatives to be valuable

**“Supporting and leading collaborative initiatives.”**  
**Total**



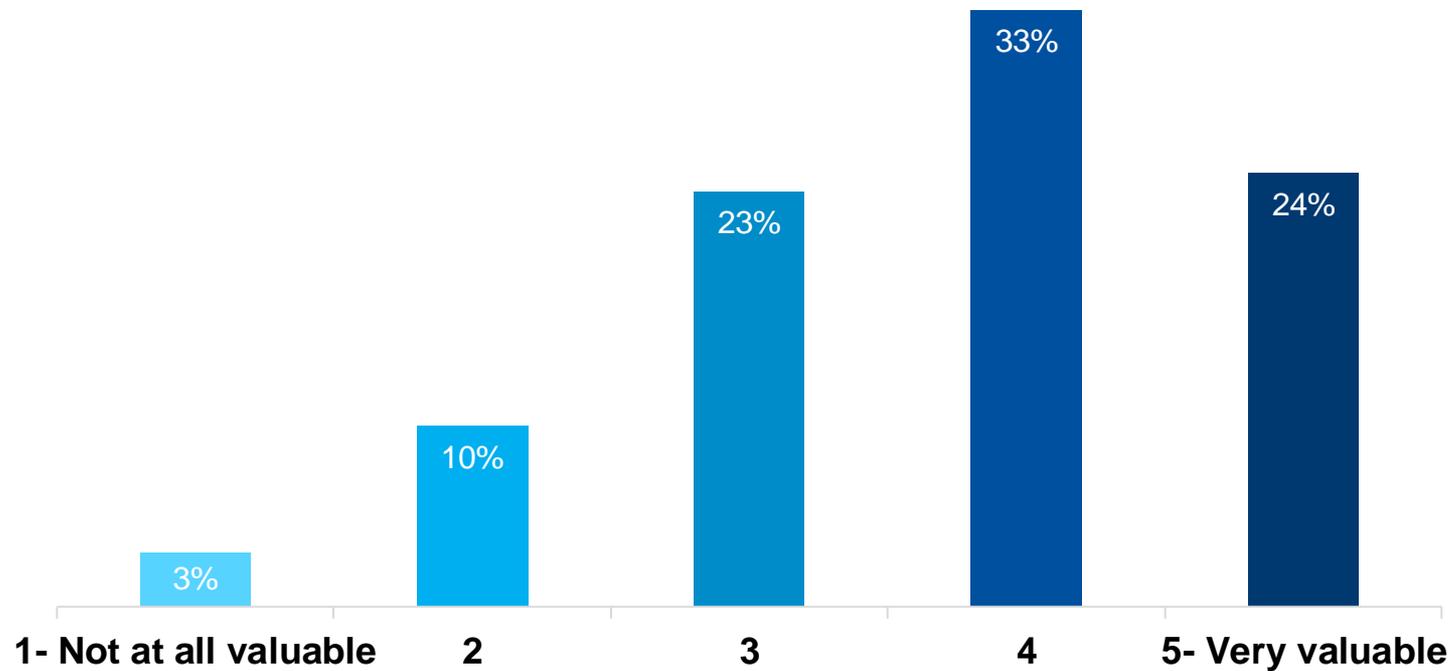
# Over half of all three signatory types find the PRI's work in this focus area valuable

## “Supporting and leading collaborative initiatives.” By signatory type



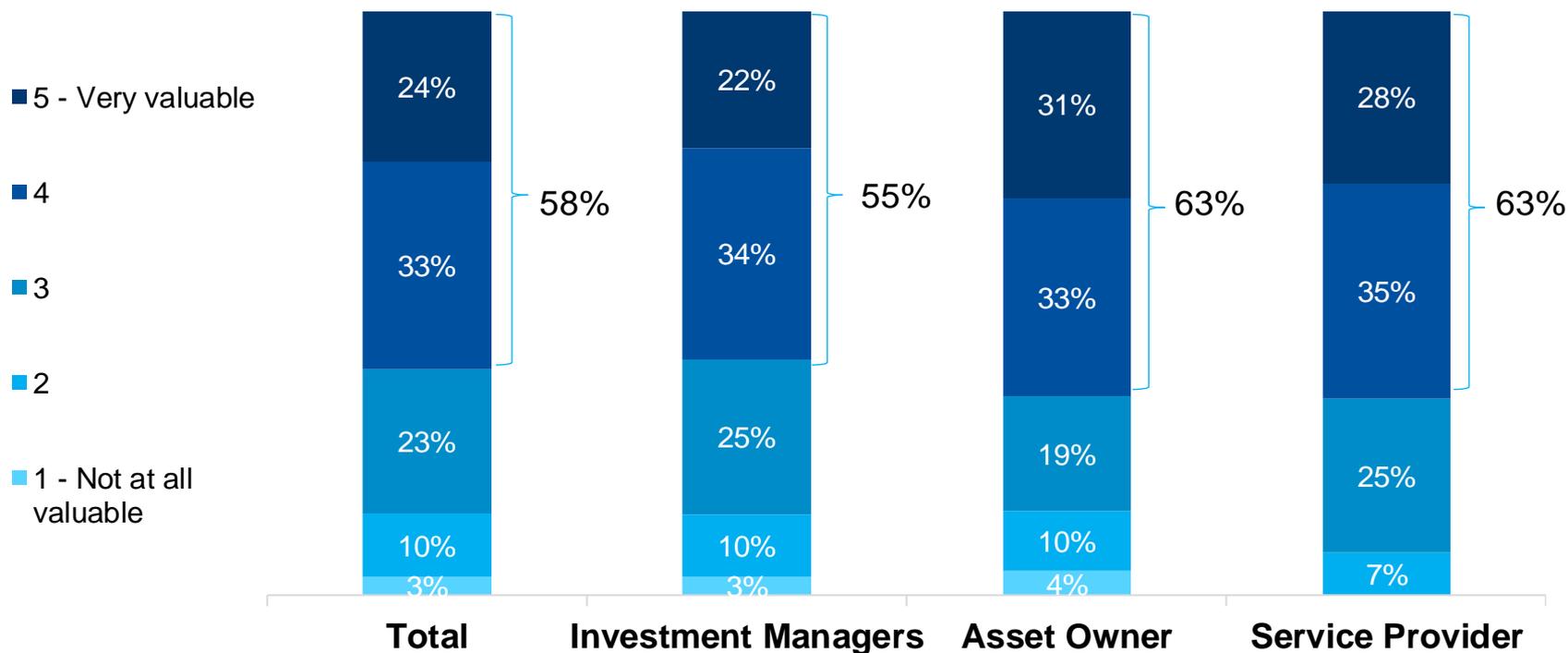
# Over half of Signatories find the PRI's work in influencing policy and financial market practices to be valuable for their organisation

## “Influencing policy and financial market practices.” Total



# Asset Owners and Service Providers are slightly more likely to find the PRI's work in this focus area to be valuable, but a majority of Investment Managers find it valuable too

## “Influencing policy and financial market practices.” By signatory type



## The Value of the PRI's Work to Signatories

**Still thinking about how valuable the PRI's work is to your organisation, please add any additional information you would like to share.**

### STREAMLINED REPORTING

A recurring theme from Signatories is the challenge of navigating and complying with complex reporting requirements within the PRI framework. While initially valuable as a benchmark, the burden of reporting has increased over time, impacting resources and hindering their ability to focus on implementation. There's a clear call for streamlining reporting processes to alleviate this burden and allow for more efficient allocation of resources toward actual ESG integration and progress.

### TAILORED REPORTING

The common thread here is a call for PRI to refine its reporting mechanisms and provide more tailored support, acknowledging the varying operational contexts and needs of its Signatories. For example, one Signatory commented that "the reporting by PRI is not adapted to a wealth manager or private bank; all investment managers are forced to go down an asset manager pathway."

### PROGRESSION PATHWAY

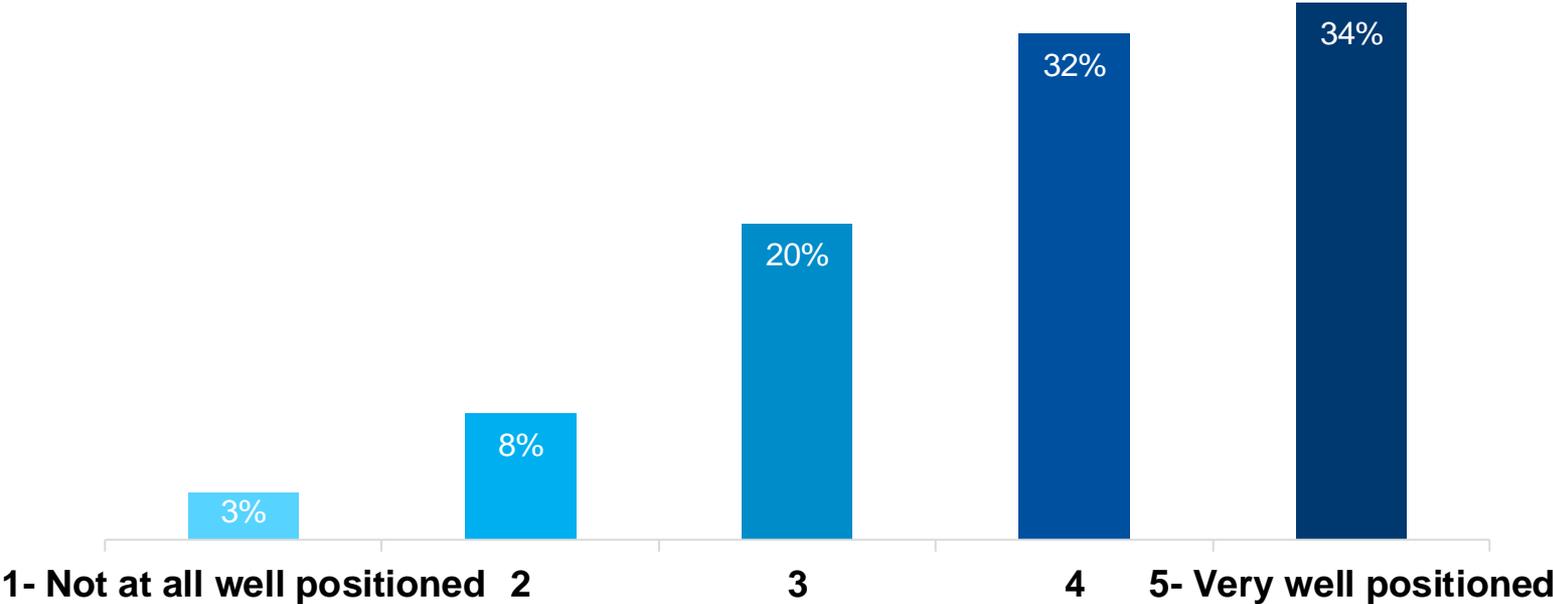
Signatories saw value in the PRI's progression pathway, seeing this as a useful framework for enhancing their commitment to RI. Some said they did see value in all of the core focus areas referred to but saw 'influencing policy and financial market practices' as the key area where the PRI can bring value.

### ALIGNMENT WITH DIVERSE NEEDS

However, some still remarked that the PRI needed to find ways to be better aligned with a diverse range of needs. For example, one Signatory said that "the PRI's efforts are significantly more beneficial to our European operations than to our US operations," while another said that the PRI "will struggle to retain its value position if it does not acknowledge, understand, and incorporate different legal and regulatory views on ESG from around the world."

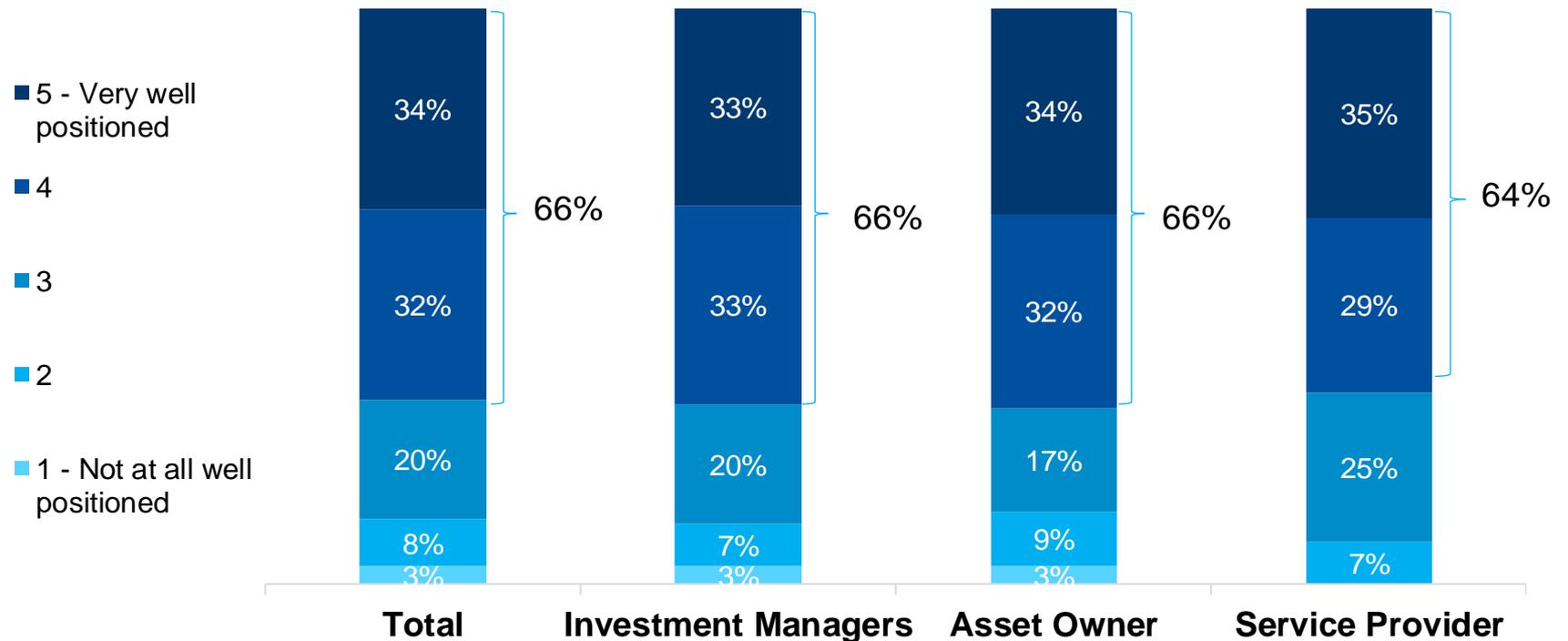
# Two thirds of Signatories think that the PRI is well positioned to drive impact when it comes to driving progression and streamlining reporting

“Driving progression and streamlining reporting”  
Total



# All three signatory types agree that the PRI is well positioned to drive impact in this focus area

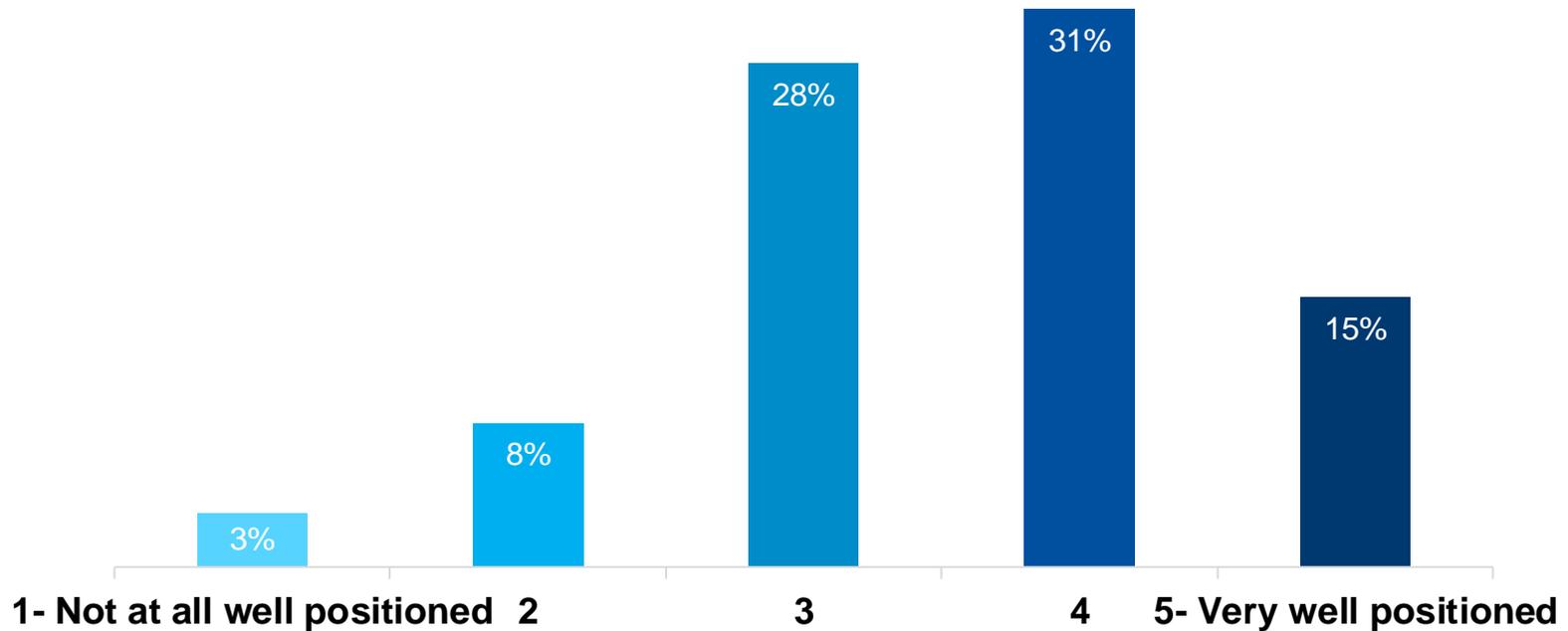
## “Driving progression and streamlining reporting” By signatory type



**Almost 30% of Signatories remained neutral on whether they think the PRI is well positioned to drive impact in this focus area.**

**“Supporting regional RI ecosystems and extending our reach in emerging markets and developing economies.”**

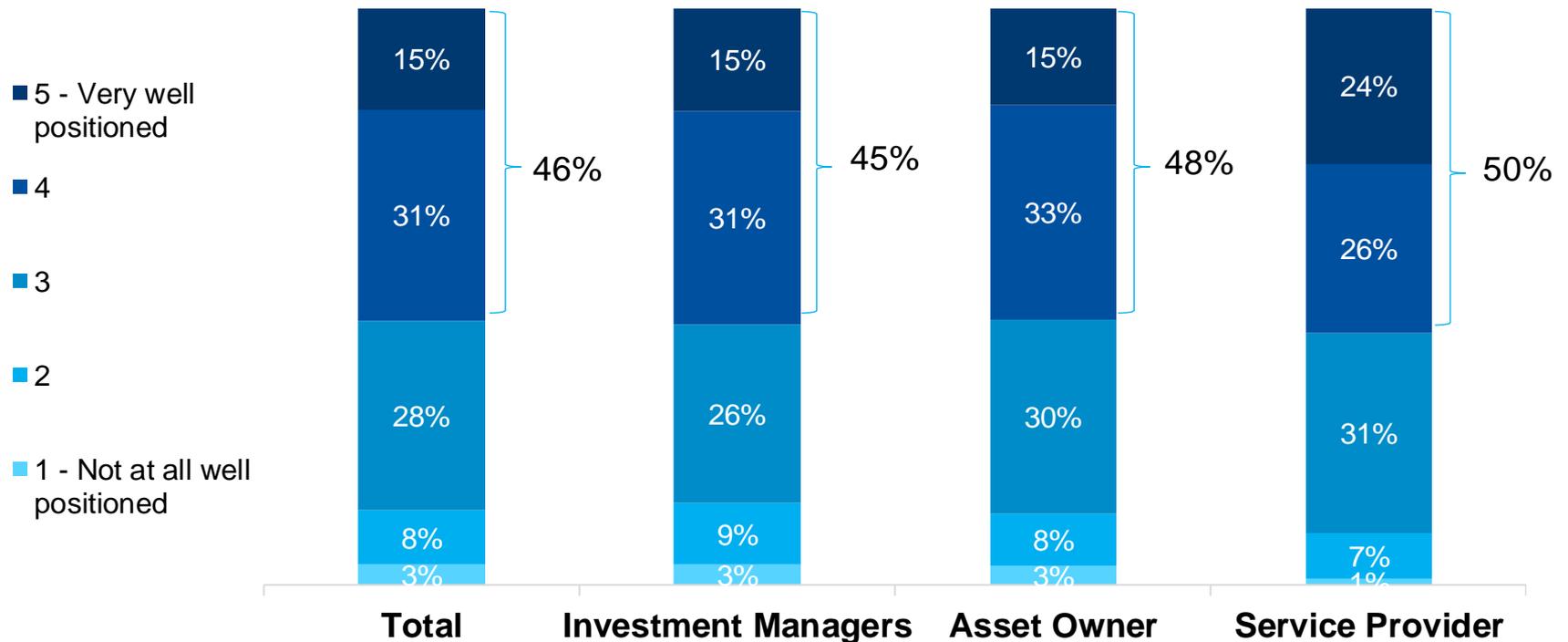
**Total**



# Service Providers are more likely than other signatory types to believe that the PRI is well positioned to drive impact in this focus area

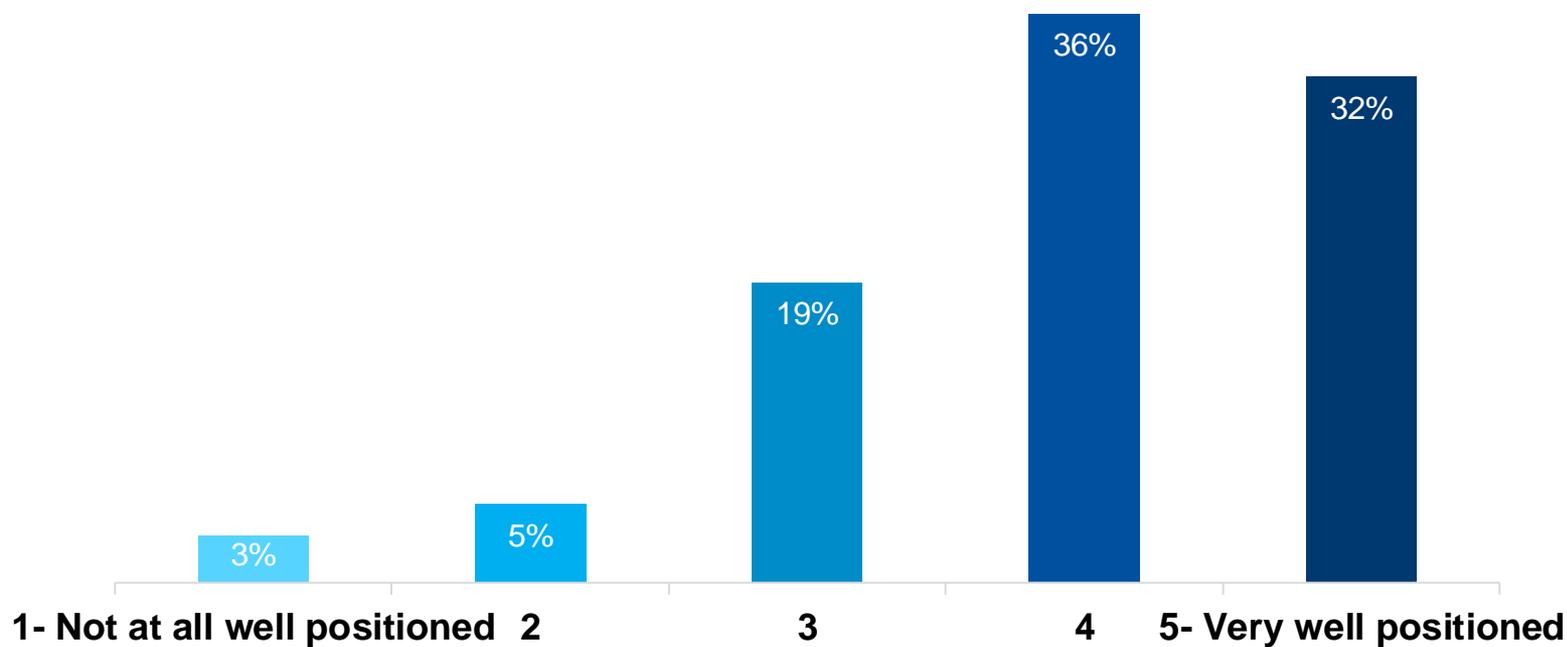
**“Supporting regional RI ecosystems and extending our reach in emerging markets and developing economies.”**

**By signatory type**



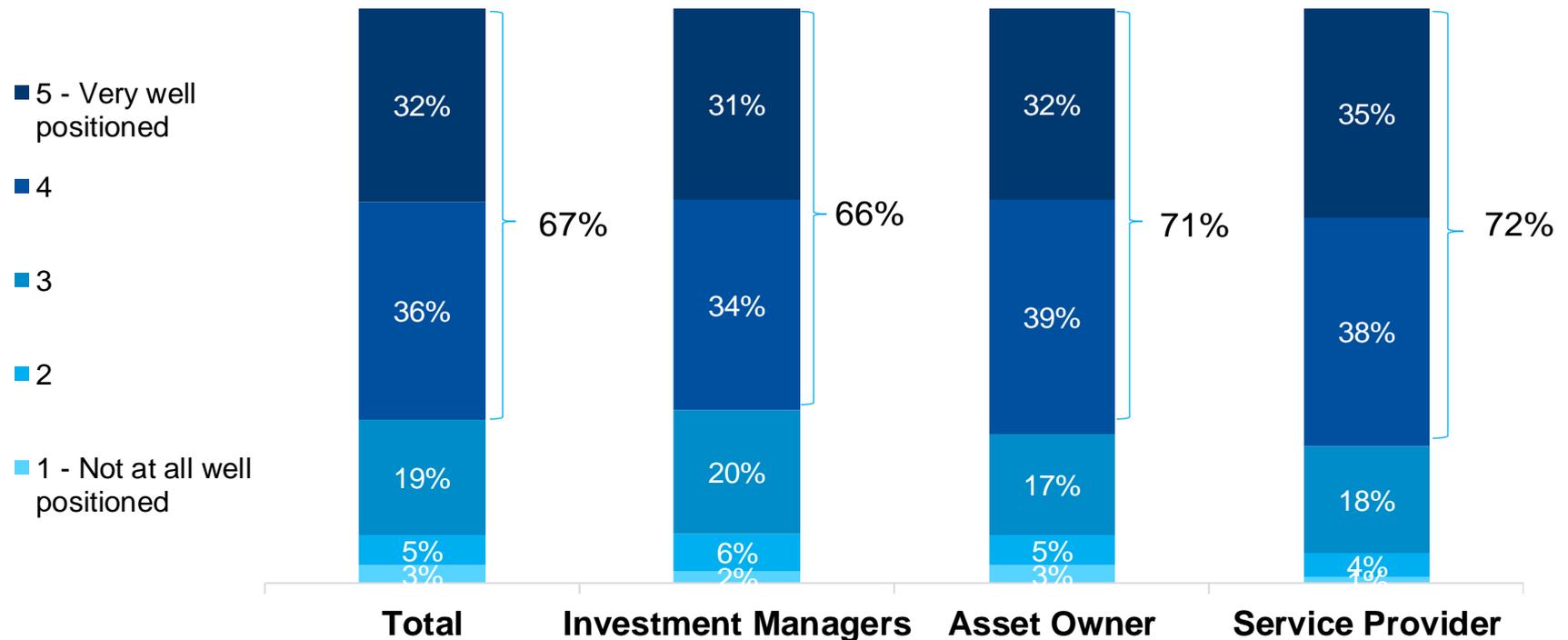
## Two-thirds of Signatories think that the PRI is well positioned to drive impact when it comes to supporting and leading collaborative initiatives

“Supporting and leading collaborative initiatives.”  
Total



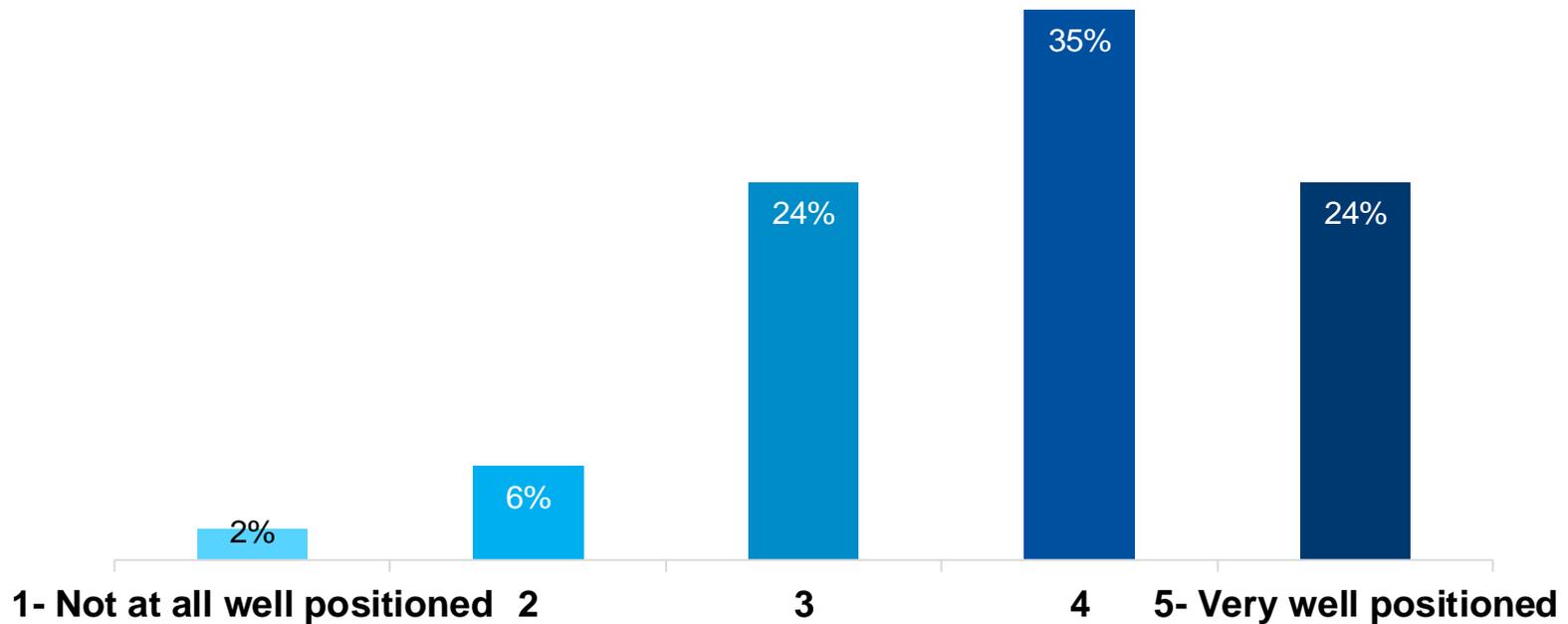
# Service Providers and Asset Owners are slightly more likely than Investment Managers to believe that the PRI is well positioned to drive impact in this focus area

## “Supporting and leading collaborative initiatives.” By signatory type



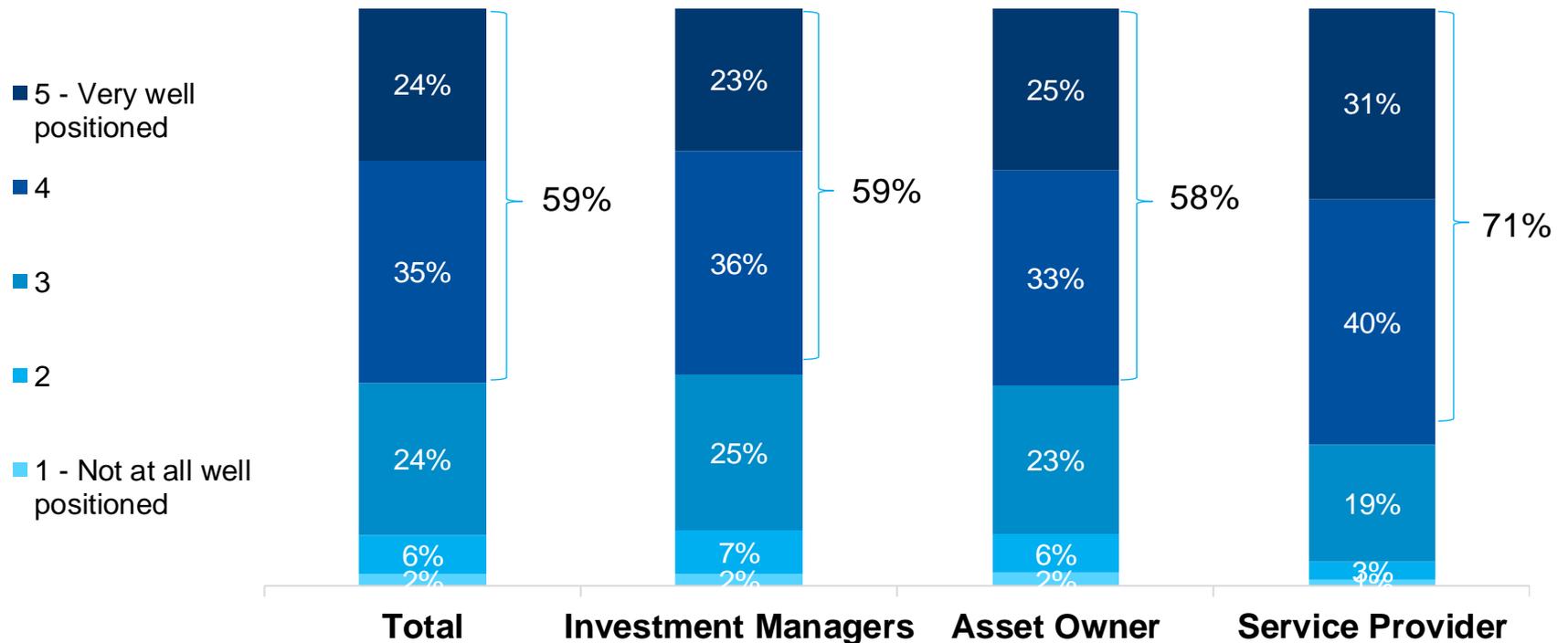
# Three in five Signatories think that the PRI is well positioned to drive impact in influencing policy and financial market practices

**“Influencing policy and financial market practices.”**  
**Total**



# Service Providers are the most likely to think the PRI is well positioned to drive impact in this focus area

## “Influencing policy and financial market practices.” By signatory type



## How well positioned is PRI to drive impact in these focus areas

Please add any additional information on how well positioned the PRI is to drive impact in the proposed focus areas.

### STRATEGIC FOCUS AND RESOURCE ALLOCATION

Some Signatories highlight the need for PRI to reassess its resource allocation and strategic focus to ensure maximum impact, particularly in areas such as reporting, regional support, collaborative initiatives, and policy advocacy. There's a call for a more balanced approach that considers global standards while respecting local contexts, leveraging PRI's unique position as a global forum for collaboration and best practice sharing.

### REGIONAL PRESENCE AND SUPPORT

Other responses emphasize the necessity for PRI to not only focus on global initiatives but also to strengthen its presence and support at the regional level, especially in emerging markets, to drive impactful policy changes and foster responsible investment practices.

### GLOBAL REACH AND INFLUENCE

Some Signatories comment that the PRI is well placed due to its influential global position, underscoring the importance of PRI's expansive network and collaborative efforts in driving meaningful progress in responsible investment practices worldwide.

# Feedback on the PRI's proposed strategic direction and the value it will offer signatories

**Add any further feedback on the PRI's proposed strategic direction and the value it will offer your organisation.**

## TAILORED SUPPORT

Many Signatories would benefit from tailored support. The importance of PRI understanding and addressing the specific needs, concerns, and objectives of its Signatories, rather than adopting a one-size-fits-all approach, is emphasized. Tailoring engagement and clarifying the value proposition are essential for maximizing the relevance and impact of PRI's initiatives across its diverse membership base.

## CLARIFYING VALUE PROPOSITION & TAILORING ENGAGEMENT

Other Signatories highlight the need for PRI to reevaluate its approach and ensure that its offerings are aligned with the expectations and needs of its diverse Signatory base. It underscores the importance of clarifying the value proposition and streamlining engagement to maximize the impact and relevance of PRI membership.

## Feedback on the proposed changes to the fee bands

**If applicable, does your organisation have feedback on the proposed changes to the fee bands?**

### **FAIRNESS AND TRANSPARENCY IN FEE STRUCTURE**

One of the key streams of feedback we received from Signatories emphasized the importance of maintaining fairness and transparency in the fee structure to ensure that all Signatories, regardless of size or financial capacity, can participate in the PRI effectively. These quotes highlight concerns about the potential exclusion of smaller managers due to fee increases and the need for a system that considers both the benefits provided by PRI membership and the financial capabilities of Signatories.

### **PROPORTION- ALITY IN FEE STRUCTURE**

In a similar vein, other Signatories highlight the principle of proportionality in the PRI's fee structure to ensure that fees are reasonable and equitable across Signatories of varying sizes and financial capacities. Affordability and fairness of the proposed fee structure, particularly for smaller firms, are emphasized, along with the importance of ensuring that fees are proportional to the size and capacity of Signatories.

### **VALUE PERCEPTION & JUSTIFICATION OF FEE INCREASE**

There are still some Signatories that are simply concerned about an increase. Here we see doubts regarding the value proposition of PRI membership, especially in light of proposed fee increases, and Signatories highlighting the need for clear justification of any fee increase. Signatories express concerns about the adequacy of the services provided by PRI relative to the proposed fee adjustments and seek reassurance that fee adjustments are justified by tangible benefits and services provided by PRI.

## 2. Signatory progression

# Signatories would most like the PRI to provide them with suggested KPIs and guidance tailored to responsible investment objectives

## Which of the following would your organisation like the PRI to provide?



# Service Providers are more interested in the PRI providing an accountability requirement implemented by the PRI

Which of the following would your organisation like the PRI to provide?

By signatory category

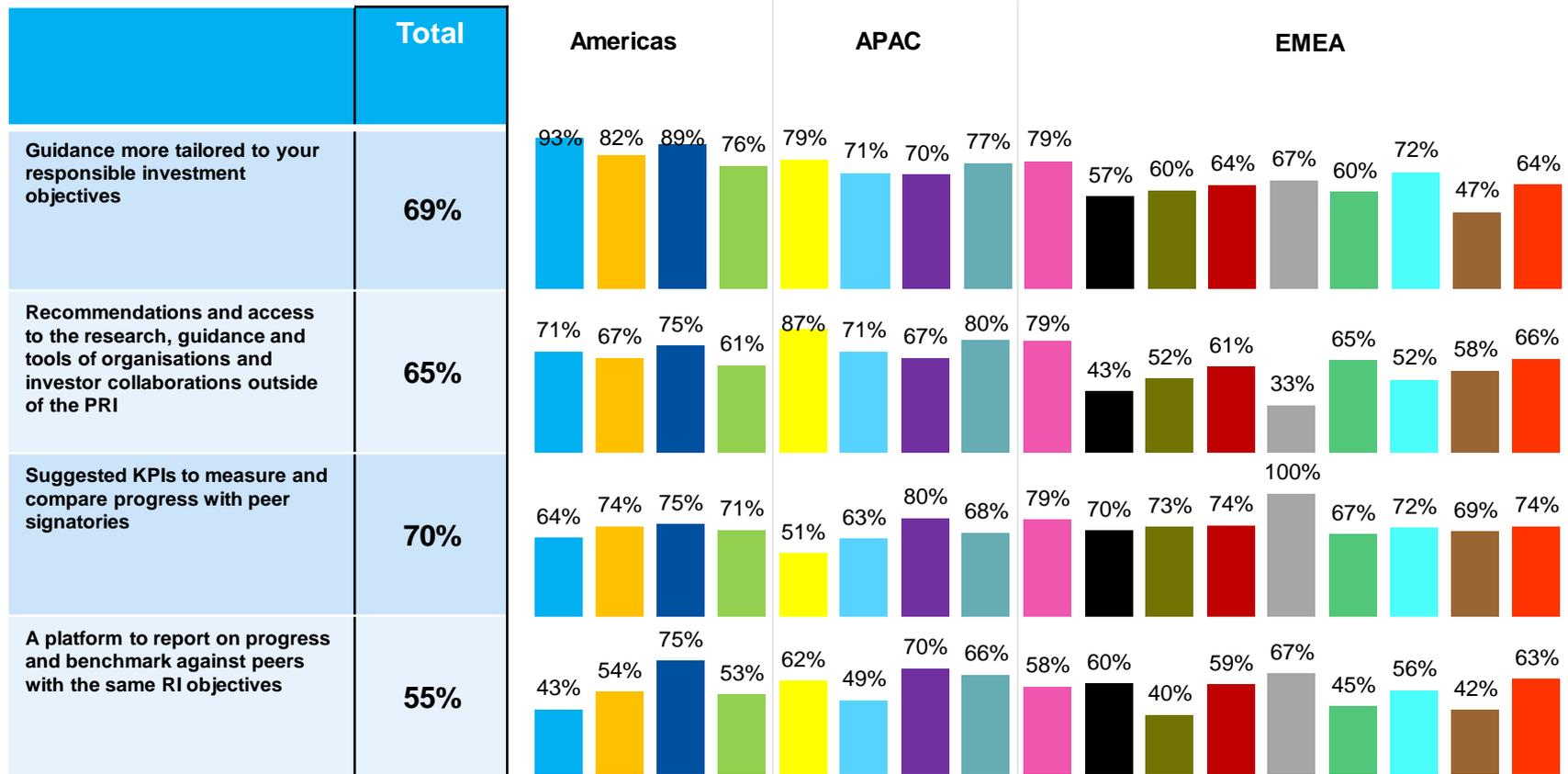
	Total	Asset Owners	Investment Managers	Service Providers
Guidance more tailored to your responsible investment objectives	69%	70%	71%	53%
Recommendations and access to the research, guidance and tools of organisations and investor collaborations outside of the PRI	65%	70%	62%	72%
Suggested KPIs to measure and compare progress with peer signatories	70%	71%	70%	69%
A platform to report on progress and benchmark against peers with the same RI objectives	55%	52%	55%	56%
An accountability requirement implemented by the PRI, whereby investors making claims related to their progress and objectives would need to demonstrate how they are progressing	29%	27%	28%	43%
Validation of progression-related claims, whereby the PRI would require signatories' disclosures to be audited	13%	10%	13%	25%
Work with regulators to establish an international standard for progression for different investor objectives	46%	43%	45%	60%
Other	12%	16%	10%	14%

Brazil	Canada	Spanish LATAM	US	China	Japan
Oceania	Rest of Asia	Africa	Benelux	France	Germany & Austria
MENA	Nordics	Southern Europe	Switzerland	UK & Ireland	

# To varying degrees all three regions align with the global view of Signatories on what they would like the PRI to provide in the progression framework.

Which of the following would your organisation like the PRI to provide?

By SR region

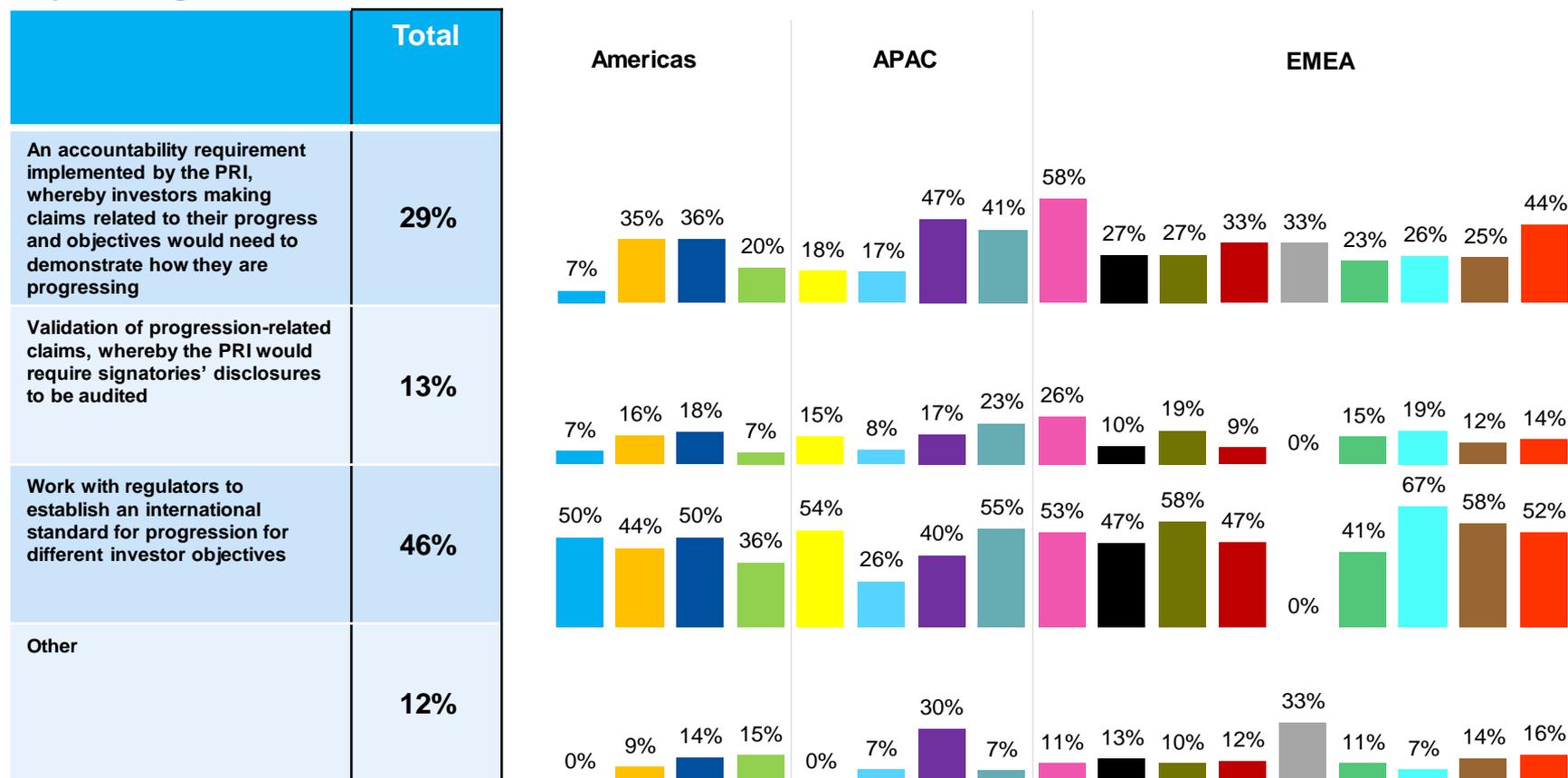


Brazil	Canada	Spanish LATAM	US	China	Japan
Oceania	Rest of Asia	Africa	Benelux	France	Germany & Austria
MENA	Nordics	Southern Europe	Switzerland	UK & Ireland	

To varying degrees all three wider regions align with the global view of Signatories on what they would like the PRI to provide in the progression framework.

Which of the following would your organisation like the PRI to provide?

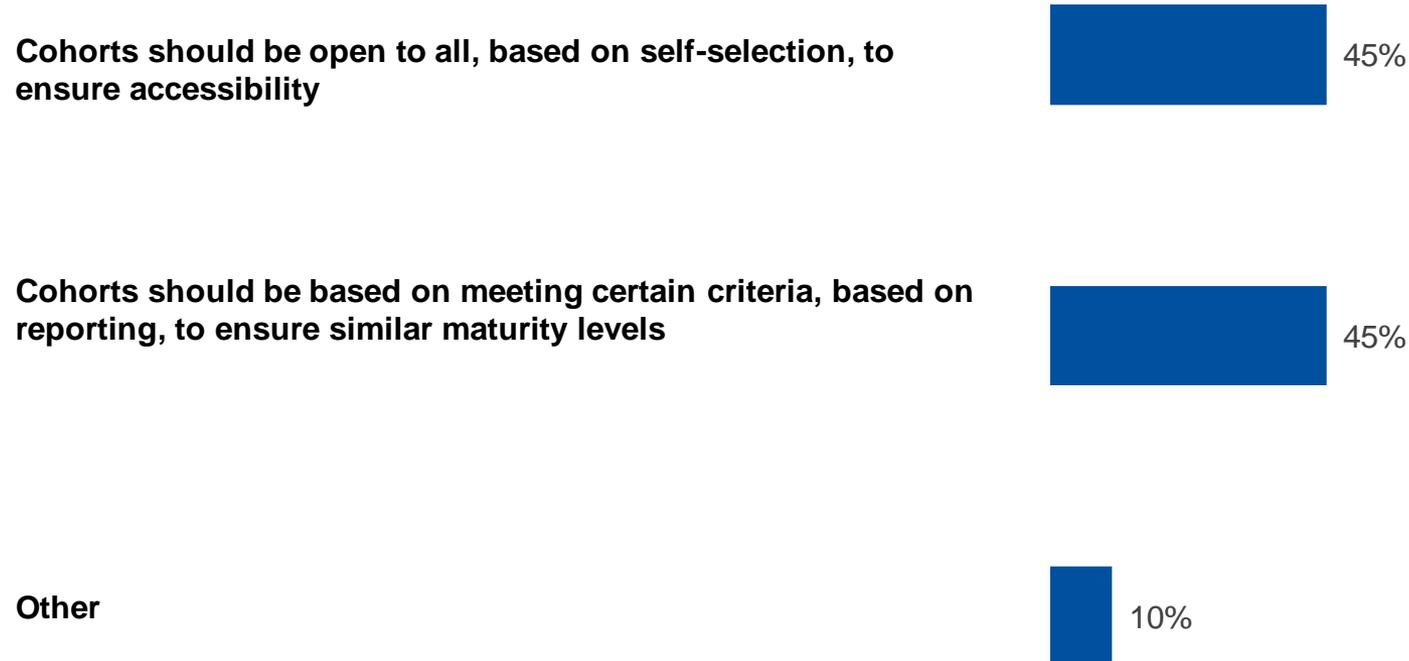
By SR region



Base: Total N = 939; Brazil = 14; Canada = 57; Spanish LATAM = 28; US = 153; China = 39; Japan = 98; Oceania = 30; Rest of Asia = 44; Africa = 19; Benelux = 30; France = 48; Germany & Austria = 66; MENA = 3; Nordics = 94; Southern Europe = 54; Switzerland = 59; UK & Ireland = 103  
 7 Progression pathways offers a range of opportunities to support signatories' progress towards their responsible investment objectives. Which of the following would your organisation like the PRI to provide?

# Signatories are evenly divided on what approach would ensure these cohorts are relevant and useful to their signatories

What approach would ensure these cohorts are relevant and useful to their signatories?



## Service Providers are slightly more likely to prefer cohorts based on meeting certain criteria

What approach would ensure these cohorts are relevant and useful to their signatories?  
By signatory category

	Total	Asset Owners	Investment Managers	Service Providers
Cohorts should be open to all, based on self-selection, to ensure accessibility	45%	42%	46%	40%
Cohorts should be based on meeting certain criteria, based on reporting, to ensure similar maturity levels	45%	45%	45%	47%
Other	10%	13%	9%	13%

# How could the progression model be best developed or adjusted

**Please provide comments on how this model could best be developed or adjusted to support your organisation's progression as a responsible investor**

## COMPLEXITY & FLEXIBILITY

The first axis on which Signatories discuss PRI adjusting their support is around complexity versus flexibility. Some Signatories express concerns about the complexity of the model and the need for clearer definitions to prevent confusion. Others emphasize the importance of flexibility and customization to accommodate a diverse range of strategies and objectives.

## CLARITY & ADAPTABILITY

The second axis on which Signatories are looking for PRI's support to be adjusted is around clarity and adaptability. Clarity in defining pathways and providing guidance is crucial for effective implementation. However, flexibility is essential to allow Signatories to adapt the model to their specific needs and circumstances.

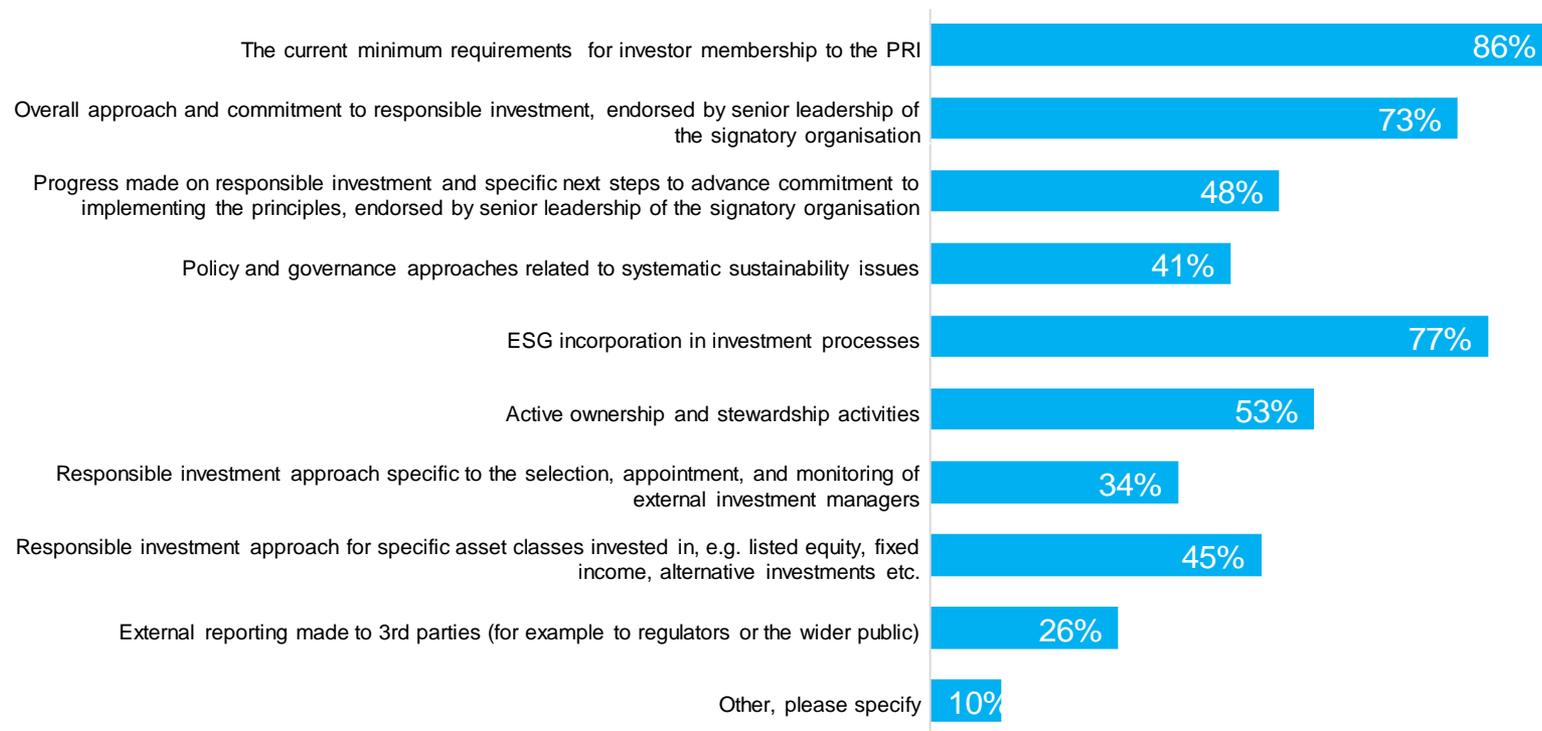
## SIMPLICITY & STREAMLINING

And thirdly, Signatories want a focus on simplicity and streamlining the reporting process. Simplifying the model and aligning reporting requirements with existing frameworks is highlighted as a way to help reduce the reporting burden for Signatories.

# 3. The Future of Mandatory Reporting

# A high percentage of Signatories think the minimum requirements for membership and ESG incorporation in investment processes should still be reported to the PRI to ensure accountability

## What activities should be reported to the PRI by all signatories to ensure accountability in implementing the principles?



## Service Providers generally think a greater number of activities should be reported on

**What activities should be reported to the PRI by all signatories to ensure accountability in implementing the principles?**

**By signatory category**

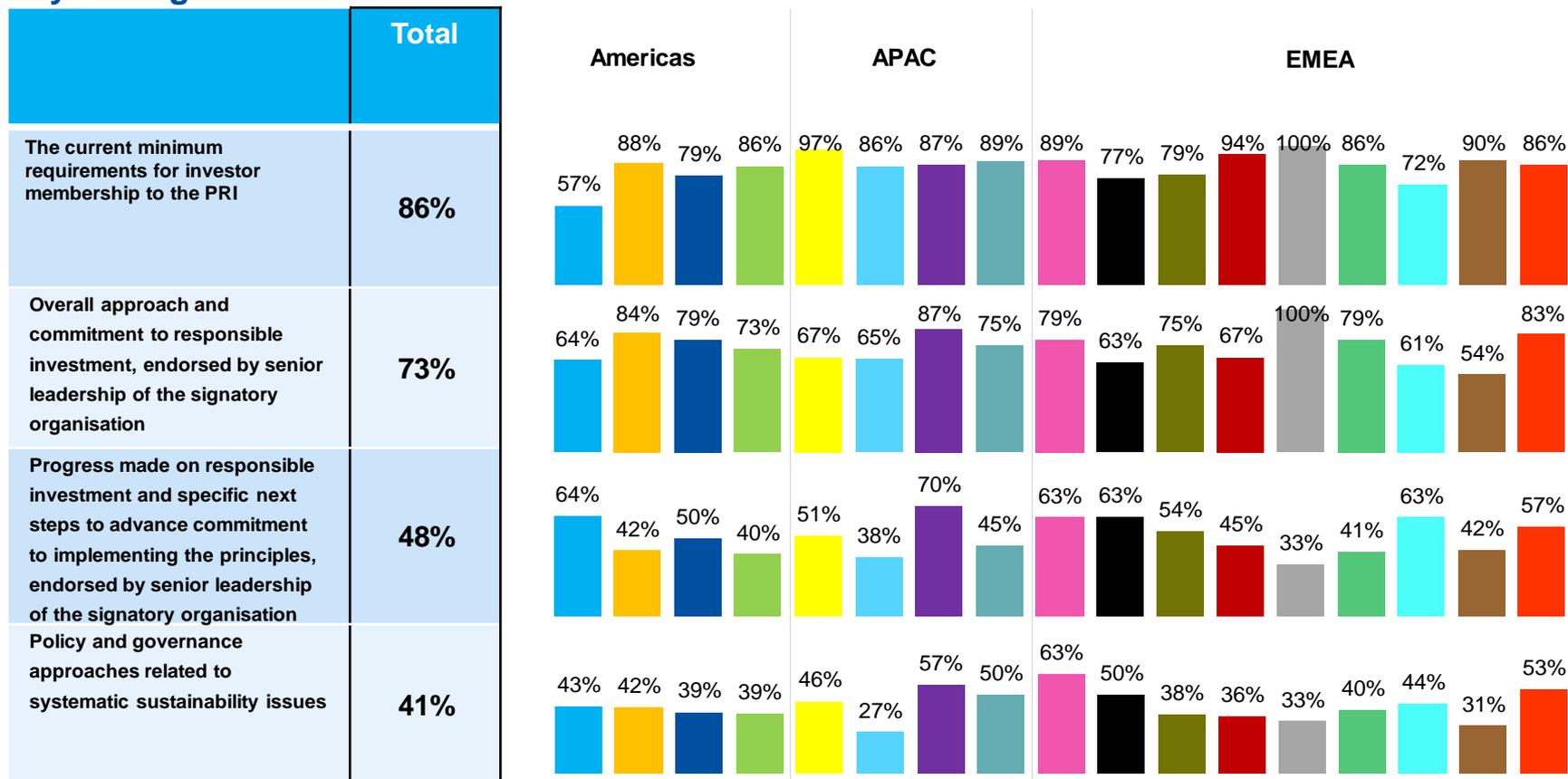
	Total	Asset Owners	Investment Managers	Service Providers
The current minimum requirements for investor membership to the PRI	86%	89%	84%	83%
Overall approach and commitment to responsible investment, endorsed by senior leadership of the signatory organisation	73%	72%	73%	68%
Progress made on responsible investment and specific next steps to advance commitment to implementing the principles, endorsed by senior leadership of the signatory organisation	48%	51%	46%	58%
Policy and governance approaches related to systematic sustainability issues	41%	37%	41%	56%
ESG incorporation in investment processes	77%	72%	78%	74%
Active ownership and stewardship activities	53%	61%	50%	58%
Responsible investment approach specific to the selection, appointment, and monitoring of external investment managers	34%	44%	29%	50%
Responsible investment approach for specific asset classes invested in	45%	38%	48%	49%
External reporting and disclosures to clients and/or beneficiaries and public reporting to internally responsible investment standards, frameworks and regulators	26%	28%	24%	38%
Other	10%	11%	9%	17%

Brazil	Canada	Spanish LATAM	US	China	Japan
Oceania	Rest of Asia	Africa	Benelux	France	Germany & Austria
MENA	Nordics	Southern Europe	Switzerland	UK & Ireland	

## The Americas, particularly Brazil, are the least focused on ensuring the minimum requirements are being reported

What activities should be reported to the PRI by all signatories to ensure accountability in implementing the principles?

By SR region



Base: Total N = 939; Brazil = 14; Canada = 57; Spanish LATAM = 28; US = 153; China = 39; Japan = 98; Oceania = 30; Rest of Asia = 44; Africa = 19; Benelux = 30; France = 48; Germany & Austria = 66; MENA = 3; Nordics = 94; Southern Europe = 54; Switzerland = 59; UK & Ireland = 103

10 What activities should be reported to the PRI by all signatories to ensure accountability in implementing the principles?

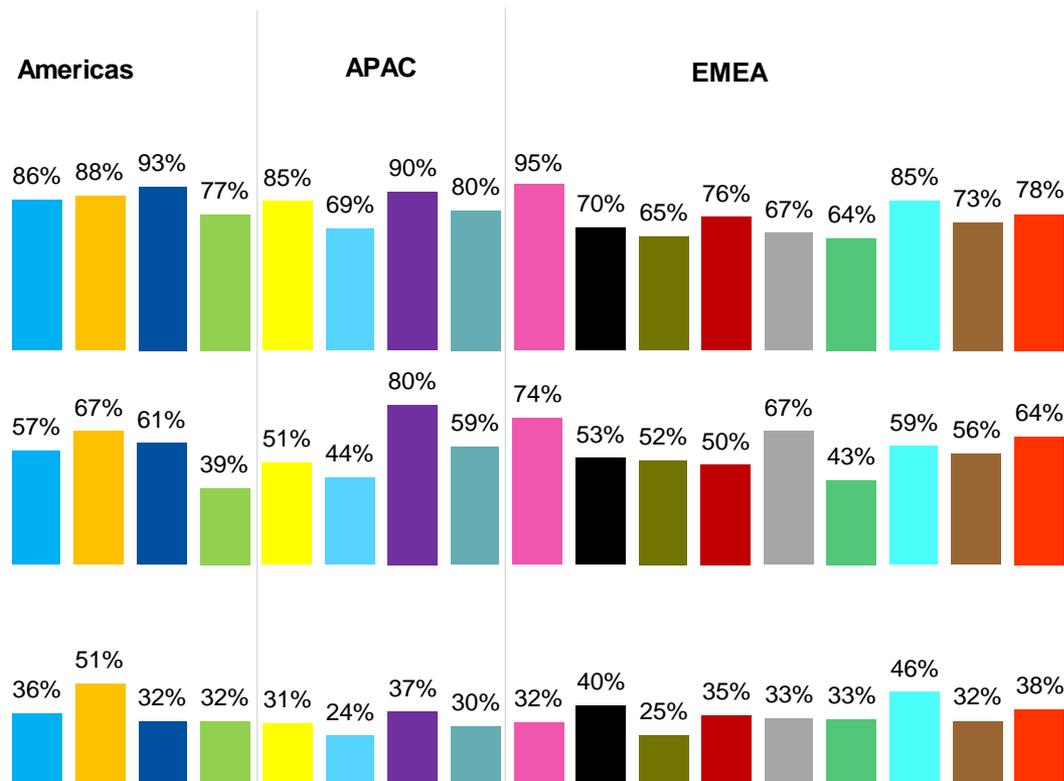
Brazil	Canada	Spanish LATAM	US	China	Japan
Oceania	Rest of Asia	Africa	Benelux	France	Germany & Austria
MENA	Nordics	Southern Europe	Switzerland	UK & Ireland	

## The Americas and APAC put more emphasis on reporting ESG incorporation, while EMEA is slightly more likely to emphasise active ownership and stewardship activities

What activities should be reported to the PRI by all signatories to ensure accountability in implementing the principles?

By SR region

	Total
ESG incorporation in investment processes	77%
Active ownership and stewardship activities	53%
Responsible investment approach specific to the selection, appointment, and monitoring of external investment managers	34%



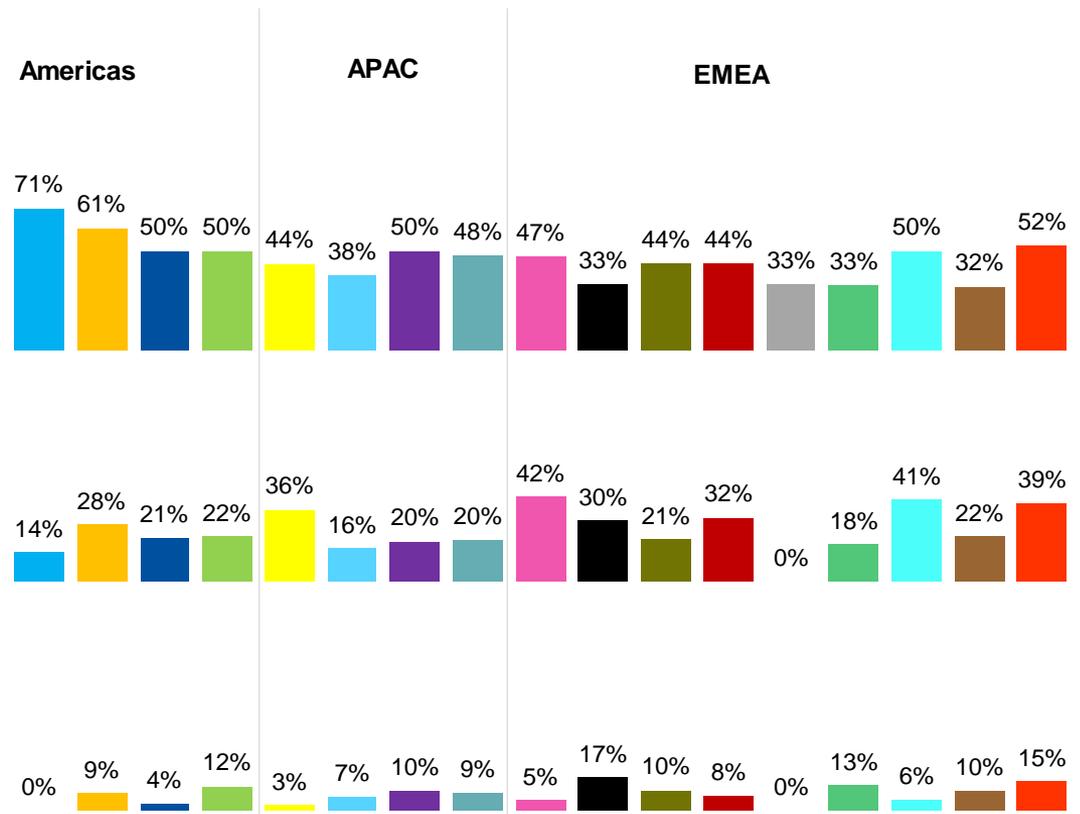
Brazil	Canada	Spanish LATAM	US	China	Japan
Oceania	Rest of Asia	Africa	Benelux	France	Germany & Austria
MENA	Nordics	Southern Europe	Switzerland	UK & Ireland	

# The Americas are much more likely to support RI approaches to specific asset classes being reported to the PRI

What activities should be reported to the PRI by all signatories to ensure accountability in implementing the principles?

By SR region

	Total
Responsible investment approach for specific asset classes invested in	45%
External reporting and disclosures to clients and/or beneficiaries and public reporting to internally responsible investment standards, frameworks and regulators	26%
Other	10%



# Half of Signatories would prefer for the PRI reporting to be every two years

What is your preferred frequency for PRI reporting?



## Service Providers are more likely to prefer more regular reporting, with two in five preferring PRI reporting annually

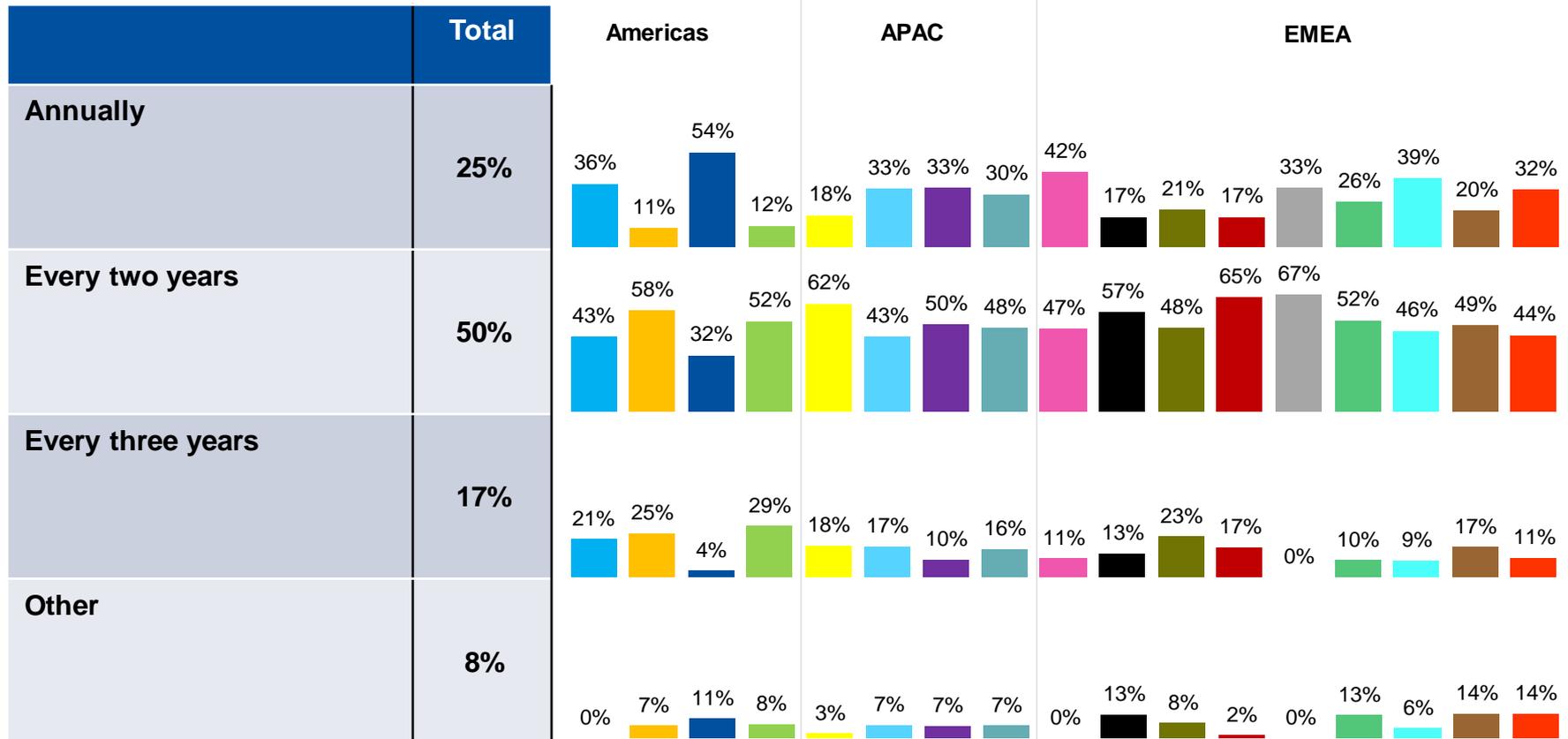
What is your preferred frequency for PRI reporting?  
By signatory category

	Total	Asset Owners	Investment Managers	Service Providers
Annually	25%	19%	25%	39%
Every two years	50%	53%	50%	39%
Every three years	17%	18%	17%	17%
Other	8%	11%	8%	6%

Brazil	Canada	Spanish LATAM	US	China	Japan
Oceania	Rest of Asia	Africa	Benelux	France	Germany & Austria
MENA	Nordics	Southern Europe	Switzerland	UK & Ireland	

## The Americas (excluding Spanish LATAM) are the most likely to prefer reporting every three years rather than annually

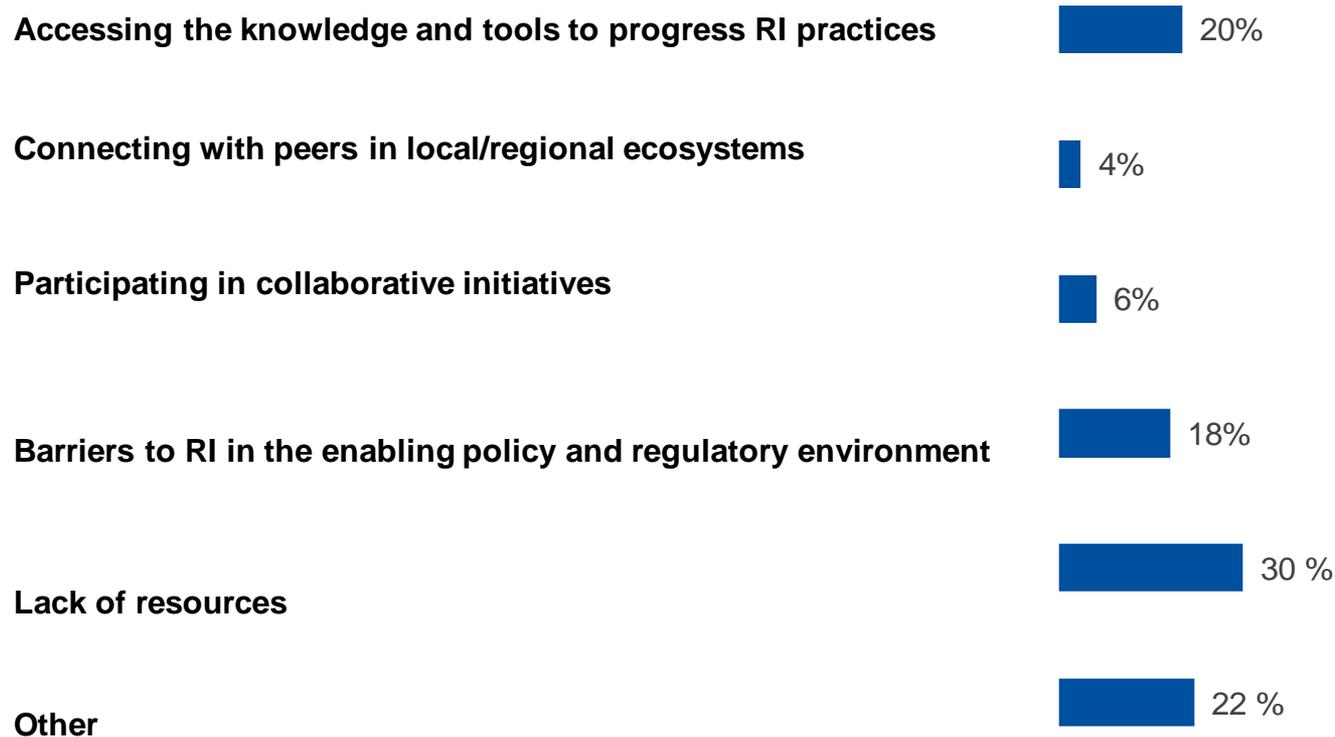
What is your preferred frequency for PRI reporting?  
By SR region



# 4. Signatory Value

# Lack of resources is the single greatest challenge Signatories face in implementing responsible investment

What is the greatest challenge your organisation faces in implementing responsible investment?



# Service Providers are less likely to face resourcing issues and more likely to be challenged by the policy and regulatory environment or accessing the knowledge and tools required

**What is the greatest challenge your organisation faces in implementing responsible investment?**

**By signatory category**

	Total	Asset Owners	Investment Managers	Service Providers
Accessing the knowledge and tools to progress RI practices	20%	21%	20%	22%
Connecting with peers in local/regional ecosystems	4%	0%	4%	6%
Participating in collaborative initiatives	6%	5%	7%	3%
Barriers to RI in the enabling policy and regulatory environment	18%	21%	17%	24%
Lack of resources	30%	30%	31%	19%
Other	22%	23%	22%	25%

# Signatories primarily look for support in facing their challenges from both the PRI and other RI organisations

**Based on your answer in the previous question, when addressing your greatest challenge, where do you look for support?**

