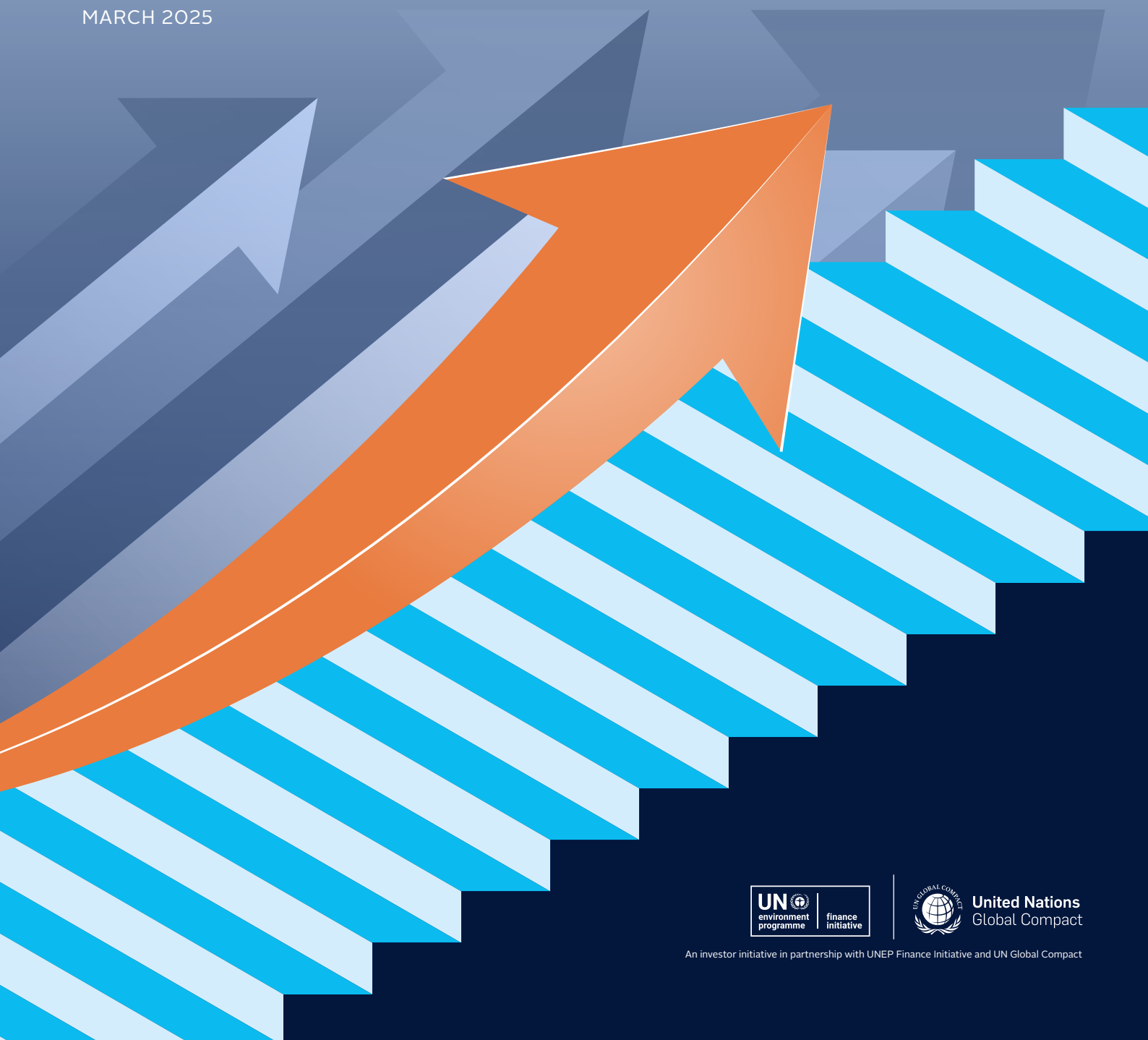


GLOBAL RESPONSIBLE INVESTMENT TRENDS:

INSIDE PRI REPORTING DATA

MARCH 2025

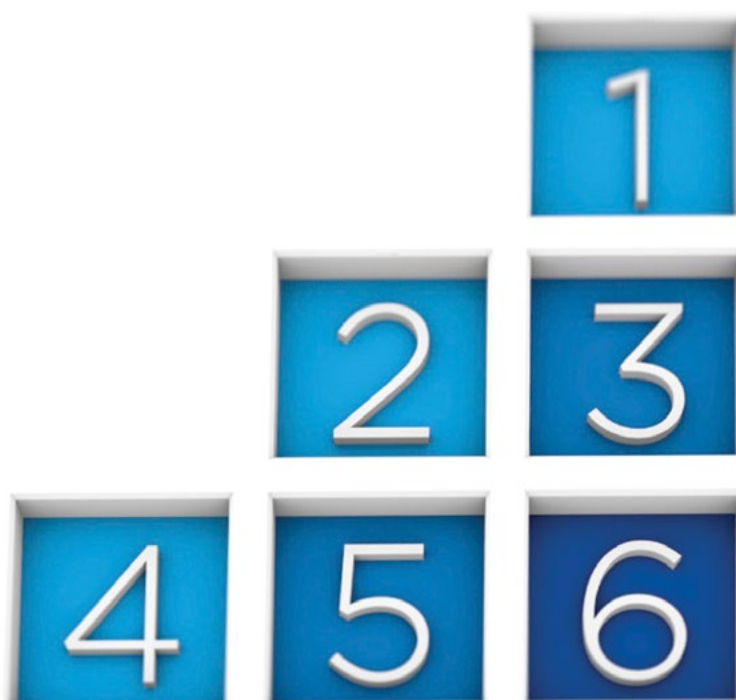


THE SIX PRINCIPLES

PREAMBLE TO THE PRINCIPLES

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- 1 We will incorporate ESG issues into investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.



PRI's MISSION

We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

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FOREWORD

2024 was a year of elections for over 1.7 billion people and the results have far reaching implications for responsible investment. Last year also saw continued evidence of climate change and highlighted the need for more progress towards the UN Sustainable Development Goals. This combination is a strong reminder of the need to develop long-term solutions for social and environmental issues that are resilient and adaptable over numerous political cycles.

It is therefore heartening to see evidence of signatory progression captured throughout this report. Asset owners continue to develop how they are assessing and holding managers to account, approaches to climate risk management are becoming more sophisticated and action among private markets investors is rapidly developing. The data also highlights opportunities for further progression.

With this external backdrop, the PRI has developed its three-year strategy to support signatories. We want to focus on helping convene signatories, promote an enabling policy environment for responsible investors, and provide a new framework that allows signatories to advance on their responsible investment objectives in a way that is relevant to them.

We have also been listening to signatories' issues related to their overall reporting burden. PRI reporting in 2025 aims to ensure a stable baseline to support the transition towards a significantly streamlined mandatory reporting process in 2026.

We thank all signatories that reported in 2024, including the large number that undertook voluntary reporting. We hope and trust this report analysing the PRI's global responsible investment dataset will provide useful insights and actionable takeaways.



David Atkin
CEO, PRI

KEY FINDINGS

INVESTOR SIGNATORIES ARE EXPANDING THEIR RI PRACTICES WITH THE AIM OF ENHANCING RISK-ADJUSTED RETURNS

- **C-suite priorities** – most senior leaders identify value creation, long-term value and risk management as key to the investment case for responsible investment ([see page 11](#)).
- **Analysis of material issues** – four fifths of signatories with combined AUM of US\$82.7 trillion¹ identify climate-related risks and opportunities ([see page 25](#)).
- **Action on outcomes** – a significant proportion (65%) of signatories take action to address [sustainability outcomes](#), with the majority of those identifying financial materiality as the key investment case ([see pages 12-13](#)).

ASSET OWNERS ARE DEMONSTRATING GREATER ACTION AND AMBITION

- **Collaborative stewardship** – 48% of asset owners prioritise *collaborative* stewardship over conducting stewardship efforts independently, compared to 19% of investment managers ([see page 17](#)).
- **Paris Agreement** – a higher proportion of asset owners than investment managers use the Paris Agreement as a framework to identify sustainability outcomes connected to investments (45% vs 25%)² ([see page 12](#)).
- **Escalation in stewardship** – almost double the percentage of asset owners compared to investment

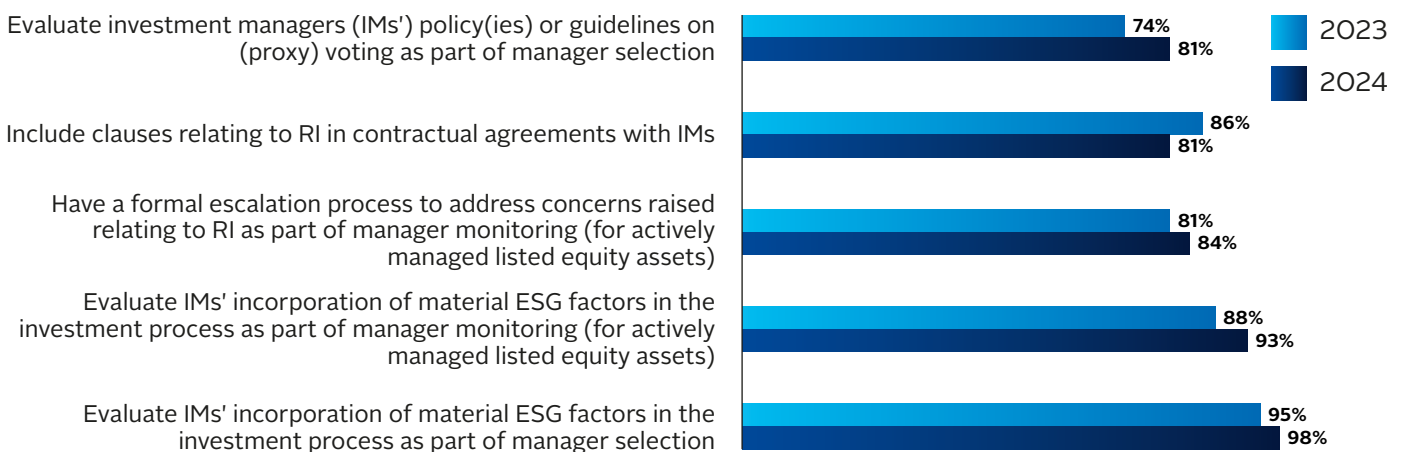
managers are willing to use *public* engagement as a means of escalating dialogues with corporate debt issuers ([see page 14](#)).³

- **Identifying climate-related risks** – asset owners are likelier than investment managers to take a longer-term approach to identifying climate-related risks and opportunities ([see page 5](#))⁴ and to use climate scenario analysis (58% vs 29%) ([see page 5](#)).
- These differences reflect organisational structure, client demands, regulatory environments and levels of ambition.

ANALYSES OF INVESTMENT MANAGERS' APPROACHES TO RESPONSIBLE INVESTMENT ARE BECOMING MORE GRANULAR

- **Broad-based action** – asset owners' integration of responsible investment objectives and considerations into the selection of managers is now well developed and the data shows practices continue to mature ([see page 19](#)).
- **Voting alignment** – areas of notable year-on-year change include evaluation of proxy voting policies ([see page 20](#)).
- **Contracts** – most asset owner signatories reported including clauses relating to RI in contractual agreements with external managers ([see page 20](#)).

Figure 1: Selection, appointment and monitoring action staircase – percentage of asset owners taking the steps specified below⁵



¹ This figure represents the total combined AUM of signatories that identify climate-related risks and opportunities. Signatories do not necessarily identify these risks and opportunities across their entire AUM, they may only do so for a portion. The total AUM figure could include some double counting of assets, as some PRI signatories delegate the management of some assets to other investors who are also PRI signatories

² PGS 47.1 (2024)

³ PGS 37 (2024)

⁴ PGS 41 (2024)

⁵ Figure 1 indicators: SAM 5, 7, 8, 9, 16 (2024), SAM 5, 7, 8, 9, 16 (2023). Denominators: 216 (SAM 5 2024), 98 (SAM 7 2024), 241 (SAM 8), 225 (SAM 9 2024), 225 (SAM 16 2024), 374 (SAM 5 2023), 168 (SAM 7 2023), 403 (SAM 8 2023), 397 (SAM 9 2023), 397 (SAM 16 2023)

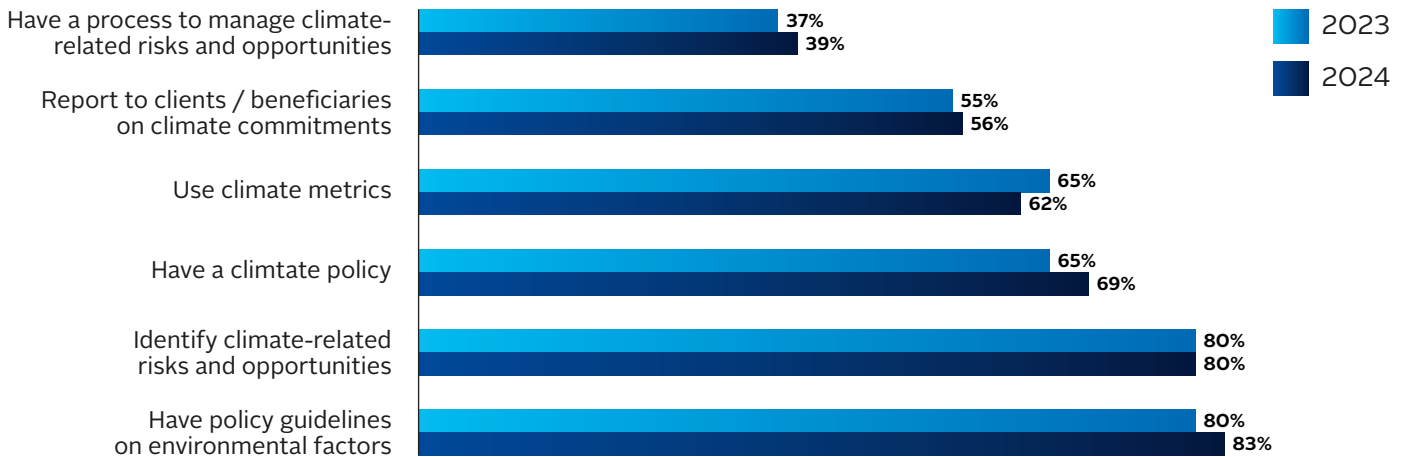
ACTION IN PRIVATE MARKETS IS CONTINUING TO EXPAND

- **Growth in private market assets** – in the last five years, PRI signatories have increased allocation to private markets ([see page 9](#)), resulting in the increasing frequency of private equity terms such as ‘value creation’ in signatory responses ([see page 9](#)).
- **Contractual agreements** – a large and increasing number of private markets investors incorporate RI commitments within limited partnership agreements, (LPAs) with infrastructure investors leading the way ([see page 21](#)).
- **Stewardship** – the data shows widespread stewardship activities being undertaken by LPs and GPs in private markets, with common steps including implementing 100-day plans, introducing roadmaps and using benchmarks ([see pages 16-17](#)).

MORE INVESTORS ARE TAKING ACTION TO ADDRESS CLIMATE-RELATED RISKS AND OPPORTUNITIES

- **Focal issue** – senior leaders continue to focus on climate as a key priority for responsible capital allocation and stewardship ([see page 10](#)).
- **Stewardship** – engaging, voting and other stewardship activities are seen as a central means of meeting climate commitments. For example, most listed equity signatories have specific proxy voting policies on environmental factors ([see page 15](#)) and more than 500 signatories participate in or support the [Climate Action 100+](#) initiative.
- **Investment** – signatories have also been developing capital allocation strategies to implement commitments, including investment exclusions ([see page 25](#)), allocation to green bonds (see page 14) and transition finance strategies ([see page 27](#)).

Figure 2: Climate action staircase – percentage of signatories taking the below actions on climate change⁶

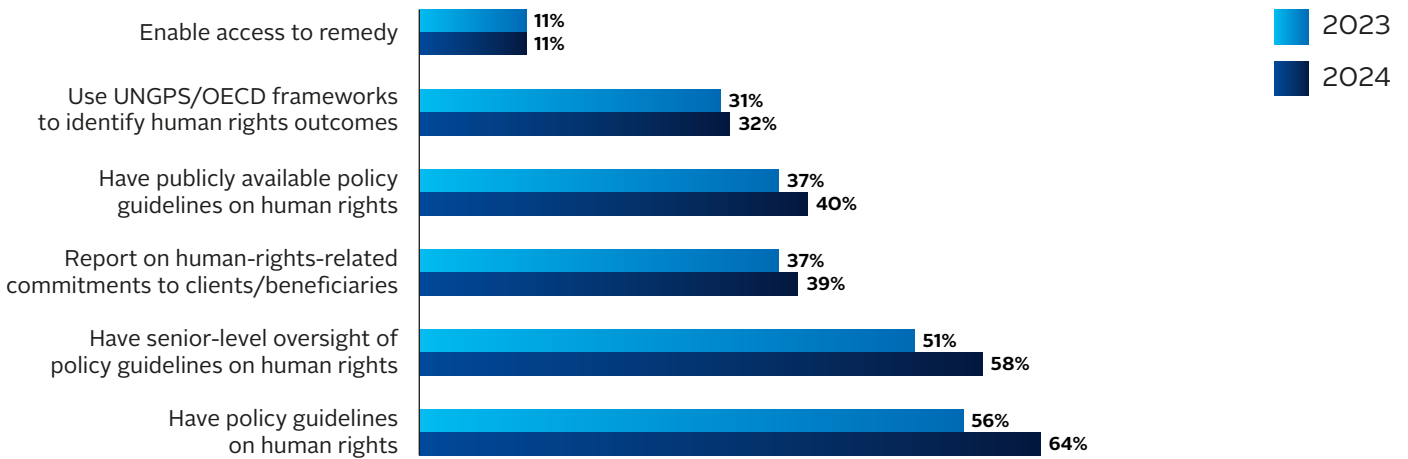


⁶ Figure 2 indicators: PGS 1, 2, 3, 11.1, 16, 41, 44 (2024), PGS 1, 2, 3, 11.1, 16, 41, 44 (2023). Denominators: 3,048 (2024), 3,774 (2023)

SOCIAL ISSUES ARE RISING UP THE AGENDA

- **Policies** – social issues feature in an increasing number of RI policies. For example, 64% of signatories have specific guidelines on human rights (see page 28).
- **Implementation** – approaches to governance, oversight and action on social policies are still developing, with almost a third of signatories conducting human rights due diligence (see page 28).
- **UNGPs** – leading signatories use the UN Guiding Principles on Business and Human Rights (UNGPs) as a guiding framework and have put this into action by, for example, enabling access to remedy (see pages 28-29).

Figure 3: Human rights staircase – percentage of signatories taking the below actions on human rights⁷



⁷ Figure 3 indicators: PGS 1, 2, 3, 11.1, 16. 47.1 (2024), PGS 1, 2, 3, 8, 11.1, 16. 47.1 (2023). Denominators: 3,048 (2024), 3,774 (2023)

ABOUT THIS REPORT

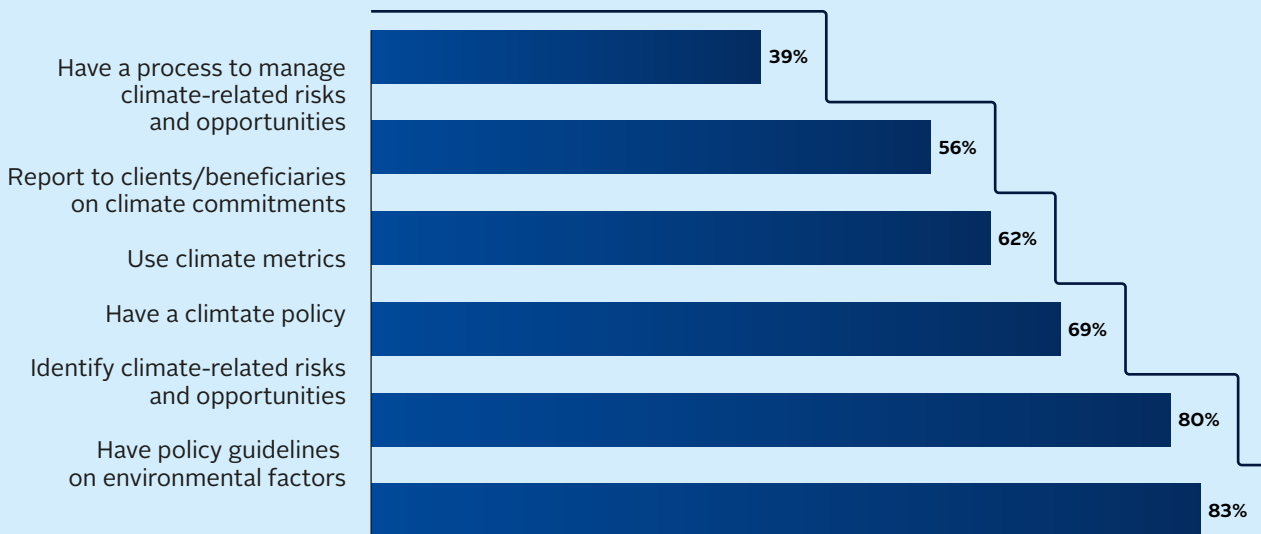
- This publication analyses data submitted by signatories through the PRI's Reporting Framework. It builds on [previous PRI publications](#) analysing [Reporting Framework](#) data, including those from 2022 to 2024. The methodology section outlines what to consider when comparing year-on-year data.
- The data is based on information provided by 3,048 signatories that reported across all core indicators in 2024. Reporting was not mandatory in 2024 for investor signatories that had reported publicly in 2023, or for new signatories in their grace period. This data does not cover reporting data from service provider signatories.
- The primary objective of this analysis is to support signatories to benchmark against global peers and identify actions to achieve their responsible investment objectives.
- Definitions of terms used in this report can be found in the relevant sections of our [Reporting Framework Glossary](#).
- All data used in this report is proprietary and is derived from our reporting data or signatory directory, unless the source states otherwise.
- This report only analyses a subset of total PRI Reporting Framework indicators. Signatories can access the full dataset through the PRI Data Portal.
- Feedback or questions regarding the report can be sent to guidance@unpri.org

ACCESS THE DATASET THROUGH
THE PRI DATA PORTAL



ACTION STAIRCASE CHARTS

'ACTION STAIRCASE CHART' ON CLIMATE PRACTICES



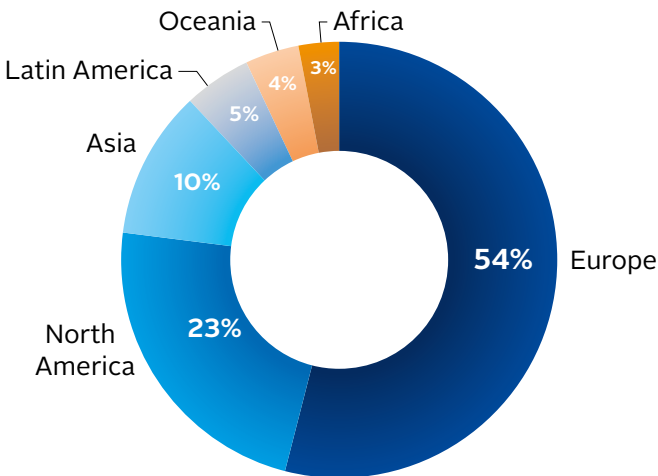
The report features 'action staircase' bar charts, named for their resemblance to staircase side profiles. These charts illustrate the range of actions signatories take, from most to least common, regarding specific responsible investment practices. Generally, the lower steps require fewer resources to implement, while the higher steps, though more demanding, can have a greater impact in achieving signatories' responsible investment objectives. These charts help signatories assess their current position on the 'staircase' and identify potential next steps to strengthen and expand their practices. In contrast, the regular bar charts in the report typically highlight different aspects of a single practice rather than comparing across multiple types of practices.

PRI SIGNATORY BASE OVERVIEW

PRI 2024 reporting at a glance		
<h2 style="margin: 0;">3,048</h2> <p style="margin: 0;">Total number of reporting signatories</p>	<h2 style="margin: 0;">US\$89.3trn⁸</h2> <p style="margin: 0;">Total reported signatory AUM</p>	<h2 style="margin: 0;">88</h2> <p style="margin: 0;">Number of countries where reporting signatories are headquartered</p>

This section outlines the distribution of PRI signatories that reported in 2024 based on geography, AUM and investor category.

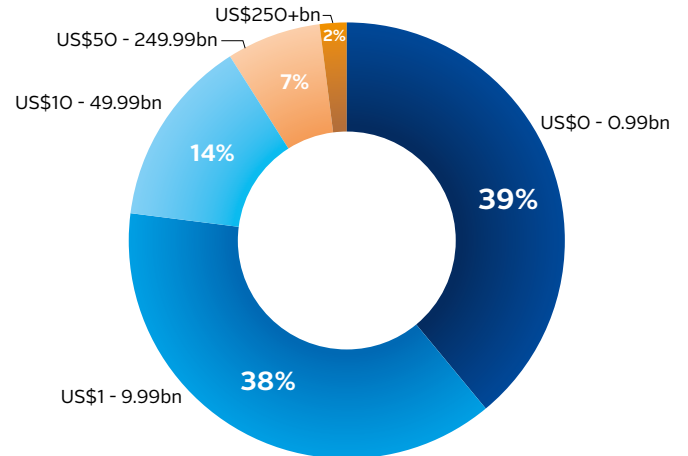
Figure 4: Signatories by HQ region⁹



Signatory reporting data shows a relative decline in listed equity holdings (32% in 2024, down from 36% in 2023) and an increase in private equity, private debt and real estate.

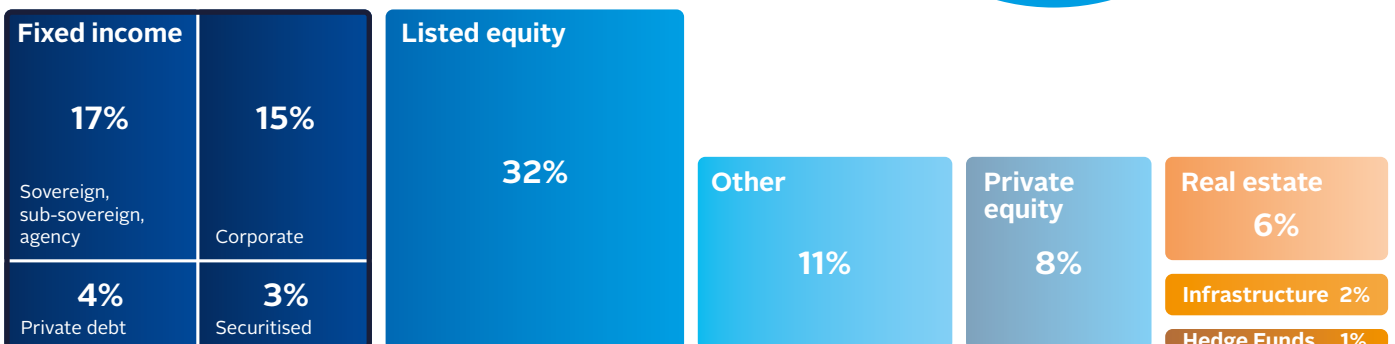
In listed equity, 54% of assets are actively managed and 46% passively. In fixed income, 13% of assets are passively managed.

Figure 6: Signatories by AUM¹²



Reporting signatories are headquartered in 88 different countries, with 12% based in countries classified as emerging economies by the IMF – up from 10% in 2023.¹⁰

Figure 5: Signatories' asset class mix¹¹



⁸ The AUM figures represent the total AUM of signatories that reported in 2024. This figure includes double-counted assets, as some signatories outsource the management of a portion of assets to other signatories. The total reported investment manager AUM was US\$71.98trn, and the total reported asset owner AUM was US\$17.28trn

⁹ Figure 4 indicator: OO 1. Denominator: 3,048

¹⁰ OO1 (2024), OO1 (2023)

¹¹ Figure 5 indicators: OO 4, 5, 5.1, 5.2, 5.3 (2024). Denominator: 3,048. The 'other' category covers assets in forestry, farmland, cash and money market instruments, and derivatives. The total AUM of signatories that reported was US\$89.2trn

¹² Figure 6 indicators: OO 4 (2024). Denominator: 3,048. The chart shows the number of signatories in each AUM bracket as a percentage of the total signatory number

SENIOR LEADERSHIP COMMITMENTS AND PRIORITIES

As part of their reporting, PRI signatories are required to provide statements from senior leaders, setting out the organisation's RI beliefs and priorities. These statements demonstrate high-level commitment to RI within the organisation.

We analysed the public signatory responses in 2024 to identify common themes in their statements.

MOTIVATIONS

The data reveals that senior leaders view long-term risk management and value creation as central to the investment case for responsible investment. Among these priorities, climate change-related risks and opportunities are key focus areas.

Table 1: Terms most used by signatories in their statements on why they engage in responsible investment¹³

Ranking	2021		2023		2024	
	Term	Percentage of investors referencing the term	Term	Percentage of investors referencing the term	Term	Percentage of investors referencing the term
1	Long term	20%	Climate change	22%	Climate change	21%
2	Climate change	17%	Long term	18%	Due diligence	20%
3	Due diligence	16%	Sustainable development	18%	Sustainable development	20%
4	Positive impact	13%	Due diligence	17%	Value creation	16%
5	Value creation	12%	Value creation	14%	Long term	16%
6	Real estate	11%	Positive impact	14%	Positive impact	15%
7	Risk management	11%	Best practice	13%	Best practice	14%
8	Best practice	11%	Risk management	13%	Risk management	14%
9	Active ownership	10%	United Nations	12%	United Nations	13%
10	Private equity	10%	Net zero	11%	Risk-adjusted	11%

The data shows the important role of the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement in shaping investors' responsible investment strategies. Around a fifth of signatories refer to the [UN SDGs](#), while 10% reference the net-zero objective contained within the UNFCCC Paris Agreement.

The data indicates that climate change is a key factor motivating investors to pursue responsible investment strategies. This echoes the findings of the [US SIF's 2024 / 2025 trends report](#), which finds that climate action is the number one responsible investment priority.

¹³ SLS, section one (2024), SLS, section one (2023), SLS, section one (2021)

NEXT STEPS

Figure 7: Three-word terms that are most frequently used in the ‘next steps’ section of signatories’ senior leadership statements¹⁴



Signatories outline some of their plans for advancing their commitment to responsible investment over the next two years in the final section of their senior leadership statements. Common near-term responsible investment priorities for signatories include addressing climate change-related risks and opportunities, assessing investments in relation to the SDGs and complying with regulation.

There was a rapid increase in the proportion of signatories mentioning biodiversity and nature-related issues in their senior leadership statements between 2021 and 2023. The proportion referencing these issues remained roughly flat between 2023 and 2024.

When it comes to emerging issues, only a small minority references artificial intelligence.¹⁵ We anticipate this may rise in the next reporting cycle.

ADDITIONAL RESOURCES

- Technical guide | [A Legal Framework for Impact Summary Report](#)
- Case studies | [Investor biodiversity case study collection](#)
- Reporting guidance | [Senior leadership statement module](#)
- Introductory guide | [What is responsible investment?](#)
- Technical guidance | [Definitions for responsible investment approaches](#)
- Thought leadership | [Investing with SDG outcomes: a five-part framework](#)

¹⁴ SLS 1 (2024)
¹⁵ SLS (2024), SLS (2023)

INVESTMENT PRACTICES

POLICIES AND GOVERNANCE

In 2024, over 99% of reporting PRI signatories had RI policies,¹⁶ with 86% making those policies public.¹⁷

Compared to previous periods, a **higher proportion of signatories included guidelines in publicly available policies** such as climate change (69%, up from 65% in 2023) and human rights (64%, up from 56% in 2023).¹⁸ The majority of signatories (60%) have RI policies that set out the link between **RI activities** and **fiduciary duties**.¹⁹

The **proportion** of signatories with **policies covering stewardship activities increased** between 2023 and 2024, more signatories outlining how stewardship efforts influence investment decisions.²⁰

The vast majority – 93% – of signatories **formally assign oversight and accountability for RI** to their board members, senior executives or equivalents.²¹ However, only a **minority use RI KPIs to evaluate the performance of their boards (20%) or senior executives (40%)**.²²

ADDITIONAL RESOURCES

- Technical guide | [Developing and updating a responsible investment policy](#)

INVESTMENT ANALYSIS AND DECISION-MAKING

Most PRI signatories consider financially material factors in investment analysis and investment decisions: over 90% of investment managers **have a formalised process to identify and incorporate these material ESG factors**²³ across major asset classes (listed equity, fixed income, private equity, real estate and infrastructure).²⁴ The most common approach is through analysis of these risks and opportunities during asset or security selection.

Less frequently used and **more advanced integration techniques** include integration into **strategic asset allocation** (where applicable) and **scenario analysis**.²⁵ Scenario analysis is an important element of [TCFD recommendations](#) and can help plan for sustainability issues that will materialise over the longer term.

Focusing on real estate investors, 60% reported that **material ESG factors**²⁶ **identified during due diligence influenced the purchase price**, whereas only **48% shared performance data on properties or assets being sold**.²⁷ This trend is consistent across private equity and infrastructure sectors. For additional insights into value creation in private markets, refer to the '[Stewardship with Investees and Assets](#)' section.

TAKING ACTION ON SUSTAINABILITY OUTCOMES

The proportion of signatories identifying **real-world sustainability outcomes** connected to investments has gradually increased over the last three years and currently stands at 77%.²⁸ The SDGs are the most widely used framework for identifying sustainability outcomes connected to investments, followed by the Paris Agreement.

There is a **notable difference** in the **proportion of asset owners using the Paris Agreement** as a framework for **identifying sustainability outcomes** compared to **investment managers (45% versus 25%)**.²⁹

16 PGS 1 (2024)

17 PGS 3 (2024)

18 PGS 3 (2024), PGS 3 (2023), ISP 2 (2021)

19 PGS 4 (2024)

20 PGS 5 (2024), PGS 5 (2023)

21 PGS 11 (2024), PGS 11 (2023). Denominators: 3,048 (2024), 3774 (2023)

22 PGS 13, 14 (2024). Denominator: 3,048

23 This analysis reflects what signatories were asked in the 2024 Reporting Framework

24 LE 1, FI 1, PE 3, 4; RE 3, 4; INF 3, 4. (2024)

25 PGS 21, 43. LE 1, 2; FI 1; PE 3, 4; RE 3, 4; INF 3, 4. (2024)

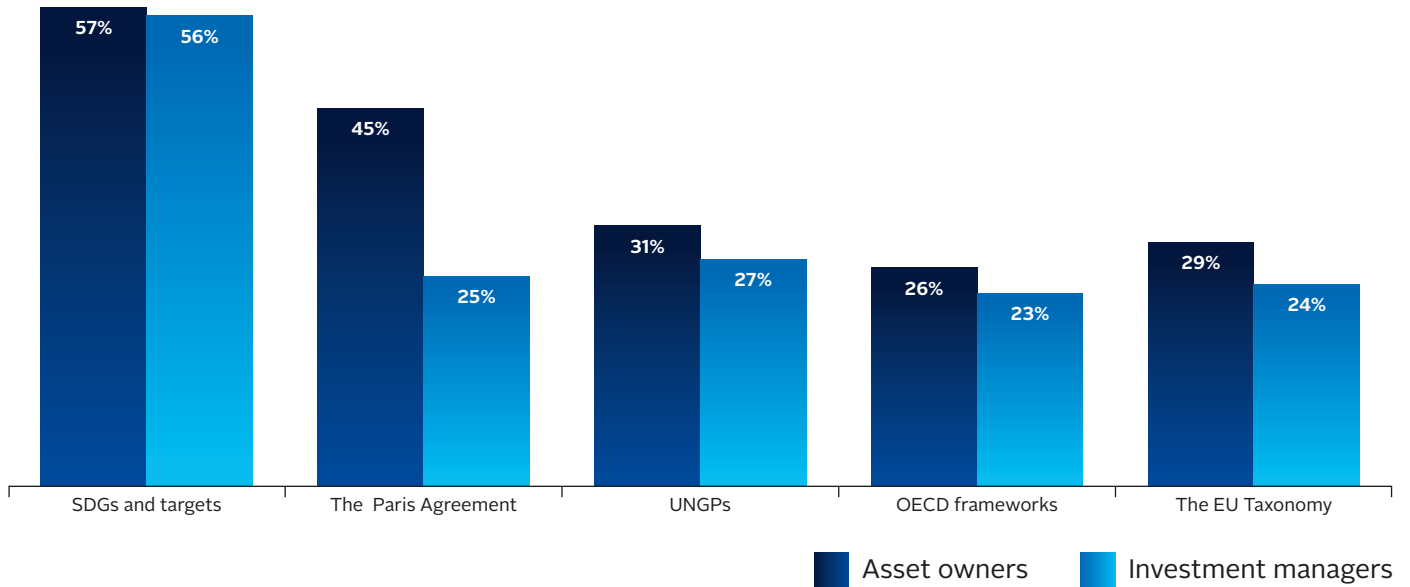
26 This analysis reflects what signatories were asked in the 2024 Reporting Framework

27 RE 4, 20 (2024)

28 PGS 4, 47 (2024), PGS 4 (2024), ISP 43. Denominators: 3,048 (2024), 3,774 (2024), 2,791 (2021)

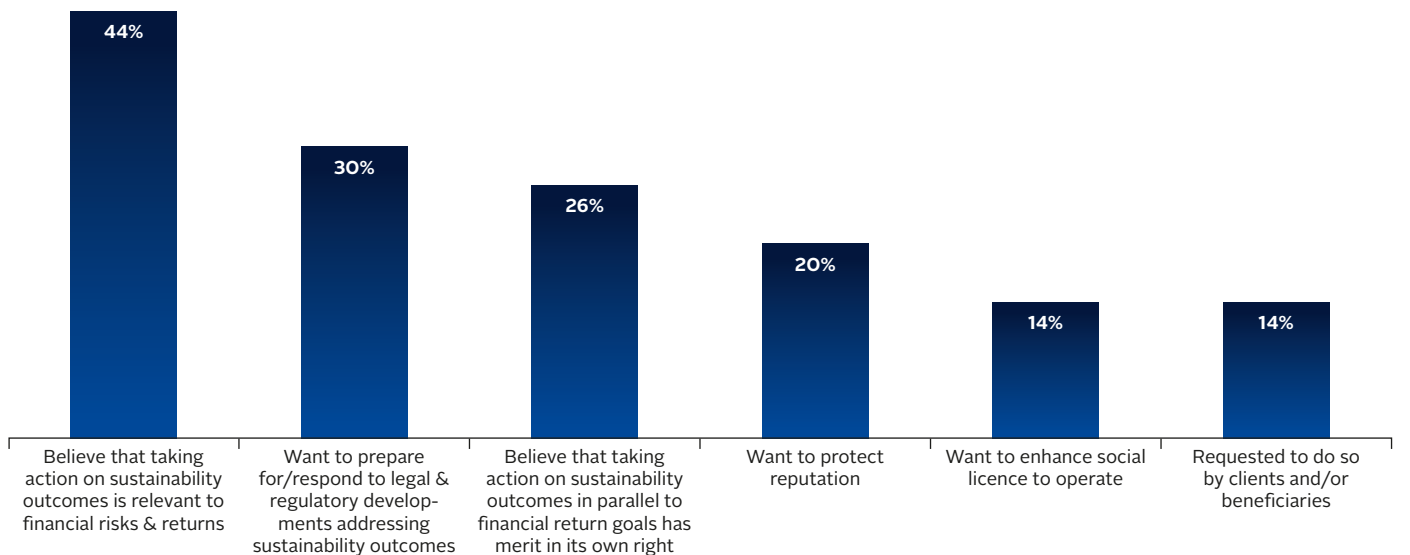
29 PGS 47.1 (2024). The OECD frameworks referenced are the OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

Figure 8: Percentage of signatories using the below frameworks to identify sustainability outcomes³⁰



A total of 65% of signatories are taking action on sustainability outcomes – the figures below set out the reasons why.³¹

Figure 9: Signatories’ reasons for taking action on sustainability outcomes³²



The **most common reason** for **taking action on sustainability outcomes** is **financial materiality**, (44%)³³ and **around a quarter** of signatories **believe taking action on sustainability outcomes in parallel to financial return goals has merit in its own right**.

³⁰ Figure 8 indicators: PGS 47.1 (2024). Denominators: 2,651 (investment managers), 397 (asset owners)

³¹ PGS 48 (2024)

³² Figure 9 indicators: PGS 48.1 (2024). Denominator: 3,048

³³ PGS 48.1 (2024)

Investor signatories can take action on sustainability outcomes through the allocation of capital and / or stewardship. When it comes to capital allocation, 7% of PRI signatories are investing in publicly traded **green, social** or other types of thematic bonds **to achieve sustainability outcomes**.³⁴ Examples of how signatories have allocated capital to drive sustainability outcomes, taken from their senior leadership statements, are outlined in Table 2 below.

Table 2: Examples of investors' recent actions and near-term priorities relating to SUSTAINABILITY OUTCOMES set out in their senior leadership statements³⁵

Government Employees Pension Fund of South Africa, asset owner, South Africa, US\$50- US\$249.99bn AUM	“The Fund’s approach to developmental or impact investing is to invest for a return that also provides positive outcomes by creating jobs, addressing high levels of inequality and transformation imperatives, providing energy security, mitigating and adapting to the impacts of climate change and providing access to quality education and healthcare. This approach is part of the GEPEF’s long-term thinking on responsible investment and forms part of our strategy and investment beliefs.”
Pictet Asset Management, investment manager, Switzerland, US\$250+bn AUM	“Going forward, we are convinced that investment leadership will increasingly be contingent on considering the real-world impact of investment activities, requiring us to incorporate new data and information based on solid science and innovative partnerships. The Pictet Group has prospered for over two centuries by taking a responsible, long-term approach to business and to the management of our clients’ wealth - considering not only the interests of the present, but also of future generations.”
Sumitomo Life Insurance Company, asset owner, Japan, US\$250+bn AUM	“We have set the target for ESG themed investments which contribute to the achievement of the SDGs is 700 billion yen from FY2023 to FY2025 (three-year cumulative total), of which 400 billion yen is set for climate solution investment. In FY2023, we implemented JPY 304.4 billion for ESG themed investments and JPY 205.5 billion for climate solution investment. And we measured social and environmental outcomes created through ESG themed investments.”
To read the senior leadership statements in full, visit the PRI Data Portal	

ADDITIONAL RESOURCES

- Technical guide | [A legal framework for impact: summary report](#)
- Case study series | [Investing for sustainability impact case study series](#)
- Technical guide | [ESG integration in listed equity: A technical guide](#)
- Technical guide | [Mapping the role sustainable bonds play in the fixed income market](#)

environmental assets, on which returns and client and beneficiary interests depend.” The following sections focus on stewardship activities across different asset classes.

FIXED INCOME

A **large majority** (81%) of signatories **are conducting stewardship in relation to their fixed income investments**.³⁶

For example, around 85% of corporate debt investors use escalation measures to help meet their stewardship objectives if initial efforts are unsuccessful. The **most common escalation tool** is to **not invest in follow-up debt issuance**.³⁷ There is a marked difference between the percentage of asset owners and investment managers that uses public engagement as a means of escalation for fixed income investors (41% vs 21%).³⁸

STEWARDSHIP WITH INVESTEEES AND ASSETS

The PRI defines [stewardship](#) as “the use of influence by investors to protect and enhance overall long-term value, including the value of common economic, social and

³⁴ SO 7 (2024)

³⁵ Table 2.indicator: SLS1 (2024)

³⁶ OO 8 (2024)

³⁷ PGS 37 (2024)

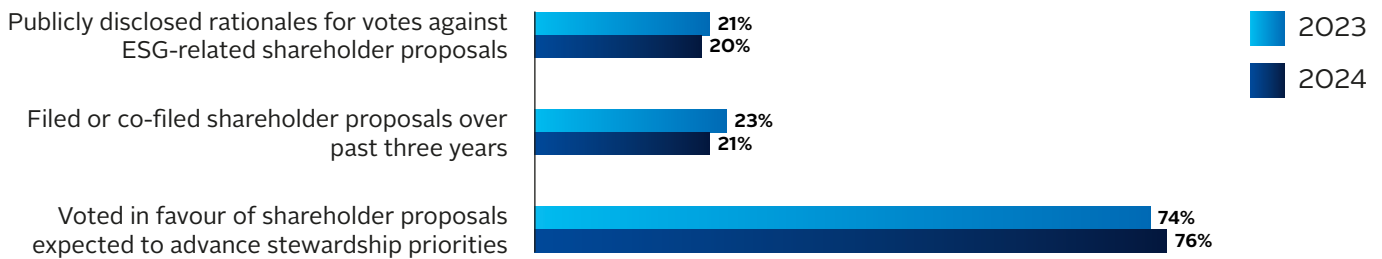
³⁸ PGS 37 (2024)

LISTED EQUITY

Proxy voting is a primary means by which investors in listed equities can exercise their ownership rights. Approximately 60% of relevant signatories **have a proxy voting policy or guidelines**³⁹ and **around half include guidelines on environmental, social and governance factors in those policies**.⁴⁰

In 2024, **26%** of relevant signatories **publicly disclosed all (proxy) voting decisions**, down from 31% in 2023.⁴¹ Publicly disclosing (proxy) voting decisions is an important step that promotes transparency and drives accountability.

Figure 10: Shareholder proposals action staircase – percentage of listed equity signatories taking the steps specified below⁴²



Filing or co-filing shareholder proposals is a powerful mechanism that investors can use to influence how investee companies manage the risks and opportunities outlined in the above chart. **Around a fifth** of relevant signatories **have been involved in filing or co-filing shareholder resolutions** over the past three years.⁴³

Only **20%** of listed equity investor signatories provide **rationales for votes against such shareholder proposals**.⁴⁶ This percentage is low given that communicating the voting rationale helps improve the quality of the shareholder resolutions filed and helps company management better understand the position of their shareholders.

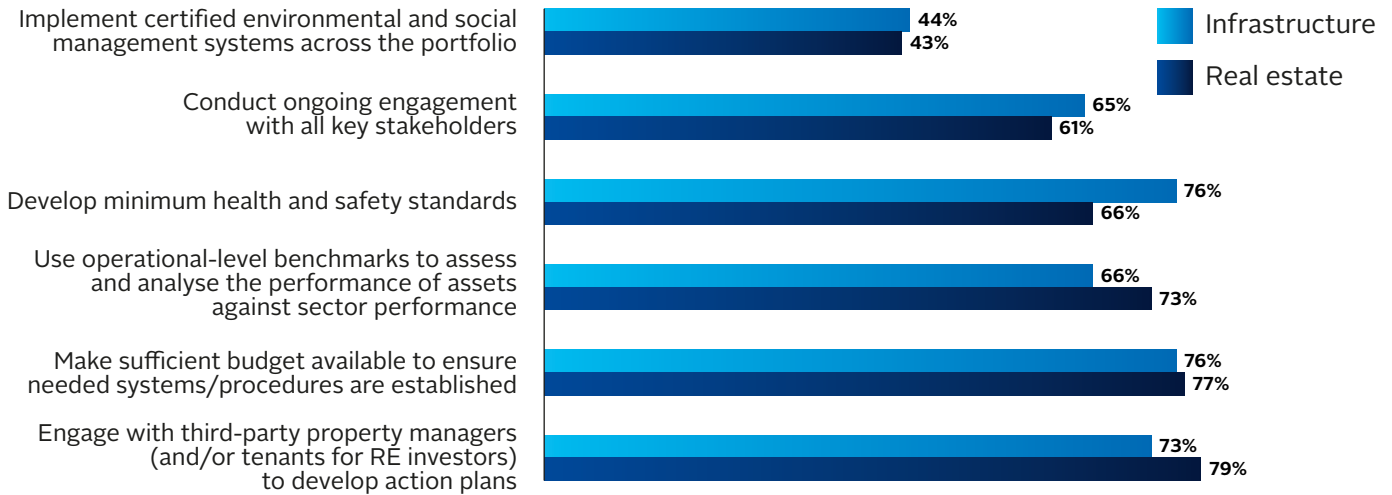
A large majority (76%) of relevant signatories report that they **vote in favour of shareholder proposals that are expected to advance stewardship priorities**, representing a small increase from the previous year.⁴⁴ This increase is surprising considering that support for these types of shareholder resolutions has generally trended lower in a number of jurisdictions in recent years.⁴⁵ It may reflect investors subjecting shareholder proposals to greater scrutiny but also a heightened willingness to support those proposals that align with their stewardship priorities.

Asset owners are paying increased attention to how their external managers are voting on proposals relating to issues, such as climate. See the [‘Selection, appointment and monitoring of external managers’](#) section of the report for more information.

39 PGS 3 (2024)
 40 PGS 6 (2024)
 41 PGS 33 (2024)
 42 Figure 10 indicators: PGS 31, 34, 36 (2024). Denominators: 1,425 (2024), 2,139 (2023)
 43 PGS 36 (2024)
 44 PGS 31 (2024)
 45 PRI (2024). [Six takeaways from the 2024 proxy season – and why voting remains a critical tool for investors](#)
 46 PGS 34 (2024)

REAL ASSETS

Figure 11: Real asset engagement and stewardship action staircase - percentage of real assets investors taking the steps specified below⁴⁷



Around 80% of PRI signatories invested in real assets (real estate and infrastructure) conduct stewardship.⁴⁸ Investors in real assets frequently have significant influence over their investments and can influence sustainability and governance-related risks and opportunities.

The majority of real assets investors set, and have processes to achieve, ESG-related key performance indicators in relation to their investments.⁴⁹ For real estate, the most common approach is to **develop action plans**, while for infrastructure investors it is to allocate budget to **establish systems / processes and develop minimum health and safety standards.**⁵⁰

⁴⁷ Figure 11 indicators: INF 10, RE 13. Denominators: 406 (total real estate), 304 (real estate investors that use third-party property managers), 200 (total infrastructure), 92 (infrastructure investors that use third-party operators)

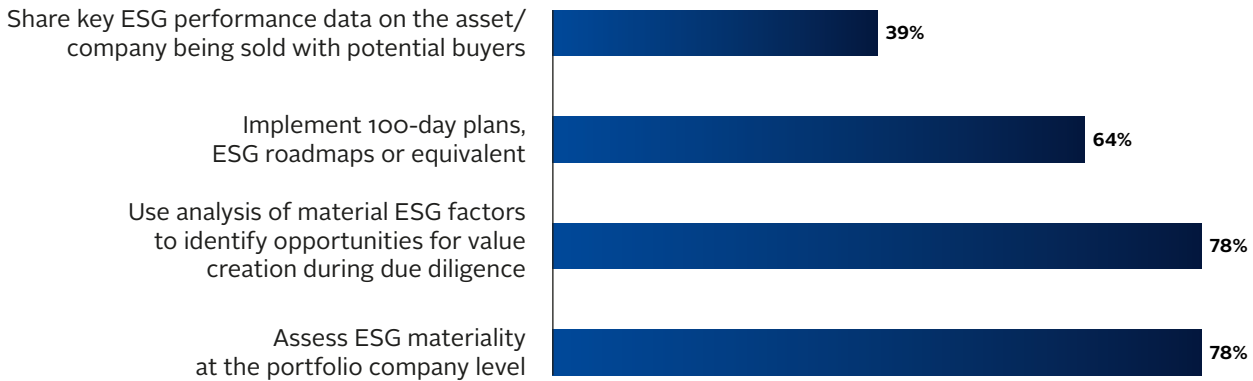
⁴⁸ OO 8 (2024)

⁴⁹ This analysis reflects what signatories were asked in the 2024 Reporting Framework

⁵⁰ RE 13 (2024), INF 10 (2024)

PRIVATE EQUITY

Figure 12: Value creation in private equity action staircase – percentage of private equity signatories taking the steps specified below⁵¹



Private equity investors have made significant progress in **using analysis of material sustainability factors to identify opportunities for value creation during due diligence**. A **lower proportion use the analysis to create value during the holding period** or share material performance data on issues such as climate change and human rights with potential buyers at exit.

The PRI has a work programme to support private markets investors to make progress on value creation activities and ensure the value created during the holding period is properly recognised at exit.

PARTICIPATION IN COLLABORATIVE INITIATIVES

The data shows that **48% of asset owners prioritise collaborative stewardship** over conducting stewardship efforts independently, **compared to 19% of investment managers**.

We see **higher levels of investors** headquartered in **emerging economies prioritising collaborative stewardship** compared to advanced economies (29% and 22%).⁵²

ADDITIONAL RESOURCES

- Technical guide | [Stewardship in private equity: A guide for general partners](#)
- Due diligence questionnaire | [Stewardship for sustainability: Responsible Investment DDQ](#)
- Introductory guide | [Introductory guide to stewardship](#)
- Discussion paper | [Active ownership 2.0](#)

POLICY MAKER ENGAGEMENT

Most signatories (63%) **engage with policy makers as part of their approach to RI**. The **most widespread method** is to **respond to policy consultations**, followed by providing technical input via working groups.⁵³

When compared to advanced economies, a slightly higher proportion of signatories **based in emerging markets is engaging with policy makers on RI issues** (68% vs 62% respectively).⁵⁴

⁵¹ Figure 12 indicators: PE 3, 4, 7, 13 (2024). Denominator: 944

⁵² PGS 24

⁵³ PGS 39.1 (2024)

⁵⁴ PGS 39 (2024)

Figure 13: Percentage of signatories that engage in the below methods of policy engagement⁵⁵

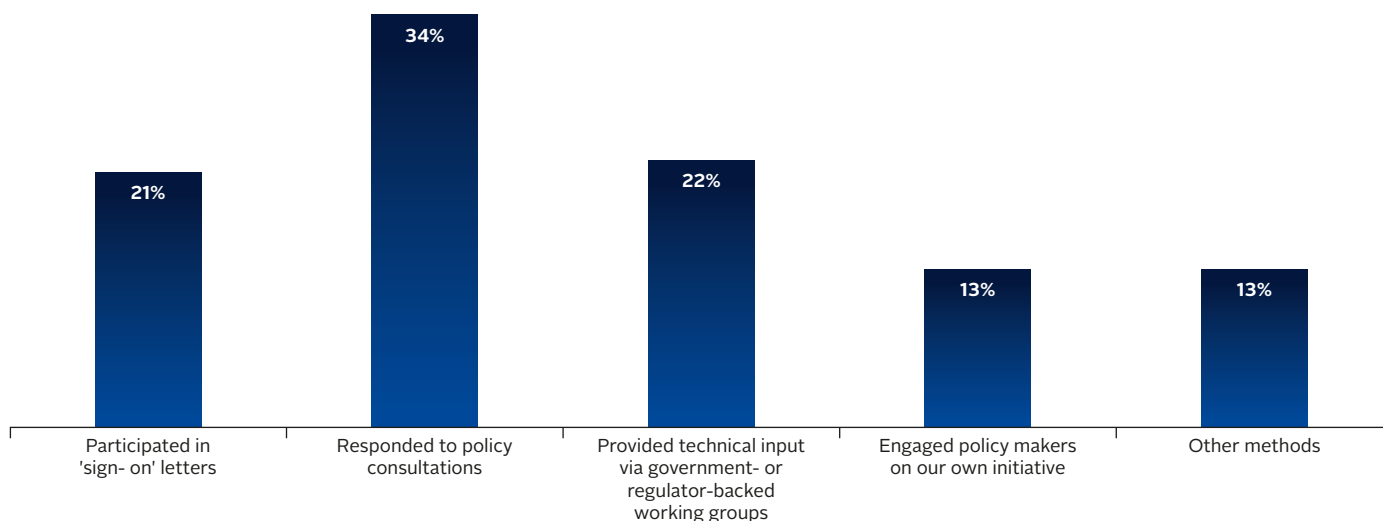


Figure 14: Percentage of signatories that engage in the below methods of policy engagement⁵⁶

	Total	Investment managers	Asset owners	Less than US\$10bn in AUM	More than US\$10bn in AUM
Participated in 'sign-on' letters	21%	19%	37%	17%	34%
Responded to policy consultations	36%	33%	53%	29%	59%
Provided technical input via government- or regulator-backed working groups	26%	23%	44%	20%	47%
Engaged policy makers on our own initiative	14%	13%	21%	11%	25%
Other methods	15%	15%	14%	15%	17%

The data shows that **asset owners use policy engagement** as part of an RI approach **more frequently** than **investment managers**. It is also a **more common** among investors with **larger AUM**.

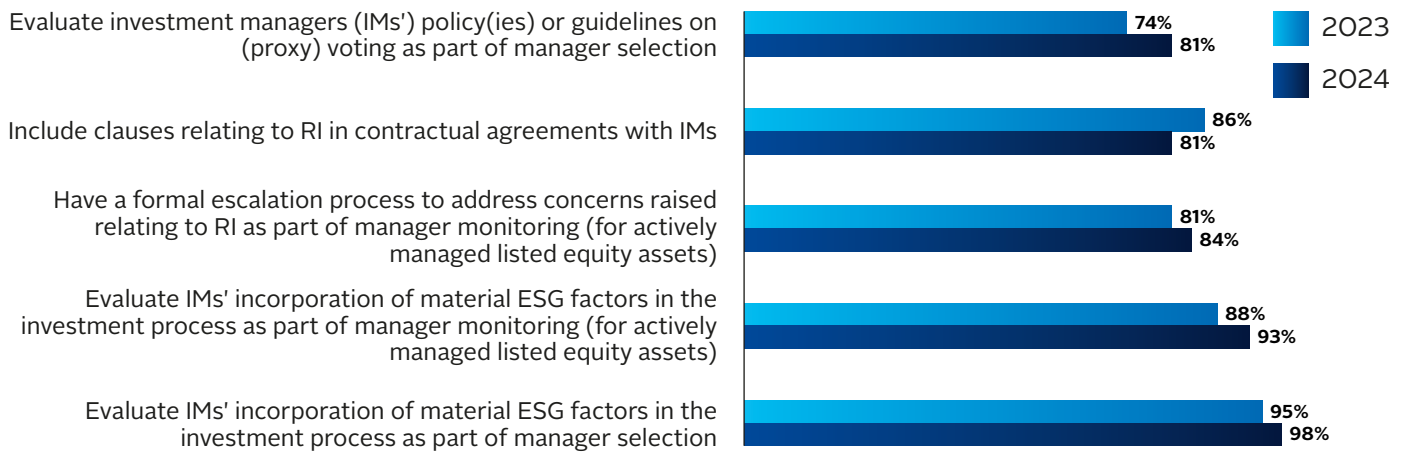
⁵⁵ Figure 13 indicators: PGS 39.1. Denominator: 3,048

⁵⁶ Figure 14 indicators: PGS 39.1 (2024). Denominators: 3,048 (total), 2,651 (investment managers), 397 (asset owners), 2,349 (AUM US\$0-US\$9.99bn), 699 (AUM US\$10bn+)

EXTERNAL MANAGER SELECTION, APPOINTMENT AND MONITORING

In 2024, 400 asset owners reported to the PRI. Of those, 91% outsource at least a portion of their investment management. This section of the report analyses how these asset owners evaluate their external managers' responsible investment activities.⁵⁷

Figure 15: External manger engagement action staircase – percentage of asset owners taking the below actions as part of the selection, appointment and monitoring of external investment managers (IMs)⁵⁸



Most asset owner signatories that outsource some or all investment management **evaluate their external managers in relation to RI considerations**. The step taken most often by asset owners is to **evaluate approaches to incorporating sustainability factors in the investment process**. More specific actions, such as analysis of proxy voting or escalation practices or policies, are less common.⁵⁹

SELECTION VERSUS MONITORING

A **higher proportion** of asset owners **evaluate investment managers' approach** to RI when **selecting** external managers than when **monitoring** existing managers.⁶⁰ This may be partly due to the enhanced leverage asset owners have at the point of manager appointment. Additionally, selecting new managers or mandates is a less frequent task, allowing for greater time and effort to be dedicated to the process.

⁵⁷ OO 5, 5.1, 5.2

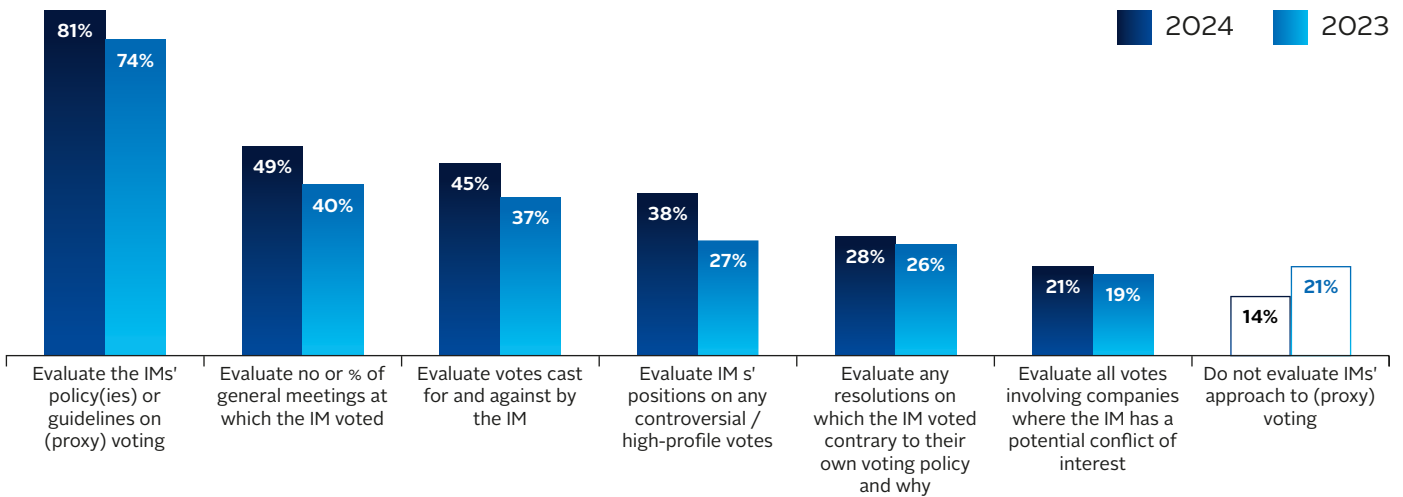
⁵⁸ Figure 15 indicators: SAM 5, 7, 8, 9, 16 (2024), SAM 5,7,8,9,16 (2023), 374 (SAM 5 2023), 168 (SAM 7 2023), 403 (SAM 8 2023), 397 (SAM 9 2023), 397 (SAM 16 2023)

⁵⁹ SAM 5 (2024)

⁶⁰ SAM 5, 6, 7, 9, 13 (2024)

VOTING ALIGNMENT

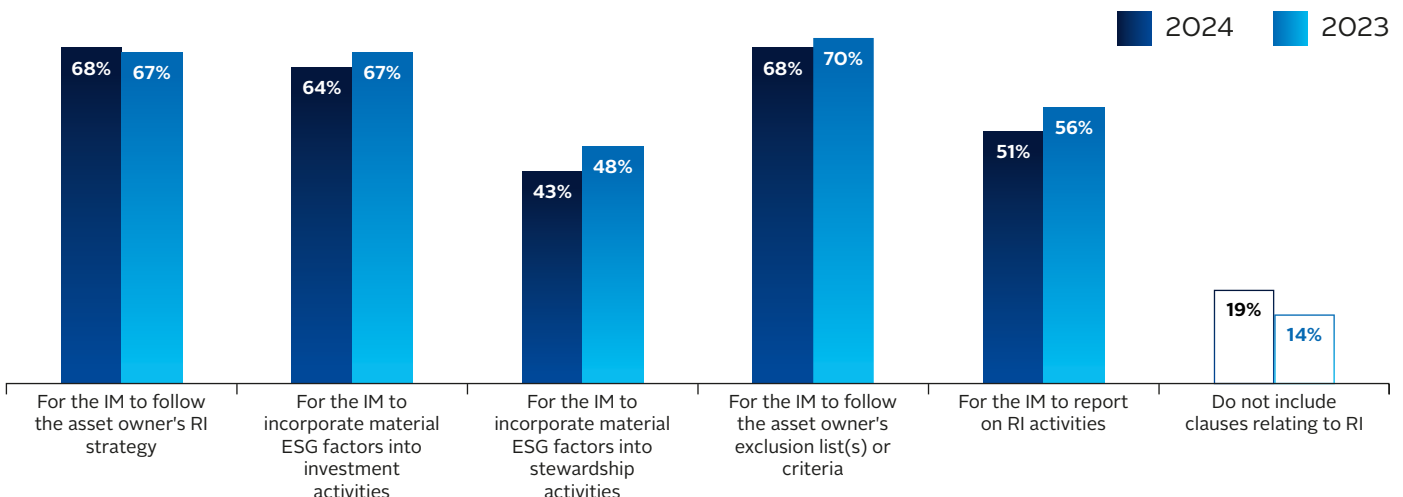
Figure 16: Percentage of asset owners evaluating investment managers' proxy voting approach as part of manager selection⁶¹



The **proportion of asset owners evaluating the proxy voting approaches of external investment managers** has increased (81% in 2024, compared to 74% in 2023).⁶² It has clearly become a focus area for a significant number of asset owners (See UK Asset Owner Council 2023 [research](#) in 2023).

CONTRACTUAL CLAUSES

Figure 17: Percentage of asset owner signatories including specified commitments in contractual agreements with IMs⁶³



The proportion of **asset owners including clauses relating to RI in contractual agreements** has decreased by 5% between 2023 and 2024.⁶⁴ Including clauses outlining RI requirements or commitments in contractual documentation can help ensure accountability. The ICGN [model mandate](#) provides examples of suitable clauses.

⁶¹ Figure 16 indicators: SAM 7 (2024), SAM 7 (2023). Denominators: 98 (2024), 168 (2023)

⁶² SAM 7 (2024)

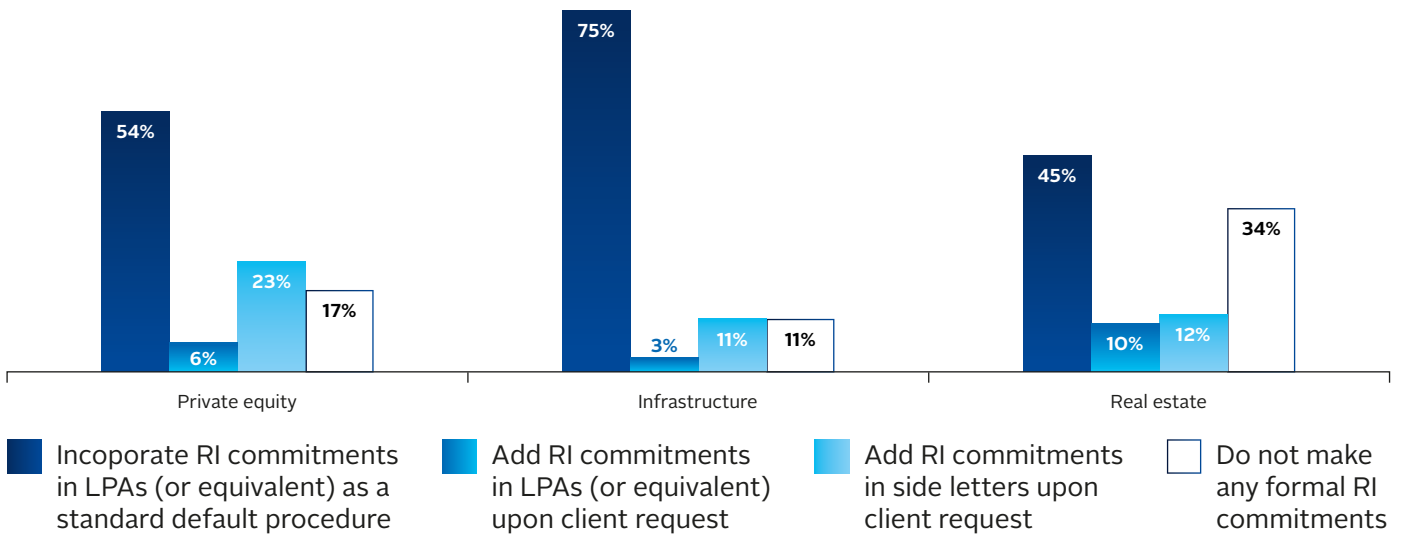
⁶³ Figure 17 indicators: SAM 8 (2024), SAM 8 (2023). Denominators: 241 (2024), 403 (2023)

⁶⁴ SAM 8 (2024), SAM 8 (2023)

In private markets, limited partner agreements (LPAs) play an important role in the relationship between limited partners and general partners. As outlined above, in certain circumstances, asset owners can request clauses relating to RI be included within these or equivalent contractual

arrangements. It is also possible for the investment manager to offer these clauses as standard practice. The data shows a **significant proportion** of general **partners offers clauses relating to responsible investment** within LPAs and equivalents as standard.

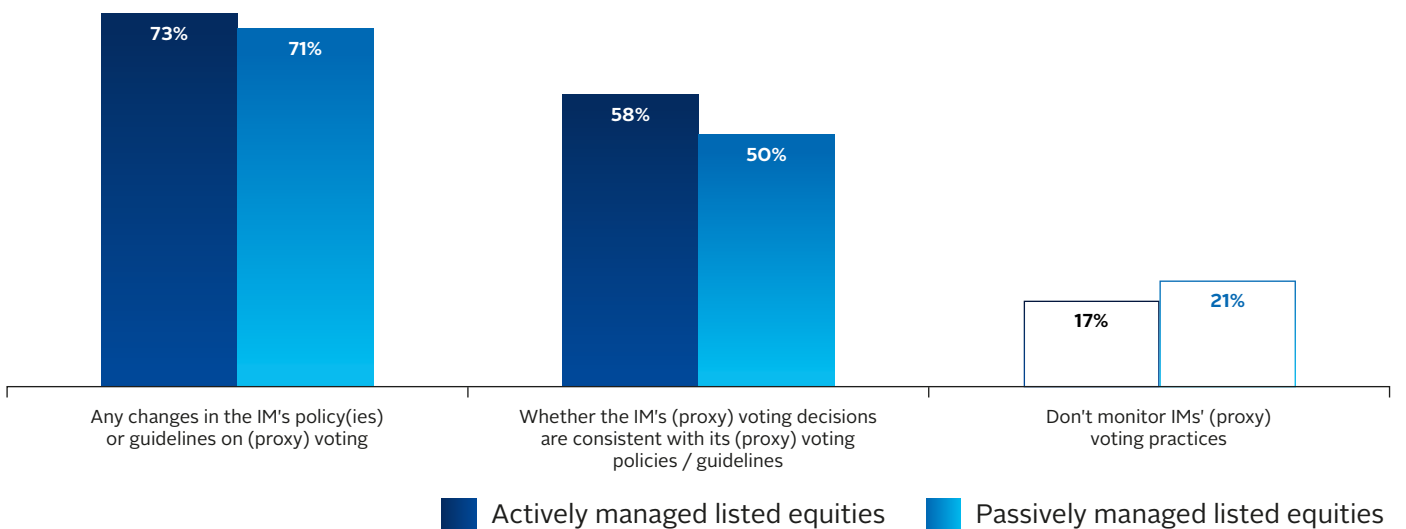
Figure 18: Percentage of private market signatories that include RI commitments in LPAs, side letters, or other constitutive fund documents⁶⁵



EVALUATING RI IN PASSIVE STRATEGIES

The data indicates **asset owners evaluate a greater number of metrics for active investment strategies than index-tracking strategies**. An example of a common practice is monitoring proxy voting records, as the figure below shows.⁶⁶

Figure 19: Percentage of asset owners monitoring the below aspects of investment managers' voting practices⁶⁷



⁶⁵ Figure 18 indicators: RE 2 (2024), INF 2 (2024), PE 2 (2024). Denominators: real estate (360), infrastructure (179), private equity (869)

⁶⁶ SAM 14 (2024)

⁶⁷ Figure 19 indicator: SAM 14 (2024)

Table 3: Examples of asset owners' recent action on and near-term priorities relating to the SELECTION, APPOINTMENT AND MONITORING OF EXTERNAL MANAGERS set out in their senior leadership statements⁶⁸

<p>Government Institutions Pension Fund, asset owner, Namibia, US\$1- US\$9.99bn AUM</p>	<p>“During the year in review, extensive work went into developing ESG addendums to all our Subscription Agreements we have with Fund Managers. The rationale for the addendums is to ensure that all our Fund Managers practice and integrate ESG Principles and are held to account. It is also to manage ESG risks better, whereby there are agreed-upon terms between the GIPF and the Fund Managers.”</p>
<p>Los Angeles County Employees Retirement Association (LACERA), asset owner, US, US\$50- US\$249.99bn AUM</p>	<p>“LACERA TIDE promotes diversity throughout our investment process, including in internal practices, external manager due diligence and monitoring, corporate governance and stewardship initiatives – such as engagement activities, industry advocacy, and programs to facilitate capital formation among asset managers with diverse ownership profiles. As part of the external manager due diligence process, the external manager investment teams are evaluated on their DEI policies and practices. LACERA tracks and monitors the diversity of the investment teams which manage LACERA's assets to inform the inclusive practices of the investment industry, which LACERA utilizes as part of the TIDE initiative to identify and disseminate leading practices throughout the industry.”</p>
<p>Stichting Mars Pensioenfond, Netherlands, US\$1- US\$9.99bn AUM</p>	<p>“The Plan, working collaboratively through its investment adviser, has been actively engaging with each third-party manager to understand and support their efforts to improve their responsible investing approach to ESG and sustainable investing. Examples include:</p> <ul style="list-style-type: none"> ■ Manager ESG Profile meetings - investment managers to showcase their ESG programs and investment strategy, customised to cover relevant ESG subject matter including ESG investing, related industry updates, data collection and reporting, and the latest sustainability topics including climate change.”
<p>Utmost Group, asset owner, UK, US\$10- US\$49.99bn AUM</p>	<p>We engage with our external investment managers to ensure that our responsible investment expectations are reflected in voting and engagement decisions. In 2023 we updated our due diligence questionnaires to further formalise our responsible investment expectations with respect to external managers. We combined this with targeted engagement with our ten most significant external investment management relationships by AUA. This will have the benefit of reinforcing our responsible investment approach and contributing to the collective momentum towards net zero ambitions.”</p>

To see the senior leadership statements in full, visit the [PRI Data Portal](#)

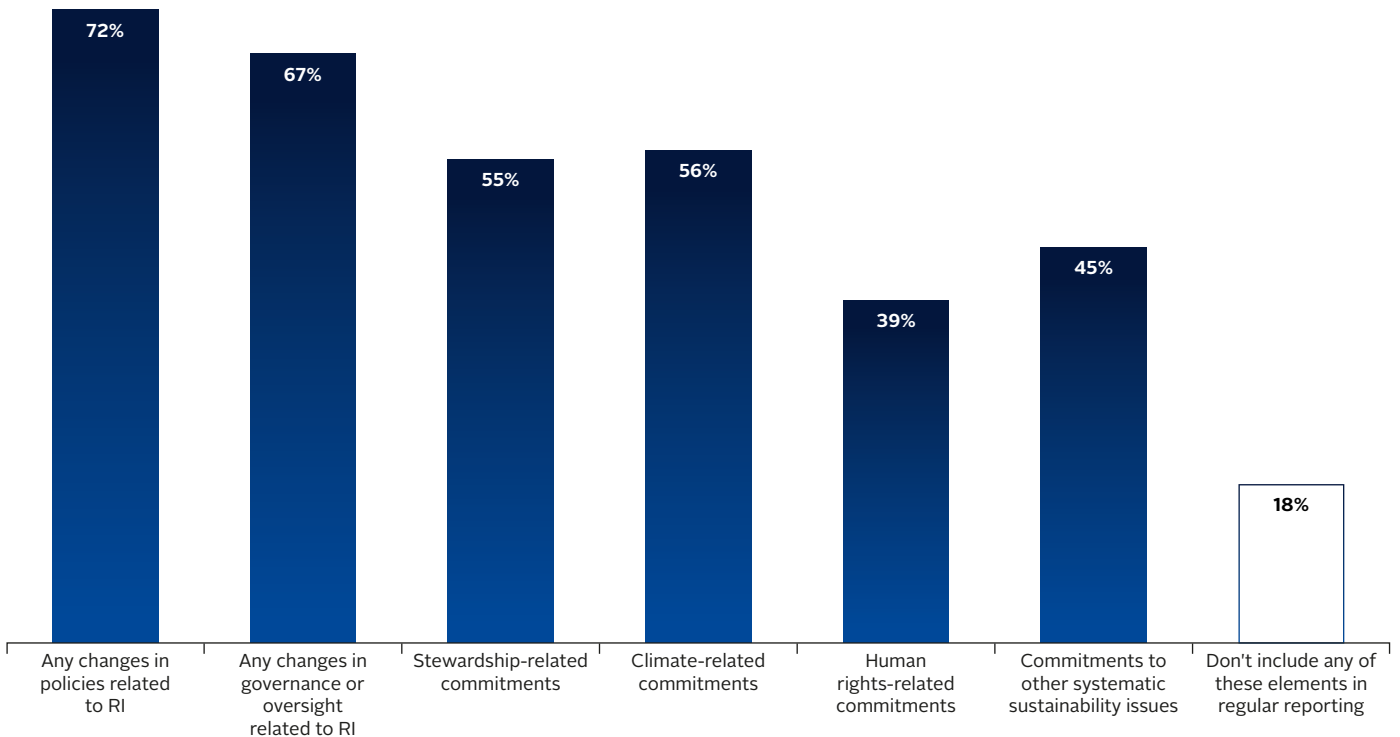
ADDITIONAL RESOURCES

- Reporting guidance | [Manager selection, appointment and monitoring module](#)
- Investor tools | [Due diligence questionnaires](#)
- Technical guidance | [Investment manager appointment](#)

DISCLOSURE

Expectations regarding reporting and accountability are covered in [PRI principle 6](#), yet the reporting data shows that it is **more common for signatories to have policies on given RI topics and practices than it is to communicate about them to clients / beneficiaries.**⁶⁹

Figure 20: Percentage of signatories that include information on the RI elements specified below in regular reporting to clients / beneficiaries⁷⁰



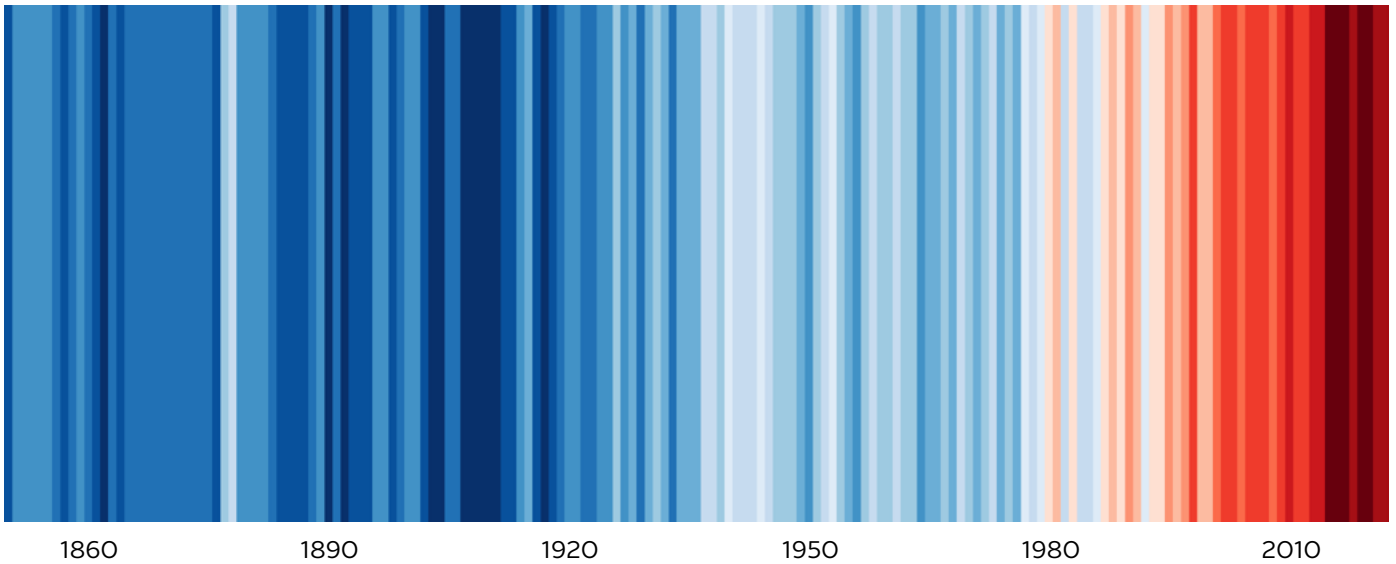
⁶⁹ PGS 16 (2024)

⁷⁰ Figure 20 indicator: PGS 16 (2024). Denominator: 3,048 (2024)

ISSUES IN FOCUS

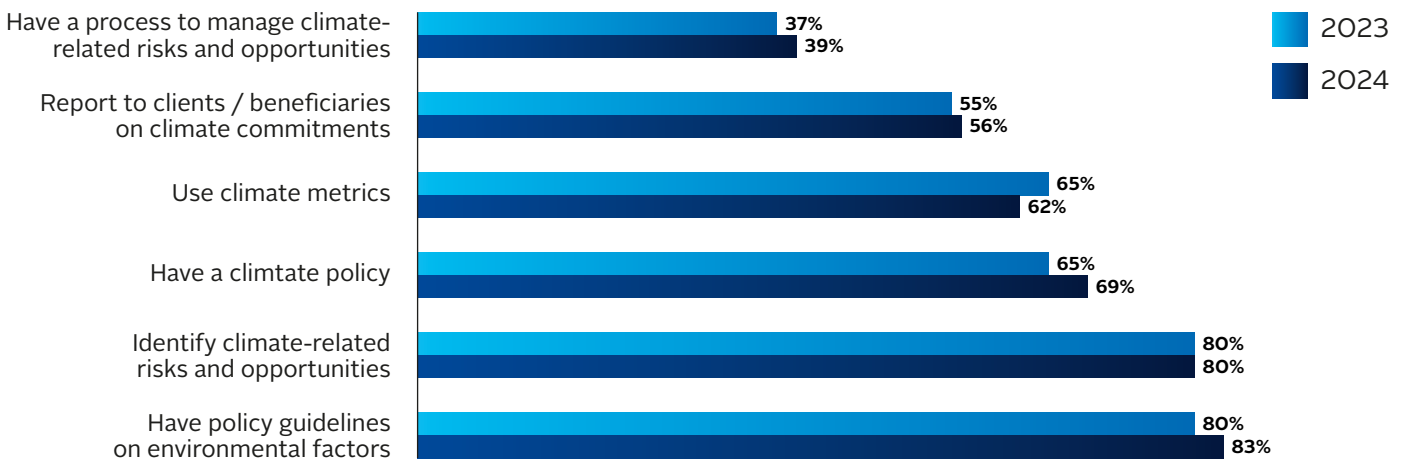
CLIMATE CHANGE

Figure 21: Global temperature change: stripes represent the average temperature for a single year, relative to the average over the period as a whole⁷¹



Climate change is the most frequently mentioned sustainability issue in senior leadership statements.⁷² The data shows **continued but uneven progress** on approaches to **addressing climate change-related risks and opportunities** through capital allocation and stewardship.

Figure 22: Climate action staircase – percentage of signatories taking the actions specified below as part of their investment processes⁷³



⁷¹ Source: University of Reading

⁷² SLS 1 (2024)

⁷³ Figure 22 indicators: PGS 1, 2, 3, 11.1, 16, 41, 44 (2024); PGS 1, 2, 3, 11.1, 16, 41, 44 (2023). Denominators: 3,048 (2024), 3,774 (2023)

POLICIES

The **proportion of signatories with policies on environmental factors and climate change continues to rise with a large majority (69%) now having a dedicated climate policy.**⁷⁴

RISK AND OPPORTUNITY IDENTIFICATION

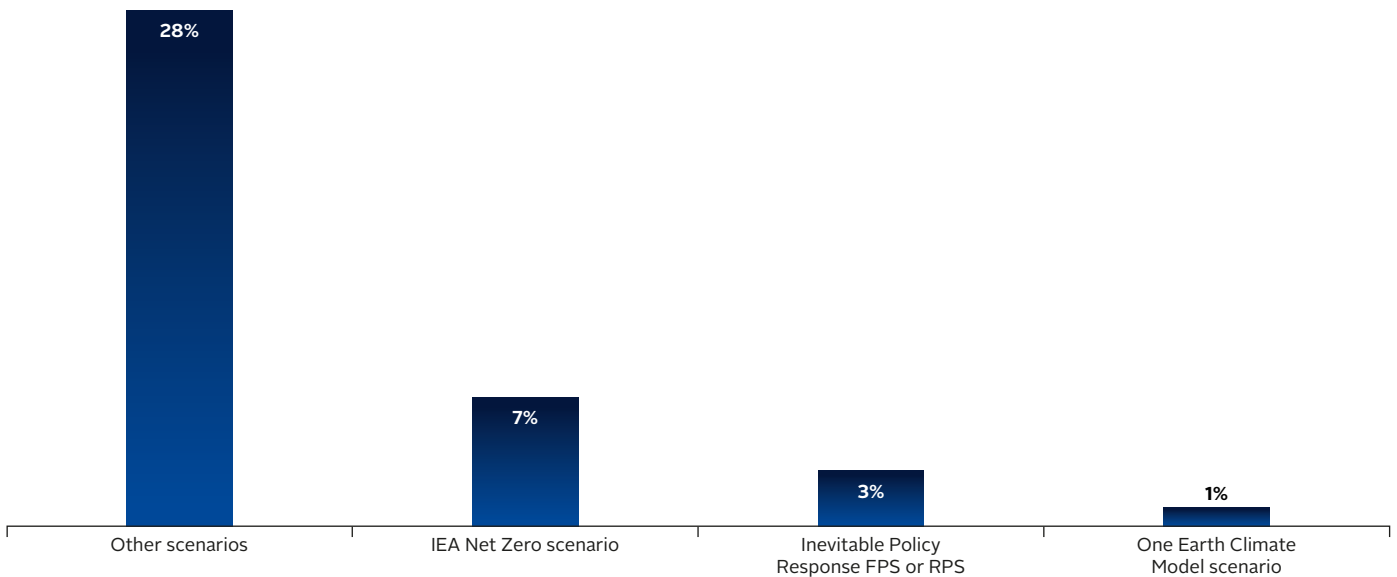
Four-fifths of signatories reported identifying climate-related risks and opportunities associated with investments. The **proportion of investors identifying these factors is higher among signatories based in advanced economies** than emerging economies (81% versus 71%).⁷⁵

Over a third (35%) of asset owner signatories (compared to 24% of investment managers) **consider climate-related**

risks and opportunities beyond their standard planning horizon.⁷⁶ Assessing climate risks and opportunities over a long-term time horizon is considered good practice because the physical climate risks and climate transition opportunities are forecast to materialise over short, medium and long-term time horizons.⁷⁷

Around a **third of signatories use climate scenario analysis** to assess the resilience of their investment strategies. There is a big difference between the percentages of **asset owners and investment managers** (58% vs 29% respectively) using this analysis. **The practice is also more common among investors with US\$10bn or more in AUM** (59%) than among those with less than US\$10bn in AUM (25%).⁷⁸

Figure 23: Percentage of signatories using climate scenarios specified below⁷⁹



ACTION IN PORTFOLIOS

In 2024, 39% of signatories have a formalised process to manage climate-related risks and opportunities,⁸⁰ up slightly from 2023.

Around a quarter of signatories have put in place organisation-level investment exclusions based on their climate commitments.⁸¹ Examples of exclusions include

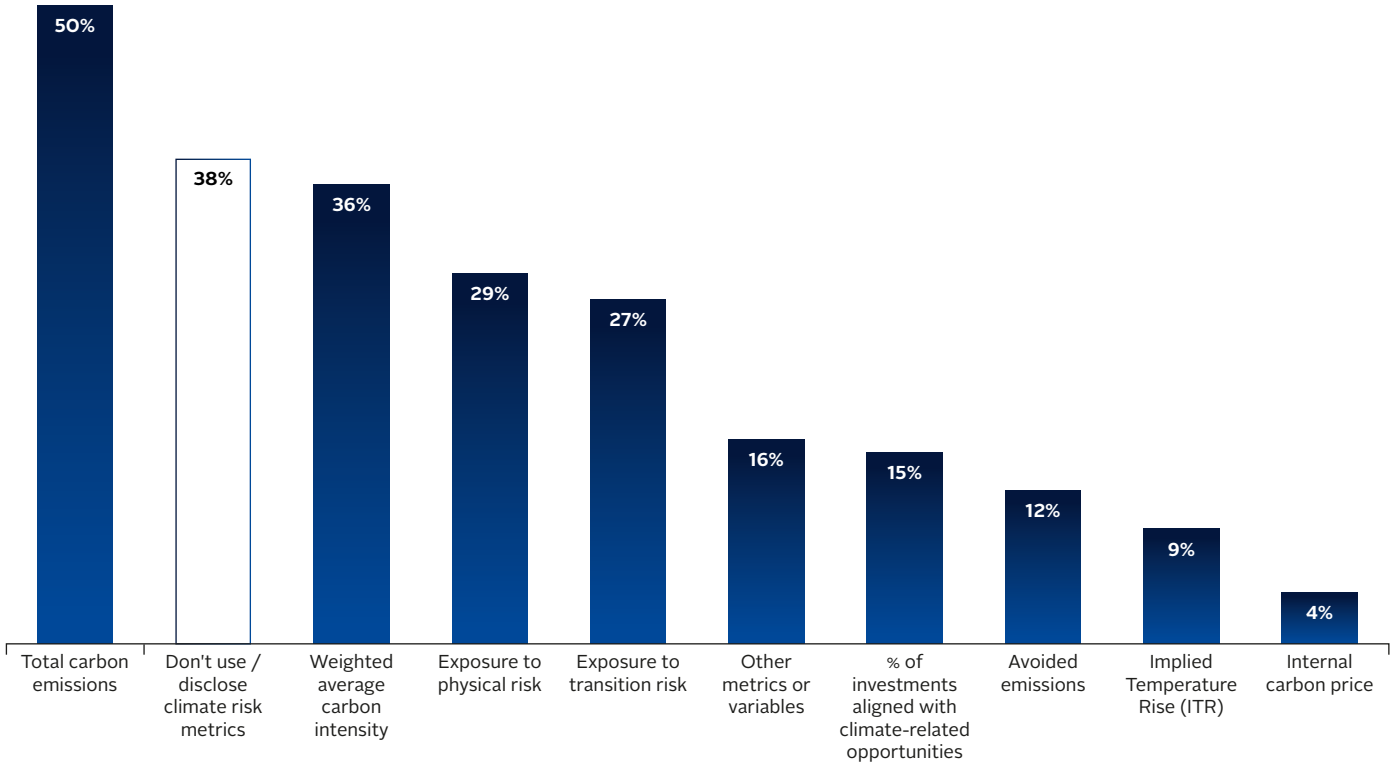
screening out companies that generate more than 10% of their revenues from fossil fuels.

Investor stewardship on climate change is also widespread. For example, **around 50% of listed equity investors have guidelines on environmental factors in their proxy voting policies.**⁸²

74 PGS 1, 3 (2024)
 75 PGS 41 (2024), PGS 41 (2023), ISP 30 (2021)
 76 PGS 41 (2024)
 77 IPCC (2023), Climate Change 2023 Synthesis Report
 78 PGS 43 (2024)
 79 Figure 23 indicator: PGS 43. Denominator: 3,048
 80 PGS 44 (2024)
 81 PGS 20 (2024)
 82 PGS 6 (2024)

METRICS AND TARGETS

Figure 24: Percentage of signatories using and / or disclosing the climate metrics specified below⁸³



Approximately two-thirds of signatories use and / or disclose climate-related metrics.

There are **differences** in the **metrics used and disclosed across asset classes**. For example, **physical risk exposure metrics are more commonly used and / or disclosed by real estate (51%) or infrastructure (54%) investors** than by those across other asset classes.⁸⁴

⁸³ Figure 24 indicator: PGS 45. Denominator: 3,048

⁸⁴ PGS 45 (2024)

Table 4: Examples of investors' recent action on and near-term priorities relating to CLIMATE as set out in their senior leadership statements⁸⁵

<p>The Dai-ichi Life Insurance Company, asset owner, Japan, US\$50-US\$249.99bn AUM</p>	<p>“In addressing climate change issues, which we have positioned as the most important theme of responsible investment, we will implement the following initiatives:</p> <ul style="list-style-type: none"> ■ Contributing to realizing a decarbonized society. ■ Continuous support of investee companies' decarbonization efforts through engagement and transition finance. ■ Establish appropriate GHG emissions data management system. ■ Expansion of assets subject to GHG emissions measurement and target-setting. ■ Explore approaches to GHG emissions reduction ■ Invest a cumulative total of 2.5 trillion yen in climate change solutions by FY2029 (total of Dai-ichi Life and Dai-ichi Frontier Life), and contribute 2.4 million tons CO₂e/year in GHG reduction in FY2026 as a positive impact of the investment.”
<p>KLP, asset owner, Norway, US\$50–US\$249.99bn AUM</p>	<p>“KLP invested nearly NOK 7.6 billion in climate-friendly projects in Norway and globally. The total market value of these investments has increased to over NOK 91 billion, representing more than 11.6% of KLP's portfolio. By the end of 2023, KLP had funded the construction of 95 new renewable energy projects worldwide, adding over 12 gigawatts of renewable capacity to the market. Highlights from our active ownership efforts during 2023 include the following: We have outlined our expectations concerning the climate and nature in KLP's expectations for companies with respect to climate change and the natural environment. The purpose of that document is to describe how KLP, as a long-term responsible investor, expects companies to manage their business activities in a way that limits these risks.”</p>
<p>Régime de Retraite de l'Université de Montréal, asset owner, Canada, \$US1-\$US9.99bn AUM</p>	<p>“In the next two years, our focus will be on enhancing our approaches related to non-listed asset classes. We are also committed to evaluating / assessing the durability / resilience of our portfolio amid a spectrum of climate scenarios, aiming for a more profound understanding of the influence of these shifts on distinct asset classes and regions. Moreover, we will examine the necessity of adjusting our strategic asset allocation to maintain the anticipated return and risk profile of our investments. Concurrently, we'll continue on the path of identifying, evaluating and engaging in investments geared towards climate solutions or the transition to a low-carbon economy.”</p>
<p>BOSERA FUNDS, investment manager, China, US\$50-US\$249.99bn AUM</p>	<p>“Innovate green financial products and expand green investment: launch clearly defined ESG and low-carbon themed fund products when appropriate; explore the quantitative assessment methods for the carbon neutrality performance of green themed products; conduct in-depth research on the green investment identification and evaluation; continuously track green investment trajectories and trends, focusing on relevant key industries.”</p>

To see the senior leadership statements in full, visit the [PRI Data Portal](#)

ADDITIONAL RESOURCES

- Progress report | [Climate Action 100+ Update 2023](#)
- Technical guidance | [Investor Climate Action Plans \(ICAPs\) Expectations Ladder](#)
- Technical guidance | [Scenario analysis guide for asset managers](#)
- IIGCC Technical guidance | [Investing in climate solutions: listed equity and corporate fixed income](#)
- Technical guidance | [Climate risk: an investor resource guide](#)
- Technical guidance | [Achieving climate commitments in multi-asset portfolios](#)

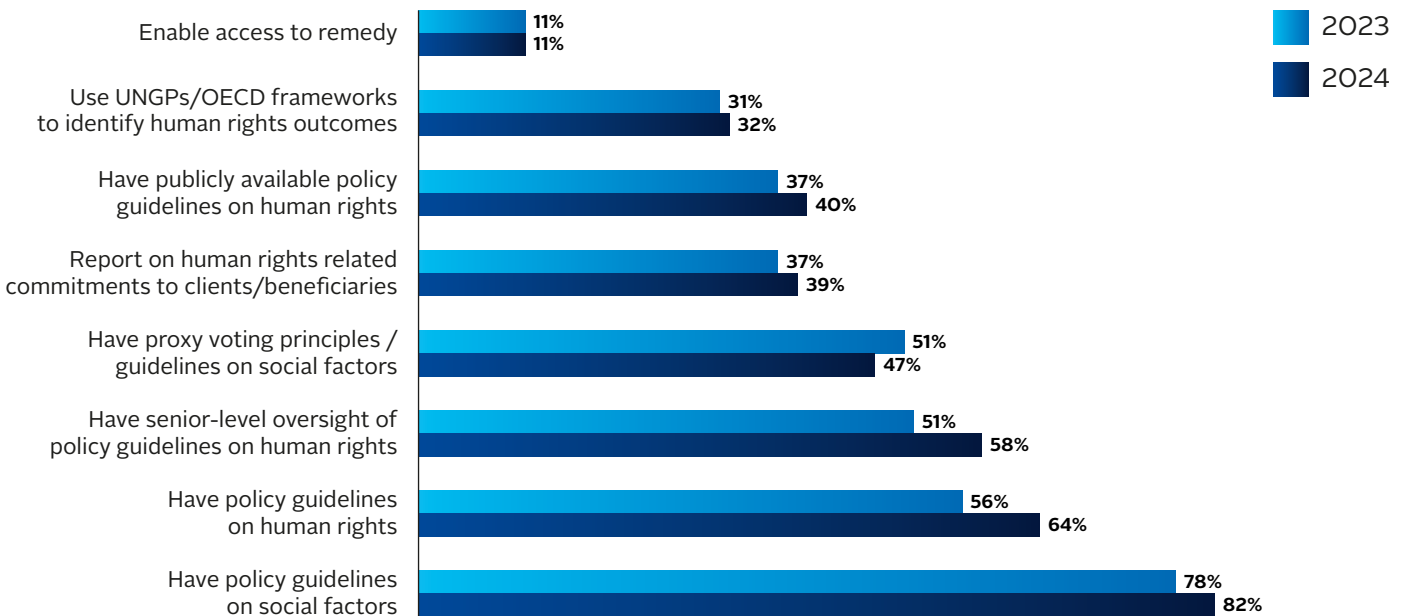
85 Table 4 indicator: SLS1 (2024)

HUMAN RIGHTS AND SOCIAL ISSUES

Increasing numbers of signatories have specific policies covering human rights and social issues. The trend is partly driven by policy makers' growing focus on human rights, including on due diligence. This is reflected in a number of recent pieces of regulation, such as the EU [Corporate Sustainability Due Diligence Directive](#), Australia's [Modern Slavery Act](#) and Canada's [Bill S-211](#).

Signatories have made **faster progress in** establishing human rights **policies than in developing transparent processes** to assess and address human rights risks. It continues to be the case that a minority of signatories are conducting human rights due diligence or are reporting to clients / beneficiaries on human rights commitments.⁸⁶

Figure 25: Human rights action staircase – percentage of signatories taking the actions specified below as part of their investment processes⁸⁷



THE ROLE OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS (UNGPS)

The [UNGPs](#) provide an important framework for many PRI signatories as they assess human rights risks of portfolio companies and assets. The UNGPs are a crucial basis for the PRI's work on human rights. They require investors to:

- adopt a policy to respect internationally-recognised human rights;
- adopt due diligence processes; and
- enable access to remedy in case of adverse impacts.

Figure 26: UNGPs action staircase – percentage of signatories taking the below steps to implement the principles⁸⁸



⁸⁶ PGS 16, 47.1 (2024). Denominator: 3,048

⁸⁷ Figure 25 indicators: PGS 1, 2, 3, 8, 11.1, 16, 47.1 (2024), PGS 1, 2, 3, 8, 11.1, 16, 47.1 (2023). Denominators: 3,048 (total for 2024), 1,425 (total for listed equity investors for 2024), 3,774 (total for 2023), 2,139 (total for listed equity investors for 2023)

⁸⁸ Figure 26 indicators: PGS 3, 47.1, 50 (2024). Denominator: 3,048

Eight percent of signatories, with combined AUM of US\$13.6tn,⁸⁹ **take action on all pillars of the UNGPs**. The **percentage conducting human rights due diligence** (32%) and **enabling access to remedy** (11%) has **remained stable** since the last reporting period.⁹⁰

Enabling access to remedy for affected rightsholders is a **complex undertaking** for investors as it often means reviewing and understanding human rights infringements that have occurred within an investee’s supply chain. This challenge may help explain why only a small proportion of signatories take this step. **Among the signatories that enable access to remedy**, the **majority do so indirectly**,

using their influence to ensure that investees provide access to remedy for people affected by negative human rights outcomes the investors were linked to through their investment activities.

The PRI continues to focus on this area, for example by supporting private markets investors in identifying human rights risks in company supply chains.

Many signatories set out their approach to human rights and social issues in their senior leadership statements. A selection of these statements is provided below.

Table 5: Examples of investors’ near-term action on and priorities relating to HUMAN RIGHTS set out in their senior leadership statements⁹¹

<p>Creador, investment manager, Malaysia, US\$1-\$US9.99bn AUM</p>	<p>“Our due diligence process includes thorough human rights assessments for all new and existing investments, ensuring compliance with international standards. We have aligned our operations with the UN Guiding Principles on Business and Human Rights, ensuring all our investments respect and uphold human rights. We actively work with our investee companies to monitor and improve their human rights practices across the entire value chain, addressing any potential violations.”</p>
<p>Friends Fiduciary Corporation, asset owner, US, US\$0-\$US0.99bn AUM</p>	<p>“We work to engage the companies we hold on DEI issues including board and workforce diversity and racial / civil rights equity audits. We include DEI concerns in other issues we engage and collaborate on with fellow socially responsible or faith-based investors, for example during a just transition engagement we raised concerns that low-income communities, communities of color, and indigenous populations often bear the brunt of environmental harms during company transitions. Similarly, in our engagements on living wage we’ve raised wage and wealth disparities for workers of color due to systemic racism. We’ve also touched on this issue in engagements around the use of technology products / services for surveillance purposes, as this has raised concerns around the mass surveillance and infringement of the rights of minority populations not just in the US, but in other regions as well, particularly conflict-affected and high-risk areas.”</p>
<p>CaixaBank Asset Management, investment manager, Spain, US\$50-\$US249.99bn AUM</p>	<p>“Adhesion to ADVANCE initiative, a stewardship initiative for human rights and social issues, as part of our commitment to people and society. Advance is a PRI-led stewardship initiative where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision-makers to drive positive outcomes for workers, communities and society. In 2023, we engaged with two companies: Iberdrola and EDP. With Iberdrola, we have focused on human rights policies and supplier management, and with EDP, we have concentrated on human rights due diligence and child labor in the supply chain.”</p>

To see the senior leadership statements in full, visit the [PRI Data Portal](#)

ADDITIONAL RESOURCES

- Webinar | [Launch Webinar for the Taskforce on Inequality and Social-related Financial Disclosures](#)
- Reporting guidance | [Reporting guidance on human rights](#)
- Introductory guide | [Introduction to responsible investment: human rights](#)
- Technical guidance | [How to identify human rights risks: a practical guide in due diligence](#)
- Workshop summaries | [Human rights in private markets workshop series](#)
- Thought leadership | [Why and how investors should act on human rights](#)

⁸⁹ This is the total AUM figure for the investors that report having a policy on human rights, conducting human rights due diligence, and enabling access to remedy. It is not necessarily the case that the investors undertake these actions for all of their AUM: they may take specified actions for a limited portion of AUM only. The total AUM figure may include some double-counted assets as a portion of PRI signatories outsource the management of certain assets to other investors that are also PRI signatories

⁹⁰ PGS 47.1, 50 (2024)

⁹¹ Table 5 indicator: SLS1 (2024)

AREAS FOR DEVELOPMENT AND NEXT STEPS

Throughout the report we see evidence and examples of signatories developing and refining their approaches to responsible investment. The table below outlines resources available to support signatories in addressing these areas and continuing to advance their practices.

Table 6: Areas for development⁹²

PRACTICE	REFERENCE PAGE	KEY PRI RESOURCE(S)
Making RI policy publicly available	Page 12	Technical guide Developing and updating a responsible investment policy
Developing a stewardship strategy	Pages 15-18	<ul style="list-style-type: none"> ■ Introductory guide An introduction to stewardship ■ Technical guide Stewardship in private equity
Disclosing proxy voting decisions	Page 15	<ul style="list-style-type: none"> ■ Practical guide Active ownership in listed equity ■ Discussion paper Active ownership 2.0
Disclosing key information on RI activities to clients in regular reporting	Page 23	<ul style="list-style-type: none"> ■ Introductory guide An introduction to responsible investment ■ Discussion paper Review of trends in ESG reporting requirements for investors
Incorporating clauses relating to responsible investment in contractual agreements	Page 20	<ul style="list-style-type: none"> ■ Technical guide ICGN - GISD Model Mandate ■ Technical guide Asset owner guide: investment manager appointment
Identifying climate-related risks and opportunities connected to investments	Page 25-27	Technical guide Climate risk: An investor resource guide
Implementing the UN Guiding Principles on Business and Human Rights	Pages 28-29	<ul style="list-style-type: none"> ■ Introductory guide An introduction to human rights for responsible investors ■ Technical guide How to identify human rights risks: A practical guide in due diligence

⁹² PGS 3, 16, 41 (2024), OO 8 (2024)

METHODOLOGY

The analysis compares data that was reported by signatories during the 2021, 2023 and 2024 reporting cycles. The indicator wording remained broadly unchanged between 2023 and 2024. Only data points considered equivalent in 2024, 2023 and 2021 have been analysed within this report.

The cohort of signatories that report to the PRI varies across reporting cycles due to factors such as changes to mandatory reporting requirements and additional investors becoming signatories to the PRI. In 2024, 3,048 signatories reported across all core indicators, with 93% doing so on a mandatory basis and 7% on a voluntary one. In 2023, reporting was mandatory for all signatories not in their grace period and 3,774 reported. This report compares data across reporting years without controlling for differences in the reporting cohort.

The 2024 PRI Reporting Framework was made up of 'core' mandatory indicators and optional 'plus' indicators. Not all signatories answered all core indicators as some were contingent on answers given in prior sections. For the purposes of this analysis, the denominator used to calculate percentages is the total number of signatories for whom the indicator is relevant. For example, the human rights-specific indicators were optional, but all investors have a responsibility to respect human rights. Therefore, the denominator used to calculate percentages is all those who reported on the PGS indicator (3,048) rather than the subtotal that opted in to report on the indicators.

Natural language processing techniques were applied to the free-text responses across the senior leadership statement module. This involved standardising cases, removing special characters, punctuation and hyperlinks, filtering and [lemmatisation](#). The resulting analysis is visualised through bar charts and word clouds.

It is important to note that in 2024 and 2023 asset owners did not report on asset class modules.

The total number of signatories headquartered in advanced and emerging economies does not add up to the total number of signatories that reported (3,048), because there are a small number of signatories (51) that are headquartered in jurisdictions that are not covered by the [IMF's categorisation](#).

The following Reporting Framework indicators were analysed for this report:

MODULE	INDICATOR(S)
Organisational overview (2024)	OO 4, 5, 8
Organisational overview (2023)	OO 4, 5
Senior leadership statement (2024)	SLS 1
Senior leadership statement (2023)	SLS 1
Senior leadership statement (2021)	SLS 1
Policy, governance and strategy (2024)	PGS 1, 3, 4, 5, 6, 11, 14, 16, 20, 21, 24, 31, 33, 34, 36, 37, 39, 39.1, 41, 43, 44, 45, 47, 47.1, 48, 48.1, 50
Policy, governance and strategy (2023)	PGS 1, 3, 4, 5, 16, 24, 39, 39.1, 41, 43, 44, 45, 46, 47, 47.1, 48, 48.1, 50
Investment and stewardship policy (2021)	ISP 2, 30
Selection, appointment and monitoring (2024)	SAM 5, 6, 7, 8, 9, 13, 14, 16
Selection, appointment and monitoring (2023)	SAM 5, 7, 8, 9, 16
SO (2024)	SO 7
Fixed income (2024)	FI 1
Listed equity (2024)	LE 1
Infrastructure (2024)	INF 3, 4, 10
Private equity (2024)	PE 3, 4, 7
Private equity (2023)	PE 7
Real estate (2024)	RE 3, 4, 13

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The Principles for Responsible Investment (PRI)

The PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

More information: www.unpri.org



The PRI is an investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact.

United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a unique partnership between the United Nations Environment Programme (UNEP) and the global financial sector. UNEP FI works closely with over 200 financial institutions that are signatories to the UNEP FI Statement on Sustainable Development, and a range of partner organisations, to develop and promote linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, 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.

More information: www.unepfi.org



United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 8,800 companies and 4,000 non-business signatories based in over 160 countries, and more than 80 Local Networks.

More information: www.unglobalcompact.org

