

POLICY BRIEFING

PRI CURRENT POLICY PRIORITIES

August 2025

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To inform this paper, the following group has been consulted: Global Policy Reference Group, Asset Owner Technical Advisory Committee and Sustainable Systems Investment Manager Reference Group.

While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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ABOUT THIS BRIEFING

This briefing, published annually by the PRI, provides current policy analysis relevant to creating an enabling environment for responsible investment. It includes global and country-based policy focus areas and recommendations to support responsible and sustainable investment ecosystems, reflecting PRI's strategy, signatory feedback and policy maker agenda in different markets. The briefing aims to provide insights into key areas relevant to PRI signatories' own policy engagement across markets. It is intended to inform signatories about PRI's planned policy work for the year and will be updated as relevant to reflect the dynamic environment of global policymaking.

The briefing introduces a set of policy objectives, foundational to creating an enabling environment for responsible investment globally. These objectives are derived from PRI's ongoing dialogue with signatories and policy makers, and research on sustainable finance, corporate and real economy policy reforms of relevance to responsible investors.

The PRI has been working on policy because public policy sets the rules that govern the financial system, the stability of financial markets, as well as social, environmental, and economic systems. These factors are central to the pursuit of the PRI's Mission for a sustainable financial system.

The PRI's policy work is designed to support the responsible and sustainable investment activities of our signatories. This is because public policy critically affects the ability of long-term investors to generate sustainable returns, making policy engagement central to the duties of investors to beneficiaries, clients, and savers. This is increasingly important as governments adopt, pursue and update sustainability related policy objectives and related regulations.

Signatory consultation is central to the PRI's policy work. Signatories contribute their experience to our recommendations to ensure they are well-informed and practicable. The PRI proactively develops research and analysis on foundational policy issues at the regional and global levels, always involving signatories at the onset and throughout policy research projects and programmes. The PRI also proactively consults with other non-signatory market stakeholders as appropriate.

We invite our signatories to share further feedback and comments on this briefing by taking part in our [policy collaboration](#) or reaching out at policy@unpri.org.

All PRI policy work can be found at <https://www.unpri.org/policy>.

PRI'S POLICY APPROACH

PRINCIPLES OF POLICY ENGAGEMENT

The PRI develops positions on government policy and makes public statements or submissions in the interests of enabling responsible investment. The PRI:

- publishes policy research, analysis, and recommendations on key sustainable finance policy topics, consistent with national laws and regulations applicable to signatories;
- responds to policy consultations where relevant;
- bases its comments on high-quality research containing well-considered arguments and proposals that are rigorously defensible;
- noting our large and global signatory base, does not seek to represent the views of the entire signatory base or indicate that research or recommendations represent the collective views of signatories;
- does not engage in policy activities intended to broadly support a specific national or sub-national political party or parties; and
- remains abreast of UN positions on relevant issues, consults with UN partners when needed.

In responding to policy consultations relevant to the PRI's mission and principles, the PRI will:

- publish the consultation on the PRI Collaboration Platform;
- encourage signatories to provide feedback;
- share policy positions with the Global Policy Reference Group and other relevant signatory groups; and
- publish completed consultations, technical briefings and policy-related research to the PRI website.

PRIORITY MARKETS

Priority markets for PRI policy work are determined based on signatory base, size of capital market, and global significance. In 2025/26, the PRI aims to have dedicated policy staff covering twelve jurisdictions – **Australia, Brazil, Canada, China, the EU, HK SAR, Japan, Mexico, South Africa, Switzerland, the UK and the US** – working closely with PRI signatories and national/regional policy makers, regulators and industry stakeholders. To further support work in the priority markets the PRI will be undertaking comparative work to identify areas of convergence and divergence on key policy files between jurisdictions. The PRI further plans to develop policy analysis in **India, Korea, and Singapore**.

In other countries with PRI signatories, the policy team supports local policy developments by utilising available expertise and resources, including policy research, to respond to consultations and participate in events as relevant and possible.

OPPORTUNITIES FOR SIGNATORIES

The PRI enables its signatories to stay updated and provide public support for PRI's policy positions.

- The PRI publishes a monthly policy newsletter, sharing key developments, relevant policies and regulations, ongoing consultations, events, and policy publications.
- PRI signatories, academics, and partner organisations are invited to join the PRI policy collaboration. Members receive invites to our biannual Global Regulatory Updates call and provides opportunities to contribute to key PRI policy research and analysis.
- Senior policy professionals from PRI signatories can also join the Global and Regional Policy Reference Groups (GPRG/RPRGs). There are regular GPRG and RPRG email exchanges and meetings, involving detailed policy discussions on national and international policy, where members can share their expertise, knowledge, and feedback with PRI and each other.

CORE POLICY PRINCIPLES

In an unstable geopolitical context, and with enduring and increasing environmental, social, and economic challenges, governments and regulators must develop ambitious and comprehensive policy frameworks to enable markets to contribute to sustainable, inclusive growth that is aligned with global sustainability goals and broader economic and social needs.

The core policy principles presented below are derived from more than ten years of research and engagement with investors through our policy work. They are detailed in our Sustainable Finance Policy toolkit and are generally applied as relevant to PRI-led consultation responses and policy engagement.

Topic	Policy needs	Examples of policy tools ¹
Transparency and credibility	Standardised and comparable data and metrics, as well as appropriate verification mechanisms, to monitor, understand and verify sustainability-related risks, impacts and claims.	Corporate disclosure regulations, investor disclosure regulations, transition plans, sustainability classification instruments (taxonomies, sectoral pathways, product labels etc.), service provider sustainability regulations.
Consistency and coherence	Clear and steady economic policies, implemented in a coherent manner to reforms applied to the financial sector within the jurisdiction. This includes adopting a whole-of-government approach to financial and economic policy, in alignment with national goals and in the best interest of clients and beneficiaries.	National sustainable finance strategies, cross-government transition strategies, industrial policy, government-backed sectoral pathways and entity-level transition plans, human rights and environmental due diligence in line with international standards, global baseline for corporate disclosure regulations.
Effective incentives for responsible investment	An environment which enables institutional investors to address the drivers of sustainability-related risks in a way that is aligned with their financial objectives and systems stability. This includes ensuring investors can engage in practices that reduce system-level risks, avoid the downsides of a short-termism approach and invest in assets that create long-term value and enhance systems' stability.	Investor sustainability regulations, human rights and environmental due diligence requirements and guidance, regulatory frameworks for effective stewardship, corporate sustainability responsibilities
Pricing of externalities/ addressing incomplete capital markets	Clear accountability for externalities, sufficient supply of investments aligned with RI approaches and appropriate pricing of sustainability risks. This involves creating enabling conditions for the effective flow of capital particularly for projects that involve high risks, require significant upfront investment, or have long time horizons before generating returns.	Sustainability classification instruments (taxonomies), investor sustainability regulations, corporate sustainability responsibilities, blended finance
Addressing principal / agent problems	Enabling conditions for shareholders and asset owners with diversified portfolios in seeking long-term sustainable returns and system-level stability, ensuring that their interests and those of their clients and beneficiaries are effectively considered by all parties of the investment value chain.	Investor sustainability regulations (specifying expectations for investment managers), transition plans, human rights and environmental due diligence requirements and guidance, regulatory frameworks for effective stewardship (stewardship codes, proxy voting rules etc.), corporate sustainability responsibilities
Capacity building, awareness raising and expertise sharing	Mainstream understanding of sustainability-related risks and opportunities, as well as of the feedback loop between investments and wider system stability. Raise awareness on the case for RI across markets / with beneficiaries.	Transition plans, human rights and environmental due diligence requirements and guidance, regulatory frameworks for effective stewardship, sustainability disclosures and labelling, corporate sustainability responsibilities, service provider sustainability regulations, blended finance.

¹ The list of policy tools may be subject to further changes as we assess the evolving context of sustainable investment policies

GLOBAL POLICY AREAS FOR 2025/26

FINANCIAL POLICY

Following the publication of the first [Sustainable Finance Policy toolkit](#) in collaboration with the World Bank in 2020, the PRI has conducted new research and engagement with policy makers, signatories and industry experts over the past two years, culminating with the publication of [Part I of the second edition of the toolkit](#).

The complete updated version will provide policy makers with a practical toolkit to align policy reform measures with their sustainability ambitions, ensuring that the policy and regulatory framework is robust enough to address the evolving challenges posed by system-level sustainability-related risks. It also provides investors with analysis of key policy tools that may be needed in their jurisdiction to help them invest more responsibly, which also informs their own engagement with policy makers.

Duties, stewardship and shareholder rights

Investors are required to incorporate material risks, including relevant sustainability issues, into investment practice and decision-making in pursuit of financial returns for beneficiaries and clients. Existing legal duties generally provide significant discretion for investors to make informed decisions about when to pursue positive sustainability outcomes in ways that support their proper investment purpose and financial return objectives.

While policy makers should continue to clarify legal duties where necessary, the PRI encourages the development and implementation of policies that support and incentivise investor action. This includes formalising investor stewardship activities by defining expectations on practices and reporting to increase accountability and transparency. It also concerns ensuring the protection of shareholder's rights to engage with companies on the impacts of the company's business activities that may contribute to system-level sustainability risks and affect their financial returns.

Corporate disclosures

Investors need comparable and high-quality corporate sustainability reporting to inform their responsible investment practice. National and regional policy makers and standard setters have an essential role to play in achieving this across investors' global portfolios. PRI will continue to engage on sustainability disclosure requirements to promote interoperable and decision-useful reporting on sustainability risks, opportunities and impacts across jurisdictions. We will also engage with regulators to promote better reflection of companies' material sustainability-related risks in financial statements, including in line with existing IASB accounting rules.

Taxonomies

The PRI will pursue its work on enhancing the usability and interoperability of sustainable finance taxonomies, which is essential to ensure well-functioning financial markets that also contribute to climate and broader environmental goals. Through its [collaboration](#) with UNEP FI and the Climate Bonds Initiative, the PRI will work on principles on taxonomy interoperability and a tool that maps the design features and criteria of adopted taxonomies.

Investor disclosure

The PRI is working on the meaningful reporting project on investor disclosure aimed at exploring the question: What does 'decision-useful' reporting mean for different users of investor disclosure? This research will input into our future engagement with regulators and standard setters on investors disclosure requirements (e.g. fund/naming rules), ongoing dialogue with signatories and will inform PRI's work on disclosures along the investment chain.

Due diligence

The PRI will continue to engage with policy makers on the benefits of practicable and effective human rights and environmental due diligence legislation. The team will build on its [engagement](#) on the EU CSDDD, to produce a series of short, globally applicable briefings to describe how such legislation can be drafted. The [first brief](#) focuses on the risk-based approach.

Transition plans

The PRI will engage in the [International Transition Plan Network](#) and other relevant fora to advance an emerging consensus on the value of integrating transition plan requirements in regulatory frameworks, building on the expertise it has built through engagement in various jurisdictions and the Taskforce on Net Zero Policy. We will also monitor opportunities for strengthening transition plan disclosure provisions following the expected publications of transition plan guidance by the IFRS foundations, supplementing the ISSB standards.

REGULATION DATABASE

The PRI will update its [regulation database](#) to reflect the latest policy developments and ensure it provides useful and relevant insights on responsible investment trends. The regulation database documents financial, corporate and real economy policies which support, encourage or require responsible investment practice.

COLLABORATIVE ENGAGEMENT

The PRI will convene a group of experts to continue providing regulatory clarification, guidance, resources and policy research to increase signatories' confidence in carrying out collaborative engagement aligned with existing rules and regulations to tackle system-level sustainability-related risks.

ECONOMIC POLICY RESEARCH

The PRI will support the commitment and implementation by national and sub-national governments to [whole of economy transition strategies and plans](#). We will continue developing research on how economic policy matters for responsible investment, which economic policy instruments are most effective in supporting investors in their responsible investment practices, and how these instruments can be implemented effectively. This research will be complemented by jurisdiction-level analysis (China, EU and UK), allowing the PRI to more effectively engage with policy makers on areas beyond financial policy that are directly relevant for responsible investment. We will also platform relevant partner research to support this workstream.

CLIMATE POLICY

The risks and opportunities of the transition to a resilient, net zero economy are recognised by many policy makers and regulators as financially material. Investors have a key role to play to shape and manage this transition in line with their duties to secure long-term returns for their clients and beneficiaries. With increasing policy volatility on net zero and escalating climate risk, PRI will continue research on implications of the Paris Agreement, temperature scenarios and risk; and take forward engagement to support accelerated policy action on the [Road to COP30](#). We will develop further evidence on how the next round of Nationally Determine Contributions (NDCs) and the plans and strategies that underpin these can be made more investable, and explore how capital mobilisation in EMDEs can be accelerated to mitigate system-level risks and support development. We will also focus on the Brazilian market, building on the opportunity afforded by hosting PRI in Person in Sao Paolo just before COP30 in Belem in November 2025.

NATURE POLICY

The PRI will continue engaging on policies to operationalise the Global Biodiversity Framework (GBF), to further enable responsible investors to manage nature-related factors in investment decisions. We will conduct research on deforestation policies, to complement the [Spring](#) stewardship initiative which focuses on responsible political engagement and forest loss and land degradation. We will conduct research on how policies can create nature-related investment opportunities. With the [Nature Policy Roadmap](#) and [nexus between human rights and nature policy](#) as starting points, we will also engage with regional policy developments as opportunities arise. The PRI will also work to ensure nature is adequately integrated into COP30 engagement activities.

HUMAN RIGHTS AND SOCIAL ISSUES POLICY

The focus of the PRI's work in the coming months will be on the issues of decent work and inequality. We will expand the research conducted on the [socioeconomic implications of the transition](#), highlighting its implications for responsible investors at country level, as well as supporting the narrative of the economic transition as an enabler for better socioeconomic and investment outcomes, both in developed and emerging economies. In line with previous PRI research, the focus will be on income inequality. However, the effect of the economic transition on horizontal inequalities, and the associated financial considerations, will also be part of the research. The PRI will leverage as relevant the work of the TISFD on the topic of inequality and policy gaps to address related risks. The PRI will also continue exploring the [nexus between human rights and nature policy](#), specifically focusing on country level policy initiatives. Finally, the PRI will monitor policy developments related to the digital and demographic transitions.

MULTILATERAL POLICY ENGAGEMENT

The PRI will adopt a more proactive and strategic approach to multilateral policy engagement based on the priorities and actions identified through continuous exchanges with signatories and policy makers globally. These include strategic engagements with the UN System, IFIs and MDBs, and the G7 and G20. FFD4, World Bank/IMF Annual Meetings, COP 30, and the G20 Summit are major multilateral events for PRI in 2025.

TASKFORCE ON NET ZERO POLICY

The PRI will continue to provide the Secretariat for the [Taskforce on Net Zero Policy](#), building on its inaugural reports on net-zero policy adoption in G20 countries and interconnected justice. The Taskforce will focus on showcasing the continued adoption of net zero policies for companies and financial institutions through research and the convening of policy makers and other relevant stakeholders. It will publish a follow-up report that will analyse good practice high-integrity policies and dive deeper into critical areas of policy making such as accountability mechanisms and resilience-focused policies.

COUNTRY POLICY PRIORITIES

AMERICAS

BRAZIL

With [PRI in Person](#) taking place in Brazil in November 2025, the PRI will formalise policy research and engagement in Brazil as part of the strategic objectives to expand policy research to 15 markets by 2027. To kick off a comprehensive review of the state of sustainable finance policy reform in Brazil, the PRI will publish a Brazil Sustainable Finance Policy Roadmap at the annual policy conference held alongside PRI in Person.

The roadmap will be built on extensive research and interviews with Brazilian investors, stakeholders and policy makers and PRI signatories. It will aim to communicate to the Brazilian government and regulators what investors need to contribute to sustainability (climate, biodiversity and social) challenges in service of, and alongside, the pursuit of financial returns for their clients and beneficiaries.

Recommendations will support real economy measures and the ecological transformation plan in shaping sustainable investment opportunities as well as sustainable finance reforms such as the following:

- increased transparency through taxonomy-aligned project disclosures and ISSB-aligned entity-level sustainability disclosures
- corporate transition plans
- sectoral roadmaps
- investor stewardship and duties
- blended finance mechanisms to channel private capital to sustainable solutions
- regulated carbon market

CANADA

The PRI will continue to engage with the Canadian government, now led by Prime Minister Mark Carney, as a priority market. The country is well positioned to continue its progress in enabling sustainable financial practices and to become a global leader in enacting a whole-of-government approach to the economic transition to net zero.

In December 2024, the Canadian Sustainability Standards Board (CSSB) released the Canadian Sustainable Disclosure Standard (CSDS). The PRI will prioritize engagement with the Canadian Securities Administrators (CSA) to establish mandatory climate-related disclosure for companies following the [pause](#) on this work in April 2025.

The country's "Made-in-Canada" sustainable investment guidelines, also known as the taxonomy, can help accelerate the country's transition to net zero and make it an attractive market for foreign investment. The PRI will work with the Government of Canada to advance the development of its taxonomy by seeking a process that allows for public consultation and alignment with existing taxonomies in other jurisdictions.

The PRI will continue to [encourage](#) the Competition Bureau to provide robust and comprehensive guidance on the provisions recently added to the Competition Act. The Bureau's interpretation of the Competition Act changes could have far-reaching unintended consequences on market practices and national sustainability efforts and therefore require clarification of key aspects of the provisions for entities seeking to communicate their sustainability ambitions and activities to the public.

US

The PRI's work on policy is underpinned by a core concept: that engaging in responsible investment practices helps signatories better do their work on behalf of clients and beneficiaries. This involves:

- Clarity from regulators and lawmakers on the freedom of investors to make the best decisions for their clients and beneficiaries, informed by a comprehensive analysis of material risks that may impact investment returns.
- Access to consistent, comparable, and decision-useful information on risks and opportunities material to the investment decision-making process, including factors that are not easily captured on a

balance sheet but have tangible financial consequences, like extreme weather events, political instability, and natural resource limitations.

- Clear, unobstructed channels to utilise the full spectrum of the rights of shareholders to support investee companies in generating long-term value consistent with the needs of signatories holding patient capital.
- Incentives to support the adoption of renewable energy sources that help communities compete for capital in the global marketplace and create long-term, stable financial prosperity.
- Financial policy alignment across levels of government to increase efficiency and support investors seeking sustainable risk-adjusted financial returns.
- Removal of misaligned policy or regulation that disincentivises sustainable activities and only serves to add costs to market actors.

Engage with the US Responsible Investment Ecosystem

The PRI will engage with a broad range of stakeholders in the financial system to discuss the needs of investors and the benefits of a sustainable financial system.

- Congress is a vital partner in enabling a sustainable financial system. The laws passed by Congress set the rules by which all market actors operate. Significant attention has been paid to sustainable financial issues in recent years, though the PRI has a role to play in dispelling misconceptions and building bipartisan support for investment rules that incorporate sustainability related risks and support investor returns.
- Federal agencies such as the Department of Labor and the Securities and Exchange Commission play a crucial role in developing the operating environment for PRI's US and global signatories by establishing best-practices and dictating direction of travel on corporate disclosure and fiduciary duties. As the PRI has been advocating for years, regulators should create predictable, stable operating environments that reduce system-wide risks in the long run.
- State and local policy makers also play an important role to support responsible investment practices and build a more sustainable financial system within their markets.

Focus on core policy areas

The PRI will continue to support signatory activities aligned with the Six Principles and operations within a more sustainable financial system.

- **Fiduciary Duties:** Investors require clear, consistent rules of the road that allow them to work on behalf of clients and beneficiaries. The PRI will continue to work with legal experts, policy makers, and signatories to demonstrate that ESG integration is consistent with fiduciary duties and the work of responsible investment is designed around supporting long-term, risk adjusted returns solely for clients and beneficiaries.
- **Shareholder Rights:** The ability to engage with public companies' management is the basis of the contract between investors and investee companies. Lawmakers and regulators must protect investors' historic advisory role including through regular engagement, proposal and voting processes.
- **Policy Alignment:** The global adoption of policies to support sustainable finance is broadly supportive of investor action to further act on the Six Principles. However, misalignment between regional or global regulators and law makers can create friction in the financial system, increasing costs for investors and preventing clients and beneficiaries from fully appreciating the long-term value of more sustainable financial markets.

ASIA PACIFIC (APAC) REGION

The Asia Pacific (APAC) region is at a crossroads in addressing the dual challenges of sustainability and economic growth. The region is now home to approximately 60% of the world's population and GDP, with a rapidly expanding middle class and diverse industries. It remains the fastest growing economic area in the world, with emerging countries projected to continue rapid growth over the next decade. Meanwhile, APAC also faces big sustainability challenges. On the net zero front, a soaring emissions burden now means that the region accounts for approximately half of global carbon emissions. The exacerbating loss of biodiversity in the region, which relies heavily on natural capital, also indicate that up to approximately 63% of the region's GDP could be at risk. The economic imperative to address sustainability challenges is clear, but challenges remain particularly in the complexity and diversity of the economies in the region.

The important role that responsible investment can play both within and beyond APAC countries is only beginning to unfold. Policy makers across the region are adopting policies that promote responsible investment as a key enabler to grow investments in industries and technologies that support the economic transition. Investors are also showing sustained and growing interest in responsible investment as sustainability gets increasingly embedded into the financial policy landscape. The rise of mandatory sustainability-related financial disclosure regulations based on the ISSB Standards shows this trend in action. The rise of taxonomy development is also key, with many incorporating transition alongside green objectives owing to the region's unique challenges. We also observe growing interest from APAC regulators on tightening transparency and accountability on sustainability-related financial products and claims, with disclosure and labelling rules beginning to mature alongside broader disclosure regulations.

The PRI has engaged with APAC policy makers and regulators across the years, with a focus on three priority jurisdictions: Australia, China and Japan. Owing to the increasingly large and important role emerging markets will play in enabling a region-wide sustainability transition, we will expand our coverage beyond these jurisdictions in the next three years. These additional jurisdictions will be Hong Kong SAR, India, Singapore, and South Korea, with Hong Kong SAR and Singapore being our immediate next steps.

AUSTRALIA

Australia continues to make strong progress in developing sustainable finance policies that aim to enable investors and corporates to account for and address sustainability-related system-level risks. Strong priority is given to the net zero transition due to its relatively high exposure to climate-related risks. Much of this progress has been anchored in a shared understanding across government, corporates and financial institutions of the urgency and impact that climate-related and broader sustainability risks pose to the economy's strength and stability.

There remains, however, further work to be done. Policy commitments made under the Sustainable Finance Roadmap are still midway, with key milestones such as clarification of the use-cases of the Australian Sustainable Finance Taxonomy, the development of transition plan disclosure guidance, and the development of a sustainable finance product disclosure rule still to be done. Australia is therefore at a critical juncture where continued and consistent engagement in sustainable finance policy is necessary to ensure efforts to date coalesce and truly integrate into financial markets, delivering sustainable outcomes required for economic stability and growth.

Sustainable finance roadmap

The PRI supports the Commonwealth Treasury's goals and plans outlined in the [Sustainable Finance Roadmap](#), and will continue to engage with the local ecosystem to provide global perspectives that can inform and enhance the design of policies being considered.

Taxonomy

The PRI has continued its engagement with the local ecosystem on the draft taxonomy to provide our insights based on global research and analysis on sustainable taxonomies. As the Australian Government proceeds to consider use-cases for the taxonomy developed by ASFI, we will continue to provide support in ensuring that the taxonomy is utilized in such a way that is fit for purpose.

Sustainability reporting

Mandatory climate-related financial reporting has already commenced in Australia, but further guidance is yet to be expected particularly on transition plans. The PRI will seek to support the local ecosystem as it considers guidance to elevate the quality and integrity of compliant reports.

Investor disclosure

Product labelling continues to be a priority indicated by the Commonwealth Treasury in its Roadmap, but opportunities remain in clarifying how policy and regulation can support Treasury's underlying objective to improve transparency and accountability in the sustainable investment product market.

Investor duties

Building on the Legal Framework for Impact [Australia report](#), the PRI will continue to monitor policy progress and provide the local ecosystem with supporting research and engagement, including where Your Future, Your Super revisions and APRA guidance on climate potentially get revised.

JAPAN

Japan's strength continues to lie in top-level leadership driving the policy agenda for an economic transition to a more sustainable and growth-oriented economy. Leaving behind a strong legacy of policy interventions promoting the role that responsible investment plays in this transition, Prime Minister Fumio Kishida was succeeded by Prime Minister Shigeru Ishiba in October 2025. Prime Minister Ishiba's first policy speech highlighted Green Transformation (GX) and the promotion of Japan as a leading asset management centre, showing continued commitment to his predecessor's policies. Continued leadership from the Prime Minister and the Cabinet sets Japan up for success as it seeks a leadership role in the region and globally.

The PRI remains committed to contributing to the momentum progressing the responsible investment agenda in Japan. Our analysis on Japan's approach to the economic transition sheds light on the opportunities coming from its focused support for key sectors of the economy that leverage the strengths of multiple ministries and agencies. It is also important to note its [efforts](#) to advance the investment sector, which includes the issuance of the Asset Owner Principles, contributes to an enabling environment for investors to play an important role in the transition.

Economic transition

Building on our [discussion paper](#) analysing Japan's economic transition policy, the PRI will continue to engage with the local ecosystem to enable investors to play an effective role supporting Japan's transition towards a sustainable and equitable economy. The PRI will also strengthen its focus on the socioeconomic dimension of the Japanese economic transition through research and engagement.

Climate and energy policy

With recent key climate and energy policies establishing Japan's strategic approach to climate over the coming years, the PRI will continue to engage with the local ecosystem to ensure that investors are enabled and supported to contribute toward the ambitions and goals set out by these policies.

Sustainability reporting

The standards published by the Sustainability Standards Board of Japan place Japan in a strong position to take a leading position in promoting sustainability reporting based on global standards. The PRI will seek to support the local system as it considers its integration into statutory reporting.

Investor duties

Building on the Legal Framework for Impact [Japan report](#), the PRI will continue to monitor policy progress and provide the local ecosystem with supporting research and engagement, particularly as the further inclusion of public pension funds in the space creates opportunities.

CHINA

Following high-level national sustainability and carbon neutrality goals announced in the past few years, China has pursued green finance with detailed implementation guidance and regulations. Multiple ministries made progress in building a globally aligned sustainability reporting system. According to the 2025 [Government Working Report](#), the government also set transitioning to a green economy from a wider social and economic perspective as one of the working priorities.

However, Chinese investors must balance their role in pursuing national sustainability goals with challenges posed by market turbulence and uncertainties. As such, policy makers face an opportunity to provide investors with support and guidance to align national sustainability goals and economic objectives. Continuing to develop the Chinese sustainable finance policy architecture, such as through clear policy frameworks on stewardship and disclosure, remains important in empowering responsible investors.

The PRI will continue to work with signatories to achieve improvements in the policy and regulatory landscape, supporting investors in better integrating sustainability risks and impacts into their decision-making. We will prioritise our work around the following key areas:

Investor duties

Building on previous work on [asset owners, ESG and carbon neutrality](#), the PRI will continue to research and analyse barriers to further progressing responsible investment in China. The PRI will create opportunities for local engagement among investors and policy makers to develop a shared understanding of investor duties and sustainability issues, find practical solutions and provide regulatory guidance.

Investor disclosures

Based on our current work on a comparative study on investor disclosure regulations across the APAC region, develop policy recommendations for Chinese regulators that suit the Chinese market context and are aligned with global best practices.

Economic transition

Through the work on economic transition policies in China and Indonesia, the PRI will examine how Chinese policy makers can better support a transition towards a sustainable and equitable economy, engaging policy makers and broader stakeholders to build towards a whole-of-government approach. Economic policy reforms are a key component of a broader enabling environment that includes coherent, consistent policy changes across both the financial sector and the real economy investable universe.

Corporate sustainability reporting

With the first reporting cycle of the stock exchanges' guidelines this year, the PRI will continue to engage with the [securities regulators](#) and the [stock exchanges](#), as well as other [stakeholders](#), to promote policies that ensure interoperable, comparable and decision-useful sustainability disclosure standards are available and implemented appropriately in China.

Stewardship

Building on the recommendations of research published in [June 2022](#) and [May 2023](#), the PRI will engage with key financial regulators, standard setters, and industry associations to support the creation of a stronger regulatory framework for stewardship in China that reflects global best practice.

HONG KONG SAR

As a leading sustainable finance hub, and with its connection and influence on the mainland China market, the PRI has now considered Hong Kong SAR as one of the priority markets for policy engagement.

Hong Kong SAR's leadership in responsible investment policy has been established through years of policy makers and standard setters providing the market with ambitious signals and strong support. In 2013, the Hong Kong Stock Exchange (HKEX) played an important role in setting a high standard for corporate sustainability reporting when it announced its ESG Reporting Code. Hong Kong SAR's leadership took an important step in 2020 when the Green and Sustainable Finance Cross-Agency Steering Group was established, which strengthened the Hong Kong Monetary Authority (HKMA) and the

Securities and Futures Commission's (SFC) role in promoting a comprehensive and robust policy architecture to serve support market-wide adoption of the country's sustainable finance agenda.

Hong Kong SAR remains at the cutting edge of sustainable finance policy development. In 2024, the government announced the [Roadmap on Sustainability Disclosure in Hong Kong: Ambition - Assurance - Enablement](#), clarifying a phased plan for large publicly accountable entities (PAEs) to fully adopt the ISSB Standards no later than 2028. The Hong Kong Taxonomy for Sustainable Finance announced in 2024 was also established as a "living document", with HKMA clarifying its plans to expand the sector and activity coverage, as well as consider a classification for transition activities in its upcoming work plan. In tandem with developments in mainland China to promote internationally aligned sustainability disclosure and promote transition finance, Hong Kong SAR is in a strong position to continue its leadership role.

The PRI will focus on engagement opportunities to [support](#) the adoption of ISSB Standards, and to facilitate policy dialogue and communication between the mainland and Hong Kong SAR to further promote disclosure policies in respective markets, ensuring that this plays a role in progressing and supporting investor decision making on sustainability risks and opportunities.

The PRI will also engage with signatories on the implementation and effectiveness of existing policies and regulations related to investor disclosures, stewardship, and the broader sustainable finance framework as a source of growth opportunities in Hong Kong and the broader region.

SINGAPORE

Strong support from Monetary Authority of Singapore (MAS) and the Singapore Exchange (SGX) provides a bedrock for Singapore's leading position as a sustainable finance hub in the Asia Pacific region. The MAS Green Finance Action Plan, complementing the Singapore Green Plan 2030, provides a clear, forward-looking framework that fosters shared understanding across the local ecosystem on the importance of and direction of travel of sustainable finance. The PRI has engaged in Singapore across the years particularly where foundational sustainable finance policies, such as taxonomies and sustainability disclosure standards, have been discussed.

The PRI will continue to engage with the local ecosystem to support the momentum Singapore has generated behind its Green Finance goals and plans. The country continues to be a focal point for the Asia Pacific region that faces a big sustainable development and economic transition challenge. Continued leadership from Singapore will be an important factor in unlocking further sustainable investments in the region, and PRI will seek opportunities to help drive this momentum.

EUROPE

EUROPEAN UNION

Following June 2024 European elections, the European Commission (EC) policy priorities are repositioned to increasingly focus on competitiveness, trade negotiations, energy security and defence issues. The EC announced in November 2024 an ambitious simplification agenda, aiming to streamline reporting rules under the CSRD, CSDDD and the Taxonomy Regulation, through an [“Omnibus directive”](#) in order to reduce reporting burden for companies.

The Commission proposal will go through the co-decision process throughout 2025 and will be a key priority file for engagement with signatories and policy makers. The PRI is supportive of the need to streamline and enhance the coherence and usability of the EU sustainable finance framework, while ensuring the EU stay on course of the green transition and maintain its climate ambition, as outlined in [PRI EU 2030 Roadmap](#). However, the several Omnibus processes announced are creating regulatory uncertainty and higher unpredictability for investors regarding the broader financial framework, which could also hinder the EU long term climate, environmental and social policy ambition.

Following the previous [joint investors statement](#) calling on the European Commission to preserve the ambition of the sustainable finance framework, the PRI will look at opportunities and challenges brought by the simplification agenda in order to defend a pragmatic, balanced and constructive approach, aligned with the six responsible investment principles we support.

A revision of SFDR is also expected around Q4 2025 while the revision of 2040 climate targets is currently scheduled for Q2 2025. Given the need to prioritise negotiations on Omnibus related files (CSRD, CSDDD and EU Taxonomy), the European Commission has postponed the revision of the Shareholders Rights Directive (SRD2) to 2026.

Corporates Disclosure

The PRI will monitor and engage on the proposed revision of the Corporate Sustainability Disclosure Directive (CSRD) to ensure it is fit for purpose and proportionate. The PRI will also engage on the needed reduction of the Europeans Sustainability Reporting Standards (ESRS), as planned under [EFRAG’s new mandate](#), to voice investors sustainability data needs and limit data gaps.

The PRI will also make sure the revision of corporate disclosure obligation is an opportunity to build better interoperability between the ESRS and relevant international sectoral standards (ISSB, GRI, SASB).

Due Diligence and social issues

The PRI will engage on the proposed revision to the Corporate Sustainability Due Diligence Directive (CSDDD) to ensure due diligence requirements are proportionate, practicable and effective. The PRI will especially focus on promoting the risk-based approach in line with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises on responsible business conduct. The PRI will also closely monitor and engage on related social policy issues that may be affected by the Omnibus legislation.

Investors Disclosure

Based on previous engagement and [publication](#), the PRI will engage on the announced revision of the Sustainable Financial Disclosure Regulation (SFDR), while taking into account the impact the Omnibus revision will have on the regime. We will conduct further comparative analysis of disclosure obligation regimes for investors, especially between the EU and the UK (SDR), to encourage alignment in the categorisation of sustainability-related financial products, while reducing risks of greenwashing and enhancing consistency of practices across European national supervisory authorities. The PRI will also engage on the revision of the Taxonomy Regulation, as part of the Omnibus engagement.

Economic Transition

As part of its global policy research on [investing for the economic transition](#), the PRI is engaging with signatories in the EU to define investor needs to 'make the transition investable'. The objective is to identify key elements for an enabling environment that accelerates transition finance. Such a coherent policy ecosystem should provide strong policy signals and regulatory certainty, create market incentives for economic transition policies like the Clean Industrial Deal, and support the transition to a competitive, innovative, circular European net-zero economy.

Climate and nature policy

Based on previous [engagement on 2040 climate targets](#) and [nature policy](#) work, the PRI will engage on the 2040 climate targets revision and key nature policy development in the EU relevant to investors, like the EU Deforestation Law and a new bioeconomy strategy as part of an effective Clean Industrial Deal, creating incentives and opportunities for responsible investors in the EU.

SWITZERLAND

The Swiss policy landscape includes a mix of regulatory frameworks and market-led initiatives, based on voluntary uptake of practices.

From a regulatory perspective, the Swiss State Secretary for International Finance (SIF) published a set of [Measures for a sustainable financial centre 2022-2025](#), aiming to consolidate the Swiss financial centre's position as a leading global location for sustainable finance. With regards to climate, Switzerland increased its ambition earlier this year by approving a new net zero target to reduce greenhouse gas emissions by at least 65%, compared to 1990 levels, by 2035. The Federal Council adopted the [long-term climate strategy for Switzerland](#) on 27 January 2021 and has approved the submission of the strategy to the UN Climate Change Secretariat. The strategy is a key step in achieving the net zero target.

This regulatory framework is supplemented by industry-led initiatives, such as the [Swiss Stewardship Code](#), a voluntary code intended to provide guidance on best practice for Swiss financial institutions, developed by the Association of Asset Managers (AMAS) and Swiss Sustainable Finance.

The PRI will work with its signatories in Switzerland, regulators and other sustainable finance associations to support the progress and implementation of the Swiss policy framework, building on our expertise on key policy files as below. The PRI will also be undertaking comparative work to identify areas of convergence and divergence between Switzerland, EU and UK policies.

Corporate and investor sustainability reporting framework

The PRI will support regulators and sustainable finance associations in the development and adoption of guidelines and recommendations for various sustainability-related reporting, including anti-greenwashing and non-financial reporting.

Investor duties

The PRI will continue building on the [Legal Framework for Impact](#) research to support development of new practices and the incorporation of sustainability impact into fiduciary duties, working with Swiss signatories and regulators to support clearer guidance, including in relation to the exercise of stewardship practices.

Stewardship

Following the publication of the [Swiss Stewardship Code](#), and building on our global Stewardship expertise in policy and engagement, the PRI will continue to work with actors of the Swiss ecosystem to encourage sharing of best practices and encourage further developments for Stewardship reporting and guidelines from regulators. This will include several roundtables hosted jointly with AMAS on specific Stewardship topics.

Climate policy

The PRI will support the implementation of the Swiss Climate and Innovation Act, including through engagement on the implementation of mandatory minimum requirements for transition plans for financial institutions. The Federal Council consulted on mandatory transition plan requirements in March 2025, and the changes are expected to enter into force January 1, 2026.

UK

The UK government's climate and sustainable finance priorities are driven through the Growth and Clean Power missions, alongside an ambitious 2035 Nationally Determined Contribution (NDC) target. The PRI's UK policy work will prioritise maintaining momentum on and implementing commitments made in the [Financing Growth Plan](#).

The PRI will work with its signatories and other partners to engage the UK Government and relevant financial authorities on upcoming policy reviews. We will also work closely with colleagues in other markets and institutions to ensure as much coherence as possible, especially for new regulations.

Our current priorities include:

Investor and corporate disclosures

The PRI will support regulators in the roll-out of the [Sustainability Disclosure Requirements](#) (SDR) regime through our seat on the Disclosures and Labels Advisory Group, engagement with investors and regulators, and responses to public consultations. As the government clarifies its approach on how a taxonomy could fit within the UK's wider sustainable finance framework following its [consultation](#), the PRI will prioritise promoting the integrity and efficacy of a UK Green Taxonomy based on investor needs.

We will recommend a sufficient degree of consistency and interoperability with related frameworks both domestically and across other jurisdictions, initiate discussions on the next steps for implementing disclosure requirements for relevant actors and support the development of transition plans requirements.

Investor duties

The PRI will continue to engage with regulators investors, lawyers, and other stakeholders to address remaining barriers to investing for sustainability impacts in the UK. The second phase of the Pensions Investment Review focused on adequacy and improving outcomes for pensioners, provides an opportunity for PRI to advance the findings and recommendations of the [Legal Framework for Impact UK report](#), as well as clarifications and guidance from government as recommended in the Financial Market and Law Committee paper on [Pension Fund Trustees and Fiduciary Duties](#).

Stewardship

The revised UK Stewardship Code was published in Q3 of 2025. Following our response to the [consultation](#) on the Code, the PRI will continue to engage with the Financial Reporting Council (FRC) to ensure that the updated Code and implementation guidance drive advanced and effective stewardship practices and supports high-quality disclosures.

Economic transition

The PRI is committed to maintaining momentum in aligning the economy with net zero by actively supporting the achievement of the UK's 2035 NDC targets, the Clean Power Mission, sectoral decarbonisation roadmaps, and success of the National Wealth Fund. We will also support the implementation of the [Transition Finance Market Review](#) recommendations and the incoming Modern Industrial Strategy which is intended to drive long-term, sustainable growth and investment. The PRI will continue to engage with UK policy makers on the [investing for the economic transition](#) project.

Human rights and social issues policy

The PRI will continue our engagement on social issues, considering the socioeconomic implications of the transition. Following our [response](#) to the UK Parliament Joint Committee on Human Rights inquiry on Forced Labour in UK Supply Chains, we will engage with the UK government on proportionate and practicable human rights and environmental due diligence, aligned with international standards. The PRI will continue to monitor the developments on the 2015 Modern Slavery Act, following the House of Lords Select Committee [call for evidence](#) regarding its effectiveness.