**2021 reporting FAQs**

**In the Reporting Framework, a signatory can opt-out of the asset-class specific module where it invests less than 10% of its assets under management (AUM). Will this rule be applied to the new reporting framework?**

Yes, it will only be mandatory to complete an asset-class module if a signatory has 10% or more of their AUM invested directly in that asset class. However, there will be an additional threshold established for mandatory reporting in 2021. Signatories who directly invest less than 10% but US$10bn or more of their AUM in any particular asset class will also be required to report on that asset class. If signatories instead use external managers for their responsible investment in an asset class, they will need to report on this in the external investment manager selection, appointment and monitoring (SAM) module.

**Will signatories still be asked to provide a breakdown of investments by asset class, or will they be required to provide more granular disclosures?**

We will continue to ask signatories for a breakdown of their investments by asset class, as this enables the online reporting tool to determine which reporting modules are relevant and material for each individual signatory. A new element of the Reporting Framework is that signatories will have the option to provide a more detailed breakdown by investment strategy. This is particularly beneficial for signatories that have multi-strategy investment approaches, or where their responsible investment approach differs significantly between investment strategies.

**Which content elements from the former Reporting Framework will be included in the new Reporting Framework?**

Overall, signatories will recognise many of the same themes in the new Reporting Framework that were covered in the former framework. For example, we will still ask signatories about their personnel and capabilities, their responsible investment policies, external communication and investment pre/holding/post activities. New areas include engagement with policymakers and outcomes themes. However, while the general themes are still quite similar in the ‘core’ section, the comparison between old ’mandatory’ indicators and the new ‘core’ indicators is quite hard to make. The new ‘core’ indicators have been upgraded to reflect best practice and reduce the scope for gaming and misinterpretation, by asking for details around how systematically an activity is being conducted and what assets under management it covers.

**Why did you choose the ‘core’ and ‘plus’ model and what is the conceptual difference from the former model?**

In the Reporting Framework which signatories reported on for the last time in 2020, there are five indicator types (Gateway, Peering, Core assessed, Additional assessed and Descriptive), and three different indicator characteristics (mandatory to report and disclose, mandatory to report and voluntary to disclose, and voluntary to report and disclose). By introducing the ‘core’ and ‘plus’ model, we are grouping some of the different characteristics of indicators - mandatory to report and disclose on, and voluntary to report and disclose on - into two simple categories: indicators are either ‘core’ or ‘plus’ respectively. This is to ensure simplicity and consistency in the overall framework.

**How do you plan to tailor the new Reporting Framework for different types of investors?**

Like the former Reporting Framework, the new Reporting Framework will be practice and activityrelevant, therefore only the relevant asset-class-specific modules and indicators will be unlocked and assessed, depending on the AUM distribution and practices of each signatory.

**How are the Organisational Overview and Strategy and Governance modules changing in the new Reporting Framework? Will these modules be similar to the former version of the Reporting Framework?**

The Organisational Overview module will be very similar to previous years, we will still be capturing general information about the organisation, such as number of staff and AUM size. A new firm-level module, called Investment and Stewardship module, will be in place of the old Strategy & Governance module. This module is where we collected the key themes, and so indicators, that would be applicable to most asset classes, in this way we reduced repetition and the reporting burden for signatories. The ISP module will be divided into 5 sections: Policy & Governance, Stewardship, Climate change, Sustainability outcomes, Transparency and CBMs measures.

**What will be the approximate ratio of voluntary ‘plus’ and mandatory ‘core’ indicators in the new Reporting Framework in 2021?**

Most questions (around 70%) will be mandatory ‘core’ indicators. The voluntary ‘plus’ indicators, including those related to sustainability outcomes, will be limited.

**How will the ‘core’ and ‘plus’ indicators fit into the new Reporting Framework structure and flow?**

The ‘core’ and ‘plus’ indicators are integrated throughout the structure of the new Reporting Framework. The process-focussed, closed-ended ‘core’ indicators are questions about responsible investment practices that the PRI would reasonably expect most signatories to have a position on. The mostly open-ended, descriptive ‘plus’ indicators include groups of questions exploring ESG themes and sustainability outcomes. Quite often, ‘plus’ indicators follow on from ‘core’ indicators to allow signatories to give more context to their closed-ended responses.

**Why is stewardship or active ownership integrated in the asset class modules and no longer a separate module?**

We believe that stewardship good practice is conducted for one of two main objectives: as a core part of ESG incorporation, and to drive outcomes on systemic issues that may go beyond individual companies or an investment portfolio. The new Reporting Framework structure reflects this, by including questions about stewardship usage as a core part of ESG incorporation practices in the asset class modules, and separately asking signatories to describe how they use a range of stewardship tools to shape outcomes on their most important/salient issues, including collaboration and related mechanisms.

While questions on stewardship linked to ESG incorporation may be process oriented, in other areas of the framework and particularly in the Sustainability Outcomes module, we expect leading answers to focus on the role of stewardship in shaping outcomes in the context of specific targets and be aligned strongly to the to the PRI’s [Active Ownership 2.0 framework](https://www.unpri.org/stewardship/active-ownership-20-the-evolution-stewardship-urgently-needs/5124.article).

**How will responses to ‘plus’ indicators support the identification of signatories for the annual PRI Leaders’ Group?**

As with the former Reporting Framework, we will be looking at responses to the ‘core’ (assessed and mandatory) questions for identification of signatories for [the Leaders’ Group](https://www.unpri.org/the-pri-leaders-group/4771.article). Currently, we consider governance, responsible investment implementation and transparency to identify leading signatories. The new Reporting Framework will continue to capture this, but the ‘core’ questions and assessment will be more challenging overall, which will support us to identify more advanced practices. We will then use selected ‘plus’ indicators (depending on the Leaders’ Group theme) as additional screening criteria.

The PRI hopes to capture untested or more advanced practices through the ‘plus’ indicators. However, completing ‘plus’ questions does not by default mean that a signatory is leading; it will also be used to capture additional, contextual information on more established responsible investment practices that are not necessarily leading.

**Will TCFD-aligned climate questions be considered ‘core’ or ‘plus’ indicators?**

The questions that were mandatory to report on during the 2020 reporting cycle will be considered ‘core’ indicators (i.e. mandatory to report, publicly disclosed and assessed). Signatories will no longer be able to submit a private response to the PRI for these indicators, which relate to the TCFD recommendations around strategy and governance.

Some ‘plus’ questions aligned with the TCFD recommendations around risk management and metrics and targets will remain voluntary and non-assessed, with a view to making them ‘core’ in 2022. More detailed information about the TCFD-based climate indicators will be released in October 2020.

**Why did you decide to gather several themes in the Investment and Stewardship Policy (ISP) module instead of dispersing them throughout asset-class specific modules?**

To reduce repetition across asset modules, we analysed the key themes that would be applicable to most asset classes and collected them in this module. However, signatories will still be able to indicate activities that differ by asset class, where relevant.

**How will you advance minimum requirements with the new Reporting Framework?**

The current [minimum requirements](https://www.unpri.org/reporting-and-assessment/minimum-requirements-for-membership/315.article) will stay the same for the 2021 reporting cycle. The PRI will be reviewing the minimum requirements as planned and will therefore consult with signatories in October 2020 on a proposal for how to increase the requirements from January 2022. Signatories will be notified of the consultation via email and social media.

**Where do I find the definition of a term or concept used in the Reporting Framework?**

The definitions of the main and most frequently used terms in the Reporting Framework can be found in the [Reporting Framework glossary](https://www.unpri.org/reporting-and-assessment/reporting-framework-glossary/6937.article).

**Sustainability Outcomes**

**How does the PRI define ‘sustainability outcomes’?**

All investor actions – investment decisions and the use of tools of influence (stewardship, policy engagement etc.) – shape positive and negative outcomes in the world. Sustainability outcomes can be identified and measured at the level of a particular asset, economic activity, company, sector, country or region. We describe ‘impact’ as a change in outcome (i.e. an outcome shaped by an investor, in line with the SDGs – refer to PRI’s paper [Investing with SDG outcomes: a five-part framework)](https://www.unpri.org/sdgs/investing-with-sdg-outcomes-a-five-part-framework/5895.article). Progress can be assessed against recognised global sustainability performance thresholds and timeframes – including the SDG targets and indicators.

The voluntary ‘plus’ Sustainability Outcomes module is based on three sections aligned with the paper:

* Part 2: Set targets on sustainability outcomes (including the SDGs, the Paris Agreement, human rights, targets set for increasing positive outcomes, and for decreasing negative outcomes).
* Part 3: Investors shape sustainability outcomes, through investment/asset allocation, stewardship with investees, stewardship undertaken with other stakeholders (e.g. policymakers, businesses, governments, NGOs, media, academia), any collaborative activities (e.g. collaborative engagements).
* Parts 4 and 5: Investors’ collective and collaborative actions to shape sustainability outcomes.

**What type of questions on sustainability outcomes are included in the new Reporting Framework?**

There will only be a few select ‘core’ indicators on outcomes in the 2021 reporting cycle These indicators are process oriented, assessed and, by default, disclosed.

The majority of the outcomes-related content can be found in the ‘Sustainability Outcomes’ module, which is voluntary to report on. It consists only of ‘plus’ indicators that are not assessed and voluntary to disclose. The mandatory ‘core’ outcomes indicators cover two sections aligned with the PRI’s paper [Investing with SDG outcomes: a five-part framework](https://www.unpri.org/sdgs/investing-with-sdg-outcomes-a-five-part-framework/5895.article):

* Part 1: Identify sustainability outcomes
* Part 2: Set policies on sustainability outcomes

**How will the PRI continue to add questions on additional SDG or ESG themes to the Reporting Framework?**

The PRI report on [“Investing with SDG outcomes: a five-part framework”](https://www.unpri.org/sdgs/investing-with-sdg-outcomes-a-five-part-framework/5895.article) was open for consultation with signatories from March 9th to April 24th 2020, and is the starting point for a deeper and ongoing body of work on the subject.This will act as the basis for future guidance and support in the Reporting Framework and will help shape how we add questions on other SDG/ESG themes.

**How will inclusive finance be captured in the new Reporting Framework?**

There will not be an Inclusive Finance module in the new Reporting Framework, but sustainability outcomes will be considered throughout, specifically in the organisation-wide modules on responsible investment and sustainability outcomes.

Module specific

**Organisation Overview**

**How do we know which modules to report on?**

All signatories must report on the Organisational Overview module and the Investment and Stewardship Policy module and must complete the Senior Leadership Statement.

The answers provided to the Organisational Overview module will determine the other modules that signatories will complete in the Reporting Framework. Signatories are asked to break down their investments by asset class, as a percentage of total assets under management (AUM) and to indicate whether they are directly and indirectly managed. This information will reveal the relevant asset-class specific modules for signatories to report on.

It is mandatory to complete an asset class module if a signatory has either 10% or more of its AUM in that asset class, or if the asset class investment constitutes US$10bn or more. The same asset class thresholds apply if the assets are managed indirectly, through external managers, but signatories will need to report on this in the external investment manager Selection, Appointment and Monitoring (SAM) module.

**How do we report our assets under management (AUM)?**

The AUM figure refers to the market value at the end of the reporting year. Where market value is not available, we advise signatories to report the latest net realisable value estimate of those assets.

**How should we report our fund-of-fund investments?**

Fund-of-fund investments should be reported as externally managed assets in the Organisational Overview module and reported on within the Selection, Appointment and Monitoring (SAM) module.

**How should we report on multi-asset investments?**

As the Reporting Framework asks for the asset class breakdown of total AUM, signatories should split multi-asset investments into the respective asset classes, based on their best estimate.

For example, if a fund consists of 50% listed equity and 50% fixed income and accounts for 10% of a signatory’s total AUM – it should be reported as 5% listed equity and 5% fixed income.

**Why do we automatically get a 1-star score for some of our reported asset classes?**

In the Organisational Overview module, we ask signatories if they incorporate ESG issues into their investment decision making for the asset classes they hold. If a signatory reports that it does not incorporate ESG issues in an asset class, it will automatically be scored 1 star for the corresponding module. This assessment happens regardless of how much AUM is invested in that asset class.

For more detail on how the information in the Organisational Overview module affects the reporting process and assessment, please see [What to report on](https://www.unpri.org/reporting-and-assessment/what-to-report-on/3204.article%22%20/l%20%22reporting_for_investors) and read more about the [PRI’s assessment scoring methodology](https://www.unpri.org/reporting-and-assessment/how-investors-are-assessed-on-their-reporting/3066.article).

**How should we report on cash and monetary assets in [OO 5]?**

Cash, cash equivalents and/or overlays and money market assets should be reported as ’Other’. If these assets are off-balance sheet, they should be reported as ’Off-balance sheet’.

**Investment and Stewardship Policy**

**When does the PRI consider a resource (i.e. policy, voting records, etc) to be publicly available?**

A publicly available resource is readily available to the public. For the purpose of PRI assessment, we consider this to be either directly accessible from a website or from a portal where anyone can register to get access. In the latter case, we would require the signatory to provide a link to the registration page. We don’t consider the resource to be publicly available if the user needs to actively request access, via email for example.

**Can we report that we have practices and policies in place if we have not yet implemented them but are in the process of developing them?**

Signatories should only report on the practices and policies that they already had in place at the end of their indicated 12-month reporting period. Signatories indicate their reporting period in the Organisational Overview module. Any policies or practices that were put into place after the indicated 12-month period can be included in later reporting cycles.

While questions on stewardship linked to ESG incorporation may be process oriented, in other areas of the framework and particularly in the Sustainability Outcomes module, we expect leading answers to focus on the role of stewardship in shaping outcomes in the context of specific targets and be aligned strongly to the [PRI’s Active Ownership 2.0 framework](https://www.unpri.org/stewardship/active-ownership-20-the-evolution-stewardship-urgently-needs/5124.article).

**Why is it important to have a policy on your approach to stewardship?**

Signatories should clearly articulate and formalise their stewardship approach in a policy – it can be a standalone policy or incorporated into a broader responsible investment policy (or similar).

A public stewardship policy provides clarity and accountability. It allows clients, beneficiaries and other stakeholders to understand a signatory’s approach to stewardship and compare it against peers. Signatories can also use it as a reference when assessing their day-to-day stewardship activities (e.g. when making decisions on who to engage).

It is considered best practice for a stewardship policy to be applied consistently to as high a proportion of AUM as possible (regardless of asset class or strategy), and for it to clarify how stewardship tools beyond company engagement are used – for example, how policy engagement on ESG issues contributes to stewardship goals.

**What is the difference between ‘sign-off’ and ‘review of responses’?**

‘Sign-off’ implies a degree of responsibility and accountability from senior management such as the board or C-level staff confirming that the reported information is correct, whereas ’Review of responses’ is less formal, such as colleague or colleagues having read through what is being reported.

Where can I read more about assurance?

You can find more information about the [PRI’s assurance work here](https://www.unpri.org/signatory-accountability/introducing-confidence-building-measures-to-pri-signatories-reported-data/2954.article). To find out what other signatories have reported in 2020 in relation to how they assure their reported data, log in to the [Data Portal](https://account.unpri.org/login?returl=https://dataportal.unpri.org), go to the ‘Explore Data’ function and search for responses to the CM05 and CM06 indicators.

Responses to the 2021 Reporting Framework indicators will be displayed through a new platform, which will be communicated closer to April 2021.

**In the section on confidence-building measures, does the PRI give higher scores to signatories that reported using a third party to assure their reports?**

No, the PRI does not weight third-party assurance differently from other confidence-building measures, such as internal audit, internal verification or similar. Scoring is based on the number of confidence-building measures that a signatory implements.

**Selection, Appointment and Monitoring**

**How do we report on selection and appointment if we did not select or appoint any new managers during the reporting year?**

As signatories do not necessarily select and/or appoint new external investment managers every year, they should report on how they selected and appointed their existing external managers, regardless of when they were hired.

**Fixed Income**

**How will signatories be able to report on private debt?**

Signatories will be able to report on private debt in the Fixed Income module. They will be able to differentiate their private debt practices throughout the module by selecting this asset type when responding to the applicable indicators. The module will also include one indicator specifically focused on private debt.

**Private Equity**

**One of / some of my private equity investments were listed during the reporting year. Do I need to report this in the Listed Equity module?**

If the listing was part of an exit strategy for that private equity investment, we would recommend that signatories still report on it within the Private Equity module. Signatories should not report on these assets in the Listed Equity module.

**Should I report my co-investments in the private equity module as directly held assets or in the Selection, Appointment and Monitoring (SAM) module as externally managed assets?**

Generally, we recommend that LPs report on their co-investments in the Private Equity module if their strategy resembles what a GP would employ for its direct investments. However, if a signatory’s approach to co-investments is indistinguishable from how it would approach assessing the ESG capabilities of a GP in which it might make a fund investment, we recommend reporting these as externally managed assets in the Organisational Overview module and reporting on them alongside fund investments in the SAM module.

**Real Estate**

**Should our listed REITs AUM be classified as real estate or listed equity?**

For the purpose of the PRI Reporting Framework and in line with some indices, investment trusts and similar quoted financial vehicles are considered to be listed equity investments.

**Is the PRI Reporting Framework aligned with other frameworks or initiatives?**

The PRI has referenced GRESB where indicators in the module have been (partially) based on GRESB indicators. This has been indicated in the References to other standards section of the explanatory notes for the relevant indicators. Where applicable, definitions have also been aligned with GRESB.

**Infrastructure**

**Is the Infrastructure module mandatory to report on?**

From the 2021 reporting cycle onwards, the Infrastructure module is mandatory to report on for signatories that invest more than 10% of their total AUM or US$10bn or more in this asset class.

**Is the PRI Reporting Framework aligned with other frameworks or initiatives?**

The PRI has referenced GRESB where indicators in the module have been (partially) based on GRESB indicators. This has been indicated in the References to other standards section of the explanatory notes for the relevant indicators. Where applicable, definitions have also been aligned with GRESB.

**2021 assessment methodology**

[Overview and structure guide PDF](https://dwtyzx6upklss.cloudfront.net/Uploads/j/l/f/assessmentmethodology2021_302746.pdf)

**2021 reporting update FAQs**

**Our submitted data for the 2021 reporting cycle is incorrect. What is the PRI’s change request policy in this case? Can we request a change to our 2021 reports?**

The 2021 Transparency Reports and Assessment Reports are based on self-reported data. Once the reporting period is closed, the PRI begins generating reports and scores, and are from that point unable to change signatories’ responses in the Reporting Tool. Due to the data issues identified in signatories’ 2021 reports following the end of the 2021 reporting cycle, the PRI engaged in a comprehensive [data collection](https://www.unpri.org/signatories/reporting-and-assessment/data-collection) and [change request](https://www.unpri.org/randa-updates/improving-the-quality-of-2021-outputs/9472.article) process to improve the accuracy of signatories’ reports, and postponed the release of 2021 outputs as a result. The 2021 dataset was [finalised](https://www.unpri.org/randa-updates/2021-reporting-dataset-finalised/9884.article) to launch signatories’ reporting outputs in September, and as a result of the strict change request policy we have in place, the PRI is unable to retrospectively make additional changes to 2021 reports.

The next reporting cycle will open in 2023, and signatories will have a chance to provide their updated data submission during this next reporting period.

**I think there is a scoring error in our 2021 Assessment Report. What is the PRI’s change request policy in this case? What should I do?**

The 2021 dataset was [finalised](https://www.unpri.org/randa-updates/2021-reporting-dataset-finalised/9884.article) to launch signatories’ reporting outputs in September, and as a result of the strict change request policy we have in place, **the PRI is unable to retrospectively make changes to 2021 reports.** However, we will investigate potential scoring errors and answer queries from signatories about their reports and their scores, providing an explanation of any potential identified errors.

Please contact us at reporting@unpri.org for clarification, detailing the reporting organisation’s name, the indicator in question, and with as much specific information as you can provide on the identified error.

Although it will not be possible to republish 2021 reports, a written response will be provided on a case-by-case basis either to confirm that the received score is correct, or to explain any scoring discrepancies if applicable . Our response times may vary depending on the number of queries the team are handling and the complexity of the score in question, and will be communicated to you in our follow up email.

We also recommend periodically checking [R&A Updates](https://www.unpri.org/signatories/reporting-and-assessment/randa-updates), where an issues log is available for signatories to self-identify issues in their reports.

**The 2021 reports do not reflect our most recent responsible investment practices. What is the PRI’s change request policy in this case? Can we update our reports with the latest information?**

The 2021 reporting data was finalised for the launch of reporting outputs in early September. As a result of the strict change request policy we have in place, the PRI is unable to make additional changes to 2021 reports allowing signatories to amend data that was previously submitted. The upcoming reporting cycle in 2023 will be the next opportunity for signatories to provide their most recent RI practices.

Please be assured that it is adequately signposted that the information in your report relates to previously submitted data. The front cover of your public Transparency Report reads 2021, as this was the year of submission. Indicator OO 3 specifies the reporting year, so that readers will understand the timeframe of the report, and that practices may have changed since the time of submission.

**When is the next reporting cycle?**

The next reporting cycle will open in 2023. However, unlike previous years, the reporting cycle will not take place in Q1 (January to March) of 2023. Given the ongoing work to deliver the 2021 reporting outputs, we feel it is prudent to take the decision to move reporting out of Q1 of 2023 to ensure that the PRI is able to effectively deliver this process for signatories. In lieu of opening reporting in Q1, we will devote further resources towards delivering an optimised framework which reflects signatory feedback and delivers improved tools and functionality for the 2023 reporting season. Please rest assured reporting will still take place in 2023.

Signatories will have access to the updated Reporting Framework in advance of the 2023 reporting cycle to prepare. We will continue to work closely with signatories to provide support and guidance during the 2023 window.

Our aim now is to finalise the period for 2023 reporting as soon as possible and as part of our ongoing work to deliver a revised and improved Reporting Framework. We will communicate more with signatories about the timing of the 2023 reporting timeframe following the September Board meeting. Further updates on the upcoming reporting cycle will also be available through [R&A Updates](https://www.unpri.org/signatories/reporting-and-assessment/randa-updates).

**Which year’s data will signatories report on when reporting re-opens in 2023?**

As in previous years, signatories will be able to choose which 12-month period they report on. Most signatories report on their most recent calendar year and would, therefore, in the 2023 reporting cycle, cover their ESG incorporation practices during 2022. Signatories will not report on both 2021 and 2022 practices (24-months).

**The PRI has traditionally provided a one-year grace period with no required reporting and assessment to new signatories. Will this grace period change?**

Signatories that would have reported voluntarily in 2022 will have their grace period extended to 2023.

**What other initiatives were impacted by the delay in 2021 reporting?**

The Leaders’ Group on Stewardship has been postponed. The announcement and implementation of further minimum requirements has also been postponed. Updates on these projects will be shared on [R&A Updates](https://www.unpri.org/signatories/reporting-and-assessment/randa-updates) ahead of the 2023 reporting cycle. Engagement with signatories identified as not meeting the minimum requirements for 2021 has resumed in 2022.

**What was the overall signatory feedback on the revised Reporting Framework, including the content and the Reporting Tool?**

Signatories provided a range of valuable feedback on the Reporting Framework content. The feedback received varied between modules and between asset owners and investment managers. There was general acceptance of the content of the framework and an improvement in the quality of the questions, which allowed signatories to better reflect their responsible investment practices. Many signatories found it a great learning opportunity to improve their responsible investment practices and processes over time. However, signatories found that there was a considerable investment of time and resources required to report on the pilot framework, particularly for asset owners. Some aspects were also less suited to specific signatories, including asset owners and stewardship in private market investors.

Regarding the technical side of the Reporting Tool, whilst some signatories thought the new Reporting Tool interface was clear, many highlighted some user experience and design concerns. The platform navigation was not always intuitive and sometimes behaved in a fixed manner, specifically when moving between questions, and when completing the submission phase. Some signatories found it challenging that the tool only allowed one person to report at a time and highlighted that they were not able to track their progress during the reporting process. These platform limitations contributed to the overall time taken to report. It was noted that the functionality of the Reporting Tool required additional work to fully cater to signatories’ needs. We value all this feedback highly and will take it into account while developing the improved Reporting Framework for launch in 2023.

**Were signatories able to request any changes to their 2021 Transparency Reports as a result of the data issues identified in their reports?**

The PRI reached out to all signatories in October 2021 to highlight areas of their reports where information was missing, allowing them one month to request changes. We only accepted changes in line with our [change request policy](https://www.unpri.org/signatories/reporting-and-assessment/data-collection). All changes were made by the PRI on behalf of signatories in the Reporting Tool. In March, signatories were given a last opportunity to confirm that changes were made correctly on their behalf before we finalised the 2021 reporting dataset.