

Dear [Signatory Name],

We recently wrote to you regarding the issues that some signatories were encountering in completing our new pilot Reporting Framework. At the time, the Framework was live, and we were beginning to conduct an initial review and analysis of signatory feedback. Now, with reporting completed and the analysis well underway, we're writing to update you on the next steps with the pilot and what this means for the reporting timeline. Importantly, this includes details on the release of 2021 Transparency and Assessment Reports (outputs) and a delay to the next reporting cycle until January 2023.

Taking a step back, we received feedback on the pilot reporting from more than 1,700 signatories. This included comments on the structure and questions (content) of the framework as well as on the experience of the reporting tool.

Overall, most signatories signalled that the content of the new framework better captures their responsible investment activities compared to the past. However, the feedback varied between modules and between asset owners and investment managers, with some areas flagged as requiring attention or being less suited to specific signatory types. Moreover, many signatories found that the time and resource required to report on the pilot framework was too high.

Issues with the new online reporting tool, which centred on navigation and functionality, contributed to the time taken to report and created problems during the review process for signatories. Unfortunately, this has also affected the quality of a portion of the 2021 dataset as some (but not all) signatories' submissions contained data gaps and/or errors.

The development and launch of a new system of this complexity has proven a significant undertaking. We worked very hard to deliver a redesigned pilot for signatories this year. However, it's clear that we were too ambitious and as a result we were not able to achieve the standard which we should have, and which our signatories expected. We want to apologise for this mistake, for the impact it is having on our signatories and to thank you for your understanding.

We are currently working with an external consultant to ensure that there are no further dataset issues which we've yet to identify. Once their data analysis is completed, we will take a staged approach to releasing your 2021 outputs.

In October, your Transparency Reports will be released privately in the new data portal. We will ask signatories to check their responses for gaps or errors, allowing four weeks for you to review and request changes to indicators known to be affected. The PRI will make the changes; you will not have to re-enter any information in the online tool.

This must be completed for all signatories before we can launch the public Transparency Reports and your annual Assessment. Our intention is to deliver these by June 2022, earlier if possible, subject to the volume of data changes flagged by signatories. We will then be seeking feedback on both outputs as part of the pilot.

This delay to assessment will unfortunately impact some of our other initiatives. The 2021 Leaders' Group on Stewardship will be postponed, however the annual PRI Awards will go ahead as planned. The announcement and implementation of further minimum requirements will also be postponed and engagement with signatories identified as not meeting the minimum requirements in 2021 will be delayed.

Given these delays and the extent of the feedback we have received, after careful consideration, we had to make the difficult decision to delay the opening of the next reporting period until early 2023.

We recognise that this is a significant trade off. However, a delay to the next reporting period will allow us the time we need to incorporate signatory feedback on content, to reduce the burden of reporting—including pre-filling of answers—and to significantly improve the user experience for 2023.

Of course, all our other core programmes and signatory services will continue alongside our work to improve reporting and assessment. In addition, we will undertake further engagement with you in the coming months through a series of signatory focused, practice-based webinars.

We sincerely apologise for the disruption that this decision may present for you, and we want to take this opportunity to thank you again for your continued patience and flexibility throughout the entirety of the pilot.

You will receive further analysis of experiences with the reporting pilot ahead of the Signatory General Meeting in September as well as a further update at the meeting and an opportunity to ask questions.

In the meantime, you can of course contact either of us to discuss your concerns on fiona.reynolds@unpri.org. We again apologise for the inconvenience and assure you that we are committed to finalising the pilot, updating reporting in line with your feedback and ensuring a successful launch of the next reporting cycle.

Yours sincerely,

Martin Skancke
Chair

Fiona Reynolds
CEO