

Update on UN PRI Reporting

16 June 2025

Introduction

The United Nations Principles for Responsible Investment (“PRI”) is a framework for investors to report annually on how they incorporate sustainability considerations in their investment practices. The PRI is not part of the United Nations but has two UN partners represented on its board—the UN Environment Programme Finance Initiative and the UN Global Compact—the latter of which supports the wider business community in engaging with the separate UN Sustainable Development Goals.

The PRI is widely adopted by investors, with over 5,300 signatories as of March 2024, representing total assets under management of \$128.4 trillion. With the 2025 reporting window having opened on 7 May 2025, this Debevoise In Depth gives an overview of the implications of committing to report under the PRI and the practical steps involved.

The Principles

PRI signatories commit to six core principles (“Principles”) which reflect the signatory’s acknowledgement of the link between sustainability considerations and investment performance. The PRI provides a list of possible actions that a company can take to abide by the Principles.

Principle 1 is to incorporate ESG issues into the signatory’s investment analysis and decision-making processes. This includes addressing ESG issues in investment policy statements, advocating ESG training for its investment professionals and supporting the development of ESG-related tools and metrics in investment decision-making. Principle 2 is to be an active owner of investments and incorporate ESG issues into ownership policies and practices, including, for example, developing the capability to engage with investee companies. Principle 3 is to seek appropriate disclosure on ESG issues by investee entities, including requesting standardised reporting on ESG issues, as

well as information on adoption of or adherence to relevant norms, standards or other frameworks. Principle 4 is to promote acceptance and implementation of the PRI within the wider investment industry, for example, by clearly communicating ESG expectations to the signatory's investment service providers. Principle 5 is to work collaboratively to implement the Principles, for example, by participating in industry networks and information platforms, and Principle 6 is to report on the signatory's activities and progress towards implementing the Principles.

Reporting

Signatories to the PRI report annually on their activities, during the reporting window, by responding to questions in the PRI Investor Reporting Framework and submitting these online. This Reporting Framework comprises 13 modules. For 2025 reporting, certain signatories, in particular those which have already reported publicly in prior years, can opt to report on only two modules: (i) the Senior Leadership Statement ("SLS"), requiring a signatory to provide an overview of its approach to responsible investment, and (ii) Other Responsible Investment Reporting Obligations ("ORO"), disclosing the other voluntary frameworks and regulations which the signatory reports under, which will be made public but will not be assessed. Signatories wishing only to report on these two modules must meet certain minimum requirements, which are having (i) a formalised policy that sets out its approach to responsible investment or ESG factors, covering more than 50% of assets under management; (ii) senior-level oversight of the stated policy and accountability mechanisms for implementing responsible investment; and (iii) either internal or external staff members explicitly responsible for implementing the responsible investment policy. Other signatories must report on the SLS and ORO modules together with the rest of the Investor Reporting Framework.

As above, the Framework consists of 13 modules. There are two types of questions within the modules, the first being "core" questions, which are mandatory to answer and closed-ended, requiring the signatory to tick an option from a list. Core questions are assessed according to the options ticked by the signatory, with different options given different scores, and the firm's answers are made public, although the PRI does not assess "free text" responses in core indicators. For 2025 reporting, there are currently over 250 mandatory questions across these modules, although the PRI has indicated that, as part of its efforts to streamline reporting, these will be reduced to about 40 questions for 2026 reporting. There are also "plus" questions which are voluntary, not assessed by the PRI and mostly open-ended, requiring the signatory to provide free text that gives further detail on their approach towards integration of sustainability factors.

In addition to the SLS and ORO modules, the Framework consists of two types of reporting modules. The first of these are designed to be general disclosures, and reporting under these does not depend on the nature of the signatory's assets under management. These modules include the "Organisational Overview" module, which identifies a signatory's organisation type and characteristics. It also includes a "Policy, Governance and Strategy" module, which requires disclosure of a signatory's overall approach to responsible investment, broken down into sub-modules, addressing, for example, the signatory's climate strategy. Other general modules include the "Sustainability Outcomes" module, which contains voluntary questions only and requires disclosure of how a signatory is taking steps to address the sustainable outcomes connected with its activities, and the "Confidence-building Measures" module, which requires disclosure of a signatory's review process, including whether it adopts third-party assurance over its sustainability reporting.

The second type of module is only mandatory if the signatory reaches certain thresholds with respect to its assets under management. For example, the "Manager Selection, Appointment and Monitoring" module is mandatory for signatories that have either 10% of their assets under management or more than \$10 billion in an externally managed asset class. There are also six asset-specific modules, which an asset manager signatory must report under where it has either 10% of assets under management or over \$10 billion in that internally managed asset class during the reporting year. These modules, respectively, cover listed equity, real estate, private equity, fixed income, infrastructure and hedge funds. Of these, the module on private equity, for example, covers topics such as whether the signatory has implemented investment guidelines, what commitments it has made to investors, any due diligence or materiality analysis it has conducted, its approach at exit and its disclosure of ESG portfolio information.

Having finished reporting, the PRI will not give signatories an overall score, but will instead provide scores for individual questions, measured by one to five stars. The PRI will also provide scores by module for certain of the non-asset-specific modules mentioned above, and scores by asset class or sub-strategy for the "Manager Selection, Appointment and Monitoring" and asset class-specific modules.

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