

Public Interest Registry

2021 Annual Report





Message from the Chair

2021 was another year very much affected by Covid. We all continued to grapple with the global coronavirus pandemic and its related health, economic, and social challenges. Therefore, it gives me great satisfaction to report that the PIR team has stayed strong and worked hard but also supported each other throughout these difficult times.

The team continued its steadfast focus on PIR's mission of helping those who dedicate themselves to improving our world. This Annual Report will discuss those efforts in more detail. In addition to our ongoing support of the Internet Society and its important work, a few other accomplishments really stand out:

We had another very successful .ORG Impact Awards. 633 organizations and individuals submitting entries from more than 40 countries. They're all terrific .ORGs helping make a difference in their communities and around the world. I would especially like to congratulate ADES, the 2021 .ORG of the Year, for its ongoing efforts in Madagascar to promote the use of renewable energy, protect climate, biodiversity, and health, and facilitate a path out of poverty. Truly impressive, inspiring, and important work combining and solving many important issues in one project.

The DNS Abuse Institute took concrete form and is successfully creating awareness about the issues. The leadership it's providing is especially timely as the broader community focuses more attention on how to address DNS Abuse. The Institute also created an impressive advisory council that includes well-respected experts in their fields.

As my time on the PIR Board draws to a close, I would like to thank my fellow Board members for the teamwork and good and always constructive collaboration over the years-in particular during the pandemic. They, too, have stayed focused on PIR's mission and further developing the organization with Jon Nevett, our CEO, and the rest of the PIR team.

It has been a great honor to serve with such a team. Under Jon's great leadership I believe that PIR has become even stronger, more resilient, and grown as an

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organization. I mean this both in the economic sense and-equally important-with respect to work culture and fulfilling our mission by serving the .ORG Community.

By empowering others with our services, we are multiplying the effect of those who are dedicated to improving our world. The .ORG Impact Awards are a wonderful way to showcase this dynamic and hopefully inspire others too. In fact, this has been a key motivator for my time on the Board.

While it is hard to leave such a great organization, I know PIR is in good hands with an excellent board and equally excellent PIR team. I wish you every success, and thank you all!



Lise Fuhr Chair, PIR Board of Directors

Message from the CEO

Although the global pandemic has remained an - We expanded the resources available in our .ORG unfortunate fact of life, the .ORG Community Learning Center, adding over 40 pieces of original continues to inspire as it works to make the world content. We also established partnerships with subject a better place. Whether focused on pressing health, matter experts to co-develop educational materials for the .ORG Community. The Q1 2022 launch of a environmental, or economic issues, or simply serving as a gathering point for a specific community, .ORGs play Cybersecurity Toolkit for Mission-Based Organizations a key role in shaping our future. is just one example of these collaborations.

-We announced in December that .CHARITY, At PIR, we never forget that these organizations rely on .FOUNDATION. .GIVES. and .GIVING soon will be us to accomplish their mission. Our work is centered joining the PIR family of TLDs. on the belief that by being an exemplary registry, in a small way we ensure the continued proliferation of -We worked hard to maintain our culture of mission-driven organizations. That, in turn, makes our excellence, and were recognized once again as communities and all of us, better.

As we'll show below, the team at PIR worked hard to achieve or exceed our goals for 2021. We are proud to share our results in this Annual Report. In particular, I'd like to highlight the following accomplishments:

- The 2021 .ORG Impact Awards were the most impressive to date. Over 600 organizations and individuals from more than 40 countries applied. It was difficult to select the winners as all of the finalists were outstanding in their fields. I'd like to offer my sincerest congratulations to ADES, the .ORG of the Year, in recognition of the exceptional work that it's doing in Madagascar.
- Our financial performance remained strong, and we continued to increase our support of the Internet Society and its important work. Our financial success has been driven by continued strong domain registration and renewal volumes. In fact, our renewal rates remain the highest among gTLDs, and reflect the high quality of the .ORG base.
- As part of our non-profit mission, we launched the DNS Abuse Institute in February 2021 and have already earned accolades for our efforts to develop industry-shared solutions to combat DNS Abuse. The Institute also will launch NetBeacon[™], a centralized abuse reporting tool in mid-2022. This tool is something the community has needed for years. Meanwhile, our anti-abuse efforts keep .ORG among the cleanest TLDs.

one of the best places to work in the Washington, DC area. This award was especially significant because it reflects our success in meeting the unique demands of a virtual workplace environment during the COVID-19 pandemic. PIR was honored for the past two years because of its culture of caring and respect, its deeply held mission, and its commitment to honoring its people.

As always, these achievements were made possible by the people behind .ORG-PIR's amazing staff, Board of Directors, and Advisory Council. We all contribute to PIR's success in unique ways, yet do so with a common sense of purpose. We take seriously our mandate to operate .ORG in an exemplary manner. Our 2021 results confirm this yet again, and I invite you to learn more below. I also look forward to sharing our ongoing successes in next year's Report.



Jon Nevett President & CEO, PIR

.ORG is the original purpose-driven "generic" top-level domain (gTLD). For over 35 years, .ORG has provided a global platform for organizations, foundations, clubs, businesses, and individuals to bring their ideas to life online. From small, local groups to huge, global associations, a diverse range of organizations use .ORG to advance their missions. Even many for-profit businesses use .ORG to gain support for their charitable activities.

MISSION

To be an exemplary domain name registry and industry thought leader providing a trusted digital identity and serving as a valued resource to those working to improve our world. .ORG has built an enduring legacy of trust, promoting an open and secure Internet where diverse communities can establish a trusted online identity and freely share ideas. With over 10.6 million domain names currently registered worldwide, .ORG has earned the reputation as the domain of choice for organizations and individuals dedicated to serving the public interest. Today, .ORG remains the domain of trust.

.ORG is powered by <u>Public Interest Registry (PIR)</u>. Based in Reston, Virginia (USA), we strive to be an exemplary domain name registry¹, provide a trusted digital identity, and help educate those who dedicate themselves to improving our world.

Like many in the .ORG Community, PIR is mission-based. Under the United States tax code, we are a 501(c)(3) non-profit organization registered in the U.S. and chartered to administer the .ORG registry for the benefit of our end users and the Internet as a whole. This mandate includes operating .ORG in an exemplary manner and being an industry thought leader.

PIR also supports and assists our founder, the <u>Internet Society</u> (also a 501(c)(3) non-profit registered in the U.S.), in achieving its important mission. PIR's proceeds aid the Internet Society's work to build, promote, and defend a bigger and stronger Internet. In addition, PIR supports the Internet Society Foundation, which was established in February 2019 to fund initiatives that strengthen the Internet in function and reach so that it can effectively serve all people. PIR is proud to play its part in sustaining the Internet Society's and PIR's shared vision.

Why we do what we do can be summed up through PIR's point of view: more and stronger mission-driven organizations and people make the world a better place. Why do we operate as an exemplary registry, celebrate .ORG heroes, and work to make the Internet more secure? Because every time a .ORG is registered or renewed it is more likely that a community will be served, people in need will get help, and new businesses that balance doing well by doing good will be created. All of this is driven by more and stronger mission-based organizations, which makes the world a better place.

The need for mission-driven organizations, large and small, has never been clearer. Whether working to offer help during the pandemic, raising awareness about social justice, collaborating to ensure a sustainable environment, or simply serving as a gathering point for a community, .ORGs play a critical role in shaping our future.

At PIR, we never forget that these organizations rely on us to accomplish their mission. At the heart of that relationship is trust: mission-driven organizations know that .ORG will always be available, the platform will be kept as clean as possible, and PIR will continually explore ways to help them succeed. It's also what drives the values—bold stewardship, unwavering integrity, relentless commitment, and honoring people—that are the core of everything we do as we strive to live up to the high standards in the pursuit of our mission. PIR's work is centered on the belief that by being an exemplary registry, in a small way we ensure the continued proliferation of mission-driven organizations. That, in turn, makes our communities and all of us, better.



.ORG has built an enduring legacy of trust, promoting an open and secure Internet where diverse communities can establish a trusted online identity and freely share ideas.

PIR operates the registries for .ORG, .NGO, .ONG, and Internationalized Domain Name versions of .ORG in Devanagari, Cyrillic, and Chinese scripts. Also, in mid-2022 PIR will begin managing additional gTLDs, including .GIVING, .FOUNDATION, .CHARITY, and .GIVES. As .ORG represents the great majority of our activity, however, this Report will focus on .ORG accomplishments.

SUPPORTING THE .ORG COMMUNITY

.ORG has long been associated with non-profits, and remains home to the most influential of those organizations. Yet the .ORG Community is so much more. It is a global assemblage that also includes individuals, social enterprises, and organizations of all kinds delivering on their missions for social good. We believe that members of the .ORG Community choose .ORG not only as their digital identity but also as a collective statement about the social importance of the work that they do. The diverse local, regional, national, and global communities they represent come together and make up the .ORG Community, and together we make a positive impact on the world.

SUPPORTING THE INTERNET SOCIETY

A key part of our reason for existing as a supporting organization is that PIR's efforts directly support the Internet Society. A global non-profit organization, Internet Society works to ensure that the Internet remains a force for good for everyone. Through its global community of members, special interest groups, and chapters, the Internet Society defends and promotes Internet policies, standards, and protocols that keep the Internet open, globally connected, secure, and trustworthy. To learn more about Internet Society's work in 2021, please see its Impact Report at internetsociety.org/impact-report/2021.

Core Values

Bold Stewardship

Entrusted by millions to operate in the public interest, we take that responsibility seriously. We thoughtfully consider the impact of our actions and work in deliberate pursuit of our mission.

Unwavering Integrity

Passionate about integrity, we refuse to compromise our ethical standards for the sake of expediency, popularity, or profitability. As a force for good, we will do nothing to undermine the trust the online world places in us.

Relentless Commitment

Persistent and purposeful in our efforts, we strive to get our work done right and well. We recognize that there is always opportunity for improvement and growth, and we continually strive to do so.



The PIR Board draws on its non-profit and corporate sector knowledge to provide best practices for planning, governance, and oversight.

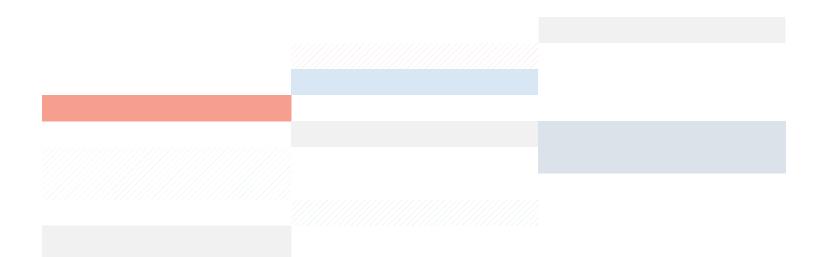
PIR Board

As one would expect, our values and priorities are ratified by the PIR Board of Directors. These well-respected members of our community bring significant technical, operational, and financial expertise to PIR. With their diverse perspectives from across multiple industries, the PIR Board shapes a holistic and global strategic vision for the organization and draws on its non-profit and corporate sector knowledge to provide best practices for planning, governance, and oversight. All Director biographies are available on our website at thenew.org/org-people/about-pir/team/board.

PIR Advisory Council

Similarly, our Advisory Council shares PIR's core values and priorities. Representing a cross-section of leaders and activists from a broad spectrum of non-commercial organizations around the world, the PIR Advisory Council represents the voices of the .ORG Community to PIR. Serving as an intermediary between .ORG end-users and PIR, the Council provides advice on everything from technology to policy to social issues affecting the Internet. These Councilors also provide us with input on new registry strategies, policies, services, and educational initiatives to meet the needs of the .ORG Community. All Councilor biographies are available on our website at thenew.org/org-people/about-pir/team/advisory-council.

Name	Region	Term
Lise Fuhr Chair	Europe	2016-2022
Jeff Bedser Vice Chair	North America	2017-2024
Eric Burger	North America	2021-2024
Saerin Cho	North America	2021-2023
Narelle Clark	Asia Pacific	2018-2023
Keith Davidson	Asia Pacific	2019-2022
Greg Kapfer	North America	2019-2022
Jon Nevett	North America	Non-Voting Member
Andrew Sullivan	North America	ISOC CEO Liaison



Name
Olivier Alais
Nadira Al-Araj
David Allnutt
Pamela Ateka**
Beth Bourgeois**
Jennifer Cordero
Lianna Galstyan**
Maureen Hilyard*
Joan Kerr
Vineet Kumar*
Diane Lebson**
Stephanie Perrin*

*Term ended on December 8, 2021 **Term began on December 8, 2021

- Region Term 2019-2022 Europe Middle East 2019-2022 2019-2022 North America Africa 2021-2024 North America 2021-2024 2019-2022 North America Middle East 2021-2024 Asia Pacific 2017-2021 North America 2019-2022 Asia Pacific 2017-2021 2021-2024 North America 2019-2021 North America

Even as the global pandemic wore on in 2021 with its persistent health, economic, and social demands, we are proud to report that PIR once again achieved and often exceeded our goals for the year. One of our most satisfying accomplishments remains the annual .ORG Impact Awards in which we celebrate .ORGs around the world and showcase the exceptional work they do to help their communities in these special times of need. We're also pleased to report that we outperformed almost all of our 2021 financial goals as we continued to support the Internet Society and engaged the .ORG Community consistent with our mission.

As we'll show, our anti-abuse metrics underscored our commitment to operating an exemplary registry, and our Quality Performance Index (QPI) initiative demonstrated the myriad of benefits to operating a TLD for good and based on trust. Likewise, the DNS Abuse Institute was a shining beacon of PIR's leadership on the relevant issues and our willingness to take on community-wide concerns. We also committed significant resources for our Education and Outreach program to produce original content that assists the .ORG Community in the pursuit of its missions. Finally, PIR's culture of excellence once again received external recognition as we worked hard to support our staff during the adjustments and adaptation required throughout a full year of pandemic-impacted work.

2021.ORG Impact Awards

We launched the .ORG Impact Awards (OIAs) in 2019 to recognize individuals and organizations that have a connection to a registered .ORG domain for their contributions, achievements, and impact they have made in their communities. These .ORGs serve as shining examples of how people can achieve great things—often with limited resources and against significant challenges. These organizations and individuals work tirelessly in pursuit of their missions; not for recognition or reward, but simply to make the world a better place.

Given the ongoing global pandemic, the 2021 OIAs were once again held as a digital celebration. Now in its third year, this year's awards continued to evolve and keep up with the times and global challenges. As such, the 2021 OIAs focused on seven categories:

- Building Better Communities;
- Health and Healing in a Time of Pandemic;
- Championing Diversity, Equity, and Inclusion;
- Overcoming Climate Change;
- Providing Quality Education for All;
- Fighting Hunger and Poverty; and
- Rising Star.

We also honored the .ORG of the Year, one of the seven finalists that had outstanding achievement as evidenced by results and/or contributions to its sector, constituents, community, or society at large. You can learn more about the 2021 OIAs, watch for the 2022 program, at <u>orgimpactawards.org</u>, and follow the OIAs at @ORGinAction and @PIRegistry.



These organizations—our Champions for Change—have made a profound impact in the lives of so many. The people behind these organizations work tirelessly in pursuit of their missions and to make the world, and their communities, a better place. That's why we are honored to celebrate the good they do, the difference they make, and the lives they have changed. These organizations truly represent the best of .ORG.

AS JON NEVETT, PRESIDENT AND CEO OF PIR

2021.ORG Impact **Award Winners**

.ORG of the Year ADES

OVERCOMING CLIMATE CHANGE CATEGORY WINNER youtu.be/xt6oYXwT2Ac | thenew.org/org-stories/ades



Founded in 2001 and headquartered in Solar- und Energiesparkocher Switzerland, ADES has operations across Madagascar that include the local manufacture of Gold Standard-certified solar and other energy-efficient cooking appliances as well as activities that promote the use of renewable energy to help protect the climate, biodiversity, and health while facilitating a path out of poverty.

One of the least developed countries in the world that is particularly affected by the consequences of climate change (i.e., rising sea levels, more frequent cyclones and hurricanes), Madagascar is suffering increasing desertification. In fact, the island loses approximately 120,000 hectares (300,000 acres) of its woodlands every year due to deforestation for agricultural land and the population's need for fuel sources for cooking. ADES is committed to preserving the country's forests, which also play an important role in the global regulation of CO2 emissions. With all of its projects, ADES is also making a significant contribution to sustainability in fourteen of the seventeen Sustainable Development Goals established by the United Nations in 2015.



Litro de Luz Colombia

BUILDING BETTER COMMUNITIES CATEGORY WINNER youtu.be/7fvQPiqISIU

Since 2011, Litro de Luz Colombia has been bringing public lighting with Wi-Fi Internet to those in need. A decentralized solar energy company that operates in rural areas and conflict or post-conflict zones in Colombia and across Latin America, Litro de Luz uses cheap, readily available materials-such as recycled plastic bottles filled with water and a little bleach or an LED lamp, micro-solar panels, and a battery-to bring safe and affordable lighting to poor communities. The organization works together with the local community to manufacture the lighting systems and generate jobs on the spot.



Since 2003, Good Sports has given more than 8 million kids in need across the U.S. and Puerto Rico the benefits of sport and physical activity by providing them with equipment, apparel, and footwear. This Braintree, MA-based organization recognizes that the opportunity gap continues to widen for families in high-need areas, and more kids are getting left on the sidelines due to rising costs. Good Sports remains committed to reducing the financial barriers of sports.

Good Sports

HEALTH & HEALING IN A TIME OF PANDEMIC CATEGORY WINNER youtu.be/7SvQFnkrAOc | thenew.org/org-stories/good-sports



MAIA

CHAMPIONING DIVERSITY, EQUITY, AND INCLUSION CATEGORY WINNER

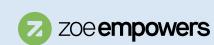
youtu.be/6Dc98Q8rkDo | thenew.org/org-stories/maia

Founded in 2007, MAIA educates Guatemalan girls to be the next generation of empowered female leaders who will lead transformational change. Through a holistic model that combines academics, culture, socio-emotional learning, and personal development, MAIA provides a platform for partners to access global innovations in education, girls' empowerment, and gender equity. In turn, this ensures that Girl Pioneers can access a professional network and obtain employment opportunities that accelerates their ability to become leaders and changemakers after they graduate.



Skateistan

Skateistan is the first international development organization to empower children through education and skateboarding, and the first organization to introduce skateboarding to the children of Afghanistan. Skaetistan won an inaugural .ORG Impact Award in 2019, as well as a 2020 Academy Award for Best Documentary (Short Subject). Regrettably, in August 2021 Skateistan announced that it was suspending its programs in Afghanistan due to the political uncertainties. The organization has already expanded into Cambodia, Jordan, Bolivia, Kenya, and South Africa.



Zoe Empowers

FIGHTING HUNGER AND POVERTY CATEGORY WINNER youtu.be/ekxDbxHzAdQ | thenew.org/org-stories/zoe-empowers

Now working in seven countries-Kenya, Zimbabwe, Malawi, Rwanda, Liberia, Tanzania, and India–Zoe Empowers has helped more than 100,000 vulnerable children overcome extreme poverty. Founded in 2004 to respond to the HIV/ AIDS pandemic in Africa, the organization adopted the Greek definition of 'zoe'-which means 'life'-and a unique approach: instead of giving away resources, further propelling a cycle of dependency on adults, orphans are taught to care for themselves and their siblings. The three year empowerment program requires less than \$300 per child, and is 5 to 20 times more economically efficient than traditional short-term relief efforts.



Esther Ejiroghene Ajari, The TriHealthon

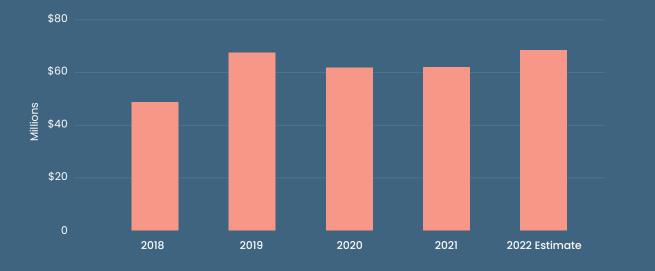
Esther Ajari has been engrossed in community development since she was 16, and already has worked with 25 national and international organizations. She founded The TriHealthon in 2018. This Nigeria-based youth and female-led organization seeks to improve the health and well-being of vulnerable populations in Africa, particularly women and children, by focusing on sexual and reproductive health, ending childhood malnutition and diharrea, and global research initiatives. Ms. Ajari has won several community services awards and is studying towards a PhD in Public Health.

PROVIDING QUALITY EDUCATION FOR ALL CATEGORY WINNER youtu.be/sdNcHKb1j7c | thenew.org/org-stories/skateistan

RISING STAR CATEGORY WINNER <u>youtu.be/jyGf6rwJoJE</u> | <u>thenew.org/org-stories/the-trihealthon</u>

We measure success at PIR in a number of ways. The most fundamental—indeed one of the organization's very reasons for existing is our ability to provide financial contributions to the Internet Society and the Internet Society Foundation in support of their work. We're proud to say that once again we exceeded our goal.

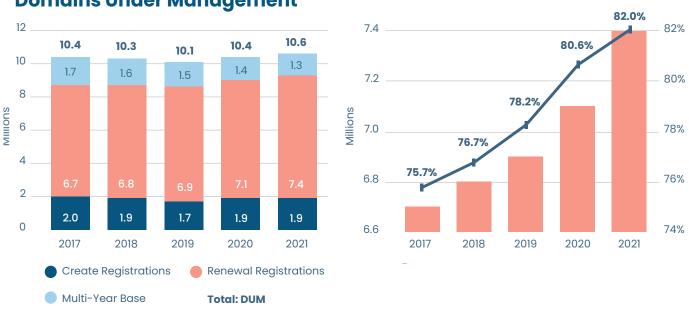
PIR Financial Support to Internet Society & Internet Society Foundation



In fact, PIR has out-performed its financial goals for several years. Whereas the 2021 budget anticipated a contribution of \$56 million to the Internet Society and the Internet Society Foundation, the actual amount contributed was \$62 million. This means that Internet Society had more funds available for its global initiatives focused on growing and strengthening the Internet. You can learn more about all of those initiatives at <u>internetsociety.org</u>. PIR also helps fund the Internet Society Foundation. Its grants enable access and digital skills for communities in need, fund research into critical issues around the future of the Internet, and support the delivery of Internet-based solutions to challenges that face people around the world. For more details, please see <u>isocfoundation.org</u>.

Our financial success has been driven by continued strong domain registration and renewal volumes. In 2021, we saw encouraging results from our expanded focus on India. These initiatives have set the groundwork for additional growth in 2022, and we look forward to reporting those results in next year's Annual Report. Our success in 2021 also was driven by our deliberate shift in prior years from simply focusing on the quantity of new registrations to a more sophisticated assessment of the quality of domains. We'll discuss this Quality Performance Index in more detail when we review our anti-abuse efforts later in this Report.

Registrations & Domains Under Management



Source: Public Interest Registry

Whereas the 2021 budget anticipated a contribution of \$56 million to the Internet Society and the Internet Society Foundation, the actual amount contributed was \$62 million.

Renewals & Renewal Rates

Source: Public Interest Registry

Unit Volumes

	2020	2021
New Creates	1,898,989	1,868,455
Renewals	7,052,293	7,399,996
DUM	10,357,403	10,597,911

Source: Public Interest Registry

Renewal Rates

	2020	2021
1st time	58.6%	60.4%
2nd time	75.8%	78.6%
3+ time	88.2%	89.5%
Blended	80.6%	82.0%

Source: Public Interest Registry

RENEWAL RATES KEEP CLIMBING

We reported last year that .ORG renewal rates were at gTLD-leading levels. We're pleased to note that our rates continued to improve in 2021. We continue to believe that these strong results reflect our deliberate focus on promoting quality domains in the .ORG base. All of these renewal rates indicate that registrants and end users place significant importance on .ORG names or else they wouldn't drive the traffic necessary to justify their continued use. All of this is to the general benefit of the .ORG Community. This chart summarizes PIR's strong 2021 financial results. Of course, we never take anything for granted, and will continue to strive to exceed our budget goals so that we can meet our mission and provide financial support to the Internet Society and the Internet Society Foundation, and serve the .ORG Community.

Summary of Financials

Net Revenue'Cost of Revenue'Gross ProfitTotal Functional ExpensesDepreciation/AmortizationTotal ExpensesOperating Income/(Loss)Internet Society & its Foundation ContributionOther Inc/(Exp)Net Income/(Loss)²

Source: Public Interest Registry

2020	2021
\$95,374,000	\$97,105,000
\$19,536,000	\$17,996,000
\$75,838,000	\$79,109,000
\$13,753,000	\$15,754,000
\$284,000	\$433,000
\$14,037,000	\$16,187,000
\$14,037,000 \$61,801,000	\$16,187,000 \$62,922,000
\$61,801,000	\$62,922,000
\$61,801,000 \$61,818,000	\$62,922,000 \$62,008,000

- In 2021, PIR implemented a change in the accounting treatment of transaction-based ICANN fees, resulting in incremental revenue and cost of revenue of \$2.6M.
 Going forward, transaction-based ICANN fees will be included as a component of revenue and cost of revenue in this report. For consistency and comparability to 2020 results, the 2021 revenue and cost of revenue reported here are shown net of ICANN fees.
- 2 Net income normalized to exclude additional contributions to the Internet Society of \$6.9M and \$6.0M in 2020 and 2021, respectively.

PIR is proud to operate .ORG as an exemplary non-profit registry that supports a free, open, and safe Internet. We're well aware of the trust that has been placed in us to operate .ORG and the other TLDs under our management in the public interest. As we've already noted, we believe that more and stronger mission-driven organizations and people make the world a better place—and are doing all we can to help facilitate this.

One issue that continues to receive a lot of attention, because it puts us all at risk online, is Domain Name System (DNS) Abuse. DNS Abuse consists of a few categories of technical abuses of the DNS, including phishing, pharming, malware, botnets, and spam when it serves as a delivery mechanism for these forms of DNS Abuse. There are also a few limited categories of Website Content Abuses that PIR monitors under its anti-abuse program, to include Child Sexual Abuse Materials, distribution of opioids or narcotics, and imminent threat to human safety. These threats undermine trust in the Internet and have real consequences for their victims.

PIR remains committed to combating DNS Abuse and rigorously enforcing our <u>Anti-Abuse Policy</u> and living up to our <u>Anti-Abuse Principles</u>. Whether through our robust abuse detection system or alerts provided by trusted notifiers like the Internet Watch Foundation, we promptly address abusive domains in the name spaces we manage. As you can see, independent third parties like <u>The Spamhaus Project</u> publish reports that clearly demonstrate how well we operate .ORG as a clean name space. Spamhaus identifies both the percentage of "bad domains" in a gTLD as well as their "Badness Score" which takes into account both the percentage of "bad domains" as well as the raw number of "bad domains." By averaging Spamhaus' weekly scores as we've done below, it's clear how .ORG continues to significantly outperform other large gTLDs.

Spamhaus Average Scores

	2018		2019		2020		2021	
	Bad Domains	Badness Score	Bad Domains	Badness Score	Bad Domains	Badness Score	Bad Domains	Badness Score
.org	4.1%	0.41	3.4%	0.29	2.16%	0.18	1.59%	0.13
.com	6.4%	0.84	5.6%	0.71	4.17%	0.52	4.68%	0.58
.net	9.8%	1.09	5.0%	0.51	5.53%	0.56	8.13%	0.85
.info	19.2%	2.08	11.6%	1.05	7.68%	0.68	13.57%	1.31
.biz	40.8%	4.52	25.5%	2.36	16.40%	1.38	16.67%	1.49

Source: The Spamhaus Project

Perhaps the most visible demonstration of PIR's commitment to fighting DNS Abuse and supporting our own non-profit mission, was our creation and launch of the DNS Abuse Institute (dnsabuseinstitute.org) in February 2021. The Institute is tasked with creating outcome-based initiatives that create recommended practices, foster collaboration, and develop industryshared solutions to combat the five areas of DNS Abuse. Led by industry veteran Graeme Bunton and an Advisory Council of well-respected experts, the Institute seeks to build upon the foundations laid by the <u>DNS Abuse</u> <u>Framework</u> and related initiatives by the Internet & Jurisdiction Policy Network's (I&J) <u>Domains and Jurisdiction Program</u> to develop meaningful solutions, practices, and shared knowledge to combat DNS Abuse for



PIR remains committed to combating DNS Abuse and rigorously enforcing our Anti-Abuse Policy and living up to our Anti-Abuse Principles. the betterment of the Internet. The Institute serves as a resource to help the community identify and report DNS Abuse, establish best practices, fund research on DNS Abuse, and share data, and has already earned public recognition for its efforts. Importantly, the Institute will strive to work closely with all DNS Abuse stakeholders in the fight against DNS Abuse including, but not limited to, technical and security organizations, academic organizations, registries, and registrars. To learn more about the DNS Abuse Institute, its output and plans, see <u>dnsabuseinstitute.org/wpcontent/uploads/2022/05/DNSAI-2021-Annual-Report-FINAL.pdf</u>.

DNS Abuse Institute Advisory Council

Name Drew Bagley	Affiliation Crowdstrike
Bertrand De La Chapelle	Internet & Jurisdiction Policy Network
Chris Disspain	Donuts
Ashley Heineman	GoDaddy
Maureen Hilyard	PIR Advisory Council / ALAC
Maciej Korczynski	University of Grenoble
Vineet Kumar	Cyber Peace Foundation
Dean Marks	Coalition for Online Accountability
Crystal Ondo	Google
Bruna Santos	Data Privacy Brasil Research Association
Rowena Schoo	Nominet
Bruce Tonkin	auDA
Jeff Bedser	PIR Board Liaison / iThreat

ANTI-ABUSE THOUGHT LEADERSHIP

We continue to be thought leaders when it comes to fighting DNS Abuse. Not only did we help spearhead the DNS Abuse Framework that sets forth registries' and registrars' DNS Abuse responsibilities, those definitions have become de facto standards for ongoing policy work. We also actively participate in I&J's Domains and Jurisdiction Program, where our General Counsel, Brian Cimbolic, currently serves as Coordinator (i.e., Chair of the Working Group). Meanwhile, we remain active in the registries' and registrars' CSAM Referral Discussion Group which shares knowledge and improves our collective practices at finding, addressing, and removing CSAM from the domain name space. That group also includes various law enforcement and CSAM watchdogs. All of these activities help mitigate DNS Abuse and make the Internet a safer space.

QPI's innovative use of key performance indicators and data analysis has helped identify ways to promote and incentivize quality .ORG registrations while discouraging abusive ones. In addition, PIR's <u>Quality Performance Index</u> (QPI) program has played an important role in mitigating DNS Abuse. QPI's innovative use of key performance indicators and data analysis has helped identify ways to promote and incentivize quality .ORG registrations while discouraging abusive ones. Launched in May 2019, QPI is calculated by analyzing data for each registrar based on three core Key Performance Indicators (KPIs): Abuse Takedown, Renewal Rates, and Domain Usage; and three secondary KPIs: the use of Secure Socket Layer (SSL), DNSSEC, and Average Term Length. The weighted scores are combined to form a single QPI score. If this score meets or exceeds the baseline threshold established for a particular promotion, the registrar is then qualified to participate for the promotion pending any additional terms and conditions requirements.

In the two and a half years since its introduction, the QPI program has had a profound boost on not only the quality of .ORGs registered and renewed, but also on the business side of .ORG and for the registrars that participate in QPI:

- -.ORG remains the least-abused of all large gTLDs.
- Participating registrars saw a marked improvement in renewal rates.
- Approximately 50 percent of all .ORG new domain creates were registered through the QPI program.
- PIR has observed direct changes in certain registrar's behavior; some that had previously unacceptably high abuse rates have worked to lower their abuse percentages in order to qualify for QPI and gain the financial incentive of the promotion. They also reap the benefits of higher renewal rates and improved reputation across the industry.

Based on the success of our own quality initiative to promote a healthy .ORG domain system, PIR began offering the QPI program at no cost to other registries in 2021. By making the QPI program and algorithm available to all members of the domain industry, we hope that the principles of QPI can be applied across all domain spaces, which can advance our shared goals of reducing DNS Abuse and improving the quality of domain registrations. We believe that each member of the domain community holds a responsibility to be a good steward of the Internet. For the Internet to continue to grow it needs to be trusted, and QPI can be a critical part in building trust with individuals, mission-driven organizations, and companies.

We're proud of the work we're doing to combat DNS Abuse. To demonstrate our transparency and accountability, we regularly publish our .ORG Anti-Abuse Metrics on our website at <u>thenew.org/org-people/about-</u> <u>pir/resources/anti-abuse-metrics</u>. A combined chart with yearly totals appears below:

.ORG Anti-Abuse Metrics

Technical Abuse Totals
Phishing
Malware
Botnet C&C
Other Hacking, DDoS, etc.
Spam as abusive domain delivery mechanism
Other Enforcement Types
Botnet Domains ¹
Limited Website Content Abuse ²
Civil IP Enforcement
Carding Take Downs
Incitement to Violence
CSAM Referrals
URLs referred from IWF
Domains included in those URLs
Domains where abusive content was removed
Suspensions by PIR
Suspended by Registrar
Supported by Posistry

Delving Into the Numbers

While the data shows a steep drop-off in enforcement against botnet domains, this was due to the lack of any Court Orders involving "Domain Generating Algorithms" (DGAs) tied to malware or botnets. Such DGAs are low-frequency but high-impact occurrences: all of domains seized in 2020 were the result of a single Court Order that required us to create unregistered domains to mitigate the threat associated with the DGA. Meanwhile, domains seized in Civil Intellectual Property Enforcements increased notably year over year, but are still nowhere near the high in 2018. Suspensions related to limited instances of Website Content Abuse remain very low, with only 14 domains in 2021 (5 for Child Sexual Abuse Materials, 9 for "other" such as imminent threats to human safety). This is contrasted with 5,478 domains the registry suspended for being engaged in DNS Abuse in 2021. Further detail is available at our Anti-Abuse Metrics site.

2017	2018	2019	2020	2021
17,692	9,103	41,430	26,446	29,469
54	2,696	22,959	6,677	5,996
8	114	900	505	653
1	73	550	350	278
25	12	30	53	115
17,604	6,208	16,991	18,861	22,427
30,267	13,927	13,694	86,240	0
30	2	1	2	14
534	1,128	391	91	150
		0	3	1
			2	2
	447	834	1,327	1,526
	41	54	63	51
	28	46	55	46
	13	8	8	5
1,601	384	1,652	1,887	1,660
9,160	1,809	4,982	3,094	5,478

1 Domains either suspended or seized by LEA via court order

2 Includes domains seized in criminal, nonbotnet cases Consistent with its mission and non-profit status, PIR has regularly engaged in Education & Outreach (E&O) activities. These efforts are designed to uphold PIR's commitment to operate .ORG as an exemplary domain name registry service that is responsive to the needs of missionbased entities worldwide. They also allow PIR to share its expertise and network of professional contacts, as well as provide financial support for initiatives that improve use of the Internet.

Our E&O efforts continue to focus on two overarching priorities: enhancing the online presence of the global mission-driven community and strengthening the DNS by leveraging PIR's attributes as an exemplary registry operator. Furthermore, these priorities address at least 1 of our 4 key issue areas: antiabuse, technology and security, policy and privacy, and end-user and online support. Throughout the global pandemic we have placed extra emphasis on using the Internet as opposed to face-to-face gatherings—to deliver learning experiences and collaboration initiatives that bring value to broader audiences. In late 2020 we took the significant step of founding the .ORG Learning Center (orglearningcenter.org). This educational portal provides a variety of information to help mission-driven organizations establish their Internet presence and thrive online. Over the course of 2021, we produced more than 40 pieces of original content in article, short essay, animated video, and recorded webinar formats. We also partnered with key entities like <u>Charity Digital</u> and the <u>Global Cyber</u> <u>Alliance</u> to pool our resources and highlight their expertise on critical issues facing mission-based organizations at all levels of their operational development.

Our combined efforts focused on the essentials for establishing and growing an online presence for mission-based organizations. They included materials on Getting Started (choosing the best .ORG name and creating a website), Growing Your .ORG (fundraising and optimizing your website), Engaging With Your Audience (social media campaigns and branding) and Keeping Your Organization Secure and Compliant (privacy considerations and responding to a security breach). Furthermore, we produced short "learner videos" that focused on the mechanics of the DNS, securing your domain, as well as understanding the domain name lifecycle. All of these resources are archived on the .ORG Learning Center and remain available free of charge.

Moving forward, we intend to refocus our E&O activities on cybersecurity and fundraising. Both of these fundamental issue areas are critically important to all mission-based organizations. We'll deepen our engagement with key partners that are already engaged in these fields, and will ensure clear alignment with PIR's organizational priorities. Ultimately, our goal is to increase the impact of our educational efforts instead of just the breadth of their scope.

The global pandemic continued to take a toll on international travel and faceto-face meetings in 2021. This included the specialized Schools of Internet Governance (SIG) and regional DNS Forums that PIR has historically supported. Fortunately, many of these effectively shifted to virtual offerings, and by the end of the year one was already hosting a "hybrid" event. Meanwhile, PIR also continued to support the <u>Virtual School of Internet Governance (VSIG)</u>. An effective complement, though not replacement, for existing in-person SIGs, VSIG has been a resounding success since it launched in September 2020. Having trained over 600 students and now available in Spanish as well as English instruction, VSIG will soon launch a French version, too.

We also collaborated on learning opportunities with other partners. For example, we continued to support the Latin America and Caribbean Top-Level Domains (LACTLD) Association's <u>Illegal Content Workshop</u> series. These workshops help local law enforcement authorities learn about the DNS ecosystem and ways to address objectionable content online, and remain a unique opportunity to educate non-domain industry actors about DNS Abuse and mitigation efforts, including the limits of what a registry operator can do. We also supported the CyberPeace Foundation's <u>Project eSaksham</u> in India. Developed with India's Ministry of Education and other local partners, this project seeks to bridge the gap in digital literacy and cybersecurity skills among high school students across the country. Undaunted by the pandemic, the project trained almost 50,000 participants and set up 50 clubs nationwide that continue to teach about digital privacy, cyberethics, and reporting online crime.





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PIR is proud to say that our Core Values are at the heart of everything we do. In fact, our organizational culture—that is, the beliefs, values, and behaviors that we have adopted over time to help us succeed—is built upon our steadfast focus on stewardship, integrity, commitment, and honoring people. This has remained true throughout the pandemic; in some ways, our culture actually has been amplified by the need to stay engaged while working remotely. We are especially pleased to report that PIR was honored by the Washington Business Journal as one of the Best Places to Work for the second year in a row. Winners of these awards were determined based on a quantitative survey of greater Washington, D.C. area employees, administered by a third-party organization. Respondents were asked to rank their organization on qualities such as team effectiveness, trust in senior leaders and co-workers, manager effectiveness, communication, work-life balance, and alignment with company goals. The 2021 award holds special significance because it reflects the virtual workplace environment required to meet the unique demand of the COVID-19 pandemic. PIR was honored for the past two years because of its culture of caring and respect, its deeply held mission, and its commitment to honoring its people.

We are very proud of what we have achieved. We're also proud of what makes each of us unique. As part of our commitment to honoring people, we invite colleagues to share a deeper understanding about their backgrounds or other aspects of cultural significance during company gatherings or via our internal communications tools. PIR also offers its employees religious/cultural leave to celebrate these special events with their loved ones. Importantly, we've continued on our diversity, equity, and inclusion (DEI) journey. This introspective process of learning, change, and leadership helps us explore the many dimensions of race, power, and privilege that perpetuate social inequities. Ultimately, we believe that these efforts will better prepare us to serve the .ORG Community. To this end, we also offer every employee up to 40 hours of paid leave to engage in volunteer activities supporting mission-based organizations.

Finally, while we're all looking forward to "returning to normal"—whatever that may mean post COVID-19—we're also aware that coming back to the office will have its challenges. We set up a dedicated return-to-office team to monitor health and workplace developments and advise our executive team on next steps—whenever the time for them is appropriate. We've also adjusted the terms of our remote work and flexible hours policies to better meet the needs of our team. We believe these are the right things to do, and will enable us to deliver exemplary service to help all .ORGs make a positive impact on the communities they serve and in the world.



We are especially pleased to report that PIR was honored by the Washington Business Journal as one of the Best Places to Work for the second year in a row.

Looking Ahead

It is our sincere hope that this Annual Report demonstrates that we continue to operate .ORG as an exemplary domain name registry. We remain committed to responsibly managing the unique resources that have been entrusted to our care, both as trusted stewards and on behalf of our non-profit mission.

In 2022 we'll continue to go beyond providing financial support to the Internet Society and its Foundation so that they can pursue their own important charitable missions. We'll also continue to support initiatives that underscore .ORG's enduring legacy of trust. This will include upgrading our registry services platform with more modern functionality. Furthermore, the DNS Abuse Institute will unveil a new centralized abuse reporting tool that will provide a single point for submission of DNS Abuse reports and address several long-standing community concerns. Our E&O program will refocus on cybersecurity and fundraising, and emphasize partnerships with organizations that can boost our community engagement and impact. Meanwhile, the .ORG Impact Awards and our .ORG Stories series will continue to celebrate the wonderful contributions of

those who dedicate themselves to improving our world. In addition, we plan to extend our Global Expansion Initiative to reduce the dependence of .ORG registrations from North America, and will add more mission-based TLDs to our portfolio, including .GIVING, .FOUNDATION, .CHARITY, and .GIVES, to provide substitutes and compliments to .ORG.

We look forward to sharing the details about all of these initiatives in our next Annual Report. You can follow our developments on the PIR website (<u>thenew.org</u>) and through all of our social media channels.



Stay tuned for details about these exciting and impactful new initiatives and others in next year's PIR 2022 Annual Report. Of course, you can follow our developments on the PIR <u>website</u> and through all of our social media channels.



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