CONFIDENCE-BUILDING MEASURES

2023

Last revision: 10 May 2023
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## CONFIDENCE-BUILDING MEASURES

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CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES [CBM 1]

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<tbody>
<tr>
<td>CBM 1</td>
<td>N/A</td>
<td>Approach to confidence-building measures</td>
<td>6</td>
<td>CORE</td>
</tr>
</tbody>
</table>

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

Explain why: ______ [Mandatory free text: medium]

Explanatory notes

<table>
<thead>
<tr>
<th>Purpose of indicator</th>
<th>Additional reporting guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The PRI aims to increase signatories’ accountability as part of its 10-year Blueprint for Responsible Investment. Undertaking confidence-building measures will enhance the credibility of the signatories’ ESG disclosures to the PRI in this submission, their reporting to clients or beneficiaries and elsewhere. External third-party assurance is the strongest, most impartial and most credible confidence-building measure.</td>
<td></td>
</tr>
<tr>
<td>Signatories should select the appropriate external assurance or internal audit answer option(s) if they used assured or internally audited information, respectively, in their submissions to the PRI for this reporting year, excluding the Organisational Overview module. Follow-up indicators will prompt signatories to detail what was assured or audited.</td>
<td></td>
</tr>
</tbody>
</table>
Although external third-party assurance is the strongest, most impartial and most credible confidence-building measure, not selecting answer options (A) (conducting third-party assurance) or (B) (readiness review) carries no disadvantage in assessment.

When responding to this indicator, signatories should not take into account any of the following practices as these are not considered relevant for this indicator:

(i) Third-party assistance in data preparation; for instance, if a consultant helped compile the report. Audit standards typically preclude the preparer of any report from auditing it to preserve their independence.

(ii) Receipt of data from a third party; for instance, if some or all of the data had been received from a third party (e.g. a voting provider).

In answer option (C), an alternative to an ‘internal audit function’ can be an outsourced internal auditor.

In answer option (D), ‘Senior executive-level staff, or equivalent’ may include, for example, the signatory organisation’s Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), or its partners in the case of private equity funds.

‘Investment committee, or equivalent’ may include, for example, risk committees or ESG committees.

‘Head of department, or equivalent’ may refer to senior staff members who manage entire divisions or teams within the signatory organisation.

In answer option (G), ‘internally reviewed’ refers to a review by internal staff members of selected or all PRI responses before they are submitted.

The verification mechanisms must occur between the end of the reporting year and submission to PRI.

Other resources
For further guidance on how to strengthen the confidence of responses to the PRI Reporting Framework, refer to Introducing confidence-building measures to PRI signatories’ reported data.

Logic

Dependent on
N/A

Gateway to
[CBM 2], [CBM 3], [CBM 4], [CBM 5], [CBM 6]

Assessment

Assessment criteria
100 points for this indicator. 100 points for 3 or more selections from A–G; MUST include 1 selection from A–D. 66 points for 2 selections from A–G; MUST include 1 selection from A–D. 33 points for 1-3 selections from A–G. 0 points for H.

Further details:
Selecting ‘H’ will result in 0/100 points for this and the following indicators: CBM 6
| Multiplier | Moderate |
### THIRD-PARTY EXTERNAL ASSURANCE [CBM 2, CBM 3]

<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Dependent on</th>
<th>Sub-section</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBM 2</td>
<td>OO 21, CBM 1</td>
<td>Third-party external assurance</td>
<td>6</td>
<td>CORE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gateway to:</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy
  - [Dropdown list]
  - (1) Data assured
  - (2) Processes assured
  - (3) Processes and data assured

- (B) Manager selection, appointment and monitoring
  - [As above]

- (C) Listed equity
  - [As above]

- (D) Fixed income
  - [As above]

- (E) Private equity
  - [As above]

- (F) Real estate
  - [As above]

- (G) Infrastructure
  - [As above]
### Explanatory notes

#### Purpose of indicator
The PRI aims to increase signatories’ accountability as part of its 10-year Blueprint for Responsible Investment. Undertaking confidence-building measures will enhance the credibility of the ESG disclosures signatories made to the PRI in this submission, their reporting to clients or beneficiaries and elsewhere. External third-party assurance is the strongest, most impartial and most credible confidence-building measure.

This indicator aims to understand what externally assured information was included in signatories’ submissions to the PRI for this reporting year. It is considered good practice to have processes and related data assured for all reported modules.

#### Additional reporting guidance
Signatories should select the appropriate answer options where externally assured information has been used in their submissions to the PRI for this reporting year.

#### Other resources
For further guidance on how to strengthen the confidence of responses to the PRI Reporting Framework, refer to Introducing confidence-building measures to PRI signatories’ reported data.

### Logic

**Dependent on**
[OO 21], [CBM 1]

**Gateway to**
N/A

### Assessment

**Assessment criteria**
100 points for this indicator. The final score will be based on the mean of the lettered answer options, with answer option (A) accounting for 50% of the overall score.

- 100 points for (3).
- 66 points for (2).
- 33 points for (1).

**Multiplier**
High
### Provide details of the third-party external assurance process regarding the information submitted in your PRI report.

Include details such as the level of assurance attained, what information was assured, who conducted it, limitations, the expertise of the assurer regarding the reviewed subject matter and/or the usage of multiple standards.

<table>
<thead>
<tr>
<th>(1) Description of the third-party external assurance process</th>
<th>(2) Assurance standard(s) used by the third-party assurance provider</th>
<th>(3) Third-party external assurance provider’s report that contains the assurance conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Multi-select dropdown list]</td>
<td>(A) PAS 7341:2020 (B) ISAE 3000 and national standards based on this (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports) (D) RevR6 (Assurance of Sustainability) (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues) (F) Accountability AA1000 Assurance Standard (AA1000AS) (G) IFC performance standards (H) SSAE 18 and SOC 1 (I) Other national auditing/assurance standard with guidance on sustainability; specify: _____ [Free text: small] (J) Invest Europe Handbook of Professional Standards (K) ISAE 3402 Assurance Reports on Controls at a Service Organisation (L) AAF 01/20</td>
<td>Attachment or link: _____ [Voluntary]</td>
</tr>
</tbody>
</table>
### Explanatory notes

<table>
<thead>
<tr>
<th>Purpose of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>The PRI aims to increase signatories’ accountability as part of its 10-year Blueprint for Responsible Investment. Undertaking confidence-building measures will enhance the credibility of the ESG disclosures signatories made to the PRI in this submission, their reporting to clients or beneficiaries and elsewhere. External third-party assurance is the strongest, most impartial and most credible confidence-building measure.</td>
</tr>
<tr>
<td>This indicator allows signatories to provide details about their assurance process and the standard(s) to which the external assurance was performed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional reporting guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>In (1), ‘Description of the third-party external assurance process’, signatories may want to describe the following:</td>
</tr>
<tr>
<td>(i) what was assured and the subset of data from that report included in this submission,</td>
</tr>
<tr>
<td>(ii) the date of completion of the assurance engagement,</td>
</tr>
<tr>
<td>(iii) who performed the assurance and any specific expertise they may have,</td>
</tr>
<tr>
<td>(iv) the scope and limitations of the engagement,</td>
</tr>
<tr>
<td>(v) what duties the assurance performed, such as verifying data, interviewing staff members, or testing internal controls,</td>
</tr>
<tr>
<td>(vi) whether multiple standards were used, and</td>
</tr>
<tr>
<td>(vii) who had access to the assurance opinion.</td>
</tr>
<tr>
<td>In (2), ‘Assurance standard used by the third-party assurance provider’, signatories should select the appropriate answer options where externally assured information has been used in their submissions to the PRI for this reporting year. The list of third-party external assurance providers is not exhaustive, but it is a good indication of the standards the PRI understands are more widespread and used by PRI signatories.</td>
</tr>
</tbody>
</table>
### Links to the included assurance standards:
- PAS 7341: 2020
- ISAE 3000
- Dutch 3810N
- RevR6
- IDW AsS 821
- AA1000AS (see also the UNGP Reporting Framework Assurance Guidance on Human Rights Performance and Reporting for further guidance)
- IFC Performance Standards
- SOC 1
- Invest Europe
- ISAE 3402
- AAF 01/20
- ISO 26000
- ISO 14065:2020
- ASAE 3410
- PCAF
- NGER

The end result of the assurance process is a report containing a formal conclusion or opinion from the external assurer. This report clarifies the scope, limitations and nature of the assurance performed, establishing the credibility of the information assured. Signatories can upload this report in (3), “Third-party external assurance provider’s report that contains the assurance conclusion” as complementary to providing details in (1), “Description of the third-party external assurance process”.

### Other resources
For further guidance on how to strengthen the confidence of responses to the PRI Reporting Framework, refer to Introducing confidence-building measures to PRI signatories’ reported data.

### Logic
| Dependent on | [CBM 1] |
| Gateway to   | N/A     |

### Assessment
Not assessed
### INTERNAL AUDIT [CBM 4, CBM 5]

<table>
<thead>
<tr>
<th>Indicator ID</th>
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<th>Sub-section</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBM 4</td>
<td>OO 21, CBM 1</td>
<td>Internal audit</td>
<td>6</td>
<td>CORE</td>
</tr>
<tr>
<td>Gateway to:</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What responsible investment processes and/or data were audited through your internal audit function?

- **(A)** Policy, governance and strategy
  - [Dropdown list]
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited

- **(B)** Manager selection, appointment and monitoring
  - [As above]

- **(C)** Listed equity
  - [As above]

- **(D)** Fixed income
  - [As above]

- **(E)** Private equity
  - [As above]

- **(F)** Real estate
  - [As above]

- **(G)** Infrastructure
  - [As above]
### Explanatory notes

**Purpose of indicator**

The PRI aims to increase signatories’ accountability as part of its 10-year [Blueprint for Responsible Investment](https://www.unpri.org/blueprint). Undertaking confidence-building measures will enhance the credibility of the ESG disclosures signatories made to the PRI in this submission, their reporting to clients or beneficiaries and elsewhere. Internal auditing establishes whether signatories’ responsible investment–related internal control mechanisms are working as intended and is a necessary step towards obtaining external assurance.

This indicator aims to understand what internally audited information was included in signatories’ submissions to the PRI for this reporting year. It is considered good practice for all reported information – or all processes and data – to be internally audited.

**Additional reporting guidance**

Signatories should select the appropriate answer options where internally audited information has been used in their submissions to the PRI for this reporting year.

**Other resources**

For further guidance on how to strengthen the confidence of responses to the PRI Reporting Framework, refer to [Introducing confidence-building measures to PRI signatories’ reported data](https://www.unpri.org/introducing-confidence-building-measures-to-pri-signatories-reported-data).

### Logic

**Dependent on**

[OO 21], [CBM 1]

**Gateway to**

N/A

### Assessment

**Assessment criteria**

100 points for this indicator. The final score will be based on the mean of the lettered answer options, with answer option (A) accounting for 50% of the overall score.

- 100 points for (3).
- 66 points for (2).
- 33 points for (1).

**Multiplier**

High
## Indicator ID

**CBM 5**

### Dependent on:

**CBM 1**

### Gateway to:

N/A

### Sub-section

**Internal audit**

### PRI Principle

6

### Type of indicator

PLUS VOLUNTARY TO DISCLOSE

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**Provide details of the internal audit process regarding the information submitted in your PRI report.**

[Free text: medium]

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### Explanatory notes

#### Purpose of indicator

The PRI aims to increase signatories’ accountability as part of its 10-year **Blueprint for Responsible Investment**. Undertaking confidence-building measures will enhance the credibility of the ESG disclosures signatories made to the PRI in this submission, their reporting to clients or beneficiaries and elsewhere. Internal auditing establishes whether signatories’ responsible investment–related internal control mechanisms are working as intended and is a necessary step towards obtaining third-party external assurance.

This indicator gives signatories the opportunity to describe their internal auditing process and specify what information was audited.

#### Additional reporting guidance

In response to this indicator, signatories may want to describe the following:

(i) the date of completion of the internal audit,
(ii) the scope and limitations of the internal audit,
(iii) the degree of freedom that the internal auditors had to determine the scope and limitations of the audit,
(iv) what duties the internal auditors performed, such as verifying data, interviewing staff members, or testing internal controls,
(v) what standards were used to perform the audit, if any, and/or
(vi) the party(ies) responsible for the internal audit team.

#### Other resources

For further guidance on how to strengthen the confidence of responses to the PRI Reporting Framework, refer to **Introducing confidence-building measures to PRI signatories’ reported data**.

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### Logic

#### Dependent on

[CBM 1]

#### Gateway to

N/A

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### Assessment
Not assessed
## INTERNAL REVIEW [CBM 6]

<table>
<thead>
<tr>
<th>Indicator ID</th>
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<th>Sub-section</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBM 6</td>
<td>CBM 1</td>
<td>Internal review</td>
<td>6</td>
<td>CORE</td>
</tr>
</tbody>
</table>

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

<table>
<thead>
<tr>
<th>Sections of PRI report reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Dropdown list]</td>
</tr>
<tr>
<td>(1) the entire report</td>
</tr>
<tr>
<td>(2) selected sections of the report</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(B) Senior executive-level staff, investment committee, head of department, or equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>[As above]</td>
</tr>
</tbody>
</table>

| (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year |

### Explanatory notes

**Purpose of indicator**

The PRI aims to increase signatories’ accountability as part of its 10-year Blueprint for Responsible Investment. Undertaking confidence-building measures will enhance the credibility of the ESG disclosures signatories made to the PRI in this submission, their reporting to clients or beneficiaries and elsewhere. The PRI recommends that additional staff members review the entirety of the signatory’s submission to ensure that it does not contain material inaccuracies.

This indicator aims to capture which members of the signatories’ staff have reviewed their PRI report and to what extent. For example, it is considered good practice for senior executives to review the full PRI submission.

**Additional reporting guidance**

In this indicator:
'Senior executive-level staff, or equivalent' may include the signatory organisation’s Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), or its partners in the case of private equity funds.

'Investment committee, or equivalent' may include risk-focused or ESG committees.

'Head of department, or equivalent' may refer to senior staff members who manage entire divisions or teams within the signatory organisation.

| Other resources | For further guidance on how to strengthen the confidence of responses to the PRI Reporting Framework, refer to Introducing confidence-building measures to PRI signatories’ reported data. |

<table>
<thead>
<tr>
<th>Logic</th>
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</thead>
<tbody>
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</tr>
<tr>
<td>Gateway to</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assessment criteria</strong></td>
</tr>
<tr>
<td>Multiplier</td>
</tr>
</tbody>
</table>

Further details:

Selecting ‘C’ will result in 0/100 points for this indicator.