

PRI Reporting Framework

CONFIDENCE-BUILDING MEASURES

2023

Last revision: 10 May 2023

TABLE OF CONTENTS

CONFIDENCE-BUILDING MEASURES	3
Approach to confidence-building measures [CBM 1]	3
CBM 1	3
Third-party external assurance [CBM 2, CBM 3]	6
CBM 2	6
CBM 3	8
Internal audit [CBM 4, CBM 5]	11
CBM 4	11
CBM 5	13
Internal review [CBM 6]	15
CBM 6	15

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES [CBM 1]

Indicator ID CBM 1	Dependent on:	N/A	Sub-section Approach to confidence-building measures	PRI Principle 6	Type of indicator CORE
	Gateway to:	Multiple indicators			

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

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 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.
Additional reporting guidance	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.

	<p>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.</p> <p>When responding to this indicator, signatories should <u>not</u> take into account any of the following practices as these are not considered relevant for this indicator:</p> <ul style="list-style-type: none"> (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). <p>In answer option (C), an alternative to an 'internal audit function' can be an outsourced internal auditor.</p> <p>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.</p> <p>'Investment committee, or equivalent' may include, for example, risk committees or ESG committees.</p> <p>'Head of department, or equivalent' may refer to senior staff members who manage entire divisions or teams within the signatory organisation.</p> <p>In answer option (G), 'internally reviewed' refers to a review by internal staff members of selected or all PRI responses before they are submitted.</p> <p>The verification mechanisms must occur between the end of the reporting year and submission to PRI.</p>	
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	<p>100 points for this indicator.</p> <p>100 points for 3 or more selections from A–G; MUST include 1 selection from A–D.</p> <p>66 points for 2 selections from A–G; MUST include 1 selection from A–D.</p> <p>33 points for 1-3 selections from A–G.</p> <p>0 points for H.</p>	<p>Further details:</p> <p>Selecting 'H' will result in 0/100 points for this and the following indicators: CBM 6</p>

Multiplier	Moderate
-------------------	----------

THIRD-PARTY EXTERNAL ASSURANCE [CBM 2, CBM 3]

Indicator ID	Dependent on:	OO 21, CBM 1	Sub-section	PRI Principle	Type of indicator
CBM 2	Gateway to:	N/A	Third-party external assurance	6	CORE
<p>For which responsible investment processes and/or data did your organisation conduct third-party external assurance?</p>					
<input type="checkbox"/> (A) Policy, governance and strategy			[Dropdown list] (1) Data assured (2) Processes assured (3) Processes and data assured		
<input type="checkbox"/> (B) Manager selection, appointment and monitoring			[As above]		
<input type="checkbox"/> (C) Listed equity			[As above]		
<input type="checkbox"/> (D) Fixed income			[As above]		
<input type="checkbox"/> (E) Private equity			[As above]		
<input type="checkbox"/> (F) Real estate			[As above]		
<input type="checkbox"/> (G) Infrastructure			[As above]		

□ (H) Hedge funds	[As above]
-----------------------------------	------------

Explanatory notes

Purpose of indicator	<p>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.</p> <p>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.</p>
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	<p>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.</p> <p>100 points for (3). 66 points for (2). 33 points for (1).</p>
Multiplier	High

Indicator ID CBM 3	Dependent on:	CBM 1	Sub-section Third-party external assurance	PRI Principle 6	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

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.

(1) Description of the third-party external assurance process	(2) Assurance standard(s) used by the third-party assurance provider	(3) Third-party external assurance provider's report that contains the assurance conclusion
<p>_____ [Voluntary free text: medium]</p>	<p>[Multi-select dropdown list]</p> <ul style="list-style-type: none"> (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 	<p>Attachment or link: _____ [Voluntary]</p>

	<p>(M) AAF 01/06 Stewardship Supplement (N) ISO 26000 Social Responsibility (O) ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information (P) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements (Q) PCAF (R) NGER audit framework (National Greenhouse and Energy Reporting) (S) Auditor’s proprietary assurance framework for assuring RI-related information (T) Other greenhouse gas emissions assurance standard, specify: _____ [Free text: small]</p>	
--	---	--

Explanatory notes	
Purpose of indicator	<p>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.</p> <p>This indicator allows signatories to provide details about their assurance process and the standard(s) to which the external assurance was performed.</p>
Additional reporting guidance	<p>In (1), ‘Description of the third-party external assurance process’, signatories may want to describe the following:</p> <ul style="list-style-type: none"> (i) what was assured and the subset of data from that report included in this submission, (ii) the date of completion of the assurance engagement, (iii) who performed the assurance and any specific expertise they may have, (iv) the scope and limitations of the engagement, (v) what duties the assurers performed, such as verifying data, interviewing staff members, or testing internal controls, (vi) whether multiple standards were used, and (vii) who had access to the assurance opinion. <p>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.</p>

	<p>Links to the included assurance standards:</p> <p>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</p> <p>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'.</p>
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]

Indicator ID	Dependent on:	OO 21, CBM 1	Sub-section	PRI Principle	Type of indicator
	Gateway to:	N/A			
CBM 4			Internal audit	6	CORE
<p>What responsible investment processes and/or data were audited through your internal audit function?</p>					
<input type="checkbox"/> (A) Policy, governance and strategy			[Dropdown list] (1) Data internally audited (2) Processes internally audited (3) Processes and data internally audited		
<input type="checkbox"/> (B) Manager selection, appointment and monitoring			[As above]		
<input type="checkbox"/> (C) Listed equity			[As above]		
<input type="checkbox"/> (D) Fixed income			[As above]		
<input type="checkbox"/> (E) Private equity			[As above]		
<input type="checkbox"/> (F) Real estate			[As above]		
<input type="checkbox"/> (G) Infrastructure			[As above]		

□ (H) Hedge funds	[As above]
-----------------------------------	------------

Explanatory notes

Purpose of indicator	<p>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 external assurance.</p> <p>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.</p>
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 .

Logic

Dependent on	[OO 21], [CBM 1]
Gateway to	N/A

Assessment

Assessment criteria	<p>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.</p> <p>100 points for (3). 66 points for (2). 33 points for (1).</p>
Multiplier	High

Indicator ID CBM 5	Dependent on:	CBM 1	Sub-section Internal audit	PRI Principle 6	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

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

[Free text: medium]

Explanatory notes

Purpose of indicator	<p>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.</p> <p>This indicator gives signatories the opportunity to describe their internal auditing process and specify what information was audited.</p>
Additional reporting guidance	<p>In response to this indicator, signatories may want to describe the following:</p> <ul style="list-style-type: none"> (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	<p>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.</p>

Logic

Dependent on	[CBM 1]
Gateway to	N/A

Assessment

Not assessed

INTERNAL REVIEW [CBM 6]

Indicator ID CBM 6	Dependent on:	CBM 1	Sub-section Internal review	PRI Principle 6	Type of indicator CORE
	Gateway to:	N/A			

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

	Sections of PRI report reviewed
<input type="checkbox"/> (A) Board, trustees, or equivalent	[Dropdown list] (1) the entire report (2) selected sections of the report
<input type="checkbox"/> (B) Senior executive-level staff, investment committee , head of department, or equivalent	[As above]
<input type="radio"/> (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	<p>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.</p> <p>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.</p>
Additional reporting guidance	In this indicator:

	<p>'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.</p> <p>'Investment committee, or equivalent' may include risk-focused or ESG committees.</p> <p>'Head of department, or equivalent' may refer to senior staff members who manage entire divisions or teams within the signatory organisation.</p>	
Other resources	<p>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.</p>	
Logic		
Dependent on	[CBM 1]	
Gateway to	N/A	
Assessment		
Assessment criteria	<p>100 points for this indicator. The final score will be based on the highest-scoring answer option.</p> <p>100 points for 1 or more selections from A–B AND selection of (1). 50 points for 1 or more selections from A–B AND selection of (2). 0 points for C.</p>	<p>Further details:</p> <p>Selecting 'C' will result in 0/100 points for this indicator.</p>
Multiplier	Low	