



Department for Business, Innovation, Science and Trade
Old Admiralty Building
Admiralty Place
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United Kingdom

Date: 30.09.26

Re: Consultation on Modernising Corporate Reporting to support long-term economic growth

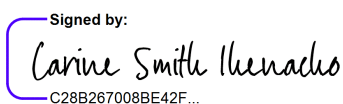
We welcome the opportunity to respond to the Department for Business, Innovation, Science and Trade (BIST) 's consultation on Modernising Corporate Reporting to support long-term economic growth.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and manages the Norwegian Government Pension Fund Global. We work to safeguard and build financial wealth for future generations. As of 30 June 2026, we managed USD 2.29 trillion (GBP 1.73 trillion), of which USD 120.32bn (GBP 90.81 billion) was invested in the United Kingdom (UK), including USD 76.02 billion (GBP 57.4 billion) in the shares of 213 UK companies.

We support the government's objectives and principles for modernising corporate reporting, and in particular the shift towards a principles-based, materiality-driven framework for baseline strategic reporting. Our comments focus on three points. First, materiality should be assessed consistently against the IFRS Conceptual Framework for Financial Reporting (IFRS Conceptual Framework) and UK Sustainability Reporting Standards (UK SRS), with material information, including sustainability-related material information, kept within and connected to the annual report. Second, streamlining should not remove the disclosures and voting rights investors rely on to hold boards to account, such as malus and clawback, directors' shareholdings, responses to shareholder dissent and the annual advisory vote on remuneration. Third, transparency should be maintained where it supports investor confidence, including on distributable reserves and payments to governments in the extractives sector.

Our detailed responses are set out in the annex, grounded in our Global Voting Guidelines and published position papers, and cross-referenced to our prior submissions to other regulators and standard-setters where relevant. We thank the Department for considering our perspective and remain available to discuss any of these points further.

Yours sincerely

Signed by:

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Annex – NBIM response to the BIST consultation on Modernising Corporate Reporting

We do not comment on questions that concern companies outside our investment universe, or matters on which we do not hold an established position.

Question 1

Do you agree or disagree with the government's objectives and principles for modernising corporate reporting? Please explain your answer.

We support the government's objectives and principles for modernising corporate reporting. A shift from prescriptive, rules-based disclosure to a principles-based framework anchored in materiality is consistent with our long-standing view that annual reports should serve investors' and creditors' decision-making needs, rather than act as compliance-driven checklists.¹

Question 2

Do you agree or disagree that the government should focus requirements in the annual reports and accounts on the needs of creditors and investors, including potential creditors and investors? Please explain your answer.

We support focusing annual report and accounts requirements on the needs of investors and creditors, present and potential. This is consistent with the definition of the primary users of general purpose financial reporting as existing and potential investors, lenders and other creditors in the IFRS Conceptual Framework published by the International Accounting Standards Board (IASB).² We note that UK SRS S1, aligned with International Sustainability Standards Board (ISSB) S1 General Requirements for Disclosure of Sustainability-Related Financial Information, adopts this same definition for sustainability-related financial disclosures.³ A single, consistently applied audience definition is the precondition for the materiality-based streamlining proposed elsewhere in this consultation: without it, the consultation's test of "financially material" has no fixed reference point. Companies can use other reports and platforms to communicate with their other stakeholders.

Question 3

Considering the UK's regulatory landscape as a whole, which type of disclosures are most useful for decision-making from either a company, or investor and creditor, perspective?

Disclosures most useful for investor decision-making are those the reporting entity's own materiality assessment identifies as relevant to the decisions set out in the IFRS Conceptual Framework – decisions to buy, sell or hold equity or debt instruments, to provide or settle credit, or to exercise voting rights that influence how management uses the entity's economic resources.⁴ Under this framework, information is material if omitting, misstating or obscuring it could reasonably be expected to influence those decisions.

Beyond the financial statements and principles-based baseline requirements, we do not consider it appropriate for investors to prescribe a specific list of mandatory disclosure items; any such disclosure should be subject to the same materiality test applied by the entity. Nonetheless, investors need

¹[NBIM comment to the US Securities and Exchange Commission on reforming Regulation S-K \(13 April 2026\).](#)

²[IFRS Conceptual Framework for Financial Reporting.](#)

³[UK SRS S1: General requirements for disclosure of sustainability-related financial information.](#)

⁴IFRS Conceptual Framework for Financial Reporting.

complete, comparable and consistent disclosures that are reliable for decision-making. The IASB's IFRS 18 and IFRS Practice Statement 1 Management Commentary Supporting Material are critical to helping companies understand how to meet investors' needs.⁵ As a general matter, we find entity- and sector-specific disclosures more decision-useful than generic or boilerplate content.⁶

Question 4

What weaknesses or gaps, if any, have you identified in the UK's corporate reporting landscape? How do those weaknesses or gaps impact economic decision-making, if at all?

We see three gaps relevant to investors' assessment of a company's tax position, the comparability of its performance information, and audit reliability.

First, the UK has not introduced public country-by-country reporting. Schedule 19 to the Finance Act 2016 empowers the Treasury to require a company's published tax strategy to include a country-by-country report, but this power has not been commenced.⁷ The EU's Public Country-by-Country Reporting Directive (EU) 2021/2101 requires in-scope multinationals with consolidated revenue above €750 million to disclose revenue, profit or loss before tax, tax accrued and paid, employees, and accumulated earnings on a per-jurisdiction basis.⁸ Without a comparable UK requirement, investors may find it harder to assess whether a company's reported tax position is consistent with its underlying economic activity by jurisdiction.

Second, we note the common use of alternative performance measures (APMs) such as like-for-like sales growth, adjusted EBIT or EBITDA, which are company-specific by nature and not readily comparable. Full standardisation is unlikely to be feasible, but guidance on APMs and more granularity on company-specific adjustments and definitions would help investors compare companies and better understand the link between reported and underlying performance. The notes to the financial statements can also be less detailed than those of comparable US registrants. This matters most for mid- and smaller-cap companies, where lower liquidity and limited analyst coverage mean that the annual and interim reports are investors' main source of detailed information.

Third, high-profile corporate failures in recent years, such as Carillion and Patisserie Valerie, have prompted wider discussion of audit quality and auditor accountability where material issues are not identified. We consider continued attention to audit quality, alongside the reforms proposed elsewhere in this consultation, important to maintaining investor confidence in audited financial statements. Our voting guidelines provide that we will not support the appointment of an auditor, statutory auditor, or audit committee member if there are serious concerns about the external auditor's ability to identify accounting irregularities.⁹

More broadly, we consider that some of the challenges in UK corporate reporting are structural in nature: annual reports have come to serve audiences beyond the primary users defined in the IFRS Conceptual Framework, which can encourage generic, liability-driven or boilerplate content that may not meet the applicable materiality test for those primary users. Addressing this structural issue, as the

⁵ [IFRS 18 Presentation and Disclosure in Financial Statements](#) (replacing [IAS 1 Presentation of Financial Statements](#) for [reporting periods beginning on or after 1 January 2027](#)); [IFRS Practice Statement 1 Management Commentary](#).

⁶ [NBIM comment to the US Securities and Exchange Commission on reforming Regulation S-K \(13 April 2026\)](#).

⁷ [Finance Act 2016, Schedule 19, paragraph 17\(6\)](#).

⁸ [Directive \(EU\) 2021/2101 of the European Parliament and of the Council \(24 November 2021\)](#).

⁹ [NBIM Global Voting Guidelines Section 5 Company reporting Part 1 Auditor](#).

government proposes elsewhere in this consultation, is the priority: better-targeted disclosure, with more granular information where it is material, rather than greater volume.

Question 6

What is your view on the benefits or drawbacks of aligning reporting requirements for publicly listed and private companies? Please explain your answer.

As we invest primarily in listed companies, our interest in private-company reporting lies in its effect on the information available to us as investors in listed companies. Extending reporting obligations to large private companies would help create a level playing field and reduce the difference in reporting burden that can deter companies from listing. It would also improve data availability across the wider financial ecosystem, as listed companies' disclosures increasingly depend on data from private suppliers and counterparties in their value chains. We made a similar argument in supporting the extension of mandatory UK SRS reporting to large private companies.¹⁰

Getting the materiality threshold right for listed companies is the priority. Each company should determine materiality for its own investor and creditor base, with appropriate regulatory supervision. We recognise that the dispersed ownership of listed companies, including many retail investors, is an important reason for more extensive disclosure. Such a diverse investor base is best served by relevant, decision-useful information on a company's strategy and value drivers, not generic disclosure designed primarily for liability management. The FCA could also develop public resources, such as online training modules, to support retail investors' understanding.

Question 8

What value do investors and creditors place on information deriving from the Companies Act 2006 compared to other sources of information?

We place greater value on information deriving from the Companies Act 2006 than on information from voluntary disclosures or industry questionnaires. Companies Act disclosures form part of the audited annual report and accounts, and certain statutory reports, such as the strategic report and the directors' remuneration report, carry a specific liability regime under section 463 of the Companies Act 2006: a director who knowingly or recklessly makes an untrue or misleading statement, or dishonestly conceals a material fact, is liable to compensate the company for any resulting loss.¹¹ This creates an accountability mechanism for statutory disclosures that does not extend automatically to information disclosed only under listing rules, on a company website, or on a purely voluntary basis.

This is also why the location of a disclosure matters, not only its content: as the consultation notes, sustainability-related information outside the strategic report is not currently covered by section 463.¹² Voluntary disclosures and industry questionnaires carry no equivalent statutory framework and are generally unaudited, so we place less weight on them. We can also only use publicly disclosed information; information given in response to bespoke or confidential requests cannot be used consistently across companies in our analysis.

¹⁰[NBIM response to the DBT consultation on UK Sustainability Reporting Standards \(17 September 2025\)](#).

¹¹[Companies Act 2006, section 463](#); [FRC Corporate Governance Code Guidance](#), paragraphs 304–306.

¹²BIST, Modernising Corporate Reporting consultation document, paragraphs 160, 165.

Question 13

What are your views on introducing a 'very large' company threshold? Please explain your answer, including how the threshold should be defined and what disclosures should apply.

We do not hold a specific view on where a "very large" company threshold should be set, but its definition will determine which of our 213 UK portfolio companies fall within scope of enhanced reporting, and a narrower scope reduces the comparable information available to investors. Most jurisdictions' equity markets use market capitalisation to segment listed companies, for example in prime and standard segments with corresponding disclosure requirements. We consider this the more appropriate measure for listed companies, as it reflects the scale of investor exposure the reporting serves. In the UK, all main market companies should fall within scope, given their maturity and size.

Question 16

Do you support moving to a solvency model for determining the legality of dividends? Please explain your answer. If you do support the proposal, what key features should be included in that solvency regime?

We do not have an established position on whether the legal test for distributions should move to a solvency model. The current test under section 830 of the Companies Act 2006 is already cumulative – accumulated realised profits less accumulated realised losses – which allows it to absorb short-term fluctuations without disrupting a consistent dividend policy. Whichever test applies, investors need transparency on distribution capacity and on how distributions are funded.

We support requiring companies to publish the distributable reserve as an audited note to the accounts. We encourage the government to revisit its assessment that this disclosure would be "extremely costly"; which may not reflect recent advances in data processing and automation.

The sustainability of a distribution depends on its funding and on the company's financial position. Distributions funded by debt may be appropriate for a company with low leverage, but less so where leverage is already high or where distributions have persistently exceeded free cash flow. We would therefore support disclosure of the company's wider capital allocation framework, the sources of funding for distributions, including free cash flow, new borrowing, equity issuance or asset disposals, and the leverage position against which those decisions are taken. Where free cash flow is used, it should be defined and reconciled to the statement of cash flows.

Question 17

Do you have any further comment on the government's proposals on financial reporting? Are there any other proposals that government should consider?

We support moving detailed technical reporting requirements out of primary legislation and into accounting standards, which can be updated more responsively than the Companies Act 2006. However, several of the disclosures in scope, on off-balance sheet arrangements, employee numbers and costs, and directors' benefits (sections 410A, 411 and 413), have no direct equivalent in IFRS Accounting Standards. They inform investors' understanding of contingent and off-balance sheet exposures and of the value directors receive from the company. Repealing them without equivalent requirements in accounting standards could create a gap in investor protection. We therefore encourage the government to ensure comparable obligations are in place before, or at the same time as, any repeal.

Question 18

Should the purpose of the strategic report be expanded from informing members of the company (existing investors) to also include potential investors, and creditors and potential creditors? Please explain your answer.

Yes. For the reasons given in our response to Q2, we support expanding the purpose of the strategic report to include potential investors and creditors, alongside existing members. This aligns the statutory purpose with the IFRS Conceptual Framework's definition of primary users and with the audience proposed for the annual report, removing any ambiguity about whose needs should guide directors' disclosure decisions.

Question 19

Do you agree or disagree with the proposed approach to baseline reporting set out in the consultation? Please explain your answer.

We agree with the proposed approach. Strategic reports have come to carry content driven by audiences beyond the primary users defined in the IFRS Conceptual Framework, producing generic and boilerplate disclosure that does not meet a genuine materiality test. This has a cost for investors: information is material if omitting, misstating or obscuring it could reasonably be expected to influence their decisions, and immaterial content makes it harder to identify what a company considers material to its prospects. It also diverts companies' reporting resources and board attention from materiality assessment, governance action and focused reporting. A shorter set of baseline areas, addressed according to each company's materiality assessment, allows that effort to be redirected and gives investors a clearer view of what the company itself judges to be material.

Question 20

Do you agree or disagree that the following areas are appropriate for baseline reporting? (a) company business model (b) performance review (c) resources and relationships (d) company strategy; and, (e) risks. Please explain your answer.

We agree that the five proposed areas are appropriate. They align with five of the six content areas in the IASB's IFRS Practice Statement 1 Management Commentary.¹³ The sixth, "external environment", covers factors that have affected or could affect the business model, strategy, resources and relationships, or risks; as it is an input to those areas, a separate baseline requirement is unnecessary. We recommend that the baseline requirements refer explicitly to the Practice Statement, which provides further guidance on each area.

Question 21

Are there any other reporting areas that would be useful for investors and creditors to see as part of baseline reporting? Please give reasons for your answer.

We would support baseline reporting including the company's capital allocation framework (see our response to Q16) and the rationale for material board decisions taken during the year that significantly affect shareholder value, such as significant acquisitions or disposals, the rejection of a takeover approach, or the choice between competing bidders. Without such disclosure, shareholders cannot

¹³[IFRS Practice Statement 1 Management Commentary supporting material, June 2025.](#)

assess whether these decisions were taken in their interests or hold the board accountable through subsequent votes. Our voting guidelines provide that we will not support corporate transactions where there is insufficient transparency, or the introduction or renewal of anti-takeover measures.¹⁴ These disclosures could sit within the "Company Strategy" or "Risks" baseline areas rather than forming a separate category.

Question 22

Do you agree or disagree with removing the specific disclosure requirements in 414CB and 414C(7)(b) where they are not financially material to the company? For the following areas: (a) environmental matters (b) employees (c) social matters (d) community matters (e) respect for human rights and (f) anti-corruption and anti-bribery matters, what are the advantages and risks of removal?

We agree with removing the specific disclosure requirements in sections 414CB and 414C(7)(b) where the underlying matter is not material to the company, but the position differs across the six areas listed.

For environmental matters, social matters and respect for human rights, removal need not reduce the information available to investors where these matters are material: once UK SRS reporting is mandatory, they will be captured under UK SRS S1, which provides for complete, connected and comparable disclosure.¹⁵ Environmental and social impacts also fall within the "business model" baseline area, consistent with the IFRS Management Commentary framework, where they have affected or could affect the company's ability to create value and generate cash flows, including in the long term. Removing the standalone requirements therefore relocates these disclosures, where material, to a more integrated part of the strategic report rather than removing them.

Employee matters are well captured by the "resources and relationships" baseline area, which replaces the section 172(1) statement and requires companies to describe the resources and relationships important to long-term success and how they are managed.¹⁶ This is more decision-useful than a standalone employee disclosure, as it extends to supply chain and wider workforce relationships, including gig economy workers, which may be as important as direct employees depending on the business model.

For community matters, where these do not meet the applicable materiality threshold, we agree that disclosure is better located outside the annual report – for example, on the company's website – rather than retained within the strategic report on a prescriptive basis.

For anti-corruption and anti-bribery matters, our view differs. Compliance with anti-corruption and anti-bribery law is binary, and a financial materiality threshold is not the right filter for this topic. We expect companies to identify and manage corruption risk and to report publicly on their anti-corruption efforts as a baseline hygiene factor.¹⁷ We would not support removing this expectation on materiality grounds, though companies should have flexibility in how they report on it.

¹⁴ NBIM Global Voting Guidelines Section 6 Capital Management Part 2 Mergers, acquisitions and other corporate transactions.

¹⁵ UK SRS S1 Conceptual Foundations: Connected information and Fair Presentation;

General requirements: Comparative information.

¹⁶ BIST, Modernising Corporate Reporting consultation document, Table 4.

¹⁷ [NBIM, Anti-corruption expectations](#).

Question 23

Do you agree or disagree that these companies should produce baseline reporting in their strategic report: (a) Publicly listed companies and large private companies (including companies that are not micro-entities, or small or medium-sized) (b) A 'very large' threshold, as set out in chapter 3 (c) Only publicly listed companies. Please explain your answer.

We support option (a): baseline reporting should apply to publicly listed companies and large private companies, not only to publicly listed companies. As set out in our response to Q6, this supports a level playing field and better value-chain data. Large private companies already file accounts at Companies House under section 441 of the Companies Act 2006, and we have supported extending UK SRS reporting to them, so baseline reporting is a proportionate addition.¹⁸

Question 26

What areas of energy and carbon reporting do you think should be prioritised by DESNZ for review or improvement in future reforms? Please explain your answer.

We do not have specific views on the technical content of SECR. We would encourage DESNZ to avoid duplication between SECR and UK SRS S2 once mandatory sustainability reporting takes effect: reporting the same emissions data under two regimes adds cost without benefit to investors, who are best served by a single, connected set of climate-related disclosures.

Question 27

Do you have views on the location of sustainability and climate-related information within the strategic or annual report?

We prefer sustainability and climate-related information to be integrated within the relevant existing sections of the annual report, rather than presented as a separate, standalone section. UK SRS S1's core content areas – strategy, risk management, and metrics and targets – map onto the strategic report's baseline reporting areas addressed in our response to Q20, particularly "Company Strategy" and "Risks." Climate-related strategy cannot be developed or reported in isolation from corporate strategy more broadly, and the materiality threshold applied under UK SRS S1 is the same underlying test as applied to financial reporting generally.¹⁹

Governance disclosures under UK SRS S1, by contrast, are better placed within the annual report's corporate governance reporting, alongside the board's wider oversight arrangements.

Question 28

Do you have any further comment on the government's proposals in this sustainability-related disclosures section? Are there any other proposals that the government should consider?

Beyond location, we consider connected information, disciplined application of the materiality threshold and avoidance of repetition the most important factors.

On timing, UK SRS S1 requires sustainability-related financial disclosures to be reported at the same time as, and for the same period as, the related financial statements.²⁰ We recommend that the

¹⁸ [Companies Act 2006, section 441](#).

¹⁹ IFRS Conceptual Framework for Financial Reporting; UK SRS S1 Conceptual foundations: Materiality.

²⁰ UK SRS S1 General requirements: Timing of reporting.

statutory reporting framework require the same, so that investors receive connected financial and sustainability information together.

On repetition, UK SRS S1 permits information to be included by cross-reference to another report published by the entity, subject to conditions.²¹ We encourage the government to adopt an equivalent mechanism for UK annual reports, so that companies need not repeat the same information to meet different disclosure requirements.

Question 29

What are your views on introducing an additional cyber risk reporting disclosure for very large companies (using the new very large company reporting threshold discussed in chapter 3)? If you think an alternative established Companies Act reporting threshold would be more appropriate, please explain.

We do not support a separate, prescriptive cyber risk reporting requirement. Cyber risk, where material to a company's business, is already captured under the baseline "Risks" reporting area addressed in our response to Q20.

Question 31

Do you agree or disagree that reporting companies should be required to be transparent about the assurance of strategic reporting information in the annual report, in order to help investors and creditors make financial decisions concerning the company? Please explain your answer.

We agree. Companies should disclose whether strategic reporting information has been assured, its scope, the standard applied, and whether assurance was limited or reasonable. This matters most for information outside the strategic report, which is not covered by section 463 of the Companies Act 2006 (see Q8), and helps avoid investors assuming that the whole annual report has been audited.

This information helps us calibrate the reliability of disclosures. For financial reporting, we rely on the auditor's report, including key audit matters, prior-year restatements and the level of non-audit fees. We form a view on the governance and controls around reporting through the audit committee report, meetings with senior management and a detailed review of the financial statements. The board's declaration on the effectiveness of material controls under Provision 29 of the UK Corporate Governance Code, which applies to financial years beginning on or after 1 January 2026, will provide a further input.

For sustainability-related financial disclosures, we have supported a phased approach: reasonable assurance for Scope 1 and 2 emissions, limited assurance for the remaining climate disclosures, and equivalent assurance for non-climate sustainability disclosures, progressing to reasonable assurance over time. We also support ISSA 5000 as a common global standard, which supports comparability and helps mitigate greenwashing risk.²²

²¹UK SRS S1, paragraph 63.

²²[NBIM response to FCA consultation \(CP26-5\) on aligning listed issuers' sustainability disclosures with international standards \(20 March 2026\)](#).

Question 34

What would help companies make better use of the UK Corporate Governance Code's flexibility? Please explain your reasoning. We are interested in how the Code is used in practice rather than the Code's principles and provisions.

The Code's guidance already sets out what good use of "comply or explain" looks like: explanations tailored to the company's circumstances, covering background, rationale and impact, and cross-referring to the annual report rather than duplicating it.²³ What would help most is preserving the principles-based model itself, which allows companies to adopt arrangements suited to their circumstances while remaining accountable to investors, rather than converting provisions into fixed rules. We have supported retaining this approach in other markets on the same basis.²⁴

We assess explanations on their substance rather than treating departures from the Code mechanistically. We encourage the government and the FRC to continue promoting this approach among investors and companies, rather than prescribing how explanations must be structured.

Question 35

What are your views on the following areas for the reform of corporate governance reporting? Please explain. (Group level reporting; definition of 'corporate governance'; location of the statement of corporate governance arrangements; scope of reporting, including for private companies.)

Group level. We support moving corporate governance reporting to the group level. As the government notes, strategy and risk management within groups are typically set at group level, and understanding the group's approach to governance is of greater value to investors and creditors than company-level reporting within a group structure.

Definition of corporate governance. We support replacing the current definition, based on the "organs of the company". We do not propose a specific definition, but any new definition should reflect board accountability, independence and transparency, and the equal treatment of shareholders. Reporting should cover board structure and composition, director independence, and the responsibilities and functioning of board committees, which we find most informative in assessing how effectively a board oversees strategy, manages risk and allocates capital.²⁵

Location. We support corporate governance reporting remaining within the annual report rather than being moved to a company website. As set out in our response to Q8, disclosure within the annual report benefits from the accountability associated with a statutory report and forms a matter of public record, whereas website content can be changed at any time without an equivalent record. We recognise the government's concern about duplication, which is better addressed by cross-referencing within the annual report than by moving content to a website.

²³[FRC, UK Corporate Governance Code Guidance.](#)

²⁴[NBIM response to the ASX Corporate Governance Principles consultation \(11 September 2026\).](#)

²⁵NBIM comment to the US Securities and Exchange Commission on reforming Regulation S-K (13 April 2026).

Question 36

Do you have any other comments on the government's proposals in this corporate governance reporting section or any other suggestions that the government should consider? Please explain. We are interested in views on the corporate governance landscape as a whole.

We encourage the government, together with the FCA, to ensure that corporate governance reporting under the Companies Act 2006, UK SRS and DTR 7.2 converges on a single, non-duplicative disclosure in the annual report, rather than developing as separate, overlapping requirements.

Question 37

Do you agree or disagree with the government's proposals to retain these elements of the remuneration reporting in the directors' remuneration report? (Total single remuneration figure and Remuneration Committee Chair statement; disclosure of performance measures applied to the previous year's pay awards; the forward-looking remuneration policy; the CEO pay/TSR performance graph.)

We agree with retaining all four elements. The single total figure and the Chair's statement show what each director was paid. The performance measures applied to the previous year's awards, and the ten-year graph of CEO pay against Total Shareholder Return, show whether pay has tracked performance over time. The remuneration policy sets the framework against which future pay decisions will be judged. Together, these are the minimum needed to assess whether pay is aligned with long-term value creation, consistent with our position that boards should be transparent about total remuneration to avoid unacceptable outcomes.²⁶

Recent developments elsewhere point the same way, with listed companies now required to disclose the performance indicators used to determine executive remuneration and how these align with long-term value creation.²⁷

Question 39

Do you agree or disagree with the government's proposals to streamline these elements of the remuneration reporting? (Disclosure of how the policy will be implemented the following year; disclosure of directors' accumulated shareholding interests over time.)

We do not object to streamlining disclosure of how the policy will be implemented in the following year, provided an outline is still given where there has been a material change, for instance when an executive director joins or leaves the company.

We do not support streamlining or removing disclosure of directors' accumulated shareholdings. This provides essential context for the elements retained under Q37, showing whether pay outcomes translate into sustained equity ownership, consistent with our preference for CEO pay built around long-term shareholding rather than one-off awards.²⁸

²⁶ NBIM Global Voting Guidelines Section 3 CEO remuneration.

²⁷ SGX RegCo, Enhanced Disclosures: Value Creation and Investor Engagement — Responses to Comments on Consultation Paper, 23 September 2026.

²⁸ [NBIM Position Paper: CEO Remuneration; NBIM comment to the US Securities and Exchange Commission on executive compensation disclosure requirements \(25 July 2025\)](#).

Question 40

Do you agree or disagree with the government's proposals to remove these elements of the remuneration reporting in the directors' remuneration report? Please explain your answer.

Relative importance of spend on pay: We agree with removal. This is typically a mechanical year-on-year comparison that does not show whether pay outcomes reflect performance or strategy.

Executive directors' pay prior to the company becoming a listed company: We support retaining disclosure of pre-listing awards that remain outstanding or continue to vest after listing, as a significant award granted shortly before listing can shape executive incentives for several years afterwards.

Illustration of LTIP outcome at 50% share price appreciation: We agree with removal. This measure produces an artificial maximum figure that does not reflect realised outcomes, consistent with our view that disclosure emphasis should shift from prospective, ex-ante design towards tracking actual outcomes over an award's lifecycle.²⁹

Information on the work of the remuneration committee, including parties advising it: We do not support removal. Information on the committee's process and use of external advisers helps investors judge the robustness and independence of pay decisions. The "comply or explain" approach under the Code may not keep this information consistently available.

Malus and clawback policies, and any use in the previous year: We do not support removal. We have consistently supported malus and clawback disclosure as essential to linking remuneration to sustainable long-term performance and deterring excessive risk-taking.³⁰ Although the UK Corporate Governance Code also expects this disclosure, a statutory requirement ensures it does not depend on comply or explain.

Committee engagement with shareholders on pay proposals: We do not object to removal. Where engagement follows significant dissent, it is captured by the dissent disclosure we support retaining below.

Committee engagement with employees on pay proposals: We do not object to removal; this is less useful to investors than the resulting remuneration policy and pay outcomes.

Alignment of directors' remuneration with wider employee pay policies: We support streamlining, but not full removal. A concise disclosure of how executive directors' pensions and other benefits compare with those of the wider workforce should be retained. Our voting guidelines provide that pensionable income should be a minor part of total remuneration, and that we will not support a remuneration policy or report where pension arrangements are excessive in the local market.³¹ This disclosure could usefully cover any broad-based employee share ownership plans, which we consider can support long-term value creation when offered across the workforce rather than limited to senior executives.³²

How a company addresses significant shareholder dissent on a remuneration vote: We do not support removal. Boards should demonstrate that they have understood, engaged with and acted on

²⁹NBIM comment to the US Securities and Exchange Commission on reforming Regulation S-K (13 April 2026).

³⁰[NBIM response to the CSRC consultation on the Administration and Supervision of Listed Companies \(1 January 2026\).](#)

³¹ NBIM Global Voting Guidelines Section 3 Board accountability Part 3 CEO remuneration.

³² [NBIM View: Why employee share ownership matters for long-term value creation \(16 April 2026\).](#)

shareholder opposition, rather than responding formulaically, as we have argued in the context of board elections. Our voting guidelines provide that we will not support a remuneration policy or report, or the re-election of remuneration committee or other board members, where the board received low support for its most recent pay proposal and has failed to address our concerns.³³ Disclosure of the board's response is necessary for that assessment.

Disclosure of results of annual shareholder votes on directors' remuneration: We do not support removal. Vote-result transparency is fundamental to board accountability, and our voting guidelines provide that the vote tally on all proposals should be published.³⁴ We would also support disclosure of results by share class, particularly for dual-class companies, so that shareholders can assess investor sentiment across classes, consistent with our view that voting rights should be proportionate to cash-flow rights.³⁵

Question 43

Do you agree or disagree with the proposal to remove the shareholders' annual advisory vote on the directors' remuneration report? Please explain your answer.

We do not support removing the annual advisory vote. The triennial policy vote is necessarily high-level; the annual vote allows shareholders to give a clear "say on pay" on how the policy has been applied in practice. Without it, shareholders would have no means of responding to pay outcomes in the two years between policy votes. It is also how we apply our voting guidelines, under which we will not support a remuneration report where, for example, there is clear misalignment between pay and long-term value creation, significant concerns over one-off payments such as golden hellos, golden parachutes or severance payments, or pension arrangements considered excessive in the local market.³⁶

Question 44

Do you have any further comment on the government's proposals in this remuneration reporting section? Are there any other suggestions that the government should consider?

We favour simple pay structures in which CEOs build and hold shares for the long term. Shares locked in for five to ten years, regardless of resignation or retirement, align CEO and shareholder interests most directly and avoid complexity in pay design and disclosure.³⁷ Multi-year performance metrics, by contrast, risk unintended consequences, as it is difficult to choose metrics that remain appropriate as circumstances change.³⁸ We encourage the government to anchor remuneration disclosure in the principle that companies explain how pay arrangements align with long-term value creation;³⁹ our voting guidelines provide that we will not support a remuneration policy or report where there is clear

³³[NBIM response to the TSE consultation on Revisions to the Listing Rules Regarding Minority Shareholder Protection \(24 April 2026\)](#).

³⁴[NBIM Position Paper: Individual Vote Count in Board Elections](#); NBIM Voting Guidelines section 4 Shareholder approval part 2 Shareholder meeting.

³⁵[NBIM Position Paper: Multiple Share Classes](#).

³⁶ NBIM Global Voting Guidelines Section 3 Board accountability Part 3 CEO remuneration.

³⁷ NBIM Position Paper: CEO Remuneration.

³⁸ NBIM comment to the US Securities and Exchange Commission File Number 4-855 on executive compensation disclosure requirements (25 July 2025).

³⁹ SGX RegCo, Enhanced Disclosures: Value Creation and Investor Engagement — Responses to Comments on Consultation Paper, 23 September 2026.

misalignment.⁴⁰ We also encourage disclosure of a ceiling for total remuneration for the coming year, consistent with our position that total remuneration should be settled each year in cash and locked-in shares, with the ceiling disclosed in advance. We see scope for two further refinements:

First, simpler disclosure for simple pay. Companies using straightforward structures, such as salary plus time-based equity, could provide a shorter report that omits performance-related disclosures of little relevance to them. Where companies use performance awards, such as performance share units, investors need transparency across each award's lifecycle.

Second, lifecycle transparency for performance awards. In place of the LTIP illustration (Q40), a simple table could track each award from grant to vesting, showing how the committee assessed performance against each criterion, any adjustments to metrics during the period, a reconciliation of alternative performance measures to the nearest IFRS measure, and whether awards were settled in shares or cash. As this information already exists in company records, this is a change in presentation rather than an additional burden.⁴¹

Question 45

The government has committed to making electronic communication with shareholders the default option. What factors should the government consider when introducing this change? Please give reasons for your answer and examples.

We support electronic communication as the default. The key factor is that it should be machine-readable by default, rather than static documents such as PDFs, so that investors can search, extract and compare information systematically across companies. Shareholders unable to use electronic communication should retain a simple way to request an alternative format.

Question 46

The government will make clear that a virtual location is considered a place in relation to AGMs and other meetings. Are there any additional shareholder safeguards that should accompany this change?

We prefer hybrid AGMs, which widen participation while preserving the accountability of in-person meetings. Virtual-only meetings should require prior shareholder approval by special resolution, with minimum safeguards: preservation of directors' duty to answer shareholder questions, minimum standards for Q&A and accessibility, and the ability for shareholders to update advance votes in real time during the meeting.⁴²

Question 51

What criteria should determine whether disclosures should be published on a company website or online portal rather than within the annual report? Please give examples, and explain your reasons.

Materiality should be the determining criterion. Material information should remain in the annual report, which carries the accountability of a statutory filing (see Q8); other information can sit on a company website or portal. A single statutory location also makes it easier for investors to find all material information in one place, and for regulators to monitor whether material information has been omitted.

⁴⁰ NBIM Global Voting Guidelines Section 3 Board accountability Part 3 CEO remuneration.

⁴¹ NBIM comment to the US Securities and Exchange Commission on reforming Regulation S-K (13 April 2026).

⁴² [NBIM response to the Japan Ministry of Justice consultation on the Review of the Companies Act \(20 May 2026\)](#).



Question 56

Do you agree with the proposal that the Reports on Payments to Governments Regulations 2014 should be revoked? Please explain your answer. In addition, should the regulations be improved and, if so, how?

We do not support revocation. In the extractives sector, where payments to governments are significant and corruption risk is elevated, country-by-country and project-level disclosure goes further than general anti-corruption disclosure (see Q22), allowing investors to see how payments flow and to hold companies accountable. We have supported the Extractive Industries Transparency Initiative (EITI), whose aims these regulations reflect.⁴³ We encourage the government to improve the regulations instead, for example by making the data easier to access and compare, including in machine-readable form.

Question 57

Will the government's proposed measures to put auditor names on the Companies House register benefit investors and/or creditors as intended? Please explain your answer.

We support this proposal. Up-to-date information on auditor appointments and changes can give investors and creditors a timely indication of financial or governance concerns. Our voting guidelines provide that we will not support the appointment of an auditor whose name is not disclosed, or where the previous auditor was replaced without explanation.⁴⁴ The additional burden on companies is modest relative to this benefit.

⁴³ [NBIM Participation in organisations and initiatives](#).

⁴⁴ NBIM Global Voting Guidelines Section 5 Company Reporting Part 1 Auditor.