

Global Sustainability Standards Board
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GSSB public consultation on work programme 2020-2022

We refer to the Global Sustainability Standards Board (GSSB)'s public consultation on the draft work programme for 2020-2022, published on 23 April 2020. We welcome the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank (Norges Bank) and is responsible for investing the Norwegian Government Pension Fund Global. We work to safeguard and build financial wealth for future generations.

We have an inherent interest in how companies manage their use of natural and social resources, as this can have a bearing on their ability to create financial value. Moreover, as a long-term, global investor, we consider our returns over time to be dependent on sustainable development in economic, environmental and social terms. We published recently a document on corporate sustainability reporting¹, sharing our perspective as global asset manager. We recommend that companies look at the industry-specific standards developed by the Sustainability Accounting Standards Board (SASB) and base broader social and environmental disclosures on the GRI Standards. Our public expectations of companies on selected sustainability topics provide further guidance.

We welcome the GSSB's draft work programme and its decision to review all existing GRI standards every four years (*line 16*). Such revisions will help ensure that the standards remain relevant and reflect evolving disclosure practices, as well as users' needs.

In particular, we welcome the GSSB's decision to revise the human rights-related standards and complete phase 1 of the project in 2020 (*line 89*). We also support the ambition to integrate human rights in the Universal Standards and align these with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As current reporting on human rights due diligence tends to be insufficient, it would be helpful for the GRI Standards to include indicators on whether and how companies

¹ Norges Bank Investment Management, *Asset Manager Perspective on Corporate Sustainability Reporting*, 2020



conduct such due diligence, as well as quantitative and qualitative indicators on the outcomes and effectiveness of companies' efforts to address negative impacts.

Another topic-specific standard which could be revised, as a priority, is the GRI 205 anti-corruption standard. In accordance with our expectations on anti-corruption², companies should identify and manage corruption risks. Based on our observations, companies do not report comprehensively on corruption risk in accordance with Disclosure 205-1. As investors, we also expect companies to report on how they measure the effectiveness of the anti-corruption programme. Our expectations state that "performance reporting should, where appropriate, use metrics that enable year-on-year comparison, in line with applicable internationally accepted reporting standards or initiatives." In our view, Disclosure 205-2 are indicators of activity and implementation of the anti-corruption programme but do not address outcomes and effectiveness of anti-corruption efforts. Although some of the indicators under Disclosure 205-3 point to past performance, these are not indicative of future behaviour, nor of the effectiveness of preventive anti-corruption measures. These indicators could be revised to strengthen the focus on performance and effectiveness.

Then, the GSSB could consider amending its standards for climate change-related reporting, in order to ensure closer alignment with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD).

More generally, over time, we hope to see further alignment of reporting frameworks and standards. We encourage GSSB to continue working with other standard-setters towards this goal and suggest adding this important objective to its work programme. As a starting point, we recommend that standard-setters, including GSSB, seek agreement on a set of widely accepted industry-specific and financially relevant metrics. This could be used as a core in all reporting frameworks, including the GRI Standards. Beyond this common core disclosures, GRI could continue to propose a broader set of disclosures in its standards, relevant for a wider range of stakeholders than just investors.

We appreciate your willingness to consider our perspective.

Yours sincerely

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² Norges Bank Investment Management, *Expectation Document on Anti-Corruption*