



NORGES BANK
INVESTMENT MANAGEMENT

Directorate General for Financial Stability,
Financial Services and Capital Markets Union
European Commission
1049 Brussels

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European Commission consultation on the update of the guidelines on non-financial reporting

We refer to the *consultation on the update of non-binding guidelines on non-financial reporting*, published by the European Commission on 20 February 2019. We appreciate the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global. NBIM is a globally diversified investment manager with EUR 160.6 billion invested in equities and EUR 83 billion in fixed income in the EU.¹ We are a long-term investor, working to safeguard and build financial wealth for future generations.

Climate change issues may give rise to risks and opportunities for companies we invest in. The way companies manage these risks and capitalise on opportunities may drive our long-term returns as an investor. Therefore, we expect companies to plan for relevant climate scenarios, and incorporate potential climate risks in their governance structure, business strategy, risk management and reporting.² We explain this in our document entitled 'climate change strategy, expectations towards companies'.

As we rely on companies' disclosures for our analyses, we welcome the Commission's efforts towards more accurate, material and comparable reporting. We welcome the approach proposed by the Commission in the consultation document and we see the benefits of a supplement on climate-related disclosures to the guidelines on non-financial reporting. We support in particular the introduction of quantitative metrics to accompany qualitative information, which would allow investors to track companies' progress over time.

We note that the Commission has consolidated the disclosure categories proposed by the Technical Expert Group on Sustainable Finance, which will help to avoid complexity. As we explain in our response to the online questionnaire, we believe the Commission has provided useful additions and clarifications. For instance, the guidelines clarify that climate-related

¹ As at end December 2018

² Norges Bank Investment Management, [Climate change strategy, expectations towards companies](#)



risks encompass both physical and transition risks and recommend disclosures on risks resulting from dependencies on natural capitals (e.g. deforestation).

Finally, we welcome the decision to introduce the recommendations of the Task Force on Climate-related Disclosures (TCFD) in the new supplement to the guidelines on non-financial reporting, which provide a logical framework for company reporting. We also welcome the Commission's reference to globally accepted reporting standards. The use of these existing international standards increases comparability across markets.

We appreciate your willingness to consider our perspective, and we remain at your disposal should you wish to discuss these matters further.

Yours faithfully

Carine Smith Ihenacho
Chief Corporate Governance Officer

Séverine Neervoort
Senior analyst, Policy Development