

International Sustainability Standards Board  
The IFRS Foundation  
Columbus Building, 7 Westferry Circus,  
Canary Wharf, London E14 4HD  
United Kingdom

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## IFRS Sustainability Disclosure Standards, Exposure Drafts

We refer to the following Exposure Drafts published by the International Sustainability Standards Board (ISSB): *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*. We welcome the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is a division of the Norwegian Central Bank, responsible for investing the Norwegian Government Pension Fund Global. NBIM is a globally diversified investment manager with assets valued at NOK 12,3 billion kroner<sup>1</sup>. We work to safeguard and build financial wealth for future generations.

As a long-term investor, we need information on companies' exposure to sustainability risks and opportunities, how these are managed, and relevant performance metrics<sup>2</sup>. We rely on both information related to the current performance of a company (i.e. how and where it creates value today) and information on drivers of value that may be predictive of its long-term performance. Sustainability information supports investment decisions, risk management processes and ownership activities. As a global investor, with holdings in companies in 71 different countries, we have a clear interest in this information being reported in a consistent and comparable manner across markets. That is why we have supported the establishment of the ISSB and its mission to develop a comprehensive global baseline of corporate sustainability disclosures.

We welcome the ISSB's decision to focus on information that is relevant for investors when they assess enterprise value. We hope that the IFRS Sustainability Standards will be recognised globally as the reference standards for reporting financially-material sustainability information. As other institutions develop standards for broader sustainability reporting, they could refer to the IFRS Sustainability Standards as a core, and only seek to add further topic-, region- or viewpoint-specific requirements ('building blocks' approach). The inter-operability of the IFRS Sustainability Standards with these other standards will be important to reduce the reporting burden for companies and ensure the comparability of disclosures. We welcome the ISSB's efforts in this direction.

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<sup>1</sup> As of December 31, 2021

<sup>2</sup> Norges Bank Investment Management, Asset Manager Perspective, *Corporate Sustainability Reporting* (2020)



We were also pleased to see that the Exposure Drafts published by the ISSB build on the logic of the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations and incorporate the Sustainability Accounting Standards Board (SASB)' standards. NBIM has encouraged companies to report according to SASB standards to account for financially material risks and opportunities. We find that the industry-based approach of the SASB standards, and their specific metrics, meet the needs of investors and help companies approach strategically sustainability issues.

The *General Requirements* Exposure Draft asks that companies disclose sustainability information at the same time as their financial reporting. It also requires companies to explain the connections between the different sets of information, which we welcome. This will help investors get a complete picture when assessing a company's value. Furthermore, the Exposure Draft states that a reporting entity shall disclose material information about all the significant sustainability-related risks and opportunities to which it is exposed. If such risks are not (yet) covered by an IFRS Standard, companies are directed to consider SASB' standards for their reporting. We believe this provides useful clarity to companies on how to approach sustainability reporting during the transition period, while the IFRS develops its Sustainability Standards.

We remain at your disposal should you wish to discuss these matters further.

Yours faithfully,

Carine Smith Ihenacho  
Chief Governance and Compliance Officer

Séverine Neervoort  
Senior Analyst, Corporate Governance

