



NORGES BANK
INVESTMENT MANAGEMENT

Global Sustainability Standards Board
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GRI Universal Standards public comment

We refer to the Global Sustainability Standards Board (GSSB)'s public consultation on the exposure draft of GRI's Universal Standards, published on 11 June 2020. In this letter, we provide specific comments on responsible business conduct and human rights disclosures, which we see as an important addition to the GRI Universal Standards.

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. 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 welcome the GSSB's proposed revisions to the GRI's Universal Standards, which include a clarification of the focus of the GRI standards, revised definitions of key concepts such as 'impact', 'material topic' and 'stakeholder', and a proposal that companies reporting in accordance with the standards will no longer have a choice between 'core' and 'comprehensive' options. We believe these proposed revisions will contribute to more comparable and comprehensive sustainability reporting by companies. We also agree with the proposals to align sustainability reporting with other reporting and enhance its credibility. In our Asset Manager Perspective on corporate sustainability reporting¹, we explain that, in our view, a company's board of directors should ensure that company reporting reflects all material sustainability risks and opportunities. We also expect sustainability disclosures to be timely, readily accessible and, when financially material, subject to similar quality control as other information companies provide to financial markets.

In the exposure draft, the GSSB proposes, among others, to integrate the expectation of due diligence in the GRI Universal Standards and to align the standards with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We welcome these proposals as we believe that all companies

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





should follow these international standards for responsible business conduct and report on their policies, practices and outcomes.

These proposed revisions will integrate reporting on human rights in the GRI's Universal Standards and apply to all companies reporting according to the GRI. We consider this an important and positive development that can contribute to more comprehensive corporate human rights reporting. As we explain in our Expectations on Human Rights, we believe that all companies have a responsibility to respect human rights in their own operations, as well as in supply chains and other business relationships.² Respecting human rights is an inherent part of good business practice and risk management. Companies should integrate human rights considerations into their policies, corporate strategy, risk management and reporting.

We expect companies to disclose their human rights strategies, policies and processes and to report on their implementation of relevant international standards. They should, for example, disclose information about their human rights policy commitment, governance structures, due diligence, including risk and impact assessments, taking a value chain perspective. Information about stakeholder engagement and remediation processes should also be disclosed where appropriate. Performance reporting should include relevant metrics that enable year-on-year comparison.

The proposed revisions to the GRI Universal Standards seek to include most of these important elements. However, it would be helpful for the GRI to also include quantitative and qualitative indicators on the outcomes and effectiveness of companies' efforts to address potential and actual negative impacts. We encourage the GSSB to consider including such indicators in both the Universal and Topic Standards. We support Shift's Valuing Respect Project, which aims to develop more meaningful ways to evaluate business respect for human rights, and notably outcomes for people. Over time, we expect a clearer and more complete picture of indicators measuring outcomes and effectiveness to emerge. This underlines the need for a dynamic approach to standards for human rights disclosure, where metrics crystallise over time.

We appreciate your willingness to consider our perspective.

Yours sincerely

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² Norges Bank Investment Management, expectations on [human rights](#).

