

Financial Conduct Authority  
12 Endeavour Square  
London E20 1JN

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## Proposals to enhance climate-related disclosures by issuers

We refer to the *proposals to enhance climate-related disclosures by issuers*, published by the Financial Conduct Authority (FCA) in March 2020, and we welcome 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. We work to safeguard and build financial wealth for future generations. The challenges of climate change, both the physical impacts and the regulatory and technological responses, may give rise to risks and opportunities for companies we invest in. How companies manage these may drive long-term returns for us as an investor. As explained in a document addressed at companies in our portfolio,<sup>1</sup> we expect company boards to integrate relevant climate change challenges and opportunities in their business management, such as investment planning, risk management, and reporting. They should ensure that responsibilities are clearly defined within the organisation and effectively guide, monitor, and review the company's management in these efforts.

As we rely on companies' disclosures to assess their exposure to climate change and how they manage climate-related risks and opportunities, we support efforts by regulators to enhance climate-related disclosures by issuers. We welcome the FCA's proposals and its decision to implement the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We encourage companies to follow the TCFD framework (structuring their reporting across the four elements of governance, strategy, risk management and metrics/targets), and also use the industry-specific metrics developed by the Sustainability Accounting Standards Board (SASB) when reporting financially material sustainability information to investors.

As a next step, the FCA could consider putting forward proposals to enhance disclosures by issuers on other material sustainability topics, beyond climate change.

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<sup>1</sup> Norges Bank Investment Management, Climate change strategy, expectations towards companies



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

Wilhelm Mohn  
Head of Sustainability

