



NORGES BANK
INVESTMENT MANAGEMENT

PRI Association
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PRI 2019 signatory survey

Norges Bank Investment Management (NBIM) welcomes the opportunity to contribute its perspective on the PRI's priorities and governance. This letter is meant to complement our responses to the *PRI 2019 signatory survey*.

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 NOK 9,162 billion as at 30 June 2019. We are a long-term investor, working to safeguard and build financial wealth for future generations.

NBIM is a founding PRI signatory, and thereby supports the Six Principles for Responsible Investment. We welcome the PRI's work in promoting responsible investment globally, sharing best practices and fostering investor collaboration and research in this area.

In this letter, we provide further explanations to our responses to the online survey.

Section 2 - PRI Blueprint Priorities

Comments on question 9 i) “please indicate the importance of PRI’s work on enabling real-world impact aligned with the SDGs”.

The PRI’s mission is to “*achieve a sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; fostering good governance, integrity and accountability; and addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.*”

We have reservations about PRI’s focus on “*real world impact*” and “*outcome-based reporting on the SDGs*”, as we have expressed in our responses to previous consultations. We consider the Blueprint’s chapter on “*enabling real-world impact aligned with the*



SDGs” as a departure from the Six Principles and PRIs mission, which do not provide direction for the PRI to work on how investors should advance global development and support international political commitments. Furthermore, it may be interpreted as an expectation that financial investors should have dual or multiple objectives.

However, as a long-term and global asset owner, we have a general interest in understanding how issues related to sustainability, as well as the achievement of the SDGs, may impact the economy and the companies we invest in, and thus long-term risk and return. From that perspective, we see the benefits of PRI supporting research and knowledge on such issues and how they could impact financial markets and investors in general.

Section 5 - Policy and Research

Comments on question 16 and 17, concerning “contributing to the public debate” and “influencing public policy”

PRI has enjoyed a growing signatory base for many years, representing a broad set of institutions, beyond the original asset owner signatories. As the PRI grows in size and influence, it is important that the messages it conveys to policy-makers represent broadly held views among the signatories, and outcomes permissible by their respective mandates, to the extent possible. With a signatory base representing different interests, the PRI may need to introduce more rigorous processes to gather views of signatories and ensure that its policy work remains balanced when engaging on public policy issues.

Section 9 - PRI governance

Comments on question 34 - “The PRI provides an appropriate level of disclosure relating to the board’s activities”.

The survey has only one question on the PRI’s governance. As a result, we feel that certain key points were not covered in the questionnaire, including the governance and processes in place at PRI for taking important decisions.

The PRI’s articles of association include certain safeguards to guarantee accountability, transparency and representation. One of these safeguards is the right for signatories to vote on any amendment to the Six Principles. These safeguards give signatories some reassurance that the PRI’s activities are in line with the declaration they approved when joining the initiative. We believe it is important that any substantial strategic development which may represent *de facto* a new principle is treated as such, and therefore subject to a signatory vote. In April 2017, the PRI adopted its Blueprint, which contains a chapter on “*real-world impact aligned with the SDGs*”. We note that this new chapter is not linked to an existing Principle, contrarily to other chapters of the Blueprint. In our view, it represents a substantial strategic development, which can be seen as *de facto* a new principle.

Furthermore, we would welcome further transparency in consultation processes. For consultations to be meaningful, questions should be unambiguous and focus on specific points and proposals. The PRI should ensure that a majority, in each signatories’ category, supports the proposal. The ‘*don’t know*’ answers should also be taken into



account. When a proposal does not get the clear support of signatories, the PRI should amend it to reflect signatories' feedback.

We appreciate your willingness to consider our perspective, and we hope to have the opportunity to discuss these matters further.

Yours faithfully,

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Chief Corporate Governance Officer

Wilhelm Mohn
Head of Sustainability

