



**NORGES BANK**  
INVESTMENT MANAGEMENT

Securities and Exchange Commission  
100F Street, N.E.  
Washington, D.C 20549-1090

22 October 2019

## SEC consultation on the modernization of Regulation S-K, Items 101, 103 and 105

We refer to the Securities and Exchange Commission (SEC) public consultation on the *modernization of regulation S-K Items 101, 103 and 105 (File Number S7-11-19)*, and we welcome the opportunity to contribute our perspective.

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 are a globally diversified investor, with approximately USD 245 billion invested in US listed equities as of December 31<sup>st</sup>, 2018.

As a long-term investor, we expect companies to address and report on material issues that could affect their future performance. Complete and accurate disclosures help us understand the company's strategy and assess potential operational, legal and reputational risks.

As intangible assets can be an important driver of long-term value creation, we welcome the SEC's proposal to include human capital resources as a disclosure topic under Regulation S-K. It is relevant for investors to be informed of human capital measures or objectives that the board and management focus on in managing the business.

We note the principle-based approach proposed by the SEC on this topic, which provides companies with the flexibility to determine which disclosures they consider material for an understanding of their business. We encourage companies to use recognised international reporting frameworks, such as the standard on human capital developed by the Sustainability Accounting Standards Board (SASB). SASB standards provide guidance to companies on materiality assessments, as well as on sector-specific disclosure metrics. The use of such frameworks helps improve consistency and comparability of corporate disclosures.

Beyond human capital, NBIM expects company boards to also address and report on other sustainability risks and opportunities. The way companies manage such risks and capitalize on opportunities can drive long-term returns. As part of its financial filings, a company's sustainability disclosures should be driven by materiality, focusing on issues specific to a

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company's sector or business model. In addition, we believe that qualitative information needs to be supplemented with quantitative metrics illustrating companies' commitment and performance over time.

We appreciate your willingness to consider our perspective.

Yours sincerely,

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