

PRI Association
25 Camperdown Street
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PRI signatory survey “PRI in a changing world”

We refer to the “PRI in a changing world” signatory survey, published by the PRI in December 2022, to which we responded online. We welcome the opportunity to contribute our perspective on the PRI’s priorities and governance through this consultation.

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 (the fund). NBIM is a globally diversified investment manager with 12,429 billion Norwegian kroner at year end 2022. We are a long-term investor, working to safeguard and build financial wealth for future generations.

NBIM and the Norwegian Ministry of Finance are PRI signatories on behalf of the Government Pension Fund Global, and NBIM is also a founding signatory. We thereby support the Six Principles for Responsible Investment. In line with these principles, we report annually on our responsible investment activities, and this is publicly available. We also report through the PRI Reporting Framework and use the output primarily to benchmark our responsible investment practices and performance against peers.

We welcome the PRI’s drive to ensure that signatories take their commitment to the Six Principles seriously and its ambition to support signatory progression, including with the creation of a dedicated framework. We agree that expectations on progression would be helpful to increase signatories’ accountability, however we would have liked to see more details in the consultation document to better understand the content of the initiative. We believe that a potential framework for signatory progression needs to be principle-based and flexible so that signatories can select the elements and goals applicable to them, which will foster progression by enhancing signatories’ ownership and investment in the process.

We noticed the survey’s focus on action towards sustainability outcomes, which we have expressed reservations about in the past. We believe that attributing the impact of

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companies to investors is challenging. To attribute causation, an investor would need to be able to demonstrate additionality, i.e., that any positive impact would not have happened without their investment. Establishing such a relationship is challenging, given that a minority investor has only a marginal influence on a company's funding cost and on its strategic direction, particularly for investments in secondary markets, which in general constitute the majority of investments for most institutional investors. Many investors' efforts will therefore be several steps removed from real-world sustainability outcomes. Furthermore, it is important to note that the PRI is a broad and diverse organisation whose signatories have different approaches to responsible investment, different mandates, client expectations and regulatory requirements.

At the same time, we do have a strong inherent interest in sustainability. As a long term and globally diversified financial investor, our return depends on sustainable development in economic, environmental, and social terms. Through responsible investment, we seek to improve the long-term economic performance of our investments, improve market standards and reduce the financial risks associated with the environmental and social practices of companies in our portfolio.

We encourage the PRI to focus on its mission of achieving a sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation. We strongly support the PRI's offer in terms of guidance and opportunities for collaboration and engagement. We would see the value of PRI research on topics of relevance for the global responsible investment community where evidence is still lacking or incomplete, notably the materiality of ESG risk. Finally, we believe the PRI's policy work should be focused on representing the voice of global investors, and on supporting the development of international standards. As the PRI grows in size and influence, it is important that the messages it conveys to policymakers represent broadly held views among the signatories and outcomes permissible by their respective mandates, to the extent possible.

Concerning the PRI's approach to strategy setting and governance, we support the aim of achieving more signatory input into this process and prioritisation. This could help ensure that the PRI remains signatory-relevant, and that its offer meets the needs of its growing and changing signatory base while remaining an asset owner-led organisation. Conversely, we believe that the PRI's mission statement remains clear and are not convinced at this point by the value of additionally developing a vision and a purpose statement, in the absence of any further detail on what these separate statements would aim to achieve.



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

Yours sincerely

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