



March 19, 2026

Financial Conduct Authority  
Primary Markets Policy  
12 Endeavour Square  
London  
E20 1JN  
United Kingdom

via email at: [cp26-5@fca.org.uk](mailto:cp26-5@fca.org.uk)

RE: Listing Rules Consultation: Aligning listed issuers' sustainability disclosures with international standards (CP26/5)

Dear Primary Markets Policy Team,

The Los Angeles County Employees Retirement Association (LACERA) appreciates the opportunity to submit comments in response to the Financial Conduct Authority's consultation on 'Aligning listed issuers' sustainability disclosures with international standards' (CP26/5) (the Consultation), released on January 30, 2026.<sup>1</sup> We applaud the proposed incorporation of the standards promulgated by the International Financial Reporting Standards Foundation's International Sustainability Standards Board (ISSB Standards) and appreciate the opportunity to provide feedback on specific proposed amendments. We believe the Consultation is timely considering recent market developments that aim to facilitate a cohesive, investment-useful global framework for corporate sustainability reporting that is conducive to durable value creation for companies and investors alike.

### About LACERA

LACERA is the largest county pension system in the United States, with over \$90 billion in plan assets, as of March 1, 2026. We hold investments in over 6,000 companies in more than 60 global financial markets, with the United Kingdom ranking second among the markets we are invested across asset categories. LACERA's mission is "to produce, protect, and provide the promised benefits" to about 200,000 beneficiaries who serve the most populous county in the United States. We encourage sound corporate governance practices at portfolio companies, clear corporate reporting, and prudent financial market policies and regulations that help facilitate economic growth and enhance our ability to fulfill our mission.

### Investor Interest in Financially Relevant Disclosures of Sustainability Factors

Our comments are guided by the investment beliefs and principles outlined in LACERA's [Investment Policy Statement](#)<sup>2</sup> and [Corporate Governance and Stewardship Principles](#).<sup>3</sup> Climate change, the global energy transition, and broader sustainability considerations can present financial risks and opportunities for both individual portfolio companies as well as to the broader economy in which we invest, as globally diversified investors with a long-term investment horizon.<sup>4</sup> As articulated in our Corporate Governance and Stewardship Principles, we consider that financial markets work most efficiently when investors have **timely, reliable, and comparable information about material aspects of a firm's**

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<sup>1</sup> Financial Conduct Authority, *CP26/5 Consultation*. January 2026. Available at:

<https://www.fca.org.uk/publications/consultation-papers/cp26-5-sustainability-disclosures>

<sup>2</sup> LACERA. *Investment Policy Statement*. Revised June 2024. Available at:

[https://www.lacera.com/sites/default/files/assets/documents/board/Governing%20Documents/BOI%20Policies/invest\\_policy\\_stmt.pdf](https://www.lacera.com/sites/default/files/assets/documents/board/Governing%20Documents/BOI%20Policies/invest_policy_stmt.pdf).

<sup>3</sup> LACERA. *Corporate Governance and Stewardship Principles*. Revised 2024. Available at:

<http://www.lacera.com/sites/default/files/assets/documents/board/Governing%20Documents/BOI%20Policies/CorpGovPrinciples.pdf>.

<sup>4</sup> LACERA's *Corporate Governance and Stewardship Principles*, page 24.

**performance**, including how they manage business-relevant sustainability factors that may affect durable cash flow.<sup>5</sup> Adequate information to identify and assess risks is critical to help evaluate material investment factors and therefore of paramount importance to fulfill our fiduciary duty.

We believe the ISSB Standards have made an important contribution in developing a global framework to facilitate timely, reliable, and comparable information about material aspects of a firm's performance, in line with our Principles. We applaud the Financial Conduct Authority's efforts to facilitate standards consistent with the ISSB, which we believe will be conducive to comparable, cost-effective, and timely reporting for investors and companies that operate across global borders.

We offer the following comments on five specific topics raised in the Consultation questions:

- 1. Data Quality Considerations for Scope 3 Emissions and Non-Climate Sustainability Data:** The Consultation is proposing enabling companies to "comply or explain" if they do not disclose Scope 3 emissions and non-climate sustainability data. We note that the Exposure Drafts of UK Sustainability Reporting Standard S1 and Sustainability Reporting Standard S2 (UK SRS S1 & S2), which the Consultation proposes incorporating into listing standards, already provide for an adequate implementation timeline of one to two years to allow for preparedness and data quality. Phasing in reporting for accounting periods beginning on or after 2028, as outlined in the Exposure Drafts, provides ample time for companies to prepare reporting and organize resources. We believe the Consultation's proposed "comply or explain" provision risks enabling companies to opt out of reporting. We encourage the FCA to maintain the approach defined in the Exposure Drafts current implementation timeline to support consistent and timely market disclosures.
- 2. Exemptions for Secondary Listings and Depository Receipts:** Investors benefit from consistent and comparable disclosures to aid decision-making, with the ISSB global baseline providing comparable, consistent disclosures for sustainability standards. The Consultation proposes certain exemptions to reporting requirements for secondary listings and depository receipts. We believe such exemptions risk undermining the overall comparability of information and may impede investors from making use of the information across different companies.
- 3. Timeline for Full Adoption of ISSB Standards:** We note that the Consultation does not provide a timeline for mandatory reporting or the sunseting of the proposed comply or explain approach. Consistent with our feedback above, unclear timelines may impair comparability of reporting and allow information gaps to persist over time. We encourage the FCA to define a clear, pragmatic timeline for full adoption of the ISSB Standards to allow issuers to prepare resources effectively.
- 4. Assurance Requirements:** As part of encouraging "timely, comparable, and reliable" corporate reporting, we find it useful to know if information has been reviewed and assured in some manner. We acknowledge that there are practical considerations in imposing different levels of assurance for sustainability data. Accordingly, we support and encourage the FCA to require companies to simply disclose whether data has been assured, and to what level of assurance. Disclosure enables investors to assess the reliability of data and compare market practice among peers, enabling a ratcheting up of market practices over time.
- 5. Digital Tagging of Disclosures via XBRL:** We welcome the FCA's enquiry on whether digital tagging of sustainability disclosures via XBRL or other digital tagging would be useful for investors. To facilitate comparable, timely disclosures across international markets, we support a provision that would facilitate XBRL or digital tagging. We believe digital tagging mechanisms support timely consumption of data and comparability of disclosures, including integration into investors' data providers and analytical service providers. We note that companies representing over 84% of global market value report some data in XBRL, as of December 2024, consistent with local market requirements and practices, including in prominent markets such as France, India, South Korea,

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<sup>5</sup> LACERA's *Corporate Governance and Stewardship Principles*, page 22.

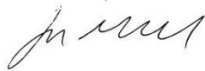
the United States, and the UK.<sup>6</sup> We believe XBRL and digital tagging of prospective reporting requirements would facilitate data consumption and be consistent with the future direction of all corporate reporting.

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We again welcome the Consultation's proposed alignment with the ISSB Standards to support timely and comparable global reporting that is relevant to capital providers and conducive to sustainable growth in the United Kingdom and all global markets. We encourage the FCA to consider the above comments to further strengthen reporting of material information for financial markets.

Please contact the undersigned at [jgrabel@lacera.gov](mailto:jgrabel@lacera.gov) if you would like to further discuss any of the above remarks.

Sincerely,



Jonathan Grabel  
Chief Investment Officer

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<sup>6</sup> MSCI, *Sustainability Reporting with XBRL*, September 2025, Available At: [https://www.msci-institute.com/themes/risk-return/when-old-tech-beats-new-tech-sustainability-reporting-with-xbrl/?cookie\\_settings\\_updated=true#\\_ftn4](https://www.msci-institute.com/themes/risk-return/when-old-tech-beats-new-tech-sustainability-reporting-with-xbrl/?cookie_settings_updated=true#_ftn4)