LACERA Los Angeles County Employees Retirement Association
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August 19, 2026

U.S. Equal Employment Opportunity Commission
131 M Street, N.E.
Washington, DC 20507

Via: https://www.regulations.gov

RE: Removal of Reporting Requirements, RIN 3046-AB37

Dear Chair Lucas and Commissioners:

The Los Angeles County Employees Retirement Association (LACERA) appreciates the opportunity to submit comments regarding the Equal Employment Opportunity Commission's proposed rule to rescind EEO-1 and related equal employment opportunity reporting requirements.[1] LACERA respectfully urges the Commission to withdraw the proposed rescission to preserve the benefits to financial markets of standardized workforce information. The Commission's current proposal would remove a reporting framework that LACERA and other investors have recognized as relevant to investment analysis. It has facilitated companies and investors to create a baseline of comparability that can support more meaningful engagement with portfolio companies and asset managers about investment risks associated with workforce composition, talent management, and organizational effectiveness.

About LACERA

LACERA manages over $100 billion in a defined-benefit pension plan and other post-employment benefits for more than 200,000 members and beneficiaries who serve the most populous county in the nation. Our exclusive mission is to produce, protect, and provide the promised benefits to our members and beneficiaries. Seventy percent (70%) of our portfolio is invested in the United States and includes investments in over 5,000 publicly traded and privately held companies across sectors, size, and asset classes. Compelled by our fiduciary duties, we encourage public policies that enable investors to identify, assess, and manage material risks and opportunities over long investment horizons and diversified portfolios, and that are conducive to stable and robust financial markets.

Our comments are guided by the principles and investment strategies outlined in LACERA's Investment Policy Statement (IPS)[2] and our Corporate Governance and Stewardship Principles.[3] First, the IPS recognizes that LACERA acts as fiduciaries and must discharge our duties with care, skill, prudence, and diligence and with exclusive loyalty to our members. Second, critical to the duty of prudence is accessing reliable, comparable data to inform market insights and investment monitoring—which standardized reporting facilitates. Third, the Investment Beliefs that frame our IPS also recognize that people matter; that is, people play a role in

[1] Equal Employment Opportunity Commission. July 23, 2026. Removal of Reporting Requirements, RIN 3046-AB37. 91 Fed. Reg. 46332. Available at: 2026_NL01498_NPRM_Rescission.pdf.
[2] LACERA Investment Policy Statement. Restated June 2024. Available at: Investment Policy Statement.
[3] LACERA Corporate Governance and Stewardship Principles. Restated May 2023. Available at: Corporate Governance and Stewardship Principles.

producing outcomes that enable us to generate investment returns and further our mission. Constructive talent management is crucial within LACERA, at the external investment firms that manage capital on our behalf, and at portfolio companies in which we invest. And lastly, our IPS recognizes diversity can be reflected across a variety of dimensions, including educational background, work experiences and skillsets, and a range of demographic attributes. Our IPS affirms our belief that firms that cultivate a talented and collaborative workforce that is inclusive of diverse perspectives and backgrounds in all dimensions are likely to produce better outcomes for themselves and for our benefit as investors. Central to effective talent management is the assurance of equal employment opportunity, which not only mitigates downside legal and reputational risks of discrimination and the detrimental impact of reduced employee morale, but also positions firms to cast a wide net for the best talent and enables diverse viewpoints and experiences get heard to inform decisions.

In short, human capital is a material business consideration because firms depend on people to design strategy, manage risk, execute operations, serve clients, innovate, and sustain performance. We therefore evaluate and monitor firms seeking to manage capital on our behalf not only on their policies outlining their commitment to equal employment opportunity and anti-harassment provisions, but also expect them to provide a compelling track record that demonstrates that they are effective in accessing talent and cultivating inclusive workplace cultures. At portfolio companies, we expect the same demonstration of commitment and track records. To inform our investment evaluation and monitoring, information is key.

1. Timely, Reliable, Comparable Information Supports Efficient Markets and Fiduciary Oversight

LACERA believes financial markets work most efficiently when investors have "timely, reliable, and comparable information about material aspects of a firm's performance."[4] Transparency regarding key financial and operating performance is critical for investors to assess a firm's viability, prospects, and capacity to create and protect value. The EEO-1 framework has historically provided one of the few standardized and comparable datasets about workforce composition across firms, industries, and job categories. Eliminating that framework would reduce comparability and remove a long-standing source of baseline information that investors, employers, researchers, policymakers, and regulators can use to evaluate workforce trends in an informed and comprehensive manner.

The Commission's proposal posits that EEO-1 reporting requirements are unnecessary to enforce anti-discrimination laws and that any marginal benefits are outweighed by burdens. LACERA believes that a complete assessment should also account for the benefits of standardized information, including comparability, predictability, reduced information asymmetry, and the ability of investors and other stakeholders to identify issues that may warrant further inquiry.

As long-term investors, LACERA generally favors transparency over information reduction. When common reporting frameworks are eliminated, investors may face less comparable data, greater reliance on voluntary disclosures, higher costs to obtain or estimate similar information, and asymmetry in access to information, which can advantage better

[4] LACERA Corporate Governance and Stewardship Principles. Restated May 2023. Page 21. Available at: Corporate Governance and Stewardship Principles.

resourced institutional investors over others. This can make investment analysis less efficient, particularly for asset owners seeking to evaluate a broad universe of public companies, private companies, and external investment managers.

2. EEO-1 Reporting Assists Investment Due Diligence and Monitoring of Asset Managers

LACERA recognizes that investment risks are broad and that no single metric adequately conveys risk. LACERA evaluates risk holistically, incorporating quantitative measures and qualitative assessments. The IPS identifies operational risks, including talent management, as among the risks confronted by LACERA. Standardized workforce data is one input into this broader assessment.[5]

LACERA conducts due diligence on prospective external asset managers and monitors existing managers across the portfolio, which includes human capital management as an important component. Investment firms compete in talent-intensive markets, and their ability to attract, develop, retain, and effectively deploy personnel can affect investment performance, succession planning, operational resilience, risk management, compliance culture, and client service. Comparable workforce data—across dimensions—enables investors to focus those inquiries in a disciplined manner rather than relying solely on impressions, selective voluntary disclosures, or inconsistent survey responses.

EEO-1 reporting has provided a standardized point of information for assessing whether a firm's workforce composition supports their policy commitments to equal employment opportunity, and for comparing firms against relevant peers. Such information can help investors evaluate the extent to which a firm may be an outlier in accessing, developing, or retaining talent from diverse backgrounds. These data do not dictate investment decisions and should not be viewed in isolation. Rather, they provide an objective basis for a holistic view of talent management and identify avenues for further inquiry into recruiting practices, retention outcomes, promotion pathways, leadership pipelines, workforce stability, and organizational culture.

Consistent, objective measurement on key metrics can improve understanding of workforce dynamics and sharpen focus for diligence clarifications. In other words, having a common framework to understand workforce trends supports constructive inquiry into talent management practices and—in our view—should be used to ask better questions, not to reach automatic conclusions. Similar to other operating metrics that investors evaluate related to financial performance, compliance and regulatory matters, macroeconomic risks, etc., evaluating the strengths and any risks related to a firm's talent management is multifaceted, nuanced, and may indicate areas for further inquiry. Investors consider workforce information in context, including business strategy, industry conditions, geography, labor market dynamics, employee development practices, retention, turnover, succession planning, and board or management oversight.

Where substantial differences from peers emerge, investors may conduct additional inquiry in line with our fiduciary duties of care and prudence. One might evaluate whether workplace cultural dynamics, organizational practices, or other factors could impede a productive workforce, introduce internal litigation risks, or impose headlines risks for investment clients. By

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[5] LACERA Investment Policy Statement. Restated June 2024. See pages 5, 6, and 10. Available at: Investment Policy Statement.

way of example, when due diligence identifies that a prospective investment manager is lagging peers, it is not uncommon to prompt questions of how the firm recruits new hires and to learn, upon that inquiry, that the firm recruits from more narrow recruitment channels, such as relying on personal networks. As an additional example, if further inquiry reveals an overreliance on hiring from the same business school, we may discuss whether the firm has limited input from additional perspectives and educational resources availed at firms with a broader mix of educational backgrounds. Lastly, our talent management due diligence particularly focuses on the leadership and investment teams that would make decisions with our capital. Consistent reporting enables us to assess promotional statements that firms make about their workforces. This aims to fulfill our belief that teams comprised of a mix of backgrounds and experiences will better deliberate risks to our capital and enhance outcomes for the benefit of our investment objectives.

3. LACERA Has Consistently Supported Investment-Relevant Human Capital Disclosures, Including Workforce Composition Information Consistent with EEO-1 Reporting

LACERA has a steady track record of encouraging timely, reliable, and comparable disclosures on human capital matters. In 2019, LACERA submitted a comment letter to the Securities and Exchange Commission (SEC) regarding Regulation S-K modernization and a petition for enhanced human capital disclosures at publicly listed companies.[6] In that letter, LACERA supported both principles-based and rules-based guidance disclosures and emphasized the need for comparable human capital metrics, including workforce composition and structure (such as the number of full-time, part-time, and contingent workers, as well as diversity data consistent with the EEOC's EEO-1 reporting, where permissible), indicators of workforce stability such as turnover, and data points enabling investors to assess return on human capital investments.

In 2021, LACERA reiterated those views in a letter to the SEC regarding guidance for comparable and decision-useful investor disclosures.[7]

And earlier this year, LACERA again supported decision-useful disclosure of key operating and performance metrics, including human capital, in a letter to the SEC in response to their request for input on prospective reforms to public company reporting requirements.[8] LACERA observed that current Regulation S-K requirements pertaining to operating metrics are limited despite human capital often being cited as most companies' most important asset, and reiterated support for baseline disclosures of key human capital metrics, including indicators of workforce composition, stability, and investment in talent.

4. Continued EEO-1 Reporting and Technology May Reduce Purported Reporting Burdens

LACERA recognizes that reporting frameworks should be reviewed periodically to ensure they remain useful, administrable, and appropriately tailored. LACERA notes that EEO-1 reporting has been in existence for sixty years. It is an established and standardized reporting framework

[6] LACERA Comment Letter to the Securities and Exchange Commission . October 19, 2019. Available at: lacera_letter_to_sec.pdf.
[7] LACERA Comment Letter to the Securities and Exchange Commission. June 10, 2021. Available at: lacera_sec_comment_letter_061021.pdf.
[8] LACERA Comment Letter to the Securities and Exchange Commission. April 10, 2026. Available at: Request for Comment on Statement on Reforming Regulation S-K (File CLL-15).

that employers have processes in place to collect and provide the requisite information as a matter of routine.

Since the establishment of EEO-1 reporting, technology has evolved and further facilitated reporting. Human resource software and new technologies ease any purported reporting burdens, improve data validation, and enhance data tracking while preserving the core value of standardized and comparable reporting.

Moreover, standardized reporting arguably reduces reporting burden for reporting firms, as they can use a common framework rather than contend with vying reporting models. And from an investor perspective, standardized reporting reduces rather than increases aggregate information costs by creating a common baseline that firms and investors can use consistently.

The long record of EEO-1 reporting, technology enhancements in the interim sixty years, and facility of a common reporting framework underscore the utility of preserving EEO-1 reporting benefits and avoiding shifting information-gathering into less efficient private market channels, such as ad hoc requests, bespoke manager questionnaires, litigation discovery, inconsistent voluntary reporting practices, and for-profit proprietary models.

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In light of the above reasons, LACERA respectfully urges the Commission to withdraw the proposed rescission of EEO-1 reporting requirements. Consistent with our fiduciary duty, our Investment Policy Statement, and our longstanding support for timely, reliable, and comparable data on investment-relevant information—including human capital disclosures—LACERA believes EEO-1 reporting continues to provide meaningful information that supports informed decision-making, effective oversight, regulatory efficiency, and long-term value creation.

LACERA appreciates the Commission's consideration of these comments. Please contact the undersigned at jgrabel@lacera.gov if you would like to further discuss any of the above.

Sincerely,

Jonathan Grabel
Chief Investment Officer

cc: The Honorable Kalpana Kotagal, Commissioner
The Honorable Brittany Bull Panuccio, Commissioner