



California Public Employees' Retirement System

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Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

April 8, 2026

**Subject: Comprehensive Reform of Regulation S-K (File No. CLL-15)**

Dear Secretary Countryman,

On behalf of the California Public Employees' Retirement System (CalPERS), we appreciate the opportunity to provide comments on the U.S. Securities and Exchange Commission's (SEC or Commission) comprehensive review to reform Regulation S-K.

As the largest public defined benefit pension fund in the United States, CalPERS manages approximately \$600 billion in global assets on behalf of nearly 2.4 million members. We seek long-term and sustainable returns through efficient capital allocation and stewardship in line with our fiduciary duty.

We have long relied on the integrity, stability, and efficiency of capital markets. In our 2016 letter to the Commission regarding Regulation S-K, we emphasized that all investors should have access to meaningful, understandable, and timely disclosures that allow them to make informed voting and investment decisions<sup>1</sup>. While we support Chairman Atkins' initiative to streamline compliance and reduce unhelpful boilerplate language, regulatory efficiency must be measured by the quality of data provided, not simply by a reduction in disclosure volume. What may be viewed as immaterial to a short-term trader can be decision-useful data for a universal, long-term owner.

Regarding the Commission's focus on narrowing the scope of required disclosures, we caution against the notion that regulatory efficiency requires the elimination of non-traditional financial metrics. We respectfully reject the premise that investors suffer from what has been characterized as information overload. Institutional investors use modern analytical tools and quantitative modeling to efficiently process comprehensive datasets; reducing the volume of

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<sup>1</sup> CalPERS comment letter to SEC, [File No. S7-06-16, Release Nos. 33-10064, 33-77599 Business and Financial Disclosure Required by Regulation S-K](#), July 21, 2016.

public data only restricts our ability to accurately assess systemic risk, which can have adverse impacts on investment returns on behalf of our members. Likewise, contrary to the narrative that comprehensive reporting is prohibitively expensive, advances in artificial intelligence (AI) can drastically reduce the time and cost burden for issuers preparing these disclosures<sup>2</sup>.

Furthermore, standardizing this data can actually reduce costs and friction for both investors and companies. When the SEC does not mandate standardization, investors are forced to rely on fragmented, expensive third-party data providers or estimates to fulfill their fiduciary duties. Requiring disclosures that align with the International Sustainability Standards Board standards would provide this necessary baseline and help mitigate the compliance burdens and inefficiencies caused by fragmented state-level disclosure requirements.

We strongly oppose any shift toward only an issuer-determined materiality threshold, as doing so would create a misalignment of incentives and could harm peer comparability, which is the cornerstone of efficient capital allocation and proxy voting. We reiterate our previously stated view that the SEC should require a mandatory baseline of standard metrics for everyone, while still giving companies the freedom to add context unique to their business. Ultimately, a strong disclosure framework must ensure visibility into long term, accumulating risks rather than allowing such risks to be dismissed as too uncertain to report.

Regarding **Item 105: Risk Factors**, we agree that excessive boilerplate language driven by litigation fears does not serve investors. However, we oppose any efforts to move toward a system of standardized, macro-level risk lists that would replace company-specific disclosures. This approach takes risk assessment out of the hands of the board and can result in the omission of critical, entity-specific data. For a long-term investor, such as CalPERS, climate and sustainability factors, along with clear cybersecurity and AI governance, specifically those disclosures mandated under **Item 106: Cybersecurity**, are financially material and directly impact a company's viability and long-term resilience.

Furthermore, under **Item 402: Executive Compensation**, we oppose efforts to dilute executive compensation disclosures, including reducing the scope of Named Executive Officers or simplifying Pay-Versus-Performance calculations at the expense of transparency. Granular, standardized compensation data is vital for assessing whether executive incentives are genuinely aligned with sustainable, long-term performance of portfolio companies. Paring down these metrics would restrict our visibility into board oversight and fundamentally weaken our ability to execute our proxy voting responsibilities effectively. Similarly, we oppose the revision or deletion of recently adopted disclosures regarding insider trading arrangements under **Item 408: Insider trading arrangements and policies**, as thorough transparency here is necessary to ensure executives are not improperly shielded from accountability.

CalPERS's Investment Beliefs state that long-term value creation requires effective management of financial, physical, and human capital. Regarding **Item 101: Description of Business**, we urge the Commission to reject any narrative characterizing human capital disclosures as a form of social engineering or regulation by shaming. These disclosures provide essential data for evaluating a company's workforce stability, operational resilience, and

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<sup>2</sup> Council of Institutional Investors' comment letter on [SEC Solicitation of Public Comment on Statement on Reforming Regulation S-K, File No. CLL-15](#), April 2, 2026, Page 4.

ultimately, its capacity to generate better risk-adjusted returns over our investment horizon on behalf of our members. Specifically, we support quantitative data including the breakdown of full-time, part-time, and contingent workers, turnover rates, and the disaggregated total cost of a company's workforce.

In conclusion, we support the SEC's objective to eliminate unhelpful, defensive boilerplate language. However, reducing the compliance burden must not serve as a pretext for eliminating critical disclosures that strengthen investor protection and foster corporate accountability. For long-term investors, comprehensive data is essential. Access to standardized and comparable information is fundamental to fulfilling our fiduciary duty to manage risk and generate the sustainable returns necessary to pay benefits to our millions of members for generations to come. Consistent with our Investment Beliefs, we advocate for a disclosure framework that ensures board accountability for the company's strategy to create long-term value.

Thank you for the opportunity to share our comments. Please do not hesitate to contact Travis Antoniono, Investment Director, Sustainable Investments, at (916) 795-2238, or Danny Brown, Chief of our Legislative Affairs Division, at (916) 795-2565, if we can be of any assistance.

Sincerely,

Marcie Frost  
Chief Executive Officer