

California Air Resources Board

**Date:** 07 March 2025

Dear Sir or Madam

**Re: Railpen's response to California Climate-Disclosure Information Solicitation**

Railpen is the trading name of Railway Pension Investments Limited, authorised and regulated by the Financial Conduct Authority (FCA), acting as the investment manager for the railways pension schemes and responsible for the management of c. £35 billion of assets on behalf of over 350,000 members. We invest, on behalf of our members, in companies across economic sectors and geographical regions, including the United States of America. As investors, we need access to transparent, comparable and science-based reporting to manage climate-related risks and opportunities and assess the alignment potential of our holdings.

As one of the largest UK pension funds, and one of the few remaining occupational pension schemes with open, immature, Defined Benefit (DB) sections, we recognise the impact of corporate sustainability on our long-term investments. We have been, and remain, enthusiastic champions for improvements to the quality and completeness of corporate sustainability disclosure, as reflected in our levels of policy engagement and company stewardship focussed on this topic<sup>1</sup>.

Railpen, and our ultimate client the railways pension schemes, have an inherently long-term investment horizon. We strongly believe that our members' financial best interests are connected to the ways in which companies attend to long-term sustainability risks and opportunities. It is vital therefore that, as investors in companies, we can avail ourselves of timely, reliable, comparable, and decision-useful information on the ways in which corporates manage sustainability-related business risks. At a more general level, capital market participants require access to information that facilitates price discovery and efficient capital allocation. As a result, we continue to offer our strong support to the global adoption of ISSB IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

We encourage California Air Resources Board to implement Senate Bills (SB) 253 (Wiener, Statutes of 2023) and 261 (Stern, Statutes of 2023). We think that adoption of the bills would allow US-based entities doing business in California to contribute towards improved transparency from companies regarding their GHG emissions and climate-related risk management practices to better inform the decision-making of Californian consumers,

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<sup>1</sup> You can find out more about our approach to disclosure on climate and other environmental, social and governance topics at [Railpen - Responsible Investing](#).

investors, and members of the public. The legislation will improve access to consistent, standardised information from the largest companies doing business in California about their GHG emissions, and the risks they face from the impacts of climate change.

We think any implementation of climate reporting standards should align with the ISSB's standard, IFRS S2 Climate-related Disclosures. By positioning these state-level regulations with the ISSB's globally recognised framework, companies can provide consistent, transparent, and comparable GHG emissions data. This alignment maximises the efficiency (minimises cost) for preparers, facilitates better decision-making for investors and stakeholders, enhances corporate accountability, and supports global efforts to mitigate climate change. Moreover, it demonstrates a company's commitment to adhering to best practices in sustainability reporting, thereby fostering trust and credibility in the marketplace.

We hope that this response has been of interest. We would be happy to discuss further any of the points raised above.

Yours sincerely

**Michael Marshall**

Director of Investment Risk and Sustainable Ownership  
Railpen

**Tom Ward**

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Railpen