

Sustainability legislation and regulation – U.S.									
Revised as of	Section	Title of requirement (i.e., name of legislation, regulation, guidance)	Regulatory body	Where to disclose (e.g., annual report, website)	Country/jurisdiction	Scope (i.e., which entities does it apply to, what thresholds are applicable)	Obligations (high-level summary of the obligations required under the relevant regulations/legislation/guidance)	Status (i.e., is it in force, is it in consultation, what are the next steps if not in force)	Website (where can primary document, regulations, law, etc., be found)
<b>Major Federal Policies</b>									
Sept. 18, 2023	Sustainability	Executive Order on Climate-Related Financial Risk (EO 14030)	Executive Branch	The Financial Stability Oversight Council (FSOC) is to include an assessment of climate-related risk in its annual report to Congress.	U.S.	U.S. government and U.S. companies	Mobilizes several branches of government to mitigate climate-related risks in the U.S. economy and achieve net-zero emissions by no later than 2050.	Signed on May 20, 2021	<a href="https://www.whitehouse.gov/briefing-room/presidential-actions/2021/05/20/executive-order-on-climate-related-financial-risk/">https://www.whitehouse.gov/briefing-room/presidential-actions/2021/05/20/executive-order-on-climate-related-financial-risk/</a>
Sept. 18, 2023	Sustainability	Executive Order on Tackling the Climate Crisis at Home and Abroad (EO 14008)	Executive Branch	Several executive agencies are to submit annual reports regarding efforts to implement EO 14008.	U.S.	U.S. government	Outlines the objectives of U.S. domestic and foreign policy to put the climate crisis at the forefront of the nation's policymaking agenda.	Signed on Jan. 27, 2021	<a href="https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/">https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/</a>
Sept. 19, 2023	Sustainability	U.S. Department of the Treasury Principles for Net-Zero Financing & Investment	Executive Branch	It is recommended that financial institutions disclose climate-related information (such as the proportion of emissions reductions due to changes in underlying client and portfolio company emissions), but disclosure is not mandated.	U.S.	U.S. government	<p>Outlines nine principles that financial institutions should consider to achieve net-zero commitments:</p> <ol style="list-style-type: none"> <li>1) The net-zero commitment of financial institutions is a declaration of intent to work toward reducing greenhouse gas (GHG) emissions (with the goal of limiting the increase in global average temperatures to 1.5 degrees Celsius).</li> <li>2) Financial institutions should consider transition finance, managed phaseout and climate solution practices in creating commitments.</li> <li>3) Financial institutions should establish credible metrics and targets and endeavor, over time, for all relevant financing, investment and advisory services to have associated metrics and targets.</li> <li>4) Financial institutions should assess client and portfolio company alignment to their targets and limit the increase in global average temperature to 1.5 degrees Celsius.</li> <li>5) Financial institutions should align engagement practices with clients, portfolio companies and</li> </ol>	Not binding (provides guidance to financial institutions)	<a href="https://www.politico.com/f/?id=0000018a-aa22-d816-a5ba-ab6f5f2a0000&amp;source=email">https://www.politico.com/f/?id=0000018a-aa22-d816-a5ba-ab6f5f2a0000&amp;source=email</a>

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Feb. 25, 2024	People, Fiduciary Duty	Abolish Government DEI Act (Senate Bill 3252)	Executive Branch	N/A	U.S. Government	U.S. Government	Abolishes cabinet-level agencies and prevents heads of covered agencies from carrying out any plan relating to diversity, equity and inclusion.	Proposed legislation	<a href="https://www.congress.gov/bill/118th-congress/senate-bill/3252/text?s=1&amp;r=92">https://www.congress.gov/bill/118th-congress/senate-bill/3252/text?s=1&amp;r=92</a>
<b>Final Federal Rules and Enforcement Policies</b>									
Sept. 18, 2023	People, Fiduciary Duty	Employee Retirement Income Security Act of 1974, as amended (ERISA) Section 404; Department of Labor Regulation Section 2550.404a-1 (referred to as "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights") (the DOL Regulations) (final regulations effective Jan. 30, 2023)	Department of Labor (DOL). Note, however, that plan participants and beneficiaries also have standing to bring lawsuits against fiduciaries, alleging that the fiduciaries breached their duties to the participants and beneficiaries, adding an additional layer of risk for plan fiduciaries in addition to the formal regulation and oversight by the DOL. These cases are often brought as class action litigations.	Contract between the applicable pension plan provider and the engaging fiduciary or plan. Marketing materials with respect to plans.	U.S.	The requirements apply to any individual or entity that is acting as a fiduciary of an employee benefit plan subject to ERISA. ERISA defines "fiduciary" under regulations and in two sections, Section 3(21), which defines "fiduciary," and Section 3(38), which defines "investment manager fiduciary." An individual or entity is a fiduciary for purposes of ERISA Section 3(21) when such person (i) exercises any authority or control with respect to the management or disposition of the plan's assets, (ii) renders investment advice with respect to plan assets for a fee or other compensation (direct or indirect) or has authority to do so, or (iii) has any discretionary authority or discretionary responsibility in the administration of the plan. An individual or entity is an investment manager	A fiduciary of a plan subject to ERISA is required to act prudently (with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims), solely in the interests of plan participants and beneficiaries, and for the exclusive purpose of providing benefits to participants and beneficiaries and defraying reasonable plan expenses. Note that fiduciaries must also diversify the investments of the plan so as to minimize the risk of large losses, but this has different meanings for participant-directed plans (such as 401(k) plans) or where an investment adviser is only responsible for a specific	ERISA and the DOL Regulations are in effect. However, there are two lawsuits in process challenging the validity of the DOL Regulations. The first lawsuit was filed in Texas, led by the attorneys general from 25 states in January 2023, and a second lawsuit was filed in February 2023 in Wisconsin. In a Sept. 21, 2023, decision, the judge in the Texas litigation dismissed the challenge to the rule, and plaintiffs in that lawsuit have appealed to the Fifth Circuit Court of Appeals. It is difficult to predict the outcome of the litigation.  In addition, in October 2023 the DOL proposed changes to the rules defining when individuals and institutions are ERISA investment advice fiduciaries. These changes, if implemented as proposed, would impact	ERISA Section 404 (29 U.S.C. Section 1104):  <a href="https://www.law.cornell.edu/uscode/text/29/1104">https://www.law.cornell.edu/uscode/text/29/1104</a>  DOL Regulations:  <a href="https://www.law.cornell.edu/cfr/text/29/2550.404a-1">https://www.law.cornell.edu/cfr/text/29/2550.404a-1</a>

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Mar. 7, 2024	ESG	The Enhancement and Standardization of Climate-Related Disclosures for Investors — Rules Under the Securities Act of 1933 and the Exchange Act	U.S. Securities and Exchange Commission	Registration statements and annual reports.	U.S.	Public companies	Require disclosure, among other things: material climate-related risks; activities to mitigate or adapt to such risks; information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. Large filers required to report Scope 1 and 2 greenhouse gas emissions and there is a phased-in compliance period for all filers reporting starting in 2026, with the compliance date dependent on the registrant's filer status and the content of the disclosure.	Final rule issued Mar. 6, 2024.	<a href="https://www.sec.gov/rules/2022/03/enhancement-and-standardization-climate-related-disclosures-investors#33-11042">https://www.sec.gov/rules/2022/03/enhancement-and-standardization-climate-related-disclosures-investors#33-11042</a>
Sept. 18, 2023	Sustainability, Human Rights	Securities Exchange Act of 1934 (Exchange Act) Section 13 (p)-1	U.S. Securities and Exchange Commission	Conflict Minerals Report, Website	U.S.	Reporting companies involved in conflict minerals (as defined by the U.S. Securities and Exchange Commission (SEC)).	Requires some reporting companies having conflict minerals (as defined) that are necessary to the functionality or production of a product manufactured or contracted to be manufactured by that reporting company to make certain disclosures to the SEC, including whether those conflict minerals originated in a Covered Country (as defined) and whether the conflict minerals benefit or finance armed groups in a Covered Country. In addition, the reporting company is required to make its Conflict Minerals	Rule — binding  In April 2014, the U.S. Court of Appeals for the D.C. Circuit unanimously upheld the conflict minerals rule except for a particular requirement that an issuer provide a disclosure using phrases such as "not found to be DRC conflict free." This requirement was subsequently invalidated by the SEC in April 2014. Pending litigation, companies are required to continue to file Form SD with the SEC except for the disclosures invalidated by the U.S. Court of	<a href="https://www.sec.gov/rules/2012/08/conflict-minerals#34-67716">https://www.sec.gov/rules/2012/08/conflict-minerals#34-67716</a>

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Sept. 22, 2023	Climate Risks, Compliance	SEC Press Release — 2021-42	U.S. Securities and Exchange Commission	N/A	U.S.	Entities registered with or otherwise regulated by the SEC	The SEC created a Climate and ESG Task Force in the Division of Enforcement with the objective of increasing investor focus and reliance on climate- and ESG-related disclosure and investment by proactively identifying ESG-related misconduct. The Task Force will focus on identifying material gaps or misstatements in issuers' disclosures of climate risks under existing rules, analyze disclosure and compliance issues relating to investment advisers' and funds' ESG strategies, and evaluate and pursue tips, referrals and whistleblower complaints on ESG-related issues.	SEC — Enforcement Task Force	<a href="https://www.sec.gov/news/press-release/2021-42">https://www.sec.gov/news/press-release/2021-42</a>
Sept. 22, 2023	People, Compensation, Equity	Item 402 Regulation S-K — Pay Ratio Disclosure	U.S. Securities and Exchange Commission	Annual Report, Proxy Statement, Information Statement or Registration Statement	U.S.	Public companies	Requires disclosure by public companies in any annual report, proxy or information statement or registration statement that requires executive compensation-related disclosures of the following: (i) the median of the annual total compensation of all employees of a registrant (excluding the chief executive officer), (ii) the annual total compensation of that registrant's chief executive officer and (iii) the ratio of the median of the annual total compensation of all employees to the annual total compensation of the chief executive officer.	Rule — binding  In February 2017, the SEC issued a statement reconsidering the implementation of the Pay Ratio Rule due to compliance-related difficulties faced by some issuers. After further public comments, the SEC then issued interpretive guidance in September 2017 to assist companies in their compliance efforts.	<a href="https://www.sec.gov/rules/2015/08/pay-ratio-disclosure#33-9877">https://www.sec.gov/rules/2015/08/pay-ratio-disclosure#33-9877</a>
Sept. 22, 2023	Human Capital, Employment	Modernization of Regulation S-K Items 101, 103 and 105	U.S. Securities and Exchange Commission	Registration statements, periodic reports and any other filings	U.S.	Public companies	Modernized the description of business, legal proceedings and risk factor disclosures to require the disclosure of the following: (i) a description of the registrant's human capital resources, including the number of employees under the registrant, and (ii) any human capital measures adopted for management of the registrant's business, such as measures that address the development,	Rule — binding  A petition dated June 7, 2022, was filed before the SEC by the Working Group on Human Capital Accounting Disclosure, calling for the adoption of guiding rules by the SEC on its human capital-related disclosure requirements. The SEC is expected to propose rules on the same.	<a href="https://www.sec.gov/rules/2020/08/modernization-regulation-s-k-items-101-103-and-105#33-10825">https://www.sec.gov/rules/2020/08/modernization-regulation-s-k-items-101-103-and-105#33-10825</a>  <a href="https://www.sec.gov/comments/4-787/4-787.htm">https://www.sec.gov/comments/4-787/4-787.htm</a>

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Sept. 20, 2023	ESG	Rule 35f-1 of the Investment Company Act of 1940 — Investment Company Act Names Rule	U.S. Securities and Exchange Commission	Quarterly reporting	U.S.	Registered investment companies or business development companies under the Investment Company Act of 1940	Requires funds with names suggesting that the fund focuses on investments that have (or whose issuers have) particular characteristics to adopt a policy to invest at least 80% of the value of their assets in those investments. This covers funds with names including terms such as “growth” and “value” and terms indicating that the fund’s investment decisions incorporate one or more ESG factors. This would enhance the existing Names Rule’s protection by requiring more funds to adopt an 80% investment policy.	Rule — binding	<a href="https://www.sec.gov/rules/2022/05/investment-company-names#33-11067">https://www.sec.gov/rules/2022/05/investment-company-names#33-11067</a>
Sept. 18, 2023	Cyber	Final Rule re Amendments to Reg. S-K: Cybersecurity Risk Management and Governance Disclosures	U.S. Securities and Exchange Commission	Annual and periodic reports (10-K, 8-K and similar)	U.S.	Applies to domestic registrants and foreign private issuers that file registration statements, periodic reports, proxy statements and other documents that require disclosure under items 101, 103 and 105.	Annual and periodic reporting requirements regarding cybersecurity risk management, strategy, governance, and incidents.	Final rule issued Sept. 5, 2023. Reporting requirements effective approximately December 2023; smaller reporting companies’ effective date is June 15, 2024.	<a href="https://www.sec.gov/rules/2022/03/cybersecurity-risk-management-strategy-governance-and-incident-disclosure#33-11216">https://www.sec.gov/rules/2022/03/cybersecurity-risk-management-strategy-governance-and-incident-disclosure#33-11216</a>
<b>Proposed Federal Rules</b>									
Sept. 22, 2023	ESG	Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices	U.S. Securities and Exchange Commission	Prospectuses, brochures and other disclosure documents	U.S.	Registered investment companies or business development companies under the Investment Company Act of 1940; registered investment advisers	Funds that consider ESG in the investment processes would be required to disclose the role of ESG in the fund’s strategy. Funds are classified into three types: <ul style="list-style-type: none"> <li>• Integration funds: Combine ESG factors along with non-ESG factors; would be required to disclose the role that ESG factors play in investment decisions.</li> <li>• ESG-focused funds: ESG is a significant or main focus; would be required to provide detailed disclosure of ESG strategy, including a standardized ESG strategy overview table.</li> <li>• Impact funds: ESG-focused funds that seek to achieve a particular objective. Funds would be required to disclose how they measure progress toward achieving that objective. Some ESG-focused funds would be required to</li> </ul>	Proposed rule	<a href="https://www.sec.gov/rules/2022/05/enhanced-disclosures-certain-investment-advisers-and-investment-companies-about#33-11068">https://www.sec.gov/rules/2022/05/enhanced-disclosures-certain-investment-advisers-and-investment-companies-about#33-11068</a>

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Sept. 18, 2023	Climate Action, Financial Risks	Federal Acquisition Regulation (FAR)	U.S. Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA)	Annual climate disclosure	U.S.	Major federal suppliers/contractors	DoD, GSA and NASA are proposing to implement Section 5(b) of the EO 14030 (discussed above) by revising the FAR. The revisions would require major federal suppliers/contractors to publicly disclose GHG emissions and climate-related financial risk and to set science-based reduction targets. A major contractor would be required to complete an annual climate disclosure within its current or previous fiscal year.	Proposed rule	<a href="https://www.federalregister.gov/documents/2022/11/14/2022-24569/federal-acquisition-regulation-disclosure-of-greenhouse-gas-emissions-and-climate-related-financial">https://www.federalregister.gov/documents/2022/11/14/2022-24569/federal-acquisition-regulation-disclosure-of-greenhouse-gas-emissions-and-climate-related-financial</a>
Sept. 22, 2023	Cyber	Proposals for: Cybersecurity risk and related disclosure	U.S. Securities and Exchange Commission	N/A yet	U.S.	Broker-dealers, clearing agencies, major security-based swap participants, the Municipal Securities Rulemaking Board, national securities associations, national securities exchanges, security-based swap data repositories, security-based swap dealers, and transfer agents (collectively, Market Entities)	Reporting requirements for cybersecurity measures, breaches and governance.	Proposed rule	<a href="https://www.sec.gov/rules/2023/03/cybersecurity-risk-management-rule-broker-dealers-clearing-agencies-major-security#34-97142">https://www.sec.gov/rules/2023/03/cybersecurity-risk-management-rule-broker-dealers-clearing-agencies-major-security#34-97142</a>
<b>Proposed Federal Legislation</b>									
Sept. 22, 2023	ESG	Guiding Uniform and Responsible Disclosure Requirements and Information Limits (GUARDRAIL) Act of 2023 (H.R. 4790)	U.S. Securities and Exchange Commission	Reporting every five years	U.S.	Applies to issuers subject to the Exchange Act/public companies.	Amending the Exchange Act, the proposed rule obligates issuers to disclose information if such information is material with respect to a securities voting or investment decision. It also requires that the SEC maintain an online list of each mandate requiring the disclosure of nonmaterial information and explanation regarding why such disclosure is required, but omits private liability for omissions involving nonmaterial information. Additionally, the proposed legislation will establish a	Proposed legislation	<a href="https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944">https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944</a>  <a href="https://www.congress.gov/118/bills/hr4790/BILLS-118hr4790ih.pdf">https://www.congress.gov/118/bills/hr4790/BILLS-118hr4790ih.pdf</a>

							Public Company Advisory Committee to advise the SEC. However, the Public Company Advisory Committee's recommendations and proposals are nonbinding.  Further, the SEC would be required to evaluate the "detrimental impact" and "potential detrimental impact" of the European Union's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) on U.S. companies and other members of the economy and the extent to which each of these directives aligns with international conventions or declarations on human rights and the legal basis regarding the extraterritoriality reach of each directive, by submitting a report to several executive committees.		
Sept. 22, 2023	ESG	Protecting Americans' Retirement Savings from Politics Act (H.R. 4767)	U.S. Securities and Exchange Commission	Annual reporting	U.S.	Applies to issuers subject to the Exchange Act/public companies.	The goal of the proposed legislation is to prioritize corporate growth and welfare over political issues in the shareholder voting and proxy processes by invalidating certain SEC regulations and guidance, curtailing the SEC's ability to define "major policy issue," permitting the exclusion of shareholder proposals if the subject matter is environmental, social or political, and increasing transparency and accountability for proxy advisory firms and institutional investment managers.	Proposed legislation	<a href="https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944">https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944</a>  <a href="https://www.congress.gov/bills/118th/congress/house-bill/4767/text/ih?overview=closed&amp;format=xml">https://www.congress.gov/bills/118th-congress/house-bill/4767/text/ih?overview=closed&amp;format=xml</a>
Sept. 22, 2023	ESG	American Financial Institution Regulator Sovereignty and Transparency Act (H.R. 4823)	Federal Reserve Board and financial regulators	N/A	U.S.	Applies to issuers subject to the Exchange Act/public companies.	The proposed legislation increases transparency and congressional oversight regarding the interactions of federal banking regulators with international organizations. It also requires that certain regulators disclose to Congress when implementing nonbinding recommendations from Executive Orders or the FSOC. Thus, these measures aim to narrow	Proposed legislation	<a href="https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944">https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944</a>  <a href="https://www.congress.gov/bills/118th-congress/house-bill/4823/text/ih?overview=closed&amp;format=txt">https://www.congress.gov/bills/118th-congress/house-bill/4823/text/ih?overview=closed&amp;format=txt</a>



							the control and influence of federal banking regulators.  Additionally, the proposed legislation removes a member of the Federal Reserve Board as the designated vice chairman for supervision and amends the Federal Reserve Act accordingly.		
Sept. 22, 2023	ESG	Businesses Over Activists Act (H.R. 4655)	U.S. Securities and Exchange Commission	N/A	U.S.	Applies to issuers subject to the Exchange Act/public companies.	The proposed legislation limits the SEC's authority by emphasizing that the SEC cannot regulate shareholder proposals through Rule 14a-8 and preventing the SEC from forcing companies to include or discuss shareholder proposals. It increases the influence of state regulations in governing shareholder proposals.	Proposed legislation	<a href="https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944">https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408944</a>
<b>Key State Governance and Data Privacy Rules</b>									
Sept. 22, 2023	Governance	Women on Corporate Boards Study Act (Amendment to Section 408 of New York's Business Corporation Law)	State of New York	Filing with New York Secretary of State	U.S./New York	Applies to domestic corporations and foreign corporations registered to do business in New York.	Requires every domestic corporation and foreign corporation authorized to do business in the state of New York to biennially disclose the number of directors on the board and how many of those directors are women. The Department of State and the Department of Taxation and Finance will then conduct a study on the number of women directors and publish a report on its findings on or before Feb. 1, 2022, and on or before Feb. 1 of every fourth year thereafter.	Law — binding	<a href="https://www.nysenate.gov/legislation/laws/BSC/408">https://www.nysenate.gov/legislation/laws/BSC/408</a>
Sept. 18, 2023	Governance	California Corporations Code Section 301.3	State of California	N/A (pending judicial determination)	U.S./California	Applies to publicly held California corporations or registered foreign corporations with a principal executive office in California.	Requires any publicly held corporation whose principal executive office is located in California to have a minimum number of female directors: If the company has six directors, three must be female; if the company has five directors, two must be female; if the company has four or fewer directors, at least one must be female.	Law — pending judicial determination  In May 2022, the Los Angeles County Superior Court struck down California's board gender diversity law, ruling the diversity requirement violated the equal protection clause of California's constitution. California's secretary of state has directed counsel to file an appeal of this decision.	<a href="https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=301.3.&amp;lawCode=CORP">https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=301.3.&amp;lawCode=CORP</a>
Sept. 18, 2023	Governance	California Corporations Code Section 301.4	State of California	N/A (pending judicial determination)	U.S./California	Applies to publicly held California corporations or registered foreign corporations with a principal executive office in California.	Requires any publicly held corporation whose principal executive office is located in California to have a minimum number of directors from underrepresented communities: If the company has nine	Law — pending judicial determination  In April 2022, the Los Angeles County Superior Court struck down this law, ruling the diversity requirement violated the equal protection clause of	<a href="https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=301.4.&amp;lawCode=CORP">https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=301.4.&amp;lawCode=CORP</a>

							directors or more, three must be from underrepresented communities; if the company has between four and nine directors, two must be from underrepresented communities; if the company has four or fewer directors, at least one must be from an underrepresented community.	California's constitution. California's secretary of state has appealed.	
Sept. 18, 2023	Cyber/Data Privacy	Various data privacy laws passed (so far) in 14 states	State legislatures and attorneys general (and private rights of action in California)	Online privacy policies; external notices to consumers	U.S./California, Colorado, Virginia, Utah, Connecticut, Indiana, Iowa, Montana, Tennessee, Delaware, Oregon, Texas, New Jersey and Florida.	With some nuance and exceptions, these laws generally apply to businesses that have over \$25 million in gross annual revenues and/or collect personal data from over 100,000 residents of the applicable states. Texas' data privacy law applies to any business that has contracts with Texas, regardless of how many Texas residents are involved. Florida's data privacy law applies to entities with over \$1 billion in gross annual revenues.	Certain disclosures made to consumers in online privacy policies; certain procedures for handling personal data and responding to consumer rights requests; certain procedures for ensuring the security and integrity of personal data processed by the business; heightened security requirements and consents for sensitive personal information; contractual requirements with service providers.	Privacy laws in California, Colorado, Utah, Virginia and Connecticut are in effect now. The remaining nine state privacy laws that have passed so far take effect within the next two years.	N/A
<b>Key State Anti-ESG Rules and Initiatives</b>									
Feb. 25, 2024	Anti-ESG	Senate Bill 261	State of Alabama	N/A	U.S./Alabama	Applies to state governmental entities.	Prohibits governmental entities from entering into certain contracts with companies that boycott a certain business because the business engages in certain sectors, does not meet certain environmental or corporate governance standards or does not facilitate certain activities.	Law — enacted May 31, 2023	<a href="https://legiscan.com/AL/bills/SB261/2023">https://legiscan.com/AL/bills/SB261/2023</a>
Feb. 25, 2024	Anti-ESG	Senate Bill 62/Act 611	State of Arkansas	N/A	U.S./Arkansas	Applies to public entities that contract with companies that boycott energy, fossil fuel, firearms and ammunition industries.	Among other provisions, Act 611 prohibits public entities from entering into a contract with a company that engages in boycotting energy, fossil fuels, firearms and ammunition industries.	Law — approved April 11, 2023	<a href="https://www.arkleg.state.ar.us/Bills/Detail?id=SB62&amp;dBienniumSession=2023%2F2023R">https://www.arkleg.state.ar.us/Bills/Detail?id=SB62&amp;dBienniumSession=2023%2F2023R</a>
Sept. 18, 2023	Anti-ESG	House Bill 1307/Act 411	State of Arkansas	Annual reporting	U.S./Arkansas	Applies to financial service providers that boycott fossil fuel and ammunition industries.	Among other provisions, Act 411 will create an ESG Oversight Committee that will create a list of financial services providers that it finds discriminate against fossil fuel energy sources and will provide such list of companies to the governor.	Law — effective Aug. 1, 2023	<a href="https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2023R%2FPublic%2FACT411.pdf">https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2023R%2FPublic%2FACT411.pdf</a>
Sept. 18, 2023	Anti-ESG	House Bill 3	State of Florida	N/A	U.S./Florida	See obligations.	Requires that investment decisions made on behalf of the state of Florida's funds be based solely on pecuniary factors and requires investment managers to annually certify compliance therewith; prohibits the	Law — binding  This bill passed in the Florida State Senate on April 19, 2023.	<a href="https://www.flsenate.gov/Session/Bill/2023/3/BillText/er/PDF">https://www.flsenate.gov/Session/Bill/2023/3/BillText/er/PDF</a>

							state Division of Bond Finance and specified public bond issuers from issuing "ESG bonds" (bonds designated or marketed as promoting an ESG objective) and contracting with any rating agency that uses ESG scores in a way that impacts the issuer's bond ratings; prohibits Florida school districts and state universities from considering or giving preference to vendors based on their social, political or ideological beliefs; and prohibits financial institutions from engaging in "unsafe and unsound business practice" by denying or canceling services based on political beliefs or affiliations, religious beliefs or affiliations, business sector, any factor that is not a quantitative, impartial and risk-based standard, and the use of social credit scores, among other similar provisions.		
Feb. 25, 2024	Anti-ESG	House Bill 190	State of Idaho	N/A.	U.S./Idaho	Applies to state banks and credit unions.	Prevents banks and credit unions classified as public depositories from boycotting companies for the manufacture of firearms or the production of fossil fuels.	Law — effective July 1, 2023.	<a href="https://legiscan.com/ID/text/H0190/2023">https://legiscan.com/ID/text/H0190/2023</a>
Sept. 18, 2023	Anti-ESG	House Bill 1008	State of Indiana	Annual reporting.	U.S./Indiana	Applies to pro-ESG investment managers.	The legislation prohibits the Board of the Indiana Public Retirement System from entering into or continuing contracts with investment managers who are committed to sustainability initiatives, unless the state board cannot find a "comparable" replacement.	Law — effective July 1, 2023.	<a href="https://legiscan.com/IN/bill/HB1008/2023">https://legiscan.com/IN/bill/HB1008/2023</a>
Sept. 18, 2023	Anti-ESG	Kansas Public Investments and Contracts Protection Act and amends the Kansas Public Employees Retirement Fund (House Bill 2100)	State of Kansas	Annual reporting	U.S./Kansas	Applies to public companies.	The legislation mandates that fiduciaries/investment managers of the Kansas Public Employees Retirement System act solely in the financial interest of the participants and beneficiaries of the system (cannot consider ESG criteria when selecting potential investments).	Law — effective July 1, 2023	<a href="http://www.kslegislature.org/li/b2023_24/measures/html/b2100/">http://www.kslegislature.org/li/b2023_24/measures/html/b2100/</a>
Feb. 25, 2024	Anti-ESG	House Bill 236	State of Kentucky	Annual reporting	U.S./Kentucky	Applies to state agencies, investment managers and proxy advisers.	Requires that fiduciaries consider the sole interests of members and beneficiaries of retirement systems and only use pecuniary factors and prohibits the consideration	Law — passed March 24, 2023	<a href="https://legiscan.com/KY/text/HB236/2023">https://legiscan.com/KY/text/HB236/2023</a>

							of non-pecuniary interests, such as ESG factors.		
Feb. 25, 2024	Anti-ESG	House Bill 228	State of Montana	N/A	U.S./Montana	Applies to investment boards.	Requires that investment boards only consider pecuniary factors in investment decisions (i.e., they cannot consider environmental, social, governance, or other similarly oriented considerations or pecuniary factors).	Law — signed April 19, 2023	<a href="https://leg.mt.gov/bills/2023/billhtml/HB0228.htm">https://leg.mt.gov/bills/2023/billhtml/HB0228.htm</a>
Feb. 25, 2024	Anti-ESG	House Bill 750	State of North Carolina	N/A	U.S./North Carolina	Applies to the state treasurer.	Requires state retirement systems to make investment decisions based on the highest financial returns and not on ESG factors.	Law — enacted June 27, 2023	<a href="https://irs.sog.unc.edu/lrs-subscr-view/bills_summaries/537334/H750">https://irs.sog.unc.edu/lrs-subscr-view/bills_summaries/537334/H750</a>
Sept. 18, 2023	Anti-ESG	Senate Bill 833 — Relating to consideration by insurers of certain prohibited criteria for ratemaking	State of Texas	Insurance policies	U.S./Texas	Applies only to insurance policies issued and delivered by an insurer in Texas.	Prohibits insurers from considering ESG criteria in setting rates for almost all forms of insurance. However, there are no penalties under this bill, and it still allows insurance companies to consider factors that are “relevant” to the specific risk being insured, even if those risks include ESG factors.	Law — effective Sept. 1, 2023	<a href="https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&amp;Bill=SB833">https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&amp;Bill=SB833</a>
Feb. 25, 2024	Anti-ESG	Senate Bill 96	State of Utah	Annual reporting	U.S./Utah	Applies to public entities.	Requires a public entity to invest public funds in accordance with the prudent investor rule; addresses a public entity’s proxy voting duties; and requires a public entity to provide the state treasurer with access to proxy voting reports upon request.	Law — signed March 14, 2023	<a href="https://le.utah.gov/~2023/bills/static/SB0096.html">https://le.utah.gov/~2023/bills/static/SB0096.html</a>
Feb. 25, 2024	Anti-ESG	House Bill 449	State of Utah	N/A	U.S./Utah	Applies to companies in Utah that offer a product or service.	The legislation prohibits companies that offer a product or service from coordinating or conspiring with another company to eliminate the viable options for the boycotted company to obtain the product or service.	Law — effective July 1, 2023	<a href="https://le.utah.gov/~2023/bills/static/HB0449.html">https://le.utah.gov/~2023/bills/static/HB0449.html</a>
Sept. 18, 2023	Anti-ESG	Senate Bill 97	State of Utah	Annual reporting	U.S./Utah	Applies to companies that “boycott” industries that are counterproductive to ESG goals.	The legislation prohibits Utah state agencies and departments from contracting with companies that boycott companies that engage in mining or fossil fuel-based energy and do not meet standards for eliminating, reducing, offsetting or disclosing GHG emissions, etc.	Law — effective May 3, 2023	<a href="https://legiscan.com/UT/bill/SB0097/2023">https://legiscan.com/UT/bill/SB0097/2023</a>
Sept. 18, 2023	Anti-ESG	House Bill 2862	State of West Virginia	Annual reporting	U.S./West Virginia	Applies to West Virginia investment boards and asset fund managers.	Among other provisions, such as establishing a new standard of care for shareholder voting, the legislation bans the West Virginia Investment Management Board and the Board of Treasury Investments from voting in	Law — effective June 8, 2023	<a href="http://www.wvlegislature.gov/Bill_Status/bills_text.cfm?billidoc=hb2862%20sub.htm&amp;yr=2023&amp;sessstype=RS&amp;i=2862">http://www.wvlegislature.gov/Bill_Status/bills_text.cfm?billidoc=hb2862%20sub.htm&amp;yr=2023&amp;sessstype=RS&amp;i=2862</a>

							favor of ESG initiatives (but the Investment Management Board and the Board of Treasury are exempt from compliance if doing so would "significantly increase costs" or "limit[t] the quality of investment options").		
<b>Key State Pro-ESG Rules and Initiatives</b>									
Feb. 25, 2024	Pro-ESG	Climate Corporate Data Accountability Act (Senate Bill 253)	State of California	Annual reporting	U.S./California	All U.S.-based corporate/business entities with operations in California and an annual gross revenue of at least \$1 billion.	Legislation requires that all U.S.-based organizations that do business in California publicly disclose their GHG emissions (including scope 3 emissions) in accordance with the GHG Protocol and be enforced by the state's attorney general.  Legislation establishes an online reporting platform with state oversight, and companies would be forced to make disclosures easily comprehensible to residents.	Law — expected to go into effect on or before Jan. 1, 2025	<a href="https://www.persefoni.com/learn/california-sb253-sb261">https://www.persefoni.com/learn/california-sb253-sb261</a>  <a href="https://legiscan.com/CA/text/SB253/2023#:~:text=SB%20253%2C%20as%20introduced%2C%20Wiener,enforce%20compliance%20with%20the%20act.">https://legiscan.com/CA/text/SB253/2023#:~:text=SB%20253%2C%20as%20introduced%2C%20Wiener,enforce%20compliance%20with%20the%20act.</a>
Feb. 25, 2024	Pro-ESG	Climate-Related Financial Risk Act (Senate Bill 261)	State of California	Organizations need to file a climate-related financial risk report that would disclose (i) climate-related financial risk based on recommendations of the Task Force on Climate-Related Financial Disclosures and (ii) the measures adopted to minimize such risk.	U.S./California	Any corporate/business entities that do business in California with an annual gross revenue of at least \$500 million.	Legislation aims to safeguard consumers and investors from losses resulting from climate-related disruptions and assist businesses with the transition to a low-carbon economy.	Law — expected to go into effect on or before Jan. 1, 2026	<a href="https://www.persefoni.com/learn/california-sb253-sb261">https://www.persefoni.com/learn/california-sb253-sb261</a>  <a href="https://legiscan.com/CA/text/SB253/2023#:~:text=SB%20253%2C%20as%20introduced%2C%20Wiener,enforce%20compliance%20with%20the%20act.">https://legiscan.com/CA/text/SB253/2023#:~:text=SB%20253%2C%20as%20introduced%2C%20Wiener,enforce%20compliance%20with%20the%20act.</a>
Feb. 25, 2024	Pro-ESG	The Voluntary Carbon Market Disclosures Business Regulation Act (Assembly Bill 1305)	State of California	Requires annual website disclosure of details relating to voluntary carbon offsets marketed, sold, purchased or used to support carbon reduction or net zero claims made within California.	U.S./California	Any business entity that is marketing or selling voluntary carbon offsets or entity that purchases or uses voluntary carbon offsets that makes claims regarding the achievement of net zero emissions.	Legislation requires an entity that makes these claims to disclose on the entity's website all information documenting how, if at all, a claim was determined to be accurate or actually accomplished, how interim progress toward that goal is being measured and whether there is independent third-party verification of the company data and claims listed.	Law — expected to go into effect Jan. 1, 2025	<a href="https://legiscan.com/CA/text/AB1305/id/2844415">https://legiscan.com/CA/text/AB1305/id/2844415</a>
Feb. 25, 2024	Pro-ESG	Fair Investment Practices by Investment Advisers (Senate Bill 54)	State of California	Requires covered entities to report statistics on the sex, race, sexual orientation and gender identity of the founders of the business entities they fund.	U.S./California	Venture capital companies that meet specified criteria.	Legislation requires that certain venture capital companies report specified information to the California Civil Rights Department about their funding determinations, including, at an aggregate level, specified demographic information for the founding teams of all businesses in which the covered entity had made a venture capital	Law — expected to go into effect March 1, 2025	<a href="https://legiscan.com/CA/text/SB54/id/2844706">https://legiscan.com/CA/text/SB54/id/2844706</a>

							investment in the prior calendar year.		
Sept. 18, 2023	Pro-ESG	Greenhouse Gas Emission Reduction Measures (Senate Bill 23-016)	State of Colorado	Annual reporting	U.S./Colorado	Applies to insurance companies and the Public Employees Retirement Association (PERA).	The legislation mandates that PERA reveal climate change-related financial risks through annual reporting.	Law — enacted May 2023	<a href="https://leg.colorado.gov/sb23-016-bill-summary">https://leg.colorado.gov/sb23-016-bill-summary</a>  <a href="https://leg.colorado.gov/sites/default/files/2023a_016_signed.pdf">https://leg.colorado.gov/sites/default/files/2023a_016_signed.pdf</a>
Sept. 18, 2023	Pro-ESG	Amends the Illinois Sustainable Investing Act (House Bill 2782)	State of Illinois	Annual reporting	U.S./Illinois	Applies to investment managers of public pension funds.	The legislation requires investment managers of public pension funds to disclose how sustainability factors, such as GHG emissions, factor into investment decisions.	Law — effective Jan. 1, 2024	<a href="https://www.ilga.gov/legislation/BillStatus.asp?DocNum=2782&amp;GAID=17&amp;DocTypeID=HB&amp;SessionID=112&amp;GA=103">https://www.ilga.gov/legislation/BillStatus.asp?DocNum=2782&amp;GAID=17&amp;DocTypeID=HB&amp;SessionID=112&amp;GA=103</a>
Sept. 18, 2023	Pro-ESG	Amends the State Universities, Downstate Teachers, and Board of Investment Articles of the Illinois Pension Code (Senate Bill 2152)	State of Illinois	Annual/quarterly reporting	U.S./Illinois	Applies to the state treasurer.	The legislation mandates that the Illinois state treasurer provide comprehensive proxy voting reports on a quarterly basis or as requested. The Board and Investment Board are required to annually publish an online report describing the consideration of sustainability factors.	Law — effective Aug. 4, 2023	<a href="https://www.ilga.gov/legislation/BillStatU.S..asp?GA=103&amp;DocTypeID=SB&amp;DocNum=2152&amp;GAID=17&amp;SessionID=112&amp;LegID=147034">https://www.ilga.gov/legislation/BillStatU.S..asp?GA=103&amp;DocTypeID=SB&amp;DocNum=2152&amp;GAID=17&amp;SessionID=112&amp;LegID=147034</a>
Feb. 25, 2024	Pro-ESG	Minn. Stat. § 48.591	State of Minnesota	Annual reporting	U.S./Minnesota	Applies to banking institutions with more than \$1 billion in assets.	Legislation mandates that institutions with more than \$1 billion in assets submit a completed climate risk disclosure survey to the commissioner.	Law — effective July 1, 2023	<a href="https://trackbill.com/bill/minnesota-house-file-2429-financial-institutions-required-to-annually-submit-climate-risk-disclosure-survey/2287154/">https://trackbill.com/bill/minnesota-house-file-2429-financial-institutions-required-to-annually-submit-climate-risk-disclosure-survey/2287154/</a>
Feb. 25, 2024	Pro-ESG	Senate Bill 7704	State of New York	Biennial reporting after Jan. 1, 2026	U.S./New York	Applies to corporations, partnerships, limited liability companies or other business entities that do business in New York.	Proposed legislation requires covered entities to report climate-related financial risk and defines “climate-related financial risk” as risk of material harm to financial outcomes of the entity due to physical and transition risks.	Proposed legislation	<a href="https://www.nysenate.gov/legislation/bills/2023/S7704#:~:text=2023%2DS7704%20(ACTIVE)%20%2D%20Summary,to%20physical%20and%20transition%20risks.">https://www.nysenate.gov/legislation/bills/2023/S7704#:~:text=2023%2DS7704%20(ACTIVE)%20%2D%20Summary,to%20physical%20and%20transition%20risks.</a>
Feb. 25, 2024	Pro-ESG	Senate Bill 7705	State of New York	Biennial reporting after July 1, 2027	U.S./New York	Applies to corporations, partnerships, limited liability companies or other business entities that do business in New York.	Proposed legislation requires additional reporting of emissions of greenhouse gases.	Proposed legislation	<a href="https://custom.statenet.com/public/resources.cgi?mode=show_text&amp;id=ID:bill:NY2023000S7705&amp;verid=NY2023000S7705_20231016_0_1&amp;">https://custom.statenet.com/public/resources.cgi?mode=show_text&amp;id=ID:bill:NY2023000S7705&amp;verid=NY2023000S7705_20231016_0_1&amp;</a>
Feb. 25, 2024	Pro-ESG	Senate Bill 897	State of New York	Annual reporting	U.S./New York	Applies to business entities with total revenues in excess of \$1 billion in the preceding calendar year, including revenues received by all of the business entity's subsidiaries that do business in New York.	Requires certain corporations to report their emissions (scope one, scope two and scope three emissions).	Proposed legislation	<a href="https://legislation.nysenate.gov/pdf/bills/2023/S897A">https://legislation.nysenate.gov/pdf/bills/2023/S897A</a>
Feb. 25, 2024	Pro-ESG	Senate Bill 5437	State of New York	Annual reporting starting Dec. 31, 2024	U.S./New York	Applies to a corporation, partnership, limited liability company or other business entity incorporated, formed or issued a license to operate in New York and that has gross revenues of at least \$500 million.	Requires certain corporations authorized to operate in New York that are subject to the supervision of the Department of Financial Services that had annual gross revenues of at least five hundred million dollars (\$500,000,000) in the prior calendar year to annually prepare a climate-related financial risk report for	Proposed legislation	<a href="https://www.nysenate.gov/legislation/bills/2023/S5437">https://www.nysenate.gov/legislation/bills/2023/S5437</a>

							submission to the secretary of state and to make such report available to the public.		
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