



ESG Disclosure Bills Introduced to States - 2022

American companies are facing unprecedented pressure to take action on issues like race and gender, inequality, pollution, and human rights. In 2022, state governments introduced a plethora of new legislation aimed to hold corporations accountable. RILA has identified four distinct categories of legislation related to government mandated disclosures in 2022: Corporate Board Diversity, Human Capital Management, Environmental Disclosures, and Supply Chain Transparency.

Corporate board diversity requirements promote an increase in diversity on corporate boards. Legislation that falls under the human capital management category often requires employers to submit internal compensation statistics across a variety of categories, including gender identity, race, ethnicity, and seniority. Bills in this category may also require companies to provide a salary range on all job postings. When Colorado [became](#) the first state to require that job postings include a salary range at the beginning of 2021, some companies simply stopped advertising jobs in the state.

Legislation in the environmental disclosure category would require companies to publicly disclose their greenhouse gas emissions and/or prepare a climate-related financial risk report that is reviewed by a state agency and then made available on the company's own website. Finally, the supply chain disclosure bills that we have reviewed are often written to address specific human rights concerns with the global supply chain such as human trafficking, the use of forced labor in China, or the use of child labor in mining operations in the Congo.

The tables below provide legislative examples of the different types of ESG disclosure bills introduced in 2022. These types of proposals will only become more and more common, especially if progressive states continue to feel like their priorities are not adequately addressed at a federal level. For American companies, this means that there could be a patchwork of cumbersome disclosure requirements laid out in a select number of states. It is important that companies are aware of the various types of disclosure legislation happening now, so that they can be properly prepared for the future.

An overview of introduced, and previously enacted, ESG disclosure bills is shown in the tables below.

Corporate Board Diversity Requirements – Previously Enacted

Bill Number	Status	Summary
California SB 826	Effective since 9/30/2018	Requires a domestic general corporation or foreign corporation that is a publicly held corporation whose principal executive offices, according to the corporation’s SEC 10-K form, are located in California to have a minimum of one female on its board of directors. On or before Dec. 31, 2021, the required minimum number will increase to 2 female directors if the corporation has 5 authorized directors or to 3 female directors if the corporation has 6 or more authorized directors. Requires the Secretary of State to publish various reports on its Internet Web site that documents, among other things, the number of corporations in compliance with these provisions.
Illinois SB 1730	Effective since 01/01/2022	Requires that public corporations must report the self-identified sexual orientation and self-identified gender identity of its directors.
Illinois HB 3394	Effective since 08/27/2019	Requires that, no later than the close of the 2020 calendar year, a publicly held domestic or foreign corporation whose principal executive offices, according to the corporation’s SEC 10-K form, are located in Illinois shall have a minimum of one female director and one African American director on its board of directors. Provides that the Secretary of State shall publish a report on its website documenting the number of corporations that have at least one female director and one African American director.

Maine LD 1200	Effective since 6/30/2021	Requires corporate boards to appoint 1 female member by Dec. 31, 2022.
Maryland HB 1116	Effective since 10/01/2019	Requires a certain entity submitting an annual report to the State Department of Assessments and Taxation to include information relating to the number of female members of the board and the total number of members of the board; this law does not apply to a privately held company if at least 75% of the company's shareholders are family members.
Washington SB 6037	Effective since 6/11/2020	Requires each public company to have a gender-diverse board of directors. A public company is deemed to have a gender-diverse board of directors if, for at least 270 days of the fiscal year preceding the applicable annual meeting of shareholders, individuals who self-identify as women comprise at least 25% of the directors serving on the board of directors. Requires public companies that do not have a gender-diverse board to deliver to shareholders a board diversity discussion and analysis.

Corporate Board Diversity Legislation – Bills Introduced in 2022

Bill Number	Status	Summary
California AB 1840	In committee: Held under submission. 5/19/22	As amended 3/24/22: Redefines “director from an underrepresented community” for the purpose of requiring diversity in business at the executive level to include an individual who self-identifies as Armenian, Assyrian, Greek, Jewish, Muslim, or Sikh, or who is an individual with a disability.
Hawaii SB 193	Failed to pass committee on 3/09/2022	Requires publicly held domestic corporations to include nonmale and nonfemale individuals among the directors of their corporate board. Establishes reporting requirements for the Department of Commerce and Consumer Affairs and penalties.
IL HB 5752	Filed for Introduction on 4/22/22	Amends various acts to add Arab persons to provisions referencing or defining minority groups and ethnicities. Amends The Business Corporation Act of 1983 to add Arab persons to the definition of "minority person" as it relates to corporate reporting requirements on the racial, ethnic, and gender makeup of a corporation's board of directors.
Massachusetts SB 1814	Senate concurred on 6/2/22. MA adjourns on 7/31/22	Assesses a fee on corporations whose boards do not include persons of color.

Massachusetts SB 1223	<p>Bill referred to the committee on Senate Rules on 2/24/22. MA adjourns on 7/31/22</p>	<p>Requires not less than two-fifths of the directors of a corporation to be elected by the employees of the corporation using an election process.</p>
Michigan HB 4597	<p>Referred to Committee on Workforce, Trades, and Talent on 3/25/21.</p> <p>MI adjourns on 12/31/22.</p>	<p>Establishes the number of female board members required on a board of directors.</p>
Minnesota SF 4274	<p>Died in committee when session adjourned on 5/23/22</p>	<p>Requires publicly held corporations to have a minimum number of female directors and directors from underrepresented communities.</p>
New Jersey AB 3789	<p>Introduced, Referred to Assembly Women and Children Committee on 5/2/22.</p> <p>NJ session ends on 12/31/22.</p>	<p>Requires publicly held domestic and foreign corporations based in New Jersey to appoint women to their boards of directors, in order to increase gender diversity in corporate governing roles.</p>

New Jersey AB 1465	Introduced, Referred to committee on 1/11/22.	Requires a publicly held domestic or foreign corporation, based in New Jersey, to have a board of directors that reflects the racial and gender diversity of this State.
New York SB 4831	Died in committee when session adjourned on 6/4/22	Requires publicly traded domestic and authorized foreign corporations whose principal executive office according to the corporation's Form 10-K filed with the Securities and Exchange Commission is located within New York state to have a minimum of one female director on its board no later than December 31, 2022. Sets higher requirements to be implemented no later than December 31, 2025.

Human Capital Management Disclosures— Previously Enacted

Bill Number	Status	Summary
California SB 973	Effective since 9/30/2020	Requires, on or before March 31, 2021, and on or before March 31 each year thereafter, a private employer that has 100 or more employees and who is required to file an annual Employer Information Report under federal law, to submit a pay data report to the DFEH that contains specified wage information.

Illinois HB 1847	Effective since 6/25/2021	Requires employers who are required to submit EEO-1 reports to also submit them to the state. Requires businesses to certify that the business is in compliance with the Equal Pay law and other laws and that the average compensation for its female and minority employees is not consistently below the average compensation for its male and non-minority employees within each of the major job categories in the Employer Information Report EEO-1 for which an employee is expected to perform work.
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Human Capital Management Disclosure Requirements – Bills introduced in 2022

Bill Number	Status	Summary
California AB 2095	Held under submission in the Appropriations Committee – 5/19/22. CA adjourned on 8/31/22	Establishes a Labor and Workforce Development Agency the Department of Industrial Relations program which would require employers with more than 1,000 employees in California to, on or before March 31, 2024, and annually on or before March 31 each year thereafter, submit to the agency worker statistics regarding the number and classification of employees, employee’s wages, schedules, details regarding workplace safety, leave information, equity in pay and managerial positions, and other workplace elements. Requires the agency to, after collection, assign each employer to an appropriate industry or sub-industry. Commencing June 30, 2024, and annually thereafter, the statistics would be published on the agency’s public internet website.

<p>California SB 1162</p>	<p>Enrolled and presented to the Governor at 3:30 p.m. 9/6/2022</p> <p>Enacted</p>	<p>Requires employers with 100 or more employees to submit pay data reports to the Department of Fair Employment and Housing (DFEH) that cover both regular employees and those employees hired through labor contractors.</p> <p>Requires pay data reports to include the median and mean hourly rate for each combination of race, ethnicity, and sex within each job category and removes the provision of law that permits an employer to submit an EEO-1 in lieu of a pay data report. Requires an employer to provide the pay scale for a position to a person applying for employment by including the pay scale, as defined, in the job posting. Requires an employer that engages a third party to announce, post, publish, or otherwise make known a job posting to provide the pay scale to the third party and requires the third party to provide the pay scale to applicants that view the job posting.</p>
<p>California AB 1192</p>	<p>Died on inactive file – 2/1/22</p>	<p>Requires employers with more than 1000 employees in California to submit to the Labor and Workforce Development Agency information on employees' wages, salaries, benefits, and hours. Requires the Agency to collect information annually and publish statistics online by industry classification. Provides for enforcement of employer requirements to submit requested information.</p>

<p>Massachusetts SB 2721</p>	<p>Bill reported favorably by committee and referred to the committee on Senate Ways and Means – 3/3/22</p> <p>MA adjourned on 7/31</p>	<p>Requires that, beginning in 2023 and for each year thereafter, an employer shall submit to the State secretary a wage data report containing the number of employees by race, ethnicity, and gender identity and denoting their positions and earnings during a single pay period of the employer’s choice between October 1 and December 31 of the preceding calendar year. The secretary shall publish on their corporate filing’s website the wage data reports of each employer for the prior calendar year. The secretary may establish a web portal or online form to facilitate the submission of the wage data reports. An employer shall provide the pay scale for a particular employment position with said employee upon advertising or posting a position. An employer shall provide the pay scale for a particular employment position with said employer to an employee holding such position upon request by said employee.</p>
<p>Massachusetts HB 2020</p>	<p>Introduced on 3/3/22.</p> <p>MA adjourned on 7/31</p>	<p>Requires employers to submit pay data reports to the Executive Office of Labor and Workforce Development that contains the total number of male employees; the average total compensation for all male employees; total number of female employees; the average total compensation for all female employees; the number, gender and average earnings of employees identified as: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, White, two or more races, and unknown; for the 10 highest earning employees: the average earnings of those employees, the number of female employees, the average earnings of those female employees, the number of male employees, the average earnings of those male employees, the number, gender and average earnings of employees identified as, if any: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, White, two or more races, and unknown.</p>

Massachusetts SB 1244	Accompanied a study order on 2/14/22	Requires employers to file a report with the Executive Office of Labor and Workforce Development that specifies the race and gender ratios of the employees within each senior position, as reported by such employees. Such positions include but are not limited to, executive vice president, senior vice president, assistant vice president, general manager, regional manager, division manager, manager, project manager, director, assistant director, and chief (c-level) officers.
Massachusetts SD 1971	Referred to the Committee on Labor and Workplace Development – 3/29/2022	Requires employers to submit pay data reports to the Executive Office of Labor and Workforce Development that contains the total number of male employees; the average total compensation for all male employees; total number of female employees; the average total compensation for all female employees; the number, gender and average earnings of employees identified as: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, White, two or more races, and unknown; for the 10 highest earning employees: the average earnings of those employees, the number of female employees, the average earnings of those female employees, the number of male employees, the average earnings of those male employees, the number, gender and average earnings of employees identified as, if any: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, White, two or more races, and unknown.
NY SB 2239	Passed Senate on 6/1/22 Passed Assembly on 3/23/22	Requires state contractors to disclose data on employee wages, including compensation broken down by gender, race, ethnicity, and any other information deemed necessary by the Comptroller.

Vermont HB 615	<p>Had a hearing in the House Committee on General, Housing, and Military Affairs on 2/4/22.</p>	<p>Require employers with 10 or more employees to annually submit to the Department of Labor information regarding compensation paid to their employees that is broken down by gender and race and to require the Department of Labor to publish that information in a searchable format on a publicly accessible website</p>
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Environmental Disclosure Requirements – Bills Introduced in 2022

Bill Number	Status	Summary
California SB 260	<p>Read third time. Refused passage by the CA Assembly on 8/30/22</p> <p>CA adjourned on 8/31/22</p>	<p>Requires U.S.-based corporations, both public and private, that have annual revenue in excess of \$1 billion and that do business in California to publicly disclose their greenhouse gas emissions.</p>
California SB 449	<p>Returned to Secretary of Senate pursuant to Joint Rule 56 – 2/1/22</p>	<p>Requires a covered entity, as defined, to, on or before December 31, 2022, and annually thereafter, to prepare a climate-related financial risk report and to submit to the Secretary of State, and make available to the public on its own internet website, a copy of that report. The bill would also require a covered entity to submit to the Secretary of State a statement affirming, not under penalty of perjury, that the climate-related financial risk report discloses climate-related financial risk, as required by the bill. “Covered entity” means a corporation, partnership, limited</p>

		liability company, or other business entity incorporated, formed, or issued a license to operate or certificate of authority under the laws of the state that had annual gross revenues of at least five hundred million dollars (\$500,000,000) in the prior calendar year.
New York SB 7428 (also introduced in Washington)	Referred to Consumer Affairs and Protection on 1/5/22.	Requires fashion retail sellers and manufacturers with worldwide gross receipts greater than \$100 million to disclose their environmental and social due diligence policies, processes and outcomes, including adverse environmental and social impacts and disclose targets for prevention and improvement. Requires fashion retailers doing business in NY to provide quantitative baseline and reduction targets on energy and greenhouse gas emissions, water, chemical management.

Supply Chain Transparency Disclosure Requirements – Enacted Law

Bill Number	Status	Summary
CA SB 657	Effective since 01/01/2012	California Transparency in Supply Chains Act (2010): Additional Information found here .

Supply Chain Transparency Disclosure Requirements – Bills Introduced in 2022

Bill Number	Status	Summary
Arizona HB 2657	Passed in the House on 2/24/22, favorably voted out of the Senate Commerce Committee on 3/23/22. AZ adjourned on 6/30/22	Requires that a business entity or the business entity's third-party vendor may not sell goods in the state or to its citizens if the goods were manufactured using forced labor or slave labor.
Arizona HB 2488	Signed by the Governor on 6/7/22	Requires that a public entity may not enter into a contract with a company to acquire or dispose of services, supplies, information technology, goods or construction unless the contract includes a written certification that the company does not currently, and

		<p>agrees for the duration of the contract that it will not, use the forced labor of ethnic Uyghurs in the People's Republic of China; any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.</p>
<p>California AB 782</p>	<p>Died on 1/31/22.</p>	<p>Congo Child Labor Act of 2021. This bill would enact the Congo Child Labor Act of 2021, and would require a retail seller or manufacturer doing business in this state with gross receipts of \$10 million or more per year shall not sell or make a product containing 300 or more grams of cobalt unless it has certified, under penalty of perjury, that the cobalt was not mined or refined using child labor by filing a Congo Child Labor Disclosure with the Franchise Tax Board. The bill would require the disclosure to include, among other things, the extent to which the retailer or manufacturer contracts with an independent third party to audit or verify that their supply chains are free of child labor.</p>

Illinois HB 4061	Referred to Rules Committee on 4/6/22	Requires that every retail seller and manufacturer doing business in the State and having annual worldwide gross receipts that exceed \$100,000,000 to disclose its efforts to eradicate slavery, human trafficking, and child labor from its direct supply chain for tangible goods offered for sale. Provides requirements and process for disclosures. Provides that the Department of Revenue shall make available to the Attorney General a list of retail sellers and manufacturers required to disclose efforts to eradicate slavery, human trafficking, and child labor pursuant to the Act.
Massachusetts SB 1031	Accompanied a study order – 2/7/22	Establishes standards to eradicate human trafficking in supply chains.
Massachusetts SD 2246	Accompanied a study order – 2/7/22	Enacts laws to eradicate human trafficking and increase transparency in the retail supply chain.
New York SB 8596	Committed to Rules on 6/3/22 NY adjourned on 6/4/22	Establishes the Supply Chain Transparency Assistance Program to encourage the shifting of the state's economy toward more ethical and sustainable supply chains.

New York SB 748	Died in assembly on 1/5/22	Establishes the "New York State Transparency in Supply Chains Act" which requires businesses to fully disclose efforts being taken to eliminate human trafficking within the supply chain process and provide those disclosures to consumers.
South Carolina HB 4894	Introduced and read for first time 2/1/22	Requires any good sold in the state that was produced in the People's Republic of China to have a label indicating whether or not the good was produced through forced labor.
Wisconsin SB 870	Failed to pass pursuant to Senate Joint Resolution 1 – 3/15/22	Prohibits the sale of goods from the Xinjiang region of China, unless the US Customs and Border Protection bureau or the Wisconsin Economic Development Corporation determines the good was not mined, produced, or manufactured with forced labor, or federal law allows the sale of the good.
TX HB 820	Left Pending in Committee 3/23/22	Requires certain business entities to audit the business's supply chain and on-site services for the use of forced labor; providing an administrative penalty.

PA SB 284	Referred to Environmental Resources and Energy Committee 4/14/22	Requires creation of a solar forced labor prevention list and an application for a solar panel manufacturer to be placed on the list. Manufacturers must attest that they do not use polysilicon sourced from the Xinjiang Province of China or with the use of forced labor from other regions, whether for products shipped to the US or to any other country where the manufacturer does business. All Commonwealth and local entities, or solar projects receiving financial incentives from the Commonwealth, must select a manufacturer from the solar forced labor prevention list.
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Disclaimer: Information in the table above is meant to be a reference tool and is not an exhaustive list of all legislative activity in the U.S. The information provides a summary and does not convey all aspects of legislated requirements. For example, the summaries below do not necessarily include definition of terms, information on outreach and education requirements, penalties and enforcement, reporting, or instructions on how to comply. Links to legislation are accurate as of the date of this publication. Retailers should reference official agency resources and/or the appropriate legislative documents for comprehensive guidance. Inclusion of introduced legislation is not a predictor or an indicator of RILA’s belief that it will pass.

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