

# 2023 in Federal Policy: “Anti-ESG” Flurry Was All Talk and No Walk

The policy team at USSIF closely monitors activities at the federal government level that have an impact on our members and the field of sustainable investment. This includes tracking legislation in Congress and monitoring rules and regulations at federal agencies such as the Securities and Exchange Commission (SEC) and the Department of Labor (DOL). The discourse around sustainable investing rapidly expanded in 2023 in both chambers of Congress and at the SEC. The following brief details what we saw in 2023 on Capitol Hill and in the federal agencies, both in terms of policies that support our field and those that make it harder for investors to use ESG data in their investment decisions. To learn more about state-level activities, check out [US SIF's guide to anti-investor activities in the states](#).

## 2023 Takeaways

- At the beginning of 2023, US SIF worked closely with Rep. Sean Casten (D, IL-06) and Rep. Juan Vargas (D, CA-52) to **launch the first-ever Congressional Sustainable Investment Caucus**, which has been educating members of Congress about our industry since the launch.
- In March, **President Biden blocked a Congressional resolution that would have negated the DOL rule** that states that private-sector pension plan fiduciaries may use data that measures a company's long-term risks and opportunities in the plans they manage.
- Throughout 2023, **seven bills that make it harder for investors to use a variety of corporate data in their investment decisions** and disrupt the shareholder proposal process passed out of two committees in the U.S. House of Representatives (Appendix 1).

## Congress

Congress, especially the House of Representatives, has focused more extensively on sustainable investment topics this year than ever before. At the beginning of the year, US SIF worked closely with Rep. Sean Casten (D, IL-06) and Rep. Juan Vargas (D, CA-52) to launch the first-ever Congressional Sustainable Investment Caucus. There were also hearings and legislative mark-ups in four different House committees throughout the year, the majority of which took place in the House Financial Services Committee chaired by Rep. Patrick McHenry (R, NC-10). Across the various committees, 46 “anti-ESG” bills were introduced, and 7 bills passed out of committee.

In June 2023, 51 US SIF members [traveled to D.C.](#) from 16 states to meet with their members of Congress. Throughout the day, US SIF members attended 40 meetings with Congressional staff. They asked members of Congress to join the Sustainable Investment Caucus, support the disclosure agenda at the SEC and oppose any attempts to use the appropriations process to block the SEC from issuing disclosure rules.

## The Congressional Sustainable Investment Caucus

US SIF was a large influence and driver behind the launch of the Congressional Sustainable Investment Caucus on January 26<sup>th</sup>, 2023. The caucus was founded by Representatives Juan Vargas and Sean Casten who viewed the [launch of the caucus](#) as “a statement on how important the field has become and its increasing relevance to public policy.” Since its launch, US SIF has helped prepare sustainable investing proponents for committee hearings and assisted the caucus in holding briefings to educate congressional staff on topics critical to sustainable investing, such as shareholder engagement and the importance of climate disclosures.



Pictured [left to right]: Rep. Brad Sherman (D, CA), Rep. Seth Magaziner (D, RI), Rep. Sean Casten (D, IL), \*Rep. Maxine Waters (D, CA), \*Bryan McGannon (Managing Director, US SIF)

Representatives not pictured but members of Sustainable Investment Caucus: Juan Vargas (D, CA), Emmanuel Cleaver (D, MO), Raul Grijalva (D, CA), Bill Foster (D, IL), Bill Keating (D, MA), Earl Blumenauer (D, OR), Stephen Lynch (D, MA), Adam Schiff (D, CA), Wiley Nickel (D, NC), Brittany Pettersen (D, CO), Jared Huffman (D, CA), Mike Quigley (D, IL), Gregory Meeks (D, NY), Bonnie Watson Coleman (D, NJ), Jamie Raskin (D, MD), Mike Levin (D, CA)

*\*Supporters of sustainable investing but not part of the caucus*

## Hearings

Opponents of sustainable investing took their message to multiple committees in the U.S. House this year including [Oversight and Accountability](#), [Ways and Means](#), [Education and the Workforce](#), and [Financial Services](#) (Appendix 4). Democratic staff on these committees prepared their members, with the help of the Congressional Sustainable Investment Caucus, to speak about the importance of giving investors the freedom to use whatever information they think is necessary to make sound financial decisions.

In the House Financial Services Committee, Republican members set up the “ESG Working Group,” which released a [report](#) in June. This report was the basis for a series of hearings in July, which the majority on the Committee deemed “ESG Month.” The committee held 6 hearings throughout the month and a meeting to consider “anti-ESG” bills. While proponents of sustainable investing were worried that “ESG Month” could be challenging, it turned into political theater consisting largely of re-treads of old arguments and low levels of energy from the majority. If anything, the hearings were a platform for sustainable investment and pro-ESG advocates to make a clear case as to why these criteria matter.

See the next section for more details on the bills that were passed out of committee following these hearings.

US SIF submitted letters for the record to the House Financial Services Committee in support of the [SEC's efforts](#) to deepen disclosures and decrease misleading fund names under Chair Gary Gensler and [in support of](#) the role of proxy advisors in the shareholder engagement process. We also submitted a letter to the House Education and the Workforce Committee [opposing](#) a set of “anti-ESG” bills in that committee. US SIF worked with our investor organization allies and members to write and send in a sign-on letter supporting ESG and [sustainable investing generally](#) during “ESG Month.”

## Legislation

The total number of “anti-ESG” bills introduced grew significantly this year. US SIF tracked only 30 bills in the House and Senate across the entirety of the 117<sup>th</sup> Congress, three in 2021 and 27 in 2022. In 2023 alone there have been 46 different “anti-ESG” bills introduced in Congress (Appendix 2). These bills cover a broad array of topics including stopping corporate climate disclosure requirements,

removing the consideration of ESG criteria from public pension plans, hampering the independent analysis of proxy advisors, and impeding the shareholder rights process.

During “ESG Month” in the House Financial Services Committee a total of 16 bills were introduced. At the end of the month, those bills were combined into 3 bills that impede the shareholder proposal process, aim to make it harder for investors to use the unbiased research of proxy advisory firms, and defer to issuers as to what is “material” information.

These 3 final bills passed out of the committee on party lines. They are waiting to be scheduled for a vote of the full House of Representatives.

In September, the House Education and the Workforce Committee held a meeting to consider 4 bills aimed at eliminating the use of ESG in public pension plans. There were no hearings on such topics, only the meeting to consider the bills. The 4 bills passed out of committee on party lines. They are waiting to be scheduled for a vote of the full House of Representatives.

There were 7 distinct bills introduced in the House and/or Senate in 2023 that aimed to support parts of sustainable investing. None of these bills have made it out of committee.

For details on all the bills discussed in this section see Appendices 1-3.

## Spotlight on Appropriations

This year, the House considered several appropriations bills for the 2024 fiscal year that contained provisions aimed at blocking investors from using ESG data in their investment decisions or obstructing the SEC's rulemaking agenda. US SIF most closely watched the FY 2024 Financial Services and General Government (FSGG) bill because it contains provisions that prohibit the SEC from being able to require publicly traded corporations to disclose their climate-related risks and their secret political contributions.

The bill was pulled from the House floor before it was voted on. Shortly after, the House and Senate passed a bill that extends current government funding into the new year, kicking the can down the road for discussions around the future of the FSGG bill. The Senate version of FSGG contains the language blocking corporations from disclosing their secret political spending, but not the provision stopping the SEC from finalizing the corporate climate risk disclosure rule. The House and Senate will eventually have to work together to reconcile these differences before government funding runs out in 2024.

## Federal Agencies

### Securities and Exchange Commission (SEC)

While investors continue to wait for the final version of the SEC's corporate climate risk disclosure rule, the agency did finalize 2 other rules that impact investors.

In September, the SEC issued the final "[Investment Company Names](#)" rule, which went into effect on December 11<sup>th</sup>, 2023. This rule [amends](#) the Investment Company Act of 1940 to expand and improve the universe of funds that must comply with the existing requirement to invest at least 80% of a fund's assets in accordance with the focus indicated in the fund's name. Under the new rule, funds with a name that suggests that it incorporates ESG factors must meet the 80% requirement. US SIF submitted a [comment](#) when the rule was proposed in tandem with a rule about investment company ESG disclosures. The latter has not yet been finalized by the Commission.

The agency also finalized a rule requiring companies to disclose their cybersecurity risk. The final rule, "[Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure](#)"

requires companies to report material cybersecurity incidents, the company’s process for managing these risks, and the board and management’s involvement in managing cybersecurity risks.

### The Department of Labor (DOL)

During 2023, the back and forth continued around the role of ESG data in private-sector pension plans, which are regulated by the DOL. At the end of 2022, the DOL finalized a rule that determined that fiduciaries may integrate ESG data into their plan investment decisions. The beginning of 2023 kicked off with a Congressional Review Act (CRA) resolution to overturn that rule. US SIF worked with our investor organization allies and members to write and submit an investor sign-on letter supporting the [DOL’s final rule](#).

The CRA passed through both houses of Congress with the help of Senator Jon Tester (D,MT), Senator Joe Manchin (D,WV), and Representative Jared Golden (D,ME-02) who voted with the majority of Republicans to support the resolution. In March, President Biden used his first veto to block the resolution and protect the DOL’s final rule. As of March, the rule stands and private- sector pension plan fiduciaries may consider ESG factors in the

plans they manage.

The DOL final rule is currently facing a lawsuit from [26 states](#) arguing the rule would limit investments in oil and gas companies hurting those companies, the states they operate in and their employees. The suit also argues that the rule will lower returns for plan participants. In October, a Texas judge [dismissed the case](#) but the decision is expected to be appealed.

### Timeline of DOL’s ESG Rule:



## Looking Ahead

The US SIF policy team anticipates that 2024 will be another important year for sustainable investing policy at the federal level. We will monitor the bills that passed out of committee in the House of Representatives in 2023 in case they get scheduled for a vote in 2024. The SEC is expected to finalize the corporate climate risk disclosure rule next year and has [tentatively indicated](#) that it will finalize the fund disclosure rule by the Spring. The SEC has also issued a [list of proposed rules](#) that it may issue in 2024 which includes human capital management disclosure and board diversity disclosure.

## About US SIF

[US SIF: Sustainable Investment Forum](#) is the leading voice advancing sustainable investing across all asset classes. Its mission is to rapidly shift investment practices toward sustainability-aligned goals with the aim of achieving long-term investment goals and preserving our planet and society. US SIF members include investment management and advisory firms, mutual fund companies, asset owners, data and research firms, financial planners and advisors, broker-dealers, banks, credit unions, community development financial institutions and non-profit associations. [JOIN US!](#)

*US SIF is supported in its work by the US SIF Foundation, a 501(C)(3) organization that undertakes educational and research activities to advance the mission of US SIF, including offering trainings for advisors and other financial professionals on the [Fundamentals of Sustainable and Impact Investment](#).*

## Appendix 1: Bills Passed Out of Committee That Oppose Sustainable Investing

Bill Name	Sponsor	Committee	Summary	Link	Date Introduced
Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Labor relating to "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights".	Sen. Braun (R, IN)	Senate Health, Education, Labor, and Pensions	Revokes the Department of Labor's rule "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights."	<a href="#">S.J. Res. 8</a>	February 7, 2023 (Later passed the Senate)
	Rep. Barr (R, KY-06)	House Education and the Workforce		<a href="#">H.J. Res. 30</a>	February 7, 2023 (Later passed the House)
Business Over Activists Act	Rep. Norman (R, SC-05)	House Financial Services	Stops the SEC from requiring any issuer to include any shareholder proposal or discussion related to a shareholder proposal on its proxy statement.	<a href="#">H.R. 4655</a>	July 14, 2023
Protecting Americans' Retirement Savings from Politics Act	Rep. Steil (R, WI-01)	House Financial Services	<b>Package of the Following Bills</b>	<a href="#">H.R. 4767</a>	July 20, 2023
Performance over Politics Act	Rep. Fitzgerald (R, WI-05)	House Financial Services	Requires the SEC to revise its shareholder resubmission requirements to allow issuers to exclude "substantially similar" shareholder proposals and brings the voting percentages back to the Trump-era levels.	<a href="#">H.R. 4641</a>	July 14, 2023



<p>No Expensive, Stifling Governance Act of 2023 (No ESG Act of 2023)</p>	<p>Rep. Houchin (R, IN-09)</p>	<p>House Financial Services</p>	<p>Requires the SEC to revise its shareholder resubmission requirements to allow issuers to exclude “substantially implemented, substantially duplicative or substantially the same subject matter to previous proposals.” Nullifies the SEC’s power to finalize its rule “Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals under Exchange Act Rule 14a-8” which would make it harder for issuers to exclude shareholder proposals.</p>	<p><a href="#">H.R. 4644</a></p>	<p>July 14, 2023</p>
<p>To authorize the exclusion of shareholder proposals from proxy or consent solicitation material if the subject matter of the shareholder proposal is environmental, social, or political</p>	<p>Rep. Donalds (R, FL-19)</p>	<p>House Financial Services</p>	<p>Allows issuers to exclude any shareholder proposal if the subject matter is environmental, social or political in nature.</p>	<p><a href="#">H.R. 4640</a></p>	<p>July 14, 2023</p>
<p>To clarify that an issuer may exclude a shareholder proposal pursuant to section 240.14a-8(i) of title 17, Code of Federal Regulations, without regard to whether such proposal relates to a significant social policy issue</p>	<p>Rep. Rose (R, TN-06)</p>	<p>House Financial Services</p>	<p>Allows an issuer to exclude a shareholder proposal even if such proposal relates to a “significant social policy issue.”</p>	<p><a href="#">H.R. 4657</a></p>	<p>July 14, 2023</p>

Corporate Governance Examination Act	Rep. Wagner (R, MO-02)	House Financial Services	Requires the SEC to study and release a report every 5 years on various aspects of the proxy process including the cost to issuers of politically, environmentally or socially motivated shareholder proposals, a cost-benefit analysis of the current resubmission thresholds and whether the proxy process discourages companies from going public. The report must also look at various impacts of proxy advisory firms.	<a href="#">H.R. 4662</a>	July 14, 2023
To amend the Securities Exchange Act of 1934 to provide for the registration of proxy advisory firms, and for other purposes	Rep. Steil (R, WI-01)	House Financial Services	Requires proxy advisory firms to register with the SEC and adds disclosure requirements for proxy advisors including any conflicts of interest, the factors that influence their recommendations and economic analyses used to make each recommendation.	<a href="#">H.R. 4589</a>	July 14, 2023
To amend the Securities Exchange Act of 1934 to provide for liability for certain failures to disclose material information in connection with proxy voting advice, and for other purposes	Rep. Steil (R, WI-01)	House Financial Services	Makes proxy advisors liable for failing to disclose material information or making misstatements on material information, such as a “proxy voting advice business’s methodology, sources of information, or conflicts of interest.”	<a href="#">H.R. 4590</a>	July 14, 2023
To amend the Securities Exchange Act of 1934 to provide for duties of certain investment advisors, asset managers, and pension funds with respect to voting on shareholder proposals, and for other purposes	Rep. Loudermilk (R, GA-11)	House Financial Services	Requires institutional investment managers that use proxy advisors to report information on how closely their votes align with proxy advisor recommendations and how they reconcile with fiduciary duty. The largest asset managers must also notify their customers that shareholders are not required to vote on every proposal and are required to perform an economic analysis on every non-board seat proxy item before voting.	<a href="#">H.R. 4648</a>	July 14, 2023

Protecting American's Savings Act	Rep. Nunn (R, IA-03)	House Financial Services	Requires the SEC to finalize rules prohibiting the use of robovoting in the proxy voting process.	<a href="#">H.R. 4656</a>	July 14, 2023
Empowering Shareholders Act of 2023	Rep. Huizenga (R, MI-04)	House Financial Services	Requires investment advisors to vote any proxy solicitation in connection with a passively managed fund either in accordance with the instructions of the beneficial owner of the securities, in accordance with the issuer's recommendations or abstain.	<a href="#">H.R. 4645</a>	July 14, 2023
Protecting Retail Investors' Savings Act	Rep. Barr (R, KY-06)	House Financial Services	Requires brokers, dealers and investment advisors to receive informed consent from clients before considering "non-pecuniary factors." Also requires the SEC to conduct two studies, one on the extent to which issuers of municipal securities make disclosures regarding climate change and other environmental matters and the other on the effectiveness of the rule that prevent payments to elected officials or candidates' connection with the offer or sale of municipal securities.	<a href="#">H.R. 4600</a>	July 13, 2023
Guiding Uniform and Responsible Disclosure Requirements and Information Limits Act of 2023	Rep. Huizenga (R, MI-04)	House Financial Services	<b>Package of the Following Bills</b>	<a href="#">H.R. 4790</a>	July 20, 2023
Mandatory Materiality Requirement Act of 2023	Rep. Huizenga (R, MI-04)	House Financial Services	Requires that whenever the SEC is creating rulemaking around disclosures from issuers, the issuer is only required to disclose information "to the extent the issuer has determined" that such information is material with respect to voting or investment decisions regarding the securities of such issuer.	<a href="#">H.R. 4168</a>	July 14, 2023

<p>To amend the Securities Exchange Act of 1934 to require the Securities and Exchange Commission to disclose and report on non-material disclosure mandates, and for other purposes</p>	<p>Rep. Mooney (R, WV-02)</p>	<p>House Financial Services</p>	<p>Requires the SEC to create a website that lists each mandate under the Federal securities law and/or regulations that requires the disclosure of non-material information and the reasoning behind each mandate.</p>	<p><a href="#">H.R. 4628</a></p>	<p>July 14, 2023</p>
<p>Public Company Advisory Committee Act of 2023</p>	<p>Rep. Lucas (R, OK-03)</p>	<p>House Financial Services</p>	<p>Creates a public company advisory committee, similar to the investor advisory committee, which will advise the committee on rules and policies impacting investors and capital formation.</p>	<p><a href="#">H.R. 4652</a></p>	<p>July 14, 2023</p>
<p>Protecting U.S. Business Sovereignty Act</p>	<p>Rep. Meuser (R, PA-09)</p>	<p>House Financial Services</p>	<p>Requires the SEC to complete a study on the “detrimental impacts and potential detrimental impact” of the Corporate Sustainability Due Diligence and Corporate Sustainability Reporting Directives.</p>	<p><a href="#">H.R. 4653</a></p>	<p>July 14, 2023</p>
<p>Roll back ESG to Increase Retirement Earnings Act (RETIRE Act)</p>	<p>Rep. Allen (R, GA-12)</p>	<p>House Education and the Workforce</p>	<p>Requires that pension plan fiduciaries only consider pecuniary factors when making investment decisions and may not sacrifice returns or add additional risk to promote “non-pecuniary” goals. “Non-pecuniary” factors can be considered in a tie-breaker situation or if plan beneficiaries chose to consider them.</p>	<p><a href="#">H.R. 5399</a></p>	<p>September 14, 2023</p>
<p>Retirement Proxy Protection Act</p>	<p>Rep. Houchin (R, IN-09)</p>	<p>House Education and the Workforce</p>	<p>Reaffirms that the fiduciary duty of a pension plan manager includes the right to vote proxies unless those votes are passed through. In deciding how, and whether to vote a fiduciary must only consider the economic interest of the plan participants/beneficiaries and ensure the vote benefits their financial interests.</p>	<p><a href="#">H.R. 5337</a></p>	<p>September 14, 2023</p>

---

No Discrimination in My Benefits Act	Rep. Good (R, VA-05)	House Education and the Workforce	States that when selecting or retaining a plan fiduciary, counsel, employee or service provider, a plan cannot consider the race, color, religion, sex or national origin of that person. That information is outside the prudence and loyalty required of a pension plan fiduciary duty.	<a href="#"><u>H.R. 5338</u></a>	September 14, 2023
<hr/>					
Providing Complete Information to Retirement Investors Act	Rep. Banks (R, IN-03)	House Education and the Workforce	Requires plan fiduciaries to notify the plan participants/beneficiaries each time they direct an investment in or out of an investment vehicle that is “not a designated investment alternative” (which would include those that consider ESG factors). This notification includes telling participants that they are opening themselves up to lower returns, higher fees and higher risk.	<a href="#"><u>H.R. 5340</u></a>	September 14, 2023

## Appendix 2: Bills Introduced (and Remain in Committee) That Oppose Sustainable Investing

Bill Name	Sponsor	Committee	Summary	Link	Date Introduced
Firearm Industry Non-Discrimination Act (FIND Act)	Rep. Bergman (R, MI-01)	House Oversight and Accountability	Prohibits the US federal government from entering into a contract with any contractors if they or their first-tier subcontractors have a policy or practice that discriminates against the firearm industry. There is an exemption if the procurement of a good or service can only be completed from a single contractor.	<a href="#">H.R. 53</a>	January 9, 2023
	Sen. Daines (R, MT)	Senate Homeland Security and Governmental Affairs		<a href="#">S. 428</a>	February 15, 2023
Supporting the current definition of materiality in the securities laws and opposing new disclosure requirements outside the core mission of the Securities and Exchange Commission	Rep. Joyce (R, OH-14)	House Financial Services	Resolution reaffirming that the current definition of materiality is the likelihood that reasonable shareholder would find it important in deciding how to vote and opposes the SEC creating new disclosure requirements outside of the current bounds of materiality.	<a href="#">H. Res. 32</a>	January 12, 2023
Stop Environmental Calculations Act of 2023 (SEC Act of 2023)	Rep. Brice (R, OK-05)	House Financial Services	Prohibits the SEC from requiring issuers to make climate-related disclosures that are not material to investors.	<a href="#">H.R. 317</a>	January 12, 2023

The Putting Investors First Act	Rep. Steil (R, WI-01)	House Financial Services	Requires proxy advisors to register with the SEC and disclose their procedures and methodologies used to develop recommendations, all potential conflicts of interests, and the professional and academic qualifications of their staff. Proxy advisors also must provide time for public comment on their recommendations and are liable for supporting an illegal proposal if it is not also supported by the company. Covered entities must disclose the percentage of their votes cast on ESG proposals that follow proxy advisory firms' recommendations and if they hold more than \$100 billion, must pass through voting to all customers. Lastly, makes it simpler for shareholder resolution resubmissions to be excluded by companies and bans the use of robovoting.	<a href="#">H.R. 448</a>	January 24, 2023
Focus on the Mission Act of 2023	Sen. Hoeven (R, ND)	Senate Armed Services	Prohibits the Department of Defense from requiring that defense contractors disclose information on their greenhouse gas emissions.	<a href="#">S.27</a>	January 24, 2023
The Mid Your Own Business Act	Sen. Rubio (R, FL)	Senate Banking, Housing, and Urban Affairs	Opens up large public companies and their directors to the risk of being sued by shareholders for the consideration of a broad range of ESG and "woke" policies instead of basing their investment decisions or engagement strategies solely on "pecuniary interests."	<a href="#">S. 189</a>	January 31, 2023
Protect Farmers from the SEC Act	Sen. Boozman (R, AR)	Senate Banking, Housing, and Urban Affairs	Prohibits the SEC from requiring agricultural producers from being required to report their greenhouse gas emissions.	<a href="#">S. 391</a>	February 13, 2023
Food and Energy Security Act	Sen. Thune (R, SD)	Senate Banking, Housing, and Urban Affairs	Requires that all proposed and final rules from federal agencies must include a detailed economic analysis on their impacts on food, electricity and fuel prices and cannot be implemented if they will lead to an increase in the CPI of 4.5% or more in any year.	<a href="#">S. 415</a>	February 14, 2023

Advisory Committees Free of ESG Act of 2023	Rep. Jackson (R, TX-13)	House Oversight and Accountability	States that no advisory committees can be established in the federal government based on “ESG aspects” including DEI. If there are currently any such advisory committees, they must be ended under the threat of suit.	<a href="#">H.R. 1506</a>	March 9, 2023
Protecting Equal Opportunity from ESG Act	Sen. Cotton (R, AR)	Senate Homeland Security and Governmental Affairs	Prohibits federal agencies from awarding contracts to contractors that have any system of racial hirings, quotas, benchmarks or goals currently or have had such a system in the past 5 years.	<a href="#">S. 973</a>	March 23, 2023
Grid Reliability and Resiliency Improvements Act	Rep. Baldwin (R, OH-12)	House Energy and Commerce	Requires the Electric Reliability Organization to submit a report to Congress every two years which, among other things, details how electric utility-level ESG policies and commitments impact the grid’s reliability and whether such commitments are contributing to the retirement of electric generation facilities.	<a href="#">H.R. 2875</a>	April 26, 2023
Scope 3 Act	Rep. Jackson (R, TX-13)	House Financial Services	Prohibits any securities law requiring the issuer of a security to disclose their Scope 3 greenhouse gas emissions.	<a href="#">H.R. 3057</a>	May 2, 2023
Mission not Emissions Act	Rep. Arrington (R, TX-19)	House Oversight and Accountability	Prohibits the federal government from requiring contractors to provide a greenhouse gas inventory or report on any greenhouse gas emissions to the government or for validation by any non-governmental organization.	<a href="#">H.R. 3358</a>	May 16, 2023
The Stop TSP ESG Act	Rep. Buck (R, CO-04)	House Oversight and Accountability	Removes the power of “qualified professional asset managers” to exercise voting rights of securities owned through the federal Thrift Savings Plan.	<a href="#">H.R. 3406</a>	May 17, 2023
	Sen. Cruz (R, TX)	Senate Homeland Security and Governmental Affairs		<a href="#">S. 1891</a>	June 8, 2023



No ESG at TSP Act	Rep. Roy (R, TX-21)	House Oversight and Accountability	Stops the Board of the TSP from offering mutual funds, ETFs or other investment vehicles that make the investment decision based on ESG criteria, to the extent that those criteria are unrelated to maximizing monetary returns for investors.	<a href="#"><u>H.R. 3612</u></a>	May 23, 2023
	Sen. Lee (R, UT)	Senate Homeland Security and Governmental Affairs		<a href="#"><u>S. 2147</u></a>	June 22, 2023
Protecting Americans' Retirement Savings Act (PARSA)	Rep. Banks (R, IN-03)	House Education and the Workforce	Stops retirement plans and their fiduciaries from investing money in a way that is connected with a sanctioned entity or foreign adversary entity. It also requires fiduciaries to disclose whether any of their assets under management are invested in the interest of a foreign adversary.	<a href="#"><u>H.R. 4008</u></a>	June 12, 2023
Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure"	Rep. Garbarino (R, NY-02)	House Financial Services	Removes the power of the SEC to enforce its cybersecurity disclosure rule, "Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure."	<a href="#"><u>H.J. Res. 100</u></a>	November 9, 2023
	Sen. Tillis (R, NC)	Senate Banking, Housing, and Urban Affairs		<a href="#"><u>S.J. Res. 50</u></a>	November 9, 2023

## Appendix 3: Bills Introduced That *Support* Sustainable Investment

Bill Name	Sponsor	Committee	Summary	Link	Date Introduced
Freedom to Invest in a Sustainable Future Act	Sen. Smith (D, MN)	Senate Health, Education, Labor and Pensions	Codifies that a fiduciary is allowed to consider ESG or similar factors in their investment decisions and strategies and may consider collateral ESG factors in the event of a tiebreaker between two competing equal investments. Fiduciaries will not have to keep additional documentation or justification and such factors may be part of default investments as long as they would otherwise qualify.	<a href="#">S. 523</a>	February 16, 2023
	Rep. DelBene (D, WA-01)	House Education and the Workforce		<a href="#">H.R. 1119</a>	February 21, 2023
Federal Employees Sustainable Investment Act	Rep. Schiff (D, CA-30)	House Oversight and Accountability	Creates a fund option under the Thrift Savings Plan, named the <i>Corporate Responsibility Stock Index Fund</i> . This fund must, at a minimum, be chosen through the consideration of criteria including corporate governance, environmental practices, workplace relations and safety, international options and human rights, involvement with repressive regimes and community relations.	<a href="#">H.R. 1261</a>	February 28, 2023
Enhancing Multi-Class Share Disclosures Act	Rep. Meeks (D, NY-05)	House Financial Services	Requires companies with multi-class share structures to report such structures in their proxy materials and information for annual meetings. The disclosure includes the name of directors, director nominees, executive officer of issuers and owner of securities with 5% or more total combined voting power and those people's voting power.	<a href="#">H.R. 2795</a>	April 24, 2023
			**This bill was agreed to in the House of Representatives (347-30) and referred to the Senate Banking, Housing and Urban Affairs Committee on May 31, 2023		

Sunlight in Workplace Harassment Act	Sen. Warren (D, MA)	Senate Banking, Housing, and Urban Affairs	Requires companies to publicly disclose the total number of settlements and legal judgements entered by the company, its subsidiaries, contractors and subcontractors related to allegations of sexual abuse, covered harassment or covered discrimination.	<a href="#">S. 1393</a>	May 1, 2023
	Rep. Williams (D, GA-05)	House Financial Services		<a href="#">H.R. 3078</a>	May 2, 2023
Environmentally Sustainable Growth Act of 2023	Rep. Vargas (D, CA-52)	House Financial Services	Requires companies to disclose their view of the link between ESG metrics and long-term business strategy in proxy material and information for annual meetings. Companies must also disclose ESG metrics they consider and define such metrics in audited financial statements. Lastly the SEC must establish a permanent advisory committee focused on sustainable finance.	<a href="#">H.R. 4759</a>	July 19, 2023
Honoring Organizations Nationally for Ethics, Sustainability, and Trust Act	Rep. Phillips (D, MN-03)	House Energy and Commerce	Creates the <i>Compassionate Capitalist Award</i> which is awarded to organizations based on their environmental stewardship, governance, social responsibility and worker empowerment. The award winners will be chosen by a “board of directors” made up of government officials and non-profit leaders.	<a href="#">H.R. 4801</a>	July 20, 2023
Workforce Investment Disclosure Act of 2023	Rep. Garcia (D, TX-29)	House Financial Services	Requires the SEC to promulgate a human capital disclosure rulemaking. Information disclosed includes workforce demographic information, workforce composition and other workforce data. The SEC must also conduct a study on the value to investors of information about human rights and workforce information.	<a href="#">H.R. 4578</a>	July 12, 2023
	Sen. Warner (D, VA)	Senate Banking, Housing and Urban Affairs		<a href="#">S. 2751</a>	September 11, 2023

## Appendix 4: Committee Hearings and Markups

Committee	Hearing	Link	Date
House Financial Services	Holding the Biden Administration Accountable for Wasteful Spending and Regulatory Overreach	<a href="#">Link</a>	March 8, 2023
House Financial Services	Oversight of the Securities and Exchange Commission	<a href="#">Link</a>	April 18, 2023
House Oversight and Accountability	ESG Part I: An Examination of Environmental, Social, and Governance Practices with Attorneys General	<a href="#">Link</a>	May 10, 2023
House Financial Services	Oversight of Prudential Regulators	<a href="#">Link</a>	May 16, 2023
House Financial Services	Continued Oversight Over Regional Bank Failures	<a href="#">Link</a>	May 17, 2023
House Oversight and Accountability	ESG Part II: The Cascading Impacts of ESG Compliance	<a href="#">Link</a>	June 6, 2023
House Financial Services	Oversight of the SEC	<a href="#">Link</a>	June 22, 2023
House Financial Services	Protecting Investor Interests: Examining Environmental and Social Policy in Financial Regulation	<a href="#">Link</a>	July 12, 2023
House Financial Services	Oversight of the Proxy Advisory Industry	<a href="#">Link</a>	July 13, 2023
House Financial Services	Reforming the Proxy Process to Safeguard Investor Interests	<a href="#">Link</a>	July 13, 2023
House Financial Services	How Mandates Like ESG Distort Markets and Drive Up Costs for Insurance and Housing	<a href="#">Link</a>	July 14, 2023
House Financial Services	Are Financial Regulators Politically Independent?	<a href="#">Link</a>	July 18, 2023

House Financial Services	Oversight of the SEC's Division of Corporation Finance	<a href="#">Link</a>	July 18, 2023
<i>House Financial Services</i>	<i>Markup of bills which focused on cryptocurrencies and ESG</i>	<a href="#">Link</a>	<i>July 27, 2023</i>
<i>House Education and the Workforce</i>	<i>Markup of bills which focused on CRT in education and ESG in retirement</i>	<a href="#">Link</a>	<i>September 14, 2023</i>
House Financial Services	A Holistic Review of Regulators: Regulatory Overreach and Economic Consequences	<a href="#">Link</a>	September 19, 2023
House Financial Services	Oversight of the SEC's Division of Investment Management	<a href="#">Link</a>	September 19, 2023
House Financial Services	Oversight of the Securities and Exchange Commission	<a href="#">Link</a>	September 27, 2023
House Financial Services	Examining the SEC's Agenda: Unintended Consequences for U.S. Capital Markets and Investors	<a href="#">Link</a>	November 2, 2023
House Ways and Means	Ensuring that "Woke" Doesn't Leave Americans Broke: Protecting Seniors and Savers from ESG Activism	<a href="#">Link</a>	November 7, 2023
House Financial Services	Oversight of Prudential Regulators	<a href="#">Link</a>	November 15, 2023

*\*\*Italics denote a markup*

## Appendix 5: Federal Agency Rulemakings

Agency	Rule	Link	Proposal Date	Finalization Date
DOL	Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights	<a href="#">Link</a>	October 14, 2021	November 22, 2022
SEC	Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure	<a href="#">Link</a>	October 7, 2022	July 26, 2023
SEC	Investment Company Names	<a href="#">Link</a>	May 25, 2022	September 20, 2023
SEC	The Enhancement and Standardization of Climate-Related Disclosures for Investors	<a href="#">Link</a>	May 9, 2022	-
SEC	Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices	<a href="#">Link</a>	May 25, 2022	-
SEC	Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8	<a href="#">Link</a>	July 13, 2022	-