

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Business Corporation Act of 1983 is amended
5 by changing Section 8.12 as follows:

6 (805 ILCS 5/8.12)

7 Sec. 8.12. Female, ~~and~~ minority, and LGBTQ directors.

8 (a) Findings and purpose. The General Assembly finds that
9 women, ~~and~~ minorities, and LGBTQ people are still largely
10 underrepresented nationally in positions of corporate
11 authority, such as serving as a director on a corporation's
12 board of directors. This low representation could be
13 contributing to the disparity seen in wages made by females
14 and minorities versus their white male counterparts. Increased
15 representation of these individuals as directors on boards of
16 directors for corporations may boost the Illinois economy,
17 improve opportunities for women, ~~and~~ minorities, and LGBTQ
18 people in the workplace, and foster an environment in Illinois
19 where the business community is representative of our
20 residents. Therefore, it is the intent of the General Assembly
21 to gather more data and study this issue within the State so
22 that effective policy changes may be implemented to eliminate
23 this disparity.

1 (b) As used in this Section:

2 "Annual report" means the report submitted annually to the
3 Secretary of State pursuant to this Act.

4 "Female" means a person who is a citizen or lawful
5 permanent resident of the United States and who
6 self-identifies as a woman, without regard to the individual's
7 designated sex at birth.

8 "Minority person" means a person who is a citizen or
9 lawful permanent resident of the United States and who is any
10 of the following races or ethnicities:

11 (1) American Indian or Alaska Native (a person having
12 origins in any of the original peoples of North and South
13 America, including Central America, and who maintains
14 tribal affiliation or community attachment).

15 (2) Asian (a person having origins in any of the
16 original peoples of the Far East, Southeast Asia, or the
17 Indian subcontinent, including, but not limited to,
18 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
19 the Philippine Islands, Thailand, and Vietnam).

20 (3) Black or African American (a person having origins
21 in any of the black racial groups of Africa). Terms such as
22 "Haitian" or "Negro" can be used in addition to "Black" or
23 "African American".

24 (4) Hispanic or Latino (a person of Cuban, Mexican,
25 Puerto Rican, South or Central American, or other Spanish
26 culture or origin, regardless of race).

1 (5) Native Hawaiian or Other Pacific Islander (a
2 person having origins in any of the original peoples of
3 Hawaii, Guam, Samoa, or other Pacific Islands).

4 (6) "Publicly held domestic or foreign corporation"
5 means a corporation with outstanding shares listed on a
6 major United States stock exchange.

7 (c) Reporting to the Secretary of State. As soon as
8 practical after the effective date of this amendatory Act of
9 the 101st General Assembly, but no later than January 1, 2021,
10 the following information shall be provided in a corporation's
11 annual report submitted to the Secretary of State under this
12 Act and made available by the Secretary of State to the public
13 online as it is received:

14 (1) Whether the corporation is a publicly held
15 domestic or foreign corporation with its principal
16 executive office located in Illinois.

17 (2) Where the corporation is a publicly held domestic
18 or foreign corporation with its principal executive office
19 located in Illinois, data on specific qualifications,
20 skills, and experience that the corporation considers for
21 its board of directors, nominees for the board of
22 directors, and executive officers.

23 (3) Where the corporation is a publicly held domestic
24 or foreign corporation with its principal executive office
25 located in Illinois, the self-identified gender of each
26 member of its board of directors.

1 (4) Where the corporation is a publicly held domestic
2 or foreign corporation with its principal executive office
3 located in Illinois, whether each member of its board of
4 directors self-identifies as a minority person and, if so,
5 which race or ethnicity to which the member belongs.

6 (5) Where the corporation is a publicly held domestic
7 or foreign corporation with its principal executive office
8 located in Illinois, the self-identified sexual
9 orientation of each member of its board of directors.

10 (6) Where the corporation is a publicly held domestic
11 or foreign corporation with its principal executive office
12 located in Illinois, the self-identified gender identity
13 of each member of its board of directors.

14 7 ~~(5)~~ Where the corporation is a publicly held
15 domestic or foreign corporation with its principal
16 executive office located in Illinois, a description of the
17 corporation's process for identifying and evaluating
18 nominees for the board of directors, including whether
19 and, if so, how demographic diversity is considered.

20 8 ~~(6)~~ Where the corporation is a publicly held
21 domestic or foreign corporation with its principal
22 executive office located in Illinois, a description of the
23 corporation's process for identifying and appointing
24 executive officers, including whether and, if so, how
25 demographic diversity is considered.

26 9 ~~(7)~~ Where the corporation is a publicly held

1 domestic or foreign corporation with its principal
2 executive office located in Illinois, a description of the
3 corporation's policies and practices for promoting
4 diversity, equity, and inclusion among its board of
5 directors and executive officers.

6 Information reported under this subsection shall be
7 updated in each annual report filed with the Secretary of
8 State thereafter.

9 (d) Beginning no later than March 1, 2021, and every March
10 1 thereafter, the University of Illinois Systems shall review
11 the information reported and published under subsection (c)
12 and shall publish on its website a report that provides
13 aggregate data on the demographic characteristics of the
14 boards of directors and executive officers of corporations
15 filing an annual report for the preceding year along with an
16 individualized rating for each corporation. The report shall
17 also identify strategies for promoting diversity and inclusion
18 among boards of directors and corporate executive officers.

19 (e) The University of Illinois System shall establish a
20 rating system assessing the representation of women, ~~and~~
21 minorities, and LGBTQ people on corporate boards of directors
22 of those corporations that are publicly held domestic or
23 foreign corporations with their principal executive office
24 located in Illinois based on the information gathered under
25 this Section. The rating system shall consider, among other
26 things: compliance with the demographic reporting obligations

1 in subsection (c); the corporation's policies and practices
2 for encouraging diversity in recruitment, board membership,
3 and executive appointments; and the demographic diversity of
4 board seats and executive positions.

5 (Source: P.A. 101-589, eff. 8-27-19.)

6 Section 99. Effective date. This Act takes effect January
7 1, 2022.