

1 AN ACT concerning State government.

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, minority, and LGBTQ directors.

8 (a) Findings and purpose. The General Assembly finds that  
9 women, 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, minorities, and LGBTQ people  
18 in the workplace, and foster an environment in Illinois where  
19 the business community is representative of our residents.  
20 Therefore, it is the intent of the General Assembly to gather  
21 more data and study this issue within the State so that  
22 effective policy changes may be implemented to eliminate this  
23 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 August 27, 2019 (the effective date of Public  
9           Act 101-589), but no later than January 1, 2021, the following  
10          information shall be provided in a corporation's annual report  
11          submitted to the Secretary of State under this Act and made  
12          available by the Secretary of State to the public online as it  
13          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) Where the corporation is a publicly held domestic  
15 or foreign corporation with its principal executive office  
16 located in Illinois, a description of the corporation's  
17 process for identifying and evaluating nominees for the  
18 board of directors, including whether and, if so, how  
19 demographic diversity is considered.

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

26          (9) Where the corporation is a publicly held domestic

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

6 (10) Where the corporation is a publicly held domestic  
7 or foreign corporation with its principal executive office  
8 located in Illinois, the percentage of minority supplier  
9 procurements from business enterprises owned by minority  
10 persons, women, or persons with disabilities as those  
11 terms are defined in Section 2 of the Business Enterprise  
12 for Minorities, Women, and Persons with Disabilities Act.

13 Information reported under this subsection shall be  
14 updated in each annual report filed with the Secretary of  
15 State thereafter. The Secretary of State shall establish a  
16 publicly accessible and searchable database of the information  
17 in each annual report.

18 (d) Beginning no later than March 1, 2021, and every March  
19 1 thereafter, the University of Illinois Systems shall review  
20 the information reported and published under subsection (c)  
21 and shall publish on its website a report that provides  
22 aggregate data on the demographic characteristics of the  
23 boards of directors and executive officers of corporations  
24 filing an annual report for the preceding year along with an  
25 individualized rating for each corporation. The report shall  
26 also identify strategies for promoting diversity and inclusion

1 among boards of directors and corporate executive officers.

2 (e) The University of Illinois System shall establish a  
3 rating system assessing the representation of women,  
4 minorities, and LGBTQ people on corporate boards of directors  
5 of those corporations that are publicly held domestic or  
6 foreign corporations with their principal executive office  
7 located in Illinois based on the information gathered under  
8 this Section. The rating system shall consider, among other  
9 things: compliance with the demographic reporting obligations  
10 in subsection (c); the corporation's policies and practices  
11 for encouraging diversity in recruitment, board membership,  
12 and executive appointments; and the demographic diversity of  
13 board seats and executive positions.

14 (Source: P.A. 101-589, eff. 8-27-19; 102-223, eff. 1-1-22;  
15 102-813, eff. 5-13-22.)