

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

Senate Bill 850

By Senator Willis

[Introduced March 20, 2025; referred
to the Committee on Banking and Insurance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding two new sections, designated §31D-8-870 and §31D-8-871, relating to the creation of the Protecting Investors Act; providing definitions; and establishing standards for a breach of fiduciary duty.

Be it enacted by the Legislature of West Virginia:

ARTICLE 8. DIRECTORS AND OFFICERS

Part VII. Protecting Investors Act.

§31D-8-870. Part definitions.

Under the Protecting Investors Act the following terms have the following meaning:

"Environmental, social, and governance" or "ESG" means a holistic framework that measures the sustainable and ethical behavior of a business. The environmental component considers the impact and contribution that a business can have on the natural world, including, but not limited to, waste and pollution management, resource management, greenhouse gas emissions, energy efficiency, and deforestation. The social component assesses how a business treats and protects its employees, suppliers, customers, and the public by considering diversity, equity, and inclusion, working conditions, data protection, privacy, and customer satisfaction. The governance component examines how the business policies itself through tax strategy, executive remuneration, donations and political lobbying, corruption and bribery, and board diversity and structure.

"Pecuniary interest" means the interests of minimizing financial risk and maximizing financial return to beneficiaries. Any interest that does not meet the definition of "pecuniary interests" is a "non-pecuniary interest".

§31D-8-871. Protecting investors from ESG programs.

When a person has a fiduciary duty to any type of investor, it shall be prima facie evidence of a breach of that fiduciary duty when a company prioritizes an environmental, social, and

- 3 governance or "ESG" program or prioritizes any other non-pecuniary interest over the financial
4 interests of the equity owners of a company, when making financial decisions that will affect the
5 investor.

NOTE: The purpose of this bill is to establish standards for a breach of fiduciary duty under the Protecting Investors Act.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.