

Political Momentum Grows in Support of Mandatory Financial ESG Disclosures

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The House of Representatives recently passed a bill--albeit by the narrowest of majorities--that would mandate that companies provide shareholders "information about employee and executive pay, political spending, climate risk and tax reporting."

Although this bill is highly unlikely to be approved by the Senate, due to the Republican filibuster (and potentially dissenting voices from certain Democratic senators), the very fact that it was approved by the House indicates the increased momentum towards the implementation of a regime of financial ESG disclosures by the Biden Administration.

Based upon the political popularity of such financial ESG disclosures, as reflected in its embrace by Democratic elected officials, it seems highly likely that the Biden Administration will exercise its authority through the administrative state to implement such regulations, whether by SEC action (as is most likely) or another executive branch agency.

[The U.S. House of Representatives on Wednesday narrowly approved a package of bills that would require public companies to disclose environmental, social and governance factors related to their businesses.](#)

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