



Sudan, Iran, China and Boycott Israel Investment Restrictions

Iowa Code, Chapters 12F, 12H, 12J and 12K prohibits the Board of Regents from investing in certain companies doing business in the Sudan, Iran, who boycott Israel, or are owned or controlled by China's government. Regents institutions fully comply with this law, which became effective July 1, 2007 for Sudan holdings; March 1, 2012 for Iran holdings; March 1, 2017 for companies who boycott Israel; and January 1, 2024 for China holdings.

The law requires the Board of Regents to scrutinize the business activities of companies doing business with Sudan, Iran, and China, or boycotting Israel in four general areas: military equipment, mineral extraction activities, oil-related activities, and power production activities. The Board of Regents uses the research services of ISS-ESG to assist it in developing the list of scrutinized companies that is based on the criteria specified in Iowa Code chapters 12F, 12H, 12J and 12K. As required in Iowa Code chapters 12F, 12H and 12J, the Board of Regents contacts the scrutinized companies and encourages them to cease the prohibited operations or be subject to divestment. If a company is deemed to not meet the requirements of the law, they are placed on the Board of Regents' prohibited investment list. The Board of Regents updates this list annually, and companies can be added or removed based on the receipt of new information.

Once a company is placed on the prohibited investment list, the Board of Regents cannot make any new direct investments in the company. The Board of Regents is also required to divest of any securities issued by companies on the prohibited list that the Board of Regents holds directly (direct holdings) within 18 months.

An annual report is due to the General Assembly on October 1. The Annual Report includes (i) list of scrutinized companies, (ii) summary of notices, and (iii) all investments sold, divested, or withdrawn pursuant to the act, and (iv) direct or indirect holdings in scrutinized companies. The annual report is available upon request.