AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO 5930
OFFERED BY MRS. AXNE OF IOWA

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

This Act may be cited as the “Workforce Investment Disclosure Act of 2020”.

4 SEC. 2. DISCLOSURES RELATED TO HUMAN CAPITAL MANAGEMENT.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following:

“(s) DISCLOSURES RELATED TO HUMAN CAPITAL MANAGEMENT.—

“(1) IN GENERAL.—Each issuer required to file an annual report under subsection (a) shall disclose in that report information about human capital management policies, practices, and performance.

“(2) RULES.—Not later than 270 days after the date of the enactment of this subsection, the Commission shall issue final rules to carry out para-
graph (1) and such rules shall require disclosure of the following with respect to the issuer:

“(A) Workforce demographic information, including the number of full-time employees, the number of part-time employees, the number of contingent workers (including temporary and contract workers), and any policies or practices relating to subcontracting, outsourcing, and insourcing.

“(B) Workforce stability information, including information about the voluntary turnover or retention rate, the involuntary turnover rate, the internal hiring rate, and the internal promotion rate.

“(C) Workforce composition, including data on diversity (including racial, gender, and ethnic composition) and any policies and audits related to diversity.

“(D) Workforce stability information described under subparagraph (B) disaggregated by the workforce composition described under subparagraph (C).

“(E) Workforce skills and capabilities, including information about training of employees (including the average number of hours of
training and spending on training per employee per year), skills gaps, and alignment of skills and capabilities with business strategy.

“(F) Workforce culture and empowerment, including information about—

“(i) policies and practices of the issuer relating to freedom of association and work-life balance initiatives;

“(ii) any incidents of verified workplace harassment in the previous 5 fiscal years of the issuer;

“(iii) policies and practices of the issuer relating to employee engagement and psychological wellbeing, including management discussion regarding—

“(I) the creation of an autonomous work environment;

“(II) fostering a sense of purpose in the workforce;

“(III) trust in management; and

“(IV) a supportive, fair, and constructive workplace.

“(G) Workforce health and safety, including information about—
“(i) the frequency, severity, and lost

time due to injuries, illness, and fatalities;

“(ii) the total dollar value of assessed
fines under the Occupational Safety and
Health Act of 1970;

“(iii) the total number of actions
brought under section 13 of the Occupa-
tional Safety and Health Act of 1970 to
prevent imminent dangers; and

“(iv) the total number of actions
brought against the issuer under section
11(c) of the Occupational Safety and
Health Act of 1970.

“(H) Workforce compensation and incen-
tives, including information about—

“(i) total workforce compensation, in-
cluding disaggregated information about
compensation for full-time, part-time, and
contingent workers;

“(ii) policies and practices about how
performance, productivity, and sustain-
ability are considered when setting pay and
making promotion decisions; and

“(iii) policies and practices relating to
any incentives and bonuses provided to em-
ployees below the named executive level
and any policies or practices designed to
counter any risks create by such incentives
and bonuses.

“(I) Workforce recruiting and needs, in-
cluding the number of new jobs created, the
worker classification of new jobs, information
about the quality of hire, and new hire reten-
tion rate.

“(3) TREATMENT OF EMERGING GROWTH COM-
PANIES.—The Commission may exempt emerging
growth companies from any disclosure described
under subparagraph (E), (F), (G), (H), or (I) of
paragraph (2), if the Commission determines that
such exemption is necessary or appropriate in the
public interest or for the protection of investors.”.

SEC. 3. BACKSTOP.

If, 2 years after the date of the enactment of this
Act, the Securities and Exchange Commission has not
issued rules required under section 13(s)(2) of the Securi-
ties Exchange Act of 1934, as added by section 2, and
until such rules are issued, an issuer shall be deemed in
compliance with section 13(s) of the Securities Exhange
Act of 1934 if disclosures set forth in the annual report
of such issuer satisfy the public disclosure standards of
the International Organization for Standardization’s ISO
30414, or any successor standards for external human
capital reporting, and as supplemented or adjusted by
such rules, guidance, or other comments from the Com-
mission.

SEC. 4. SEC STUDY.

(a) Study.—The Securities and Exchange Commis-
sion shall conduct a study about the value to investors
of—

(1) information about the human rights com-
mitments of issuers of securities required to file an-
nual reports under section 13(a) of the Securities
Exchange Act of 1934, including information about
any principles used to evaluate risk, constituency
consultation processes, and supplier due diligence;

(2) information about violations, by issuers of
securities required to file annual reports under sec-
tion 13(a) of the Securities Exchange Act of 1934,
of the Fair Labor Standards Act of 1938;

(3) disaggregating the information requested in
section 13(s) of the Securities Exchange Act of 1934
based on relevant workforce subgroups, including—

(A) full-time employees;

(B) part-time employees;

(C) contingent workers; and
(D) company management; and

(4) surveys regarding employee satisfaction and engagement.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Securities and Exchange Commission shall submit to Congress a report about the study conducted pursuant to subsection (a).