To amend the Securities Exchange Act of 1934 to require issuers to disclose information about human capital management in annual reports, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. AXNE introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require issuers to disclose information about human capital management in annual reports, and for other purposes.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

(Original Signature of Member)
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 paragraph (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
or retention rate, the internal hiring rate, and
the internal promotion rate.

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

“(D) Workforce skills and capabilities, in-
cluding information about training of employees
(including the average number of hours of
training per employee per year), skills gaps, and
alignment of skills and capabilities with busi-
ness strategy.

“(E) 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 work-
place 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.
“(F) 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 Occupational 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.
“(G) Workforce compensation and incentives, including information about—
“(i) total workforce compensation, including disaggregated information about compensation for full-time, part-time, and contingent workers;

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

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

“(H) Workforce recruiting, including information about the quality of hire, new hire engagement rate, and new hire retention rate.”.

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 Securities 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 Exchange 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-
ual 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).