

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the **[_____]**.

1 **SEC. 2. DISCLOSURES RELATED TO HUMAN CAPITAL MAN-**
2 **AGEMENT.**

3 Section 13 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78m) is amended by adding at the end the
5 following:

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

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

12 “(2) RULES.—Not later than 120 days after
13 the date of the enactment of this subsection, the
14 Commission shall issue final rules to carry out para-
15 graph (1) and such rules shall require disclosure of
16 the following with respect to the issuer:

17 “(A) Workforce demographic information,
18 including the number of full-time employees,
19 the number of part-time employees, the number
20 of contingent workers, and any policies about
21 subcontracting and outsourcing.

22 “(B) Workforce stability information, in-
23 cluding information about the voluntary turn-
24 over rate, the involuntary turn-over rate, the in-
25 ternal hiring rate, and the internal promotion
26 rate.

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

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

11 “(E) Workforce culture and empowerment,
12 including information about employee engage-
13 ment, union representation, work-life balance
14 initiatives, and results of surveys about em-
15 ployee satisfaction.

16 “(F) Workforce health and safety, includ-
17 ing information about the frequency, severity,
18 and lost-time due to injuries, illness, and fatali-
19 ties.

20 “(G) Workforce productivity, including in-
21 formation about the return on cost of the work-
22 force, profit per full-time employee, and revenue
23 per full time employee.

24 “(H) Human rights commitments and
25 their implementation, including information

1 about any principles used to evaluate risk, con-
2 stituency consultation processes, and supplier
3 due diligence.

4 “(I) Workforce compensation and incen-
5 tives, including information about how perform-
6 ance, productivity, diversity goals, contributions
7 to workforce culture, compliance, and long-term
8 sustainability are considered in setting pay and
9 making promotion decisions, any measures in-
10 tended to counterbalance any risks created by
11 any incentives given, and data about bonuses
12 provided to employees below the named execu-
13 tive level.”.