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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the [______________].
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 120 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, and any policies about subcontracting and outsourcing.

“(B) Workforce stability information, including information about the voluntary turnover rate, the involuntary turnover 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, including 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 business strategy.

“(E) Workforce culture and empowerment, including information about employee engagement, union representation, work-life balance initiatives, and results of surveys about employee satisfaction.

“(F) Workforce health and safety, including information about the frequency, severity, and lost-time due to injuries, illness, and fatalities.

“(G) Workforce productivity, including information about the return on cost of the workforce, profit per full-time employee, and revenue per full time employee.

“(H) Human rights commitments and their implementation, including information
about any principles used to evaluate risk, constituency consultation processes, and supplier due diligence.

“(I) Workforce compensation and incentives, including information about how performance, productivity, diversity goals, contributions to workforce culture, compliance, and long-term sustainability are considered in setting pay and making promotion decisions, any measures intended to counterbalance any risks created by any incentives given, and data about bonuses provided to employees below the named executive level.”.