

116TH CONGRESS  
2D SESSION

# H. R. 5930

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 21, 2020

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

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## 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.

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 “Workforce Investment  
5 Disclosure Act of 2020”.

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 270 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 (including temporary and  
21 contract workers), and any policies or practices  
22 relating to subcontracting, outsourcing, and  
23 insourcing.

24 “(B) Workforce stability information, in-  
25 cluding information about the voluntary turn-  
26 over or retention rate, the involuntary turnover

1 or retention rate, the internal hiring rate, and  
2 the internal promotion rate.

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

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

13 “(E) Workforce culture and empowerment,  
14 including information about—

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

18 “(ii) any incidents of verified work-  
19 place harassment in the previous 5 fiscal  
20 years of the issuer; and

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

1                   “(I) the creation of an autono-  
2                   mous work environment;

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

5                   “(III) trust in management; and

6                   “(IV) a supportive, fair, and con-  
7                   structive workplace.

8                   “(F) Workforce health and safety, includ-  
9                   ing information about—

10                   “(i) the frequency, severity, and lost  
11                   time due to injuries, illness, and fatalities;

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

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

19                   “(iv) the total number of actions  
20                   brought against the issuer under section  
21                   11(c) of the Occupational Safety and  
22                   Health Act of 1970.

23                   “(G) Workforce compensation and incen-  
24                   tives, including information about—

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

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

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

15                  “(H) Workforce recruiting, including infor-  
16                  mation about the quality of hire, new hire en-  
17                  gagement rate, and new hire retention rate.”.

18 **SEC. 3. BACKSTOP.**

19                  If, 2 years after the date of the enactment of this  
20                  Act, the Securities and Exchange Commission has not  
21                  issued rules required under section 13(s)(2) of the Securi-  
22                  ties Exchange Act of 1934, as added by section 2, and  
23                  until such rules are issued, an issuer shall be deemed in  
24                  compliance with section 13(s) of the Securities Exchange  
25                  Act of 1934 if disclosures set forth in the annual report

1 of such issuer satisfy the public disclosure standards of  
2 the International Organization for Standardization’s ISO  
3 30414, or any successor standards for external human  
4 capital reporting, and as supplemented or adjusted by  
5 such rules, guidance, or other comments from the Com-  
6 mission.

7 **SEC. 4. SEC STUDY.**

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

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

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

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

24 (A) full-time employees;

25 (B) part-time employees;

1 (C) contingent workers; and

2 (D) company management; and

3 (4) surveys regarding employee satisfaction and  
4 engagement.

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

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