

[DISCUSSION DRAFT]

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Securities Exchange Act of 1934 to require disclosures related to the Paris Climate Agreement, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Securities Exchange Act of 1934 to require disclosures related to the Paris Climate Agreement, 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 “Paris Climate Agree-  
5        ment Disclosure Act”.

6        **SEC. 2. FINDINGS.**

7        Congress finds the following:

1           (1) 197 parties, including the United States,  
2           are parties to the United Nations Framework Con-  
3           vention on Climate Change (UNFCCC), the prin-  
4           cipal framework to stabilize greenhouse gas con-  
5           centrations at a level that would prevent dangerous  
6           human-induced interference with the climate system.

7           (2) On December 12, 2015, parties of the  
8           UNFCCC adopted the Paris Agreement, the first  
9           comprehensive agreement among all nations to keep  
10          global warming below 2 degrees Celsius.

11          (3) The Paris Agreement aims to strengthen  
12          the global response to the threat of climate change  
13          by holding the increase in the global average tem-  
14          perature to well below 2 degrees Celsius above pre-  
15          industrial levels and to pursue efforts to limit the  
16          temperature increase to 1.5 degrees Celsius above  
17          pre-industrial levels, recognizing that this would sig-  
18          nificantly reduce the risks and impacts of climate  
19          change.

20          (4) The “Special Report on Global Warming of  
21          1.5 °C” by the Intergovernmental Panel on Climate  
22          Change found that at 1.5 degrees Celsius warming,  
23          climate-related risks to human health, livelihoods,  
24          food security, human security, water supply, and

1 economic growth will all increase, and will increase  
2 even more at 2 degrees Celsius warming.

3 (5) In 2017, the World Economic Forum issued  
4 the Compact for Responsive and Responsible Lead-  
5 ership with 140 CEOs pledging to align their cor-  
6 porate values and strategies with the United Na-  
7 tion's Sustainable Development Goals.

8 (6) In September 2020, the World Economic  
9 Forum and its International Business Council re-  
10 leased Stakeholder Capitalism Metrics—a set of en-  
11 vironmental, social and governance metrics and dis-  
12 closures which measure the long-term enterprise  
13 value creation for all stakeholders.

14 (7) The September 2020 World Economic  
15 Forum report recognizes that there is an emerging  
16 consensus among companies that long-term value is  
17 most effectively created by serving the interests of  
18 all stakeholders.

19 (8) On January 26, 2021, 61 CEOs of some of  
20 the world's largest companies publicly endorsed the  
21 Stakeholder Capitalism Metrics.

22 (9) One of the core metrics and disclosures de-  
23 fined in the Stakeholder Capitalism Metrics is for  
24 companies to disclose whether they have set, or have  
25 committed to set, greenhouse gas emissions targets

1 that are in line with the goals of the Paris Agree-  
2 ment.

3 **SEC. 3. DISCLOSURES RELATED TO GREENHOUSE GAS**  
4 **EMISSIONS.**

5 (a) IN GENERAL.—Section 13 of the Securities Ex-  
6 change Act of 1934 (15 U.S.C. 78m) is amended by add-  
7 ing at the end the following:

8 “(s) DISCLOSURES RELATED TO THE PARIS CLI-  
9 MATE AGREEMENT.—

10 “(1) IN GENERAL.—Each issuer required to file  
11 an annual report under subsection (a) shall include  
12 in such report the following:

13 “(A) Whether the issuer has set, or has  
14 committed to achieve, targets that are a balance  
15 between greenhouse gas emissions and remov-  
16 als, at a pace consistent with limiting global  
17 warming to well below 2 degrees Celsius and  
18 pursuing efforts to limit it to 1.5 degrees Cel-  
19 sius.

20 “(B) If the issuer is committed to setting  
21 such greenhouse gas emission targets in the fu-  
22 ture, but not at the present—

23 “(i) by which year the issuer plans to  
24 commit to such greenhouse gas emission  
25 targets; and

1                   “(ii) a detailed explanation for such  
2                   position.

3                   “(C) Actions and steps the issuer has  
4                   taken over the preceding year to achieve such  
5                   greenhouse gas emission targets.

6                   “(D) Actions and steps the issuer plans to  
7                   pursue in the forthcoming year to achieve such  
8                   greenhouse gas emission targets.

9                   “(E) If the issuer has not set, and does  
10                  not plan on committing to set, such greenhouse  
11                  gas emission targets—

12                   “(i) a statement to that effect; and

13                   “(ii) a detailed explanation of—

14                   “(I) why the issuer is not plan-  
15                   ning on pursuing such greenhouse gas  
16                   emission targets; and

17                   “(II) whether the issuer supports  
18                   the temperature goals outlined in sub-  
19                   paragraph (A) of this section.

20                  “(2) DEFINITIONS.—In this subsection:

21                   “(A) GREENHOUSE GAS.—The term  
22                   ‘greenhouse gas’ means carbon dioxide,  
23                   hydrofluorocarbons, methane, nitrous oxide,  
24                   perfluorocarbons, sulfur hexafluoride, nitrogen,  
25                   trifluoride, and chlorofluorocarbons.

1           “(B) GREENHOUSE GAS EMISSIONS.—The  
2 term ‘greenhouse gas emissions’ means the  
3 emissions of greenhouse gases expressed in  
4 terms of metric tons of carbon dioxide equiva-  
5 lent.

6           “(C) PARIS CLIMATE AGREEMENT.—The  
7 term ‘Paris Climate Agreement’ means the  
8 international agreement adopted by 196 parties,  
9 including the United States, at the 21st Con-  
10 ference of Parties to the United Nations  
11 Framework Convention on Climate Change in  
12 Paris, France on December 12, 2015.

13           “(D) TEMPERATURE GOALS OF THE PARIS  
14 CLIMATE AGREEMENT.—The term ‘temperature  
15 goals of the Paris Climate Agreement’ means—

16                   “(i) a collective, long-term objective to  
17 hold the greenhouse gas emissions-induced  
18 increase in temperature to well below 2 de-  
19 gree Celsius;

20                   “(ii) a goal to pursue efforts to limit  
21 the temperature increase to 1.5 degrees  
22 Celsius above the pre-industrial level;

23                   “(iii) a goal to achieve net-zero emis-  
24 sions before 2050.

1                   “(E) REMOVALS.—The term ‘removals’  
2                   means anthropogenic removals from the atmos-  
3                   phere by any process, activity or mechanism of  
4                   greenhouse gas, an aerosol or a precursor of a  
5                   greenhouse gas from the atmosphere.”.

6           (b) RULEMAKING.—Not later than the end of the 1-  
7 year period beginning on the date of enactment of this  
8 Act, the Securities and Exchange Commission shall issue  
9 final rules to carry out the amendment made by subsection  
10 (a).

11           (c) EFFECTIVE DATE.—Section 13(s) of the Securi-  
12 ties Exchange Act of 1934, as added by subsection (a),  
13 shall take effect on the effective date of the rules issued  
14 pursuant to subsection (b).