

117TH CONGRESS
1ST SESSION

H. R. 1780

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2021

Ms. VELÁZQUEZ 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 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:

8 (1) 197 parties, including the United States,
9 are parties to the United Nations Framework Con-
10 vention on Climate Change (UNFCCC), the prin-

1 ciproal framework to stabilize greenhouse gas con-
2 centrations at a level that would prevent dangerous
3 human-induced interference with the climate system.

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

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

17 (4) The “Special Report on Global Warming of
18 1.5 °C” by the Intergovernmental Panel on Climate
19 Change found that at 1.5 degrees Celsius warming,
20 climate-related risks to human health, livelihoods,
21 food security, human security, water supply, and
22 economic growth will all increase, and will increase
23 even more at 2 degrees Celsius warming.

24 (5) In 2017, the World Economic Forum issued
25 the Compact for Responsive and Responsible Lead-

1 ership with 140 CEOs pledging to align their cor-
2 porate values and strategies with the United Na-
3 tion’s Sustainable Development Goals.

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

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

15 (8) On January 26, 2021, 61 CEOs of some of
16 the world’s largest companies publicly endorsed the
17 Stakeholder Capitalism Metrics.

18 (9) One of the core metrics and disclosures de-
19 fined in the Stakeholder Capitalism Metrics is for
20 companies to disclose whether they have set, or have
21 committed to set, greenhouse gas emissions targets
22 that are in line with the goals of the Paris Agree-
23 ment.

1 **SEC. 3. DISCLOSURES RELATED TO GREENHOUSE GAS**
2 **EMISSIONS.**

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

6 “(s) DISCLOSURES RELATED TO THE PARIS CLI-
7 MATE AGREEMENT.—

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

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

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

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

24 “(ii) a detailed explanation for such
25 position.

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

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

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

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

11 “(ii) a detailed explanation of—

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

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

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

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

24 “(B) GREENHOUSE GAS EMISSIONS.—The
25 term ‘greenhouse gas emissions’ means the

1 emissions of greenhouse gases expressed in
2 terms of metric tons of carbon dioxide equiva-
3 lent.

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

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

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

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

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

23 “(E) REMOVALS.—The term ‘removals’
24 means anthropogenic removals from the atmos-
25 phere by any process, activity or mechanism of

1 greenhouse gas, an aerosol or a precursor of a
2 greenhouse gas from the atmosphere.”.

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

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

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