

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO 5930
OFFERED BY MRS. AXNE OF IOWA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Workforce Investment
3 Disclosure Act of 2020”.

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

6 Section 13 of the Securities Exchange Act of 1934
7 (15 U.S.C. 78m) is amended by adding at the end the
8 following:

9 “(s) DISCLOSURES RELATED TO HUMAN CAPITAL
10 MANAGEMENT.—

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

15 “(2) RULES.—Not later than 270 days after
16 the date of the enactment of this subsection, the
17 Commission shall issue final rules to carry out para-

1 graph (1) and such rules shall require disclosure of
2 the following with respect to the issuer:

3 “(A) Workforce demographic information,
4 including the number of full-time employees,
5 the number of part-time employees, the number
6 of contingent workers (including temporary and
7 contract workers), and any policies or practices
8 relating to subcontracting, outsourcing, and
9 insourcing.

10 “(B) Workforce stability information, in-
11 cluding information about the voluntary turn-
12 over or retention rate, the involuntary turnover
13 rate, the internal hiring rate, and the internal
14 promotion rate.

15 “(C) Workforce composition, including
16 data on diversity (including racial, gender, and
17 ethnic composition) and any policies and audits
18 related to diversity.

19 “(D) Workforce stability information de-
20 scribed under subparagraph (B) disaggregated
21 by the workforce composition described under
22 subparagraph (C).

23 “(E) Workforce skills and capabilities, in-
24 cluding information about training of employees
25 (including the average number of hours of

1 training and spending on training per employee
2 per year), skills gaps, and alignment of skills
3 and capabilities with business strategy.

4 “(F) Workforce culture and empowerment,
5 including information about—

6 “(i) policies and practices of the
7 issuer relating to freedom of association
8 and work-life balance initiatives;

9 “(ii) any incidents of verified work-
10 place harassment in the previous 5 fiscal
11 years of the issuer;

12 “(iii) policies and practices of the
13 issuer relating to employee engagement
14 and psychological wellbeing, including
15 management discussion regarding—

16 “(I) the creation of an autono-
17 mous work environment;

18 “(II) fostering a sense of purpose
19 in the workforce;

20 “(III) trust in management; and

21 “(IV) a supportive, fair, and con-
22 structive workplace.

23 “(G) Workforce health and safety, includ-
24 ing information about—

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

3 “(ii) the total dollar value of assessed
4 fines under the Occupational Safety and
5 Health Act of 1970;

6 “(iii) the total number of actions
7 brought under section 13 of the Occupa-
8 tional Safety and Health Act of 1970 to
9 prevent imminent dangers; and

10 “(iv) the total number of actions
11 brought against the issuer under section
12 11(c) of the Occupational Safety and
13 Health Act of 1970.

14 “(H) Workforce compensation and incen-
15 tives, including information about—

16 “(i) total workforce compensation, in-
17 cluding disaggregated information about
18 compensation for full-time, part-time, and
19 contingent workers;

20 “(ii) policies and practices about how
21 performance, productivity, and sustain-
22 ability are considered when setting pay and
23 making promotion decisions; and

24 “(iii) policies and practices relating to
25 any incentives and bonuses provided to em-

1 ployees below the named executive level
2 and any policies or practices designed to
3 counter any risks create by such incentives
4 and bonuses.

5 “(I) Workforce recruiting and needs, in-
6 cluding the number of new jobs created, the
7 worker classification of new jobs, information
8 about the quality of hire, and new hire reten-
9 tion rate.

10 “(3) TREATMENT OF EMERGING GROWTH COM-
11 PANIES.—The Commission may exempt emerging
12 growth companies from any disclosure described
13 under subparagraph (E), (F), (G), (H), or (I) of
14 paragraph (2), if the Commission determines that
15 such exemption is necessary or appropriate in the
16 public interest or for the protection of investors.”.

17 **SEC. 3. BACKSTOP.**

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

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

6 **SEC. 4. SEC STUDY.**

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

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

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

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

23 (A) full-time employees;

24 (B) part-time employees;

25 (C) contingent workers; and

1 (D) company management; and
2 (4) surveys regarding employee satisfaction and
3 engagement.
4 (b) REPORT.—Not later than 1 year after the date
5 of the enactment of this Act, the Securities and Exchange
6 Commission shall submit to Congress a report about the
7 study conducted pursuant to subsection (a).

