117TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
117–59

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 256) TO REPEAL THE AUTHORIZATION FOR USE OF MILITARY FORCE AGAINST IRAQ RESOLUTION OF 2002; PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 1187) TO PROVIDE FOR DISCLOSURE OF ADDITIONAL MATERIAL INFORMATION ABOUT PUBLIC COMPANIES AND ESTABLISH A SUSTAINABLE FINANCE ADVISORY COMMITTEE, AND FOR OTHER PURPOSES

JUNE 14, 2021.—Referred to the House Calendar and ordered to be printed

Mr. MCGOVERN, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 473]

The Committee on Rules, having had under consideration House Resolution 473, by a record vote of 9 to 4, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 256, To repeal the Authorization for Use of Military Force Against Iraq Resolution of 2002, under a closed rule. The resolution provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Foreign Affairs or their designees. The resolution waives all points of order against consideration of the bill. The resolution waives all points of order against provisions in the bill. The resolution provides that the bill shall be considered as read. The resolution provides one motion to recommit. The resolution provides for consideration of H.R. 1187, the Corporate Governance Improvement and Investor Protection Act, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their designees. The resolution waives all points of order against consideration of the bill. The resolution provides that an amendment in the nature of a substitute consisting of the text of Rules Committee Print 117–5 shall be considered as adopted and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution provides that following debate, each further amendment printed in this report not earlier considered as part of amendments en bloc

pursuant to section 4 shall be considered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, may be withdrawn by the proponent at any time before the question is put thereon, shall not be subject to amendment, and shall not be subject to a demand for division of the question. The resolution provides that at any time after debate the chair of the Committee on Financial Services or her designee may offer amendments en bloc consisting of further amendments printed in this report not earlier disposed of. Amendments en bloc shall be considered as read, shall be debatable for 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question. The resolution waives all points of order against the amendments printed in this report or amendments en bloc described in section 4 of the resolution. The resolution provides one motion to recommit. The resolution provides that the provisions of section 202 of the National Emergencies Act shall not apply to House Joint Resolution 46. The resolution provides that House Resolution 467 is hereby adopted. The resolution provides that at any time through the legislative day of Thursday, June 17, 2021, the Speaker may entertain motions offered by the Majority Leader or a designee that the House suspend the rules with respect to multiple measures that were the object of motions to suspend the rules on the legislative days of June 14 or 15, 2021, and on which the yeas and nays were ordered and further proceedings postponed. The Chair shall put the question on any such motion without debate or intervening motion, and the ordering of the yeas and nays on postponed motions to suspend the rules with respect to such measures is vacated.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of H.R. 256, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against provisions in H.R. 256, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

The waiver of all points of order against consideration of H.R. 1187 includes a waiver of 3(d) of rule XIII, which requires the inclusion of committee cost estimate in a committee report. A CBO cost estimate on H.R. 1187 was not available at the time the Committee on Financial Services filed its report.

Although the resolution waives all points of order against provisions in H.R. 1187, as amended, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendments printed in this report and amendments en bloc described in section 4 of the resolution, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 91

Motion by Mr. Cole to report an open rule for H.R. 1187. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mrs. Torres	Nay	Mr. Cole	Yea
Mr. Perlmutter	Nay	Mr. Burgess	Yea
Mr. Raskin	Nay	Mr. Reschenthaler	Yea
Ms. Scanlon	Nay	Mrs. Fischbach	Yea
Mr. Morelle	Nay		
Mr. DeSaulnier	Nay		
Ms. Ross	Nay		
Mr. Neguse	.....		
Mr. McGovern, Chairman	Nay		

Rules Committee record vote No. 92

Motion by Mr. Cole to strike from the appropriate section of the rule language relating to H.J. Res. 46 introduced by Rep. Gosar (AZ). Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mrs. Torres	Nay	Mr. Cole	Yea
Mr. Perlmutter	Nay	Mr. Burgess	Yea
Mr. Raskin	Nay	Mr. Reschenthaler	Yea
Ms. Scanlon	Nay	Mrs. Fischbach	Yea
Mr. Morelle	Nay		
Mr. DeSaulnier	Nay		
Ms. Ross	Nay		
Mr. Neguse	.....		
Mr. McGovern, Chairman	Nay		

Rules Committee record vote No. 93

Motion by Mr. Burgess to strike from the appropriate section language adopting a budget resolution. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mrs. Torres	Nay	Mr. Cole	Yea
Mr. Perlmutter	Nay	Mr. Burgess	Yea
Mr. Raskin	Nay	Mr. Reschenthaler	Yea
Ms. Scanlon	Nay	Mrs. Fischbach	Yea
Mr. Morelle	Nay		
Mr. DeSaulnier	Nay		
Ms. Ross	Nay		
Mr. Neguse	.....		
Mr. McGovern, Chairman	Nay		

Rules Committee record vote No. 94

Motion by Mr. Reschenthaler to amend the rule to H.R. 1187 to make in order amendment #8, offered by Rep. McHenry (NC), which makes the bill and amendments effective date contingent on the Labor Force Participation Rate reaching the same level it was in January 2020. Defeated: 4–9

Majority Members	Vote	Minority Members	Vote
Mrs. Torres	Nay	Mr. Cole	Yea
Mr. Perlmutter	Nay	Mr. Burgess	Yea
Mr. Raskin	Nay	Mr. Reschenthaler	Yea
Ms. Scanlon	Nay	Mrs. Fischbach	Yea
Mr. Morelle	Nay		
Mr. DeSaulnier	Nay		
Ms. Ross	Nay		
Mr. Neguse	Nay		
Mr. McGovern, Chairman	Nay		

Rules Committee record vote No. 95

Motion by Mrs. Fischbach to amend the rule to H.R. 1187 to make in order amendment #9, offered by Rep. McHenry (NC), which allows Emerging Growth Companies, Small Businesses, and Smaller Reporting Companies to opt out of the disclosure requirements. Defeated: 4–9

Majority Members	Vote	Minority Members	Vote
Mrs. Torres	Nay	Mr. Cole	Yea
Mr. Perlmutter	Nay	Mr. Burgess	Yea
Mr. Raskin	Nay	Mr. Reschenthaler	Yea
Ms. Scanlon	Nay	Mrs. Fischbach	Yea
Mr. Morelle	Nay		
Mr. DeSaulnier	Nay		
Ms. Ross	Nay		
Mr. Neguse	Nay		
Mr. McGovern, Chairman	Nay		

Rules Committee record vote No. 96

Motion by Mrs. Torres to report the rule. Adopted: 9–4

Majority Members	Vote	Minority Members	Vote
Mrs. Torres	Yea	Mr. Cole	Nay
Mr. Perlmutter	Yea	Mr. Burgess	Nay
Mr. Raskin	Yea	Mr. Reschenthaler	Nay
Ms. Scanlon	Yea	Mrs. Fischbach	Nay
Mr. Morelle	Yea		
Mr. DeSaulnier	Yea		
Ms. Ross	Yea		
Mr. Neguse	Yea		
Mr. McGovern, Chairman	Yea		

SUMMARY OF THE AMENDMENTS TO H.R. 1187 MADE IN ORDER

1. Burgess (TX): Requires publicly traded companies to disclose the negative impacts of federal corporate tax increases. (10 minutes)

2. Axne (IA): Increases disclosures from public companies about their workforce, including information about workforce health and safety, pay, diversity, turnover and promotion rates, and training, as well as companies' use of contractors and outsourcing. (10 minutes)

3. Frankel (FL), Nadler (NY), Speier (CA), Blunt Rochester (DE), Underwood (IL): Requires publicly-traded companies to disclose the number of settlements, judgments, and aggregate settlement amounts in connection with workplace harassment in their annual SEC filings. (10 minutes)

4. Hill, French (AR): Strikes the underlying legislation with a study that must be conducted by the SEC to summarize and describe any inconsistencies by the different ESG and climate disclosure frameworks before requiring any type of disclosure from public companies. (10 minutes)

5. Himes (CT), Ross, Deborah (NC): Requires publicly traded companies to report annually on whether members of their governing bodies (such as general partners or members of a board of directors) have cybersecurity expertise and the nature of that experience. If nobody has such experience, then the company would be required to describe what other aspects of its cybersecurity were considered by the people responsible for identifying and evaluating nominees for governing body membership with NIST and the SEC would defining cybersecurity experience using commonly defined roles, specialties, knowledge, skills, and abilities. (10 minutes)

6. Meeks (NY), Maloney, Carolyn (NY), Torres, Ritchie (NY): (1) Requires public companies to annually disclose the racial, ethnic, gender identity, sexual orientation, and veteran status of their board directors, nominees, and senior executive officers; (2) empowers the SEC's Office of Minority and Women Inclusion to publish best diversity disclosure practices; and (3) creates an advisory group that would study and report on increasing corporate diversity. (10 minutes)

7. Phillips (MN): Requires the SEC to study the emergence and viability of coalitions among shareholders who wish to preserve and promote critical employment, environmental, social, and governance standards (EESG) and the significance of shareholder networks with the SEC issuing a report to Congress with its findings, guidance on shareholder engagement activities that are not considered to involve questions of corporate control, and provide recommendations on regulatory safe harbors for engagement with respect to sustainability guardrails. (10 minutes)

8. Schrier (WA): Requires the Commission, in conjunction with the Office of the Advocate for Small Business Capital Formation and the Office of the Investor Advocate, to conduct a study and issue a report on the issues small businesses face in reporting ESG disclosures with the report including recommendations for the Commission to consider, and should be completed within 1 year of the enactment of the bill. (10 minutes)

9. Wexton (VA): Directs the Securities and Exchange Commission (SEC) to issue rules requiring U.S. publicly traded companies to disclose annually imports of manufactured goods and materials that originate in or are sourced in part from Xinjiang Province. (10 minutes)

10. Plaskett (VI): Clarifies that a 'tax jurisdiction' includes a country or a jurisdiction that is not a country but that has fiscal autonomy. (10 minutes)

TEXT OF AMENDMENTS TO H.R. 1187 MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BURGESS OF TEXAS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 45, after line 19, insert the following:

"(3) INCLUSION OF NOTICE WITH RESPECT TO FEDERAL CORPORATE TAX INCREASES.—With respect to each disclosure made

by a covered issuer pursuant to paragraph (2), if the Federal corporate tax rate in effect during the reporting period is higher than the Federal corporate tax rate applicable on June 1, 2021, the disclosure shall contain the following additional information:

"(A) With respect to any disclosure of taxes paid to the Federal Government, the disclosure shall include a calculation of what such payment would have been had the Federal corporate tax rate remained the same as it was on June 1, 2021.

"(B) The following notice: 'As a result of a change in U.S. Federal corporate tax law enacted during the _____ Administration(s), our company has _____ fewer dollars to pay its workforce, invest in our business, or return capital to its investors.'. (With the first blank filled in with the name of each President since June 1, 2021, during whose term legislation was enacted to raise the Federal corporate tax rate, and with the second blank filled in with the difference between the actual taxes paid by the covered issuer to the Federal Government during the reporting period and what that payment amount would have been had the Federal corporate tax rate remained the same as it was on June 1, 2021.)".

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE AXNE OF IOWA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VI—WORKFORCE INVESTMENT DISCLOSURE

SEC. 601. SHORT TITLE.

This title may be cited as the "Workforce Investment Disclosure Act of 2021".

SEC. 602. FINDINGS.

Congress finds the following:

(1) One of the keys to the 20th century post-war economic success of the United States was the ability to prepare workers over the course of their lives for success through multiple sectors across society. Unfortunately, during the several decades preceding the date of enactment of this Act, there has been a shift in business norms and in society. While Congress recognizes that the technology and job skills required for some jobs has changed dramatically, the private and public partnership to hire workers at different education levels and invest in them for the long-term is broken.

(2) Available data from the 10-year period preceding the date of enactment of this Act suggests that businesses are investing less in worker training during that time period, not more.

(3) In the wake of the 2008 global financial crisis, there was a well-documented decline in overall business investment. That decline coincides with the wage polarization of workers and an

increase in spending on share buybacks and dividends, leading several researchers to conclude that companies are de-emphasizing investment at the expense of increasing returns for shareholders. The onset of a global pandemic may make that trend worse, especially with respect to investments in workers.

(4) As part of the overall decline in investment described in paragraph (3), publicly traded companies are being provided with incentives to prioritize investments in physical assets over investments in their workforces, meaning that those companies are investing in robots instead of individuals. In fact, there are already signs that automation has increased during the COVID–19 pandemic.

(5) More than ever, the Federal Government, through company disclosure practices, needs to understand exactly how companies are investing in their workers. Over the several months preceding the date of enactment of this Act, companies across the United States have taken extreme actions to adapt and respond to evolving workforce challenges presented by COVID–19.

(6) JUST Capital has been tracking the responses of the Standard and Poor's 100 largest public companies to their workers and has found wide variation in the policies implemented, as well as with respect to the disclosure of those policies. Through different responses to their workforces, from layoffs to workplace safety to paid leave, the COVID–19 pandemic is exposing the myriad ways that workforce management practices of companies pose operational and reputational risks for short- and long-term financial performance.

(7) Even before the COVID–19 pandemic, there was a growing body of research establishing a relationship between measurable workforce management, which is the way that companies manage their employees, and firm performance. In a study of 2,000 large companies, Harvard Law School's Labor and Work Life Program found that forward-thinking workforce policies that prioritize workers, such as how companies train, retain, and pay their workers, are correlated with long-term financial performance.

(8) Disclosure of workforce management policies should be part of a Government-wide economic recovery strategy. Just as a set of generally accepted accounting principles (commonly known as "GAAP") was urgently adopted after the Great Depression, standardized, comparable metrics of workforce disclosure requirements in the context of the COVID–19 pandemic are critical for investors to accurately measure and project company performance, both in the present and in the future.

(9) Because many companies already track workforce metrics internally, moving towards a transparent disclosure regime would allow investors to better judge whether companies are managing risks and making the investments in their workforces that are needed for long-term growth.

(10) Businesses increasingly rely on workforce innovation and intellectual capital for competitiveness. Workplace benefits, particularly paid sick leave, medical leave, and flexible work arrangements, critically support employee mental and physical well-being.

(11) Race- and gender-based workplace discrimination have been tied to negative health outcomes, as well as lower productivity, trust, morale, and satisfaction and higher rates of absenteeism and turnover. Organizational reporting on practices to reduce discrimination can increase employee job satisfaction, performance, and engagement.

(12) According to the Centers for Disease Control and Prevention, work-related stress is the leading occupational health risk and, per the American Institute of Stress, job stress costs United States industry more than $300,000,000,000 per year in accidents, absenteeism, employee turnover, diminished productivity, and medical, legal, and insurance costs.

(13) Employee health and well-being is a key asset to delivering long-term value, with 80 percent of public companies that took concrete actions on health and well-being having seen larger improvements in financial performance.

(14) Organizational well-being interventions can create cost savings of up to 10 dollars for every dollar invested. Specifically, for every dollar that employers spend on workplace disease prevention and well-being programs, there is a $3.27 reduction in employee medical costs and a $2.73 reduction in absenteeism costs. Employers that implement workplace health promotion programs have seen reductions in sick leave, health plan costs, and workers' compensation and disability insurance costs of approximately 25 percent.

(15) The Centers for Disease Control and Prevention has found that preventable chronic conditions are a major contributor to insurance premium and employee medical claim costs, which are at an all-time high, and a Milken Institute study shows that employers paid $2,600,000,000,000 in 2016 for the indirect costs of employee chronic disease due to work absences, lost wages, and reduced economic productivity.

(16) The COVID–19 pandemic has severely impacted employee physical, mental, and emotional well-being by increasing stress, depression, burnout, and mortality rates of chronic disease and by reducing work-life balance and financial security, with these challenges likely to persist due to uncertainty and instability even as employees return to work. Before the COVID–19 pandemic, but especially in the face of that pandemic, employers that advance policies and practices that support workforce health, safety, and well-being are likely to outperform competitors and benefit from lower costs.

SEC. 603. DISCLOSURES RELATING TO WORKFORCE MANAGEMENT.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), as amended by section 502, is further amended by adding at the end the following:

"(w) DISCLOSURES RELATING TO WORKFORCE MANAGEMENT.—

"(1) DEFINITION.—In this subsection, the term 'contingent worker' includes an individual performing work in the usual course of business on a temporary basis (including through a labor intermediary, including an individual or entity that supplies an employer with workers to perform labor) or as an independent contractor.

"(2) REGULATIONS.—Not later than 2 years after the date of enactment of this subsection, the Commission, in consultation

with the Secretary of Labor, the Secretary of Commerce, the Secretary of Treasury, and the Attorney General, shall promulgate regulations that require each issuer required to file an annual report under subsection (a) or section 15(d) to disclose in that report information regarding workforce management policies, practices, and performance with respect to the issuer.

"(3) RULES.—Consistent with the requirement under paragraph (4), each annual report filed with the Commission in accordance with the regulations promulgated under paragraph (2) shall include disclosure of the following with respect to the issuer filing the report for the year covered by the report:

"(A) Workforce demographic information, including—

"(i) the number of full-time employees, the number of part-time employees, and the number of contingent workers (including temporary and contract workers) with respect to the issuer, which shall include demographic information with respect to those categories of individuals, including information regarding race, ethnicity, and gender;

"(ii) any policies or practices of the issuer relating to subcontracting, outsourcing, and insourcing individuals to perform work for the issuer, which shall include demographic information with respect to those individuals, including information regarding race, ethnicity, and gender; and

"(iii) whether the percentage of contingent workers with respect to the issuer has changed, including temporary and contract workers, as compared with the previous annual report filed by the issuer under this subsection.

"(B) Workforce stability information, including information about the voluntary turnover or retention rate, the involuntary turnover rate, the internal hiring rate, and the internal promotion rate, as well as information about workers who transition between employee and contingent workers, and the horizontal job change rate by quintile and demographic information.

"(C) Workforce composition, including—

"(i) data on diversity (including racial, ethnic, self-reported sexual orientation, and gender composition) for senior executives and other individuals in the workforce; and

"(ii) any policies, audits, and programming expenditures relating to diversity.

"(D) Workforce skills and capabilities, including—

"(i) information about training and cross-training of employees and contingent workers by quintile and demographic information, distinguishing between compliance training, career development training, job performance or technical training, and training tied to recognized postsecondary credentials;

"(ii) average number of hours of training for each employee and contingent worker;

"(iii) total spending on training for all employees and contingent workers;

"(iv) average spending per employee or contingent worker;

"(v) training utilization rates; and

"(vi) whether completion of training opportunities translates into value added benefit for workers, as determined by wage increases or internal promotions.

"(E) Workforce health, safety, and well-being, including information regarding—

"(i) the frequency, severity, and lost time due to injuries, physical and mental illness, and fatalities;

"(ii) the scope, frequency, and total expenditure on workplace health, safety, and well-being programs;

"(iii) the total dollar value of assessed fines under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.);

"(iv) the total number of actions brought under section 13 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 662) to prevent imminent dangers;

"(v) the total number of actions brought against the issuer under section 11(c) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 660(c));

"(vi) any findings of workplace harassment or workplace discrimination during the 5 fiscal year period of the issuer preceding the fiscal year in which the report is filed; and

"(vii) communication channels and grievance mechanisms in place for employees and contingent workers.

"(F) Workforce compensation and incentives, including information regarding—

"(i) total workforce costs, including salaries and wages, health benefits, other ancillary benefit costs, and pension costs;

"(ii) workforce benefits, including paid leave, health care, child care, and retirement, including information regarding benefits that are provided—

"(I) to full-time employees and not to part-time employees; or

"(II) to employees and not to contingent workers;

"(iii) total contributions made to unemployment insurance by the issuer, how many employees to whom those contributions apply, and the total amount paid in unemployment compensation to individuals who were laid off by the issuer;

"(iv) policies and practices regarding how performance, productivity, equity, and sustainability are considered when setting pay and making promotion decisions; and

"(v) policies and practices relating to any incentives and bonuses provided to employees and any policies or practices designed to counter any risks created by such incentives and bonuses.

"(G) Workforce recruiting and needs, including—

"(i) the number of new jobs created, seeking to be filled, and filled, disaggregated based on classification status;

"(ii) the share of new jobs that require a bachelor's degree or higher;

"(iii) information regarding the quality of hire for jobs described in clause (i); and

"(iv) the retention rate for individuals hired to fill the jobs described in clause (i).

"(H) Workforce engagement and productivity, including information regarding policies and practices of the issuer relating to—

"(i) engagement, productivity, and mental well-being of employees and contingent workers, as determined in consultation with the Department of Labor; and

"(ii) freedom of association and work-life balance initiatives, including flexibility and the ability of the workforce to work remotely, as determined in consultation with the Department of Labor.

"(4) DISAGGREGATION OF INFORMATION.—To the maximum extent feasible, the information described in paragraph (3) shall be disaggregated by—

"(A) the workforce composition described in subparagraph (C)(i) of that paragraph;

"(B) wage quintiles of the employees of the issuer for the year covered by the applicable annual report; and

"(C) the employment status of individuals performing services for the issuer, including whether those individuals are full-time employees, part-time employees, or contingent workers.

"(5) TREATMENT OF EMERGING GROWTH COMPANIES.—The Commission may exempt emerging growth companies from any disclosure required under subparagraph (D), (E), (F), (G), or (H) of paragraph (3) if the Commission determines that such an exemption is necessary or appropriate in the public interest.

"(6) FALSE OR MISLEADING STATEMENTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), it shall be unlawful for any person, in any report or document filed under this subsection, to make or cause to be made any untrue statement of a material fact or omit to state a material fact required to be stated in the report or document or necessary to make the statement made, in the light of the circumstances under which it is made, not misleading.

"(B) EXCEPTION.—A person shall not be liable under subparagraph (A) if the person shows that the person had, after reasonable investigation, reasonable ground to believe, and did believe, at the time the applicable statement was made, that the statement was true and that there was no omission to state a material fact necessary to make the statement made, in the light of the circumstances under which it is made, not misleading.

"(C) NO PRIVATE RIGHT OF ACTION.—Nothing in this paragraph may be construed as creating a private right of action.

"(7) EXEMPTION.—This subsection shall not apply to an investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a–8).".

SEC. 604. BACKSTOP.

(a) DEFINITIONS.—In this section—

(1) the term "Commission" means the Securities and Exchange Commission;

(2) the term "covered issuer" means an issuer that is required to file an annual report under section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)); and

(3) the term "issuer" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(b) COMPLIANCE.—If, as of the date that is 2 years after the date of enactment of this Act, the Commission has not promulgated the regulations required under subsection (w) of section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), as added by section 603, a covered issuer, during the period beginning on that date and ending on the date on which the Commission promulgates those regulations, shall be deemed to be in compliance with such subsection (w) if disclosures set forth in the annual report of the covered issuer satisfy the public disclosure standards of the International Organization for Standardization's ISO 30414, or any successor standards for external workforce reporting, as supplemented or adjusted by rules, guidance, or other comments from the Commission.

SEC. 605. SEC STUDY.

(a) DEFINITIONS.—In this section, the terms "Commission" and "issuer" have the meanings given those terms in section 604(a).

(b) STUDY.—The Commission shall conduct a study about the value to investors of—

(1) information about the human rights commitments of issuers required to file annual reports under section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a)), including information about any principles used to evaluate risk, constituency consultation processes, and supplier due diligence; and

(2) with respect to issuers required to file annual reports under section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a)), information about—

(A) violations of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) by those issuers;

(B) violations of worker misclassification by those issuers;

(C) surveys regarding employee satisfaction, well-being, and engagement;

(D) the number and overall percentage of quality jobs, as determined by compensation above median wage and comprehensive employer-provided benefits; and

(E) information about workforce investment trends, as determined by at least a 3-year time period.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to Congress a report that

contains the results of the study required to be conducted under subsection (b), with recommendations for additional disclosure regulations based on the findings, and any actions the Commission plans to take to enhance disclosures based on the findings.

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANKEL OF FLORIDA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VI—PREVENTING AND RESPONDING TO WORKPLACE HARASSMENT

SEC. 601. SEC FILINGS AND MATERIAL DISCLOSURES AT PUBLIC COMPANIES.

(a) DEFINITIONS.—In this section—

(1) the term "Form 10–K" means the form described in section 249.310 of title 17, Code of Federal Regulations, or any successor regulation; and

(2) the term "issuer" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(b) FINDINGS.—Congress finds that—

(1) shareholders and the public should know whether corporations—

(A) are expending company funds to resolve, settle, or litigate claims of workplace harassment, including sexual harassment; and

(B) along with the executives and managers of those corporations—

(i) are complying with prohibitions against workplace harassment, including sexual harassment; and

(ii) facilitate a culture of silence, disrespect, intimidation, and abuse that negatively impacts the health and safety of the workers of those corporations and the value of those corporations; and

(2) the requirements of this section will—

(A) establish necessary transparency and accountability; and

(B) provide an incentive for corporations to—

(i) promptly address workplace harassment, including sexual harassment, as that misconduct occurs; and

(ii) foster a culture in which workplace harassment is not protected and does not occur.

(c) INFORMATION REQUIRED.—Not later than 1 year after the date of enactment of this Act, the Securities and Exchange Commission shall promulgate a regulation that requires any issuer that is required to submit an annual report using Form 10–K to include in any such submission—

(1) during the period covered by the submission—

(A) with respect to workplace harassment, including sexual harassment, and retaliation for reporting, resisting, opposing, or assisting in the investigation of workplace harassment—

(i) the number of settlements reached by the issuer as a signatory or when the issuer is a beneficiary of a release of claims; and

(ii) whether any judgments or awards (including awards through arbitration or administrative proceedings) were entered against the issuer in part or in whole, or any payments made in connection with a release of claims; and

(B) the total amount paid by the issuer or another party as a result of—

(i) the settlements described in subparagraph (A)(i); and

(ii) the judgments described in subparagraph (A)(ii); and

(2) information regarding whether, in the aggregate, including the period covered by the submission, there have been three or more settlements reached by, or judgments against, the issuer with respect to workplace harassment, including sexual harassment, or retaliation for reporting, resisting, opposing, or assisting in the investigation of workplace harassment that relate to a particular individual employed by the issuer, without identifying that individual by name.

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HILL OF ARKANSAS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike titles I through V and insert the following:

SEC. 2. SEC STUDY ON ESG AND CLIMATE-RELATED DISCLOSURES.

(a) STUDY.—

(1) IN GENERAL.—The Securities and Exchange Commission shall carry out a study of all disclosure frameworks described in paragraph (2) that any U.S.-listed public company may use when making disclosures to investors, whether voluntarily or pursuant to law.

(2) DISCLOSURE FRAMEWORKS.—The disclosure frameworks described in this paragraph are as follows:

(A) Disclosure frameworks related to environmental, social, and governance ("ESG") metrics.

(B) Disclosure frameworks related to the climate.

(b) REPORT.—The Commission shall issue a report to the Congress containing—

(1) all findings and determinations made in carrying out the study required under subsection (a)(1); and

(2) a description of all inconsistencies between the frameworks described under subsection (a)(2).

(c) ESG AND CLIMATE DISCLOSURE RULEMAKING CONTINGENT ON STUDY.—Issuers are not required to make any disclosures related to ESG or the climate that were not required on the date of enactment of this Act unless—

(1) such disclosures are required by a rule of the Commission; and

(2) such rule is issued taking into account the finding and determinations of the study required under subsection (a)(1).

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HIMES OF CONNECTICUT OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VI—CYBERSECURITY DISCLOSURE

SEC. 601. SHORT TITLE.

This title may be cited as the "Cybersecurity Disclosure Act of 2021".

SEC. 602. CYBERSECURITY TRANSPARENCY.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 14B (15 U.S.C. 78n–2) the following:

"SEC. 14C. CYBERSECURITY TRANSPARENCY.

"(a) DEFINITIONS.—In this section—

"(1) the term 'cybersecurity' means any action, step, or measure to detect, prevent, deter, mitigate, or address any cybersecurity threat or any potential cybersecurity threat;

"(2) the term 'cybersecurity threat'—

"(A) means an action, not protected by the First Amendment to the Constitution of the United States, on or through an information system that may result in an unauthorized effort to adversely impact the security, availability, confidentiality, or integrity of an information system or information that is stored on, processed by, or transiting an information system; and

"(B) does not include any action that solely involves a violation of a consumer term of service or a consumer licensing agreement;

"(3) the term 'information system'—

"(A) has the meaning given the term in section 3502 of title 44, United States Code; and

"(B) includes industrial control systems, such as supervisory control and data acquisition systems, distributed control systems, and programmable logic controllers;

"(4) the term 'NIST' means the National Institute of Standards and Technology; and

"(5) the term 'reporting company' means any company that is an issuer—

"(A) the securities of which are registered under section 12; or

"(B) that is required to file reports under section 15(d).

"(b) REQUIREMENT TO ISSUE RULES.—Not later than 360 days after the date of enactment of this section, the Commission shall issue final rules to require each reporting company, in the annual report of the reporting company submitted under section 13 or section 15(d) or in the annual proxy statement of the reporting company submitted under section 14(a)—

"(1) to disclose whether any member of the governing body, such as the board of directors or general partner, of the reporting company has expertise or experience in cybersecurity and

in such detail as necessary to fully describe the nature of the expertise or experience; and

"(2) if no member of the governing body of the reporting company has expertise or experience in cybersecurity, to describe what other aspects of the reporting company's cybersecurity were taken into account by any person, such as an official serving on a nominating committee, that is responsible for identifying and evaluating nominees for membership to the governing body.

"(c) CYBERSECURITY EXPERTISE OR EXPERIENCE.—For purposes of subsection (b), the Commission, in consultation with NIST, shall define what constitutes expertise or experience in cybersecurity using commonly defined roles, specialties, knowledge, skills, and abilities, such as those provided in NIST Special Publication 800–181, entitled 'National Initiative for Cybersecurity Education (NICE) Cybersecurity Workforce Framework', or any successor thereto.".

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MEEKS OF NEW YORK OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VI—DATA RELATING TO DIVERSITY DISCLOSURE

SEC. 601. SHORT TITLE.

This title may be cited as the "Improving Corporate Governance Through Diversity Act of 2021".

SEC. 602. SUBMISSION OF DATA RELATING TO DIVERSITY BY ISSUERS.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), as amended by section 502, is further amended by adding at the end the following:

"(w) SUBMISSION OF DATA RELATING TO DIVERSITY.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'executive officer' has the meaning given the term in section 230.501(f) of title 17, Code of Federal Regulations, as in effect on the date of enactment of this subsection; and

"(B) the term 'veteran' has the meaning given the term in section 101 of title 38, United States Code.

"(2) SUBMISSION OF DISCLOSURE.—Each issuer required to file an annual report under subsection (a) shall disclose in any proxy statement and any information statement relating to the election of directors filed with the Commission the following:

"(A) Demographic data, based on voluntary self-identification, on the racial, ethnic, gender identity, and sexual orientation composition of—

"(i) the board of directors of the issuer;

"(ii) nominees for the board of directors of the issuer; and

"(iii) the executive officers of the issuer.

"(B) The status of any member of the board of directors of the issuer, any nominee for the board of directors of the issuer, or any executive officer of the issuer, based on voluntary self-identification, as a veteran.

"(C) Whether the board of directors of the issuer, or any committee of that board of directors, has, as of the date on which the issuer makes a disclosure under this paragraph, adopted any policy, plan, or strategy to promote racial, ethnic, and gender diversity among—

"(i) the board of directors of the issuer;

"(ii) nominees for the board of directors of the issuer; or

"(iii) the executive officers of the issuer.

"(3) ALTERNATIVE SUBMISSION.—In any 1-year period in which an issuer required to file an annual report under subsection (a) does not file with the Commission a proxy statement or an information statement relating to the election of directors, the issuer shall disclose the information required under paragraph (2) in the first annual report of issuer that the issuer submits to the Commission after the end of that 1-year period.

"(4) ANNUAL REPORT.—Not later than 18 months after the date of enactment of this subsection, and annually thereafter, the Commission shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, and publish on the website of the Commission, a report that analyzes the information disclosed under paragraphs (2) and (3) and identifies any trends with respect to such information.

"(5) BEST PRACTICES.—

"(A) IN GENERAL.—The Director of the Office of Minority and Women Inclusion of the Commission shall, not later than 3 years after the date of enactment of this subsection, and every 3 years thereafter, publish best practices for compliance with this subsection.

"(B) COMMENTS.—The Director of the Office of Minority and Women Inclusion of the Commission may, pursuant to subchapter II of chapter 5 of title 5, United States Code, solicit public comments related to the best practices published under subparagraph (A).".

SEC. 603. DIVERSITY ADVISORY GROUP.

(a) DEFINITIONS.—For the purposes of this section:

(1) ADVISORY GROUP.—The term "Advisory Group" means the Diversity Advisory Group established under subsection (b).

(2) COMMISSION.—The term "Commission" means the Securities and Exchange Commission.

(3) ISSUER.—The term "issuer" has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(b) ESTABLISHMENT.—The Commission shall establish a Diversity Advisory Group, which shall be composed of representatives from—

(1) the Federal Government and State and local governments;

(2) academia; and

(3) the private sector.

(c) STUDY AND RECOMMENDATIONS.—The Advisory Group shall—

(1) carry out a study that identifies strategies that can be used to increase gender identity, racial, ethnic, and sexual orientation diversity among members of boards of directors of issuers; and

(2) not later than 270 days after the date on which the Advisory Group is established, submit to the Commission, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives a report that—

(A) describes any findings from the study conducted under paragraph (1); and

(B) makes recommendations regarding strategies that issuers could use to increase gender identity, racial, ethnic, and sexual orientation diversity among board members.

(d) ANNUAL REPORT.—Not later than 1 year after the date on which the Advisory Group submits the report required under subsection (c)(2), and annually thereafter, the Commission shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that describes the status of gender identity, racial, ethnic, and sexual orientation diversity among members of the boards of directors of issuers.

(e) PUBLIC AVAILABILITY OF REPORTS.—The Commission shall make all reports of the Advisory Group available to issuers and the public, including on the website of the Commission.

(f) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Advisory Group or the activities of the Advisory Group.

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7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PHILLIPS OF MINNESOTA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 9, after line 10, insert the following:

SEC. 105. STUDY ON SHAREHOLDER COLLECTIVE ACTION.

Not later than 1 year after the date of the enactment of this Act, the Securities and Exchange Commission shall—

(1) conduct a study on—

(A) the emergence, viability, and significance of coalitions of shareholders who wish to preserve and promote critical employment and ESG standards;

(B) whether and to what extent shareholder collective action—

(i) occurs; and

(ii) has implications with respect to filing requirements under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.); and

(C) any possible anticompetitive activities associated with shareholder collective action; and

(2) submit to Congress a report that includes—

(A) the findings of the study conducted under paragraph (1);

(B) guidance, which may include an approved list, of shareholder engagement activities that are not considered to involve questions of corporate control; and

(C) recommendations on regulatory safe harbors for engagement with respect to sustainability guardrails and similar restrictions on portfolio company conduct with a goal of—

(i) preserving economic justice, environmental systems, and social institutions; and

(ii) otherwise protecting the common interests of corporate shareholders and stakeholders.

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8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHRIER OF WASHINGTON OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VI—OTHER MATTERS

SEC. 601. STUDY AND REPORT ON SMALL BUSINESSES AND ESG DISCLOSURES.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Securities and Exchange Commission, in coordination with the Director of the Office of the Advocate for Small Business Capital Formation and the Investor Advocate of the Office of the Investor Advocate, shall—

(1) conduct a study on the issues small businesses face with respect to complying with disclosure requirements related to environmental, social, and governance metrics; and

(2) submit a report to Congress that includes—

(A) the results of the study required under paragraph (1); and

(B) recommendations with respect to small business compliance with such disclosure requirements.

(b) DEFINITION OF SMALL BUSINESS.—In this section, the term "small business" has the meaning given the term "small business concern" under section 3 of the Small Business Act (15 U.S.C. 632).

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9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WEXTON OF VIRGINIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following:

TITLE VI—UYGHUR FORCED LABOR DISCLOSURE

SEC. 601. SHORT TITLE.

This division may be cited as the "Uyghur Forced Labor Disclosure Act".

SEC. 602. DISCLOSURE OF CERTAIN ACTIVITIES RELATING TO THE XINJIANG UYGHUR AUTONOMOUS REGION.

(a) IN GENERAL.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), as amended by section 502, is further amended by adding at the end the following:

"(w) DISCLOSURE OF CERTAIN ACTIVITIES RELATING TO THE XINJIANG UYGHUR AUTONOMOUS REGION.—

"(1) IN GENERAL.—Not later than the end of the 180-day period beginning on the date of enactment of this subsection, the Commission shall issue rules to require each issuer required to file an annual report under this section or section 15(d) or a proxy statement under section 14 to disclose in each such report or proxy statement whether, during the period covered by the report or proxy statement—

"(A) the issuer or any affiliate of the issuer, directly or indirectly, engaged with an entity or the affiliate of an entity to import—

"(i) manufactured goods, including electronics, food products, textiles, shoes, auto parts, polysilicon, and teas, that are sourced from or through the XUAR;

"(ii) manufactured goods containing materials that are sourced from or through the XUAR; or

"(iii) goods manufactured by an entity engaged in labor transfers from the XUAR;

"(B) with respect to any goods or materials described under subparagraph (A), whether the goods or material originated in forced labor camps; and

"(C) with respect to each manufactured good or material described under subparagraph (A)—

"(i) the nature and extent of the commercial activity related to such good or material;

"(ii) the gross revenue and net profits, if any, attributable to the good or material; and

"(iii) whether the issuer or the affiliate of the issuer intends to continue with such importation.

"(2) AVAILABILITY OF INFORMATION.—The Commission shall make all information disclosed pursuant to this subsection available to the public on the website of the Commission.

"(3) REPORTS.—

"(A) ANNUAL REPORT TO CONGRESS.—The Commission shall—

"(i) conduct an annual assessment of the compliance of issuers with the requirements of this subsection; and

"(ii) issue a report to Congress containing the results of the assessment required under clause (i).

"(B) GAO REPORT.—The Comptroller General of the United States shall periodically evaluate and report to Congress on the effectiveness of the oversight by the Commission of the disclosure requirements under this subsection.

"(4) DEFINITIONS.—In this subsection:

"(A) FORCED LABOR CAMP.—The term 'forced labor camp' means—

"(i) any entity engaged in the 'mutual pairing assistance' program which subsidizes the establishment of manufacturing facilities in XUAR;

"(ii) any entity using convict labor, forced labor, or indentured labor described under section 307 of the Tariff Act of 1930 (19 U.S.C. 1307); and

"(iii) any other entity that the Commission determines is appropriate.

"(B) XUAR.—The term 'XUAR' means the Xinjiang Uyghur Autonomous Region.".

(b) REPEAL.—The amendment made by this section shall be repealed on the earlier of—

(1) the date that is 8 years after the date of the enactment of this section; or

(2) the date on which the President submits to Congress (including the Office of the Law Revision Council) a determination that the Government of the People's Republic of China has ended mass internment, forced labor, and any other gross violations of human rights experienced by Uyghurs, Kazakhs, Kyrgyz, and members of other persecuted groups in the Xinjiang Uyghur Autonomous Region.

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10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PLASKETT OF VIRGIN ISLANDS OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 41, line 8, insert "means" after "'tax jurisdiction'".

Page 41, line 9, strike "means".

Page 41, beginning line 9, strike "or a jurisdiction that is not a country but that has fiscal autonomy; and" and insert "; or".

Page 41, strike lines 12 through 14.

Page 41, after line 11, insert the following:

"(ii) a jurisdiction that is not a country but that has fiscal autonomy.".

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