To amend the Coronavirus Economic Stabilization Act of 2020 to place certain permanent requirements on large accelerated filers receiving Federal aid related to COVID–19.

IN THE HOUSE OF REPRESENTATIVES

Mr. ______ introduced the following bill; which was referred to the Committee on ______.

A BILL

To amend the Coronavirus Economic Stabilization Act of 2020 to place certain permanent requirements on large accelerated filers receiving Federal aid related to COVID–19.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the [“___________ Act of 2020”].
SEC. 2. PERMANENT REQUIREMENTS ON LARGE ACCELERATED FILERS RECEIVING FEDERAL AID RELATED TO COVID–19.

(a) IN GENERAL.—The Coronavirus Economic Stabilization Act of 2020 (Public Law 116–136) is amended by adding at the end the following:

"SEC. 4030. PERMANENT REQUIREMENTS ON LARGE ACCELERATED FILERS RECEIVING FEDERAL AID RELATED TO COVID–19.

“(a) IN GENERAL.—A large accelerated filer that receives Federal aid related to COVID–19 shall permanently comply with the following:

“(1) WORKER BOARD REPRESENTATION.—

“(A) IN GENERAL.—At least 1/3 of the members of the large accelerated filer’s directors are chosen by the employees of the large accelerated filer in a one-employee-one-vote election process.

“(B) COMPLIANCE DATE.—A large accelerated filer shall comply with the requirements under subparagraph (A) not later than the end of the 2-year period beginning on the date of enactment of this section.

“(C) DEFINITIONS.—In this paragraph—

“(i) the term ‘director’ has the meaning given the term in section 3 of the Se-
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Securities Exchange Act of 1934 (15 U.S.C. 78c); and

“(ii) the term ‘employee’ has the meaning given the term in section 2 of the National Labor Relations Act (29 U.S.C. 152).

“(2) ADDITIONAL DISCLOSURES.—If the securities of the corporation are traded on a national securities exchange, the corporation shall issue the following disclosures to the Securities and Exchange Commission on a quarterly basis (and make such disclosures available to shareholders of the corporation and the public):

“(A) The political spending disclosures required under subsection (b).

“(B) The human capital management disclosures required under subsection (c).

“(C) The environmental, social, and governance disclosures required under subsection (d).

“(D) The Federal aid disclosures required under subsection (e).

“(E) The disclosures of financial performance on a country-by-country basis required under subsection (f).
“(b) POLITICAL SPENDING DISCLOSURES.—

“(1) IN GENERAL.—With respect to a large accelerated filer, the disclosures required under this subsection are—

“(A) a description of any expenditure for political activities made during the preceding quarter;

“(B) the date of each expenditure for political activities;

“(C) the amount of each expenditure for political activities;

“(D) if the expenditure for political activities was made in support of or opposed to a candidate, the name of the candidate and the office sought by, and the political party affiliation of, the candidate;

“(E) the name or identity of trade associations or organizations described in section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code which receive dues or other payments as described in paragraph (1)(A)(i)(III);  

“(F) a summary of each expenditure for political activities made during the preceding year in excess of $10,000, and each expenditure...
for political activities for a particular election if
the total amount of such expenditures for that
election is in excess of $10,000;

“(G) a description of the specific nature of
any expenditure for political activities the cor-
poration intends to make for the forthcoming
fiscal year, to the extent the specific nature is
known to the corporation; and

“(H) the total amount of expenditures for
political activities intended to be made by the
corporation for the forthcoming fiscal year.

“(2) DEFINITIONS.—In this subsection:

“(A) EXPENDITURE FOR POLITICAL AC-
tivities.—The term ‘expenditure for political
activities’—

“(i) means—

“(I) an independent expenditure
(as defined in section 301(17) of the
Federal Election Campaign Act of
1971 (52 U.S.C. 30101(17)));

“(II) an electioneering commu-
ication (as defined in section
304(f)(3) of that Act (52 U.S.C.
30104(f)(3))) and any other public
communication (as defined in section
301(22) of that Act (52 U.S.C. 30101(22))) that would be an elec-
tioneering communication if it were a broadcast, cable, or satellite commu-
nication; or

“(III) dues or other payments to trade associations or organizations de-
scribed in section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of that Code that are, or could reasonably be anticipated to be, used or transferred to another association or organization for the purposes described in sub-
clause (I) or (II); and

“(ii) does not include—

“(I) direct lobbying efforts through registered lobbyists employed or hired by the corporation;

“(II) communications by a corporation to its shareholders and executive or administrative personnel and their families; or

“(III) the establishment and admin-
istration of contributions to a sep-
arate segregated fund to be utilized
for political purposes by a corpora-
tion.

“(B) EXCEPTION.—The term ‘corporation’
does not include an investment company reg-
istered under section 8 of the Investment Com-

“(c) HUMAN CAPITAL MANAGEMENT DISCLOS-
URES.—With respect to a large accelerated filer, the dis-
closures required under this subsection are the following:

“(1) Workforce demographic information, in-
cluding the number of full-time employees, the num-
ber of part-time employees, the number of contin-
gent workers (including temporary and contract
workers), and any policies or practices relating to
subcontracting, outsourcing, and insourcing.

“(2) Workforce stability information, including
information about the voluntary turnover or retain-
ton rate, the involuntary turnover rate, the internal
hiring rate, and the internal promotion rate.

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

“(4) Workforce skills and capabilities, including
information about training of employees (including
the average number of hours of training and spending on training per employee per year), skills gaps, and alignment of skills and capabilities with business strategy.

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

“(A) policies and practices of the corporation relating to freedom of association and work-life balance initiatives;

“(B) any incidents of verified workplace harassment in the previous 5 fiscal years of the corporation;

“(C) policies and practices of the corporation relating to employee engagement and psychological wellbeing, including management discussion regarding—

“(i) the creation of an autonomous work environment;

“(ii) fostering a sense of purpose in the workforce;

“(iii) trust in management; and

“(iv) a supportive, fair, and constructive workplace.

“(6) Workforce health and safety, including information about—
“(A) the frequency, severity, and lost time due to injuries, illness, and fatalities;

“(B) the total dollar value of assessed fines under the Occupational Safety and Health Act of 1970;

“(C) the total number of actions brought under section 13 of the Occupational Safety and Health Act of 1970 to prevent imminent dangers; and

“(D) the total number of actions brought against the corporation under section 11(c) of the Occupational Safety and Health Act of 1970.

“(7) Workforce compensation and incentives, including information about—

“(A) total workforce compensation, including disaggregated information about compensation for full-time, part-time, and contingent workers;

“(B) policies and practices about how performance, productivity, and sustainability are considered when setting pay and making promotion decisions; and

“(C) policies and practices relating to any incentives and bonuses provided to employees
below the named executive level and any policies or practices designed to counter any risks create by such incentives and bonuses.

“(8) Workforce recruiting, including information about the quality of hire, new hire engagement rate, and new hire retention rate.

“(d) ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURES.—

“(1) DISCLOSURE.—With respect to a large accelerated filer, the disclosures required under this subsection are the following:

“(A) An identification of, the evaluation of potential financial impacts of, and any risk-management strategies relating to—

“(i) physical risks posed to the issuer by climate change; and

“(ii) transition risks posed to the issuer by climate change.

“(B) A description of any established corporate governance processes and structures to identify, assess, and manage climate-related risks.

“(C) A description of specific actions that the issuer is taking to mitigate identified risks.

“(2) RULEMAKING.—
“(A) Climate risk disclosure rules.—

The Commission, in consultation with the appropriate climate principals, shall not later than 2 years after the date of the enactment of this subsection, issue rules with respect to the information that an issuer is required to disclose under this subsection and such rules shall—

“(i) establish, in consultation with the appropriate climate principals, climate-related risk disclosure guidance, which shall—

“(I) be, to the extent practicable, specialized for industries within specific sectors of the economy, which shall include—

“(aa) the sectors of finance, insurance, transportation, electric power, mining, and non-renewable energy; and

“(bb) any other sector determined appropriate by the Commission, in consultation with the appropriate climate principals;

“(II) include reporting standards for estimating and disclosing direct
and indirect greenhouse gas emissions
by an issuer, and any affiliates of the
issuer, which shall—

“(aa) separate, to the extent
practicable, total emissions of
each specified greenhouse gas by
the issuer; and

“(bb) include greenhouse
gas emissions by the issuer dur-
during the period covered by the dis-
closure;

“(III) include reporting stand-
ards for disclosing, with respect to an
issuer—

“(aa) the total amount of
fossil fuel-related assets owned or
managed by the issuer; and

“(bb) the percentage of fos-
sil fuel-related assets as a per-
centage of total assets owned or
managed by the issuer;

“(IV) establish a minimum social
cost of carbon, which—

“(aa) shall be considered a
minimum price with respect to
13 costs associated with carbon
emissions;

“(bb) an issuer shall use in
preparing climate-related disclo-
sure statements; and

“(cc) the Commission shall
make publicly available all as-
sumptions and methods used in
the calculations;

“(V) not preclude an issuer from
using and disclosing, as compared
with the price established under sub-
clause (IV), a higher price of green-
house gas emissions;

“(VI) specify requirements for,
and the disclosure of, input param-
eters, assumptions, and analytical
choices to be used in climate scenario
analyses required under clause (ii)(I),
including—

“(aa) present value discount
rates;

“(bb) time frames to con-
sider, including 5-, 10-, and 20-
year time frames; and
“(cc) minimum pricing of greenhouse gas emissions, as established under subclause (IV) and subject to subclause (V); and
“(VII) include, after consultation with the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Transportation, the Chair of the Council on Environmental Quality, and the Director of the Office of Science and Technology
Policy documentation standards and guidance with respect to the information required under clause (ii)(III);
“(ii) require that an issuer, with respect to a disclosure required under this subsection—
“(I) incorporate into such disclosure—
“(aa) quantitative analysis to support any qualitative statement made by the issuer;
“(bb) the guidance established under clause (i);

“(cc) industry-specific metrics that comply with the requirements under clause (i)(I);

“(dd) specific risk management actions that the issuer is taking to address identified risks;

“(ee) a discussion of the short-, medium-, and long-term resilience of any risk management strategy, and the evolution of applicable risk metrics, of the issuer under each scenario described in clause (i)(II); and

“(ff) the total cost of carbon attributable to the direct and indirect greenhouse gas emissions of the issuer, using, at minimum, the social cost of carbon;

“(II) consider, when preparing any qualitative or quantitative risk analysis statement contained in the disclosure—
“(aa) a baseline scenario that includes physical impacts of climate change;

“(bb) a well below 1.5 degrees scenario; and

“(cc) any additional climate analysis scenario considered appropriate by the Commission, in consultation with the appropriate climate principals;

“(III) if the issuer engages in the commercial development of fossil fuels, include in the disclosure—

“(aa) an estimate of the total and a disaggregated amount of direct and indirect greenhouse gas emissions of the issuer that are attributable to—

“(AA) combustion;

“(BB) flared hydrocarbons;

“(CC) process emissions;

“(DD) directly vented emissions;
“(EE) fugitive emissions or leaks; and

“(FF) land use changes;

“(bb) a description of—

“(AA) the sensitivity of fossil fuel reserve levels to future price projection scenarios that incorporate the social cost of carbon into hydrocarbon pricing;

“(BB) the percentage of the reserves of the issuer that will be developed under the scenarios established in subclause (II), as well as a forecast for the development prospects of each reserve under the scenarios established in subclause (II);

“(CC) the potential amount of direct and indirect greenhouse gas emissions that are embedded in proved and probable hydro-
carbon reserves, with each such calculation presented as a total and in subdivided categories by the type of reserve;

“(DD) the methodology of the issuer for detecting and mitigating fugitive methane emissions, which shall include the frequency with which applicable assets of the issuer are observed for methane leaks, the processes and technology that the issuer uses to detect methane leaks, the percentage of assets of the issuer that the issuer inspects under that methodology, and quantitative and time-bound reduction goals of the issuer with respect to methane leaks;

“(EE) the amount of water that the issuer with-
draws from freshwater sources for use and consumption in operations of the issuer; and

“(FF) the percentage of the water described in subitem (EE) that comes from regions of water stress or that face wastewater management challenges; and

“(cc) any other information that the Commission, in consultation with the appropriate climate principals and the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of the Interior, the Secretary of Agriculture determines is—

“(AA) necessary;

“(BB) appropriate to safeguard the public interest; or
“(CC) directed at ensuring that investors are informed;

“(iii) with respect to a disclosure required under this subsection, require that an issuer include in such disclosure any other information, or use any climate-related or greenhouse gas emissions metric, that the Commission, in consultation with the appropriate climate principals, determines is—

“(I) necessary;

“(II) appropriate to safeguard the public interest; or

“(III) directed at ensuring that investors are informed; and

“(iv) with respect to a disclosure required under this subsection, establish how and where the required disclosures shall be addressed in the issuer’s annual financial filing.

“(B) FORMATTING.—The Commission shall require issuers to disclose information required under this subsection in an interactive data format and shall develop standards for
such format, which shall include electronic tags for information that the Commission determines is—

“(i) necessary;

“(ii) appropriate to safeguard the public interest; or

“(iii) directed at ensuring that investors are informed.

“(C) Periodic Update of Rules.—The Commission shall periodically update the rules issued under this paragraph.

“(3) Definitions.—In this subsection

“(A) the term ‘1.5 degree scenario’ means a widely recognized, publicly available analysis scenario in which human interventions to combat global climate change are likely to prevent the global average temperature from reaching 1.5 degrees Celsius above pre-industrial levels;

“(B) the term ‘appropriate climate principals’ means—

“(i) the Administrator of the Environmental Protection Agency;

“(ii) the Secretary of Energy;
“(iii) the Administrator of the National Oceanic and Atmospheric Administration;

“(iv) the Director of the Office of Management and Budget; and

“(v) the head of any other Federal agency determined appropriate by the Commission;

“(C) the term ‘appropriate congressional committees’ means—

“(i) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(ii) the Committee on Financial Services of the House of Representatives;

“(D) the term ‘baseline scenario’ means a widely recognized analysis scenario in which levels of greenhouse gas emissions, as of the date on which the analysis is performed, continue to grow, resulting in—

“(i) an increase in the global average temperature of 1.5 degrees Celsius or more above pre-industrial levels; and

“(ii) the realization of physical risks relating to global climate change;
“(E) the term ‘carbon dioxide equivalent’ means the number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of another greenhouse gas, as determined under table A–1 of subpart A of part 98 of title 40, Code of Federal Regulations, as in effect on the date of enactment of this subsection;

“(F) the term ‘climate change’ means a change of climate that is—

“(i) attributed directly or indirectly to human activity that alters the composition of the global atmosphere; and

“(ii) in addition to natural climate variability observed over comparable time periods;

“(G) the term ‘commercial development of fossil fuels’ includes—

“(i) exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof; and

“(ii) acquiring a license for any activity described in clause (i);
“(H) the term ‘Commission’ means the Securities and Exchange Commission;

“(I) the term ‘direct and indirect greenhouse gas emissions’ includes, with respect to an issuer—

“(i) all direct greenhouse gas emissions released by the covered issuer;

“(ii) all indirect greenhouse gas emissions with respect to electricity, heat, or steam purchased by the covered issuer;

“(iii) significant indirect emissions, other than the emissions described clause (ii), that occur in the value chain of the covered issuer; and

“(iv) all indirect greenhouse gas emissions that are attributable to assets owned or managed, including assets that are partially owned or managed, by the covered issuer;

“(J) the term ‘fossil fuel reserves’ means all producing assets, proved reserves, unproved resources, and any other ownership stake in sources of fossil fuels;

“(K) the term ‘greenhouse gas’—
“(i) means carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and chlorofluorocarbons; and

“(ii) includes any other anthropogenically-emitted gas or particulate that the Administrator of the Environmental Protection Agency determines, after notice and comment, to contribute to climate change;

“(L) the term ‘greenhouse gas emissions’ means the emissions of greenhouse gas, expressed in terms of metric tons of carbon dioxide equivalent;

“(M) the term ‘physical risks’ means financial risks to long-lived fixed assets, locations, operations, or value chains that result from exposure to physical climate-related effects, including—

“(i) increased average global temperatures and increased frequency of temperature extremes;

“(ii) increased severity and frequency of extreme weather events;
“(iii) increased flooding;

“(iv) sea-level rise;

“(v) ocean acidification;

“(vi) increased frequency of wildfires;

“(vii) decreased arability of farmland;

“(viii) decreased availability of fresh water; and

“(ix) any other financial risks to long-lived fixed assets, locations, operations, or value chains determined appropriate by the Commission, in consultation with appropriate climate principals;

“(N) the term ‘social cost of carbon’ means the monetized present value, discounted at a 3 percent or lower discount rate, in dollars, per metric ton of carbon dioxide (or carbon dioxide equivalent), of the net global costs over 300 years caused by the emission of carbon dioxide (or carbon dioxide equivalent, as applicable) that result from—

“(i) changes in net agricultural productivity;

“(ii) decreases in capital and labor productivity;

“(iii) effects on human health;
“(iv) property damage from increased sea-level rise, flooding, wildfires, and frequency and severity of extreme weather events;

“(v) the value of ecosystem services;

and

“(vi) any other type of economic, social, political, or natural disruption;

“(O) the term ‘transition risks’ means financial risks that are attributable to climate change mitigation and adaptation, including efforts to reduce greenhouse gas emissions and strengthen resilience to the impacts of climate change, including—

“(i) costs relating to—

“(I) international treaties and agreements;

“(II) Federal, State, and local policy;

“(III) new technologies;

“(IV) changing markets;

“(V) reputational impacts relevant to changing consumer behavior;

and

“(VI) litigation; and
“(ii) assets that may lose value or become stranded due to any of the costs described in subclauses (I) through (VI) of clause (i).

“(P) the term ‘value chain’—

“(i) means the total lifecycle of a product or service, both before and after production of the product or service, as applicable; and

“(ii) may include the sourcing of materials, production, and disposal with respect to the product or service described in clause (i); and

“(Q) the term ‘well below 1.5 degrees scenario’ means a widely recognized, publicly available analysis scenario in which human interventions to combat global climate change are likely to prevent the global average temperature from reaching 1.5 degrees Celsius above pre-industrial levels.

“(e) FEDERAL AID DISCLOSURES.—With respect to a large accelerated filer, the disclosure required under this subsection is a description of how the Federal aid related to COVID–19 received by the corporation is being used to support the corporation’s employees.
“(f) DISCLOSURES OF FINANCIAL PERFORMANCE ON A COUNTRY-BY-COUNTRY BASIS.—

“(1) IN GENERAL.—With respect to a large accelerated filer, the disclosures required under this subsection are the following:

“(A) CONSTITUENT ENTITY INFORMATION.—Information on any constituent entity of the corporation, including the following:

“(i) The complete legal name of the constituent entity.

“(ii) The tax jurisdiction, if any, in which the constituent entity is resident for tax purposes.

“(iii) The tax jurisdiction in which the constituent entity is organized or incorporated (if different from the tax jurisdiction of residence).

“(iv) The tax identification number, if any, used for the constituent entity by the tax administration of the constituent entity’s tax jurisdiction of residence.

“(v) The main business activity or activities of the constituent entity.

“(B) TAX JURISDICTION.—Information on each tax jurisdiction in which one or more con-
constituent entities is resident, presented as an aggregated or consolidated form of the information for the constituent entities resident in each tax jurisdiction, including the following:

“(i) Revenues generated from transactions with other constituent entities.

“(ii) Revenues not generated from transactions with other constituent entities.

“(iii) Profit or loss before income tax.

“(iv) Total income tax paid on a cash basis to all tax jurisdictions.

“(v) Total accrued tax expense recorded on taxable profits or losses.

“(vi) Stated capital.

“(vii) Total accumulated earnings.

“(viii) Total number of employees on a full-time equivalent basis.

“(ix) Net book value of tangible assets, which, for purposes of this section, does not include cash or cash equivalents, intangibles, or financial assets.

“(C) Special rules.—The information listed in subparagraph (B) shall be provided, in aggregated or consolidated form, for any con-
constituent entity or entities that have no tax jurisdiction of residence. In addition, if a constituent entity is an owner of a constituent entity that does not have a jurisdiction of tax residence, then the owner’s share of such entity’s revenues and profits will be aggregated or consolidated with the information for the owner’s tax jurisdiction of residence.

“(2) DEFINITIONS.—In this subsection—

“(A) the term ‘constituent entity’ means, with respect to a large accelerated filer, any separate business entity of the large accelerated filer;

“(B) the term ‘tax jurisdiction’—

“(i) means a country or a jurisdiction that is not a country but that has fiscal autonomy; and

“(ii) includes a territory or possession of the United States that has fiscal autonomy.

“(g) ENFORCEMENT; RULEMAKING.—The Securities and Exchange Commission shall have the authority to enforce this section and may issue such rules as may be necessary to carry out this section.

“(h) DEFINITIONS.—In this section:
“(1) Federal Aid.—The term ‘Federal aid’ means—

“(A) any emergency lending provided under section 13(3) of the Federal Reserve Act;

“(B) any Federal financial support in the form of a grant, loan, or loan guarantee; and

“(C) any financial support received from a private source, if the repayment of such private financial support secures Federal financial support described under subparagraph (B).

“(2) Large Accelerated Filer.—The term ‘large accelerated filer’ has the meaning given that term under section 240.12b-2 of title 17, Code of Federal Regulations.

“(3) Securities Terms.—The terms ‘national securities exchange’ and ‘security’ have the meaning given those terms, respectively, under section 3 of the Securities Exchange Act of 1934.”.

(b) Clerical Amendment.—The table of contents in section 2 of the CARES Act is amended by inserting after the item relating to section 4029 the following:

“Sec. 4030 Permanent requirements on large accelerated filers receiving Federal aid related to COVID–19.”.