AMENDMENT TO THE RULES COMMITTEE PRINT

117–5

OFFERED BY MR. PHILLIPS OF MINNESOTA

Page 9, after line 10, insert the following:

SEC. 105. ANNUAL REPORTS ON MATTERS RELATING TO
THE COMMON GOOD FOR LARGE BUSINESSES.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 13A the following:

“SEC. 13B. ANNUAL REPORTS ON MATTERS RELATING TO
THE COMMON GOOD FOR LARGE BUSINESSES.

“(a) LARGE BUSINESS DEFINED.—

“(1) IN GENERAL.—In this section, the term ‘large business’ means an entity that—

“(A) is organized under the laws of a State or territory of the United States as a corporation, partnership, limited liability company, limited liability partnership, trust, or other legal entity;

“(B) engages in interstate commerce; and
“(C) in a taxable year, according to information provided by the entity to the Internal Revenue Service, has more than $1,000,000,000 in gross receipts.

“(2) AGGREGATION RULES.—All entities treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as 1 entity for the purposes of paragraph (1).

“(b) REPORTING OBLIGATION FOR LARGE BUSINESSES.—

“(1) IN GENERAL.—Not later than 1 year after the Commission promulgates rules under subsection (c), and annually thereafter, each large business shall with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest—

“(A) information on the impact of the large business on—

“(i) its employees and other workers whose labor it contracts for or who are in its supply chain;
“(ii) communities, other stakeholders, and the environment; and

“(iii) other matters of common interest to citizens and relevant to the social and natural systems on which a just and prosperous future depend; and

“(B) such other information as the Commission shall require by regulation.

“(2) APPLICABILITY.—This subsection shall apply to a large business regardless of whether the large business is subject to the reporting requirements of section 13(a) or section 15(d) of this Act.

“(c) RULEMAKING.—

“(1) IN GENERAL.—Not later than 3 years after the date of the enactment of this section, the Commission shall, in consultation with the Secretary of Labor, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency, promulgate rules setting forth the required content and format of the filings made under subsection (b).

“(2) CONSIDERATIONS.—In promulgating the rules required under this subsection, the Commission shall seek to ensure reasonably standardized presentation of the information reported and consider—
“(A) the interests of investors, workers, consumers, and other stakeholders;

“(B) the compensation, benefits, and working conditions of the employees and other workers of the large business and the workers in its supply chain, including whether the large business uses substitute forms of contracted labor, and if so, the compensation, benefits, working conditions, and rights of those workers in comparison to employees;

“(C) the interests of the communities in which the large business has material operations or which it otherwise impacts, directly or indirectly;

“(D) the protection and regeneration of the environment, including the interests of the stakeholders of the large business and society in mitigating the economic and other harm caused by climate change; and

“(E) the interests of society as a whole, including the preservation and regeneration of the social and natural systems on which a just and prosperous future depend.

“(d) FALSE OR MISLEADING STATEMENTS.—
“(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any person, in any report or document filed under this section, 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 statements made, in light of the circumstances under which they were made, not misleading.

“(2) DEFENSE.—A person shall not be liable under paragraph (1) if the person shows that the person had, after reasonable investigation, reasonable ground to believe and did believe, at the time the statements were made, that the statements were true and that there was no omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

“(3) NO PRIVATE RIGHT OF ACTION.—Nothing in this subsection shall be construed as creating a private right of action.”.