

# Sunlight in Workplace Harassment Act

The #MeToo movement sprung up in response to reports of numerous high-profile sexual harassment and abuse cases related to the conduct of corporate executives. These disputes sparked a national conversation about the culture of harassment, discrimination, and abuse that seems to pervade the C-suites and boardrooms of America's largest corporations, and how to bring these cases, often shrouded in secrecy by nondisclosure agreements and forced arbitration clauses, into the light.

Secrecy in harassment cases perpetuates this toxic culture. And in the case of publicly-traded companies, secret settlements pose a material risk to investors. Some investors argue that the way companies treat their workers—including the company's response to harassment allegations—is critical to a company's financial success or failure. Furthermore, investors deserve to know the amount of money that companies spend on settlements and judgments related to discriminatory behavior.

As the Supreme Court and state legislatures across the country continue to strip away, or threaten to strip away, Americans' basic freedoms (including the right to safe abortions, gender-affirming care for transgender people, and same-sex marriage), workplace protections against discrimination and harassment for people of marginalized backgrounds are more important than ever. And transparency in harassment cases is a critical tool to ensure that large corporations follow the law.

## **The *Sunlight in Workplace Harassment Act* would:**

- Provide investors with insight into public companies' track record of sexual abuse or harassment or discrimination based on race, religion, sex, national origin, age, disability, genetic information, service, gender identity, or sexual orientation.
- Require public companies to publicly disclose information regarding disputes settled or judgments entered against them (including through arbitration) in a given fiscal year related to sexual abuse or harassment or discrimination, including:
  - The total number of settlements and judgments;
  - The total dollar amount paid with respect to each;
  - The date(s) of the alleged incident(s);
  - The average length of time required to resolve a complaint of discrimination, harassment, or abuse; and
  - The number of complaints the company is actively seeking to resolve through internal processes, arbitration, or litigation.
- Require public companies to report the aggregate number and dollar amounts of settlements and judgments related to sexual abuse or harassment or discrimination for the prior seven-year period.
- Protect victims' privacy by providing them the option of limiting the extent to which the details of their disputes are disclosed publicly, and prohibiting the SEC from disclosing the names of victims.
- Require public companies to disclose information on their efforts to prevent future perpetration of discrimination, harassment, and abuse by their employees.