

118TH CONGRESS
1ST SESSION

H. R. 4801

To establish the Compassionate Capitalist Award to recognize organizations that substantially benefit the well-being of their employees, stakeholders, and communities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2023

Mr. PHILLIPS (for himself, Mr. EVANS, Ms. MCCOLLUM, Mr. CASE, Mr. MAGAZINER, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To establish the Compassionate Capitalist Award to recognize organizations that substantially benefit the well-being of their employees, stakeholders, and communities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Honoring Organiza-
5 tions Nationally for Ethics, Sustainability, and Trust Act”
6 or the “HONEST Enterprise Act”.

1 **SEC. 2. ESTABLISHMENT OF THE COMPASSIONATE CAPI-**
2 **TALIST AWARD.**

3 (a) IN GENERAL.—There is established the Compas-
4 sionate Capitalist Award (in this section referred to as the
5 “award”), which shall be evidenced by a certificate and
6 a medal that—

7 (1) bear the inscription the “Compassionate
8 Capitalist Award”; and

9 (2) incorporate such design and materials, and
10 bear such additional inscriptions, as the Secretary of
11 Commerce (in this section referred to as the “Sec-
12 retary”) determines appropriate.

13 (b) PRESENTATION OF AWARD.—The President or
14 the Secretary shall annually present, with such ceremonies
15 as the President or Secretary determines appropriate, the
16 award to organizations nominated under subsection (d)
17 that the Secretary determines are deserving of recognition
18 for substantially benefitting the well-being of their employ-
19 ees, stakeholders, and communities with respect to the fol-
20 lowing areas:

21 (1) ENVIRONMENTAL STEWARDSHIP.—The de-
22 gree to which an organization has in place practices
23 to manage the environmental impact of its oper-
24 ations, supply chain, and distribution channels, in-
25 cluding with respect to air, water, land, biodiversity,
26 and climate effects.

1 (2) GOVERNANCE.—The mission, ethics, and
2 transparency of an organization, including, if appli-
3 cable, the organization’s corporate leadership struc-
4 ture and executive compensation.

5 (3) SOCIAL RESPONSIBILITY.—The degree to
6 which an organization contributes to the commu-
7 nities in which it operates and obtains resources
8 from, including the organization’s practices with re-
9 spect to diversity, equity, inclusion, civic engage-
10 ment, charitable giving, and refraining from doing
11 business with exploitative countries.

12 (4) WORKER EMPOWERMENT.—The degree to
13 which an organization contributes to the financial
14 security, workplace safety, healthcare coverage,
15 wellness, engagement, satisfaction, and career devel-
16 opment of employees, and the degree to which an or-
17 ganization provides a fair and living wage.

18 (c) ELIGIBLE ORGANIZATIONS.—

19 (1) IN GENERAL.—The President or the Sec-
20 retary shall present the award to at least one organi-
21 zation each year in each of the following categories:

22 (A) Small businesses (at least 10 and
23 fewer than 50 employees).

24 (B) Midsized businesses (at least 50 and
25 fewer than 250 employees).

1 (C) Large businesses (at least 250 employ-
2 ees and fewer than 1,000 employees).

3 (D) Very large businesses (at least 1,000
4 employees).

5 (2) TOTAL NUMBER OF AWARDS.—Not more
6 than 18 awards may be awarded each year.

7 (3) EXCEPTION.—Notwithstanding paragraph
8 (1), no award shall be awarded in a given category
9 if the Secretary determines that no organization
10 qualifies for the award with respect to such cat-
11 egory.

12 (d) ESTABLISHMENT OF BOARD OF DIRECTORS.—

13 (1) IN GENERAL.—The Secretary shall establish
14 a board of directors to nominate organizations for
15 the award and assist with administration of the
16 award.

17 (2) COMPOSITION.—The board shall be com-
18 posed of the following:

19 (A) The Assistant Secretary of Commerce
20 for Economic Development, who shall serve as
21 chairperson of the board.

22 (B) The Administrator of the Wage and
23 Hour Division of the Department of Labor, who
24 shall serve as vice chairperson of the board.

1 (C) At least 6 individuals appointed by the
2 Secretary of Commerce, who shall include—

3 (i) 2 individuals representing inde-
4 pendent nonprofit entities that have dem-
5 onstrated leadership and excellence in the
6 field of standard setting and measurement
7 with respect to stakeholder impact;

8 (ii) 2 individuals representing cor-
9 porate business entities that have dem-
10 onstrated a history of service to society;
11 and

12 (iii) 2 individuals representing orga-
13 nized labor entities or worker advocacy or-
14 ganizations.

15 (3) DIVERSITY.—In making appointments to
16 the board, the Secretary shall take actions to ensure
17 the diversity of the membership with respect to race,
18 ethnicity, and gender.

19 (4) EVALUATION TOOL.—The board shall seek
20 to enter into agreements with appropriate entities to
21 obtain an online evaluation tool that meets the re-
22 quirements of subsection (e) to assist the board in
23 making nominations under paragraph (1).

24 (5) ADDITIONAL VERIFICATION.—The board
25 shall take actions to verify the accuracy of the facts

1 presented by organizations seeking nomination for
2 the award, including by soliciting employee feedback.

3 (6) ANNUAL REPORT.—The board shall annu-
4 ally submit to the Secretary a report that includes—

5 (A) nominations for the award; and

6 (B) an assessment of the process for pre-
7 senting awards under this section, including
8 recommendations for improving such process.

9 (e) EVALUATION TOOL REQUIREMENTS AND ANAL-
10 YSIS.—

11 (1) IN GENERAL.—The evaluation tool de-
12 scribed in subsection (d)(4) shall—

13 (A) with respect to producing the numer-
14 ical scores described in subparagraph (B), use
15 standards specific to the category of business
16 an organization qualifies as under subsection
17 (c)(1) that are developed in consultation with
18 such organizations;

19 (B) provide for each organization consid-
20 ered for an award a numerical score with re-
21 spect to each of the areas specified in sub-
22 section (b); and

23 (C) provide for each organization consid-
24 ered for an award a total numerical score.

1 (2) ANALYSIS OF RESULTS.—The board shall
2 seek to enter into an agreement with an office of the
3 Department of Commerce, or a contractor with the
4 appropriate expertise, for such office or contractor
5 to conduct analyses of the numerical scores de-
6 scribed in paragraph (1) and report the results of
7 such analyses in a standardized format to assist the
8 board in making nominations under subsection
9 (d)(1).

10 (f) AWARD ELIGIBILITY REQUIREMENTS.—

11 (1) APPLICATION.—An organization may be
12 considered for an award upon submitting to the Sec-
13 retary an application in such form, at such time,
14 and containing such information as the Secretary
15 determines appropriate, including information nec-
16 essary for purposes of the evaluation tool described
17 in subsection (d)(4).

18 (2) APPLICATION FEES.—The Secretary may
19 charge a fee to submit an application under para-
20 graph (1) and shall deposit any such fees into the
21 account of the revolving fund established under sub-
22 section (j).

23 (3) PRIOR RECIPIENT QUALIFICATION.—An or-
24 ganization that has previously received the award is
25 eligible to receive an additional award if at least 5

1 years have elapsed from the date such organization
2 previously received the award.

3 (4) DONOR INELIGIBILITY.—An organization
4 that makes a gift described in subsection (i) is ineli-
5 gible to receive an award after the date of such gift.

6 (g) MODIFICATION OF AREAS.—The Secretary may,
7 on the basis of recommendations made by the board and
8 developed in consultation with the Climate and ESG Task
9 Force in the Division of Enforcement of the Securities and
10 Exchange Commission, make modifications to the areas
11 specified in subsection (b), which shall be effective 30 days
12 after the date on which the Secretary submits a detailed
13 description of such modifications to Congress.

14 (h) INFORMATION TRANSFER.—The Secretary shall
15 issue to each organization that applies for the award—

16 (1) the results of the evaluation with respect to
17 such organization; and

18 (2) information with respect to the organiza-
19 tions to whom the award was presented and the
20 practices that the Secretary used as a basis to
21 present such award to such organizations.

22 (i) SOLICITATION OF GIFTS.—The Secretary may so-
23 licit and accept gifts from public and private entities to
24 carry out this section and shall deposit any such gifts into

1 the account of the revolving fund established under sub-
2 section (j).

3 (j) REVOLVING FUND.—

4 (1) ESTABLISHMENT.—There is established in
5 the Treasury a revolving fund to be known as the
6 “Compassionate Capitalist Award Fund” (in this
7 subsection referred to as the “Fund”) to carry out
8 this section.

9 (2) CONTENTS OF FUND.—The Fund under
10 this subsection shall consist of the following
11 amounts:

12 (A) Amounts deposited by the Secretary
13 under subsection (f)(2).

14 (B) Amounts deposited by the Secretary
15 under subsection (i).

16 (C) Such other amounts as may be appro-
17 priated under law.

18 (3) USE OF AMOUNTS.—Amounts in the ac-
19 count of the Fund under this subsection shall be
20 available to the Secretary, without further appro-
21 priation, to carry out this section.

22 (k) REPORT.—Not later than 1 year after the date
23 of enactment of this Act, the Secretary shall submit to
24 the President and Congress a report on the progress made

1 with respect to the award and any recommendations relat-
2 ing to the process of presenting such award.

3 (1) PUBLIC AVAILABILITY OF AWARD INFORMA-
4 TION.—Not later than 1 year after the date of enactment
5 of this Act, the Secretary shall establish and maintain a
6 publicly available Government website that includes, with
7 respect to the awarding of awards each year, information
8 concerning—

9 (1) the organizations nominated for an award
10 under subsection (d)(1);

11 (2) the process by which organizations nomi-
12 nated for an award are evaluated; and

13 (3) the performance metrics which can be used
14 to determine best practices for each category of busi-
15 ness described in subsection (c)(1) in each area spec-
16 ified in subsection (b).

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