ESG AND DISABILITY DATA

A call for inclusive reporting

From the Valuable 500, Allianz, & London Stock Exchange Group, in partnership with Tortoise Media

Contents

Executive summary

There are gaps in the global business community's knowledge of employees with disabilities, and these gaps have consequences for companies and for workers. The impact of these gaps for workers ranges from minor frustration to serious impediments in performing their roles. In some cases they can be excluded from safety-critical systems and processes such as risk management and emergency response planning.

The Valuable 500 recommends that companies acknowledge disability inclusion as a material topic and engage with more transparent and harmonised reporting.

The Valuable 500's work is anchored by the belief that if business takes a lead on ending disability exclusion, society and government will follow. Today the Valuable 500 is a powerful business coalition driving disability inclusion.

Through our interactions and partnerships across the globe, the Valuable 500 has the privilege of seeing first-hand how powerful business can be when it sets its mind to driving change.

Despite all of the progress specific to disability inclusion, we see tremendous variability in the integrity of data used to verify these efforts and their associated impact. Without standardised, publicly disclosed data, it is nearly impossible for investors and other stakeholders to make effective use of the information.

Disability inclusion can only become a priority for companies and their stakeholders when there is greater visibility of the current state of affairs. This report encourages the leaders of the Valuable 500 companies to adopt and disclose against 5 KPIs which will create a consistent and comparable baseline from which to measure progress on disability inclusion.

The Valuable 500 Disability Inclusion KPIs are:

Workforce Representation

What percentage of the company's workforce identifies as disabled/living with a disability?

Goals

Which goals has the company defined specific to disability inclusion and how are business leaders measured against these goals?

Training

Does your company provide disability inclusion training for its managers and employees?

Employee Resource Groups (ERGs)

Does your company have a disability-specific Employee Resource Group (ERG) in place with an executive sponsor?

Digital Accessibility

Has your company undertaken a review of the accessibility of its digital platforms and content?

If not, does the company have a plan to undertake a review over the next calendar year?

This work is co-funded and developed with Allianz and London Stock Exchange Group (LSEG) who are 2 of our 15 iconic leaders – companies that co-fund, co-build and co-test programmes and solutions, using their industry experience to help catalyse progress for the entire community.

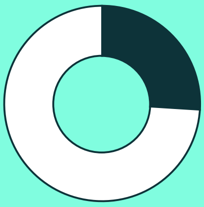
Where we stand

There are many people living with disabilities in the world who are currently excluded from participating in certain areas of business and broader social life.

1.3 billion people, or 16% of the world's population, currently experience significant disability[1]. Data is hard to find. Statistics on disabled workforce representation, and the employee experience of people with disabilities are even harder to obtain.

We know that disability prevalence is higher in developing countries[2], and people with disabilities in those countries are less likely to be employed than their counterparts in industrialised countries[3].

80% of people with disabilities live in developing countries, according to the UN Development Programme.



26% of adults in the United States live with a disability[4], while 14.6 million people in the UK have a disability[5].

85m

85 million people with disabilities live in China, the highest number of people living with disabilities in the world[6].

80–90%

In Latin America and the Caribbean about 80–90% of people with disabilities are unemployed[7].

1 https://www.who.int/health-topics/disability#tab=tab_1
2 World Health Organisation (2022)
3 https://www.un.org/development/desa/disabilities/resources/factsheet-on-persons-with-disabilities/disability-and-employment.html
4 CDC (2022)
5 House of Commons Library (2022)
6 OHCHR (2022)
7 https://www.un.org/development/desa/disabilities/resources/factsheet-on-persons-with-disabilities/disability-and-employment.html

Ensuring business is inclusive of disabled consumers and employees alike is no longer an invitation – it is an imperative. Failing to account for the disabled population poses a risk to a company's brand, employee base and capacity to operate.

Most businesses have yet to respond to this imperative. According to Return on Disability, only 4% of businesses are focused on expanding their offerings to include people with disabilities. Yet, globally, people with disabilities and their families control over $13 trillion in disposable income per year[8].

Disability benchmarking data in the corporate environment is limited in availability and global relevance, often only widely reported in countries such as the UK and the US. The following data is taken from the Tortoise Responsibility100 Index, which assesses FTSE 100 companies on their commitments and actions towards a more sustainable future.

Only 4% of businesses are focused on expanding their offerings to include people with disabilities.

8 https://www.rod-group.com/insights

The amount of disclosure is growing, but there's still a long way to go:

- **19 FTSE 100 companies** report the number of employees with disabilities in their workforce – up from 16 companies in 2021.
- **3 FTSE 100 companies** – BT, Centrica and Landsec – reported disability representation in senior management. No company in the index reported this in 2021.
- **15%** is the proportion of employees with disabilities at Informa – the highest proportion in the FTSE 100.

Tortoise Responsibility100 Index

Disability inclusion is strikingly absent from standardised key performance indicators, metrics or targets through which organisations measure their impact, performance, and the value they bring to society.

The exclusion of disability and related topics such as accessibility from investor-grade environmental, social and governance (ESG)[9] data has far-reaching implications across the landscape of global business, because of the sheer size and scale of the population with disabilities.

9 This paper refers to 'ESG' which is an acronym for 'environmental, social and governance' factors. Increasingly the investor community is incorporating ESG considerations into investment decisions and ownership activity. While there is no universal taxonomy of ESG, the social issues typically encompass diversity and inclusion, human rights, labour relations, community engagement, impact of products and services on people.

The Valuable 500 has a critical role to play in setting a precedent for disability inclusion in business and providing a means for companies to be incentivised for their contributions to ending disability exclusion.

In 2022, the Valuable 500 undertook a formal analysis of the various FY 2020-2021 annual reports produced by the companies within our collective. These included Annual Reports and Accounts, ESG reports, Sustainability reports, Diversity, Equity and Inclusion (DEI) reports, and Impact reports.

Our analysis finds significant variability across the collective.

22%

22% of Valuable 500 companies publicly disclosed workforce representation (self-ID) percentages.

0.07–62.5%

Disabled employee percentages were widely distributed with a low of 0.07% to a high of 62.5%.

But these numbers can be misleading as high proportions of workforce representation were reported in cases where companies aggregated all diversity identity data such as LGBTQIA+, gender, ethnicity, and disability into a single statistic rather than reporting each data point separately.

The variability of the workforce representation data within the Valuable 500 signals the need for companies to align on data collection, performance measurement, and analysis methodologies.

As well as low levels of disability disclosure, there is also a lack of common reporting criteria, making comparisons between organisations very challenging. Disability inclusion and related topics such as accessibility do not feature consistently in materiality assessments, used to establish the importance of specific ESG issues to stakeholders.

> **Traditionally, financial KPIs have dominated corporate reports. More recently, we observe rising interest from customers and investors in a more holistic view of companies' health, including customer satisfaction, stakeholder trust and workforce-metrics.**

OLIVER BÄTE
CEO, Allianz

Addressing the disability data gap

Disability data is complex and there are many factors that prevent access to clear and standardised data.

Data points such as gender and race are commonly collected and/or stored in human resource information systems (HRIS). As such, employees are accustomed to providing this data as part of HR onboarding and/or various other processes.

In contrast, employees are much more hesitant to disclose whether they self-identify as disabled. Many individuals have had traumatic experiences associated with discrimination, prejudice, and bias within their working environments as a result of disclosing their disabilities or requesting reasonable accommodations.

The quality of disability data is therefore incumbent on:

- A healthy organisational culture in which employees feel comfortable to self-disclose.
- Regulatory environments which do not prohibit the collection of sensitive personal data and/or protected characteristics.
- Having the appropriate systems and processes in place to collect and aggregate the data, for example: workforce representation (self-ID) or surveys.

It is also important to note that individuals may not identify as disabled despite living with a qualifying disability or medical condition. For example, an individual may live with significant hearing loss yet not self-identify as a person with a disability. How the organisation or the country they work in defines disability is also a significant factor which affects whether an individual self-identifies as disabled or not.

Anecdotal evidence from within the Valuable 500 suggests that there is a positive correlation between employees' willingness to disclose disability when state or company benefits are offered for individuals who self-disclose. This indicates that when employees perceive a fair exchange in value between disclosing their disability and the improved outcomes they may incur, there is a greater willingness to do so.

> “We believe that by adopting and disclosing against the five KPIs proposed in the white paper, the Valuable 500 companies can lead the way on disability disclosure, acting as a catalyst for the corporate change we need.

DAVID SCHWIMMER
CEO, London Stock Exchange Group

Data requirements

The foundation of the global ESG reporting ecosystem rests on the quality, completeness, and reliability of the data an organisation publicly discloses.

For corporate reported disability-inclusion KPIs to be actionable for, and usable by, investors and other financial professionals, they must be disclosed publicly, included in investor dialogue, and acknowledged as material to the business – we see these three actions as significant levers for change. Data also needs to meet the following requirements:

Transparency
Data needs to be reported in the public domain. Transparency is also an important catalyst for building a culture of trust within organisations. Critical data sets such as percentage of employees who self-identify as disabled cannot be compiled if employees do not trust the intentions of the organisation or feel that disclosing a disability will subject them to discrimination, harassment or harm.

Scalability
Data needs to be available across a significantly large number of companies across sectors and geographies as investors' portfolios hold hundreds or even thousands of positions.

Standardisation and Comparability
Disability inclusion data needs to be standardised, using consistent definitions and metrics, so that stakeholders can compare and contrast company performance. This is particularly relevant for investors, whose portfolios may invest in hundreds of companies. Global sustainability reporting standards can also play an important role in driving consistent reporting.

Timeliness
Disability inclusion data should be published in a timely fashion, ideally around the same time as the company's financial data and sustainability data is reported. Both backward-looking performance data and forward-looking commitments and intentions should be reported.

Quality and Assurance
Disability inclusion data must be of high quality so that it can be relied upon by investors and other stakeholders. This means that the source of data must be trusted, and the methodologies used for data interpretation should be sound. Increasingly, sustainability data is being subjected to external assurance which also demands high-quality data.

Do No Significant Harm (DNSH) Principle
Through disclosure of disability performance data, companies should strive to have a positive impact on disability inclusion while minimising any negative impact they have on other diversity, equity or inclusion priorities.

Levers for change

We have identified three key instruments of change within the Valuable 500:

Annual reports and accounts (ARAs) / Sustainability Reports

When a company intentionally includes disability inclusion KPIs, and speaks to progress toward disability-inclusive goals, it signals to the investment community and business community at large that disability is a facet of an organisation's overall business strategy and something the business is committed to.

Materiality assessments

A materiality assessment is a tool used to identify and prioritise potential ESG issues that are critical to an organisation's success. Organisations undertake materiality assessments on a recurrent basis to identify and prioritise the issues that have the biggest impact on business activities, communities and the environment, and that matter most to their stakeholders.

Investor Dialogue

Companies engage in dialogue with investors in a number of ways, such as routine meetings with Investor Relations teams, periodic meetings with the CEO/CFO, meetings between investors and a company's Chief Sustainability Officer, earnings calls and the AGM. All these points of communication create opportunities to highlight the company's commitment to, and efforts towards, disability inclusion. Investor dialogue on ESG and D&I matters is becoming more common yet disability is routinely not covered.

According to data presented by MIT Sloan Management[10] from 2018 to 2020, earnings call transcripts saw a 671% increase in references to ESG - and a 751% increase in references to diversity, equity and inclusion. By including disability in investor discourse, the Valuable 500 companies can raise the profile of disability inclusion.

The International Accounting Standards Board defines 'material' information as that which could, if omitted or misstated, influence the economic decisions of readers relying on the financial statements.

If products and services, work environments, data and information are not accessible to the 16% of the global population who live with a disability, this should be interpreted as a factor which can meaningfully influence the economic decisions shareholders take.

671%

Earnings call transcripts saw a 671% increase in references to ESG.

751%

And a 751% increase in references to diversity, equity and inclusion.

> We are proud to lead the charge alongside our 500 companies to bring standardised investor grade disability data into the public domain.

RHIANNON PARKER
Chief Innovation Officer, Valuable 500

10 https://sloanreview.mit.edu/article/how-to-bring-esg-into-the-quarterly-earnings-call/

The way forward – our ambition

We believe that by adopting and disclosing against the 5 KPIs proposed in this paper, the Valuable 500 companies can lead the way on disability disclosure, acting as a catalyst for the corporate change we need.

We call on the Valuable 500 companies to use the levers for change we have outlined to illustrate the importance of disability inclusion to their investors and the wider business community.

From an investor perspective, the use of environmental, social and governance (ESG) data is now common practice. Despite this, there are low levels of disclosure on disability inclusion, which is what this area of work is seeking to address.

Building a disability-inclusive culture starts with commitment, engagement, and leadership from the C-Suite. When leaders communicate that disability inclusion is meaningful and material to the business and are transparent about disability performance, it catalyses involvement, creativity, and action across the entire organisation. Leaders are also responsible for eliminating systemic barriers that exclude or discriminate against employees and consumers alike.

Companies within the Valuable 500 are encouraged to report publicly against the following five KPIs. Supporting questions are posed beneath each KPI to help companies enhance their disability inclusion activity and disclosure, no matter where they are starting from.

We support the Valuable 500's five disability inclusion KPIs and look forward to the opportunity to work with other Iconic companies to bring harmonized disability data into the mainstream of business performance.

TERESA HUTSON
VP, Technology and Corporate Responsibility, Microsoft

1. Workforce Representation

What percentage of the company's workforce identifies as disabled/living with a disability?

Workforce representation, sometimes referred to as self-identification (self-ID), refers to when an employee or candidate voluntarily discloses information about their identity to their employer, including race/ethnicity, LGBTQIA+, veteran status, and/or disability status.

For individuals, the act of self-identifying or participating in a company-led self-ID process can provide much needed support, resources, and access to communities of peers and allies with similar lived experience. For the organisation, self-ID processes can be used as a valuable tool within a broader employee input and culture framework, to help organisations understand the needs and composition of their workforce and measure their progress towards equality, diversity and inclusion goals.

In certain jurisdictions, legally declaring disabled status comes with restrictions placed upon an individual such as a cap on working hours per week or job task limitations. These factors contribute to an unwillingness for individuals to legally disclose their identity. It is not uncommon to find instances in which employees with a disability choose to disclose their disability to their employers, but not as part of a formalised legal / government-led disclosure process.

Supporting Questions:

- Does the organisation have a formalised process to gather data on the workforce representation of employees with disabilities?
- If so, is that data included in the annual reports and accounts?
- If data is not being publicly disclosed, what is preventing the organisation from including that data?
- Is the methodology adopted by the organisation for calculating workforce representation (self-ID) statistics aligned with best practices?
- Do employees have a full understanding of the intentions of collecting workforce representation and how it may support them as individuals?

2. Goals

Which goals has the company defined specific to disability inclusion and how are business leaders measured against these goals?

Clearly stating and agreeing goals can be an effective way to boost a company's inclusion of employees with disabilities. Objectives that are specific to disability rather than subsumed into broader diversity goals need to be clearly stated and agreed upon within an organisation so that leaders can be accountable for their delivery.

They also need to be accompanied by a detailed plan and tracking mechanisms. Goals need to be supported by accurate data, and measured by regular progress reports.

Supporting Questions:

- What role do formalised goals play in advancing disability inclusion both internally and externally?
- What role does assigning leadership accountability play in ensuring goals are met and continually improved upon?
- What role does incentivising leadership to achieve disability inclusive goals play in driving change?

3. Training

Does your company provide disability inclusion training for its managers and employees?

Training is essential to any organisation's efforts to become more disability-inclusive. Educating the workforce results in greater awareness of visible and non-visible disabilities, increased empathy towards peers and customers, recognition of the various barriers persons with disabilities face, and how to contribute to removing those barriers.

It is critical that disability training is developed in partnership with the disability community to ensure the lived experience and perspectives of persons with disabilities are reflected throughout.

Supporting Questions:

- Does the organisation provide training which is specific to disability inclusion? Is the training mandatory?
- Is the training based on the social model of disability? What role does seeing disability in alignment with how the disability community sees themselves play in driving change?
- Does the organisation include disability inclusion as a concept in leadership training and development programmes?
- Is the training accessible in regard to its delivery method? Is the training developed and delivered in total or in part by people with lived experience of disability?

4. Employee Resource Groups (ERGs)

Does your company have a disability-specific Employee Resource Group (ERG) in place with an Executive sponsor?

Employee Resource Groups (ERGs) refer to communities established within an organisation with the goal of bringing together individuals who have specific identities in common.

It is commonplace for ERGs to be centred on diversity themes such as LGBTQIA+, gender (including non-binary), disability and/or neurodiversity, veteran status, ethnicity, parenting, etc. ERGs can serve as a vital way for employees to connect with others who share their lived experience and help employees gain access to needed advocacy, resources and support.

ERGs often start as informal communities organised by employees and mature into more formal structures that are supported and funded by executive leadership. It is important that ERGs are focused on supporting individuals, creating a sense of community and allyship with peers, not on gaining pro-bono access to the perspectives and lived experience of their members required to inform corporate diversity, equity and inclusion or other strategies.

Supporting Questions:

- Does the organisation understand the benefits of establishing an ERG specific to disability inclusion?
- If an ERG is in place, is it adequately supported with funding and leadership support?
- Is the intent of the ERG to support employees rather than to leverage the lived perspective and expertise of employees with disabilities at no cost?
- Are ERG members compensated for their time and contributions?

5. Digital Accessibility

Has the company undertaken a review of the accessibility of its digital platforms and content?

If not, does the company have a plan to undertake a review over the next calendar year?

Digital accessibility means that websites, online tools, content, and technologies are designed and developed so that people with disabilities can use them, regardless of the unique ways they need to interact with the digital offering or content.

The best designed digital offerings are designed to be fully accessible from the outset or "Born Accessible" rather than as an afterthought. With the degree to which our day-to-day lives are spent in the digital domain, accessibility should be a fundamental right. However, research consistently shows that upwards of 90% of the world's websites are not fully accessible to the disability community. Research consistently shows that digitally accessible offerings also benefit people without disabilities.

Legislation such as the European Accessibility Act and the Websites and Software Applications Accessibility Act in the US aims to establish consistent rules for providing accessible products and services.

It is important to recognise that disability is not a monolith and that digital accessibility needs to address a broad spectrum of needs associated with various disabilities.

Accessibility is an imperative for all digital interfaces, not just websites. In the context of business, this includes virtual meeting platforms, as well as apps, online systems and digital solutions used in corporate settings. A lack of consideration for digital accessibility can exclude significant segments of a company's employee base and its consumer base alike.

Supporting Questions:

- Is there widespread understanding of the concept of digital accessibility and its importance?
- Are there formal processes in place to assess digital accessibility on an ongoing basis?
- Are there efforts to establish digital accessibility competencies and accountability outside of a specific accessibility function within the organisation?

Change begins with the Valuable 500 companies and the business community at large self-reflecting on individual performance in these 5 key areas of disability inclusion.

Many companies are well advanced on these journeys but are simply not communicating this via their ARAs or other means of external communication. Others are at the beginning of the journey and may need to rely on the 5 KPIs to provide guidance and enable measurement for the first time.

The reach of the Valuable 500 companies:

$23 trillion

22 million employees

41 countries

Across **64 sectors**

With a combined market cap of over $23 trillion and over 22 million employees represented in 41 countries across 64 sectors, the reach of the Valuable 500 companies is substantial.

The Valuable 500 will be engaging with its CEOs and employees to encourage the adoption of these 5 KPIs, see measurable progress across the performance indicators and year-on-year increases in public reporting via annual reports and accounts (ARAs) and materiality assessments. With the support of iconic partners Allianz & London Stock Exchange Group, efforts will also be concentrated on ensuring that disability inclusion criteria are factored into relevant financial indexes, ESG datasets and frameworks.

Companies must recalibrate ways of thinking around materiality and incorporate disability inclusion into materiality assessment and risk mitigation processes. This starts with the moral imperative of ensuring that organisations play their part in reducing inequalities for both employees and consumers living with disabilities. Whether that is the inaccessibility of a retail location, lack of digital accessibility online, or a lack of representation for people with disabilities in marketing, leaving out 16% of the world's population should be considered a material risk to all businesses.

About us

Allianz

The Allianz Group employs more than 155,000 employees and is one of the world's leading insurers and asset managers offering a broad range of personal and corporate insurance services to its 126 million private corporate and corporate customers in more than 70 countries.

As one of the world's largest investors, Allianz is aware of its responsibility and takes the systematic integration of both ecological and social criteria into business processes and investment decisions very seriously, which it has been recognized for, as multiple awards, rankings and listings, like the Dow Jones Sustainability Index, demonstrate.

Allianz is also a committed disability inclusion advocate, looking back on 16+ years of collaboration with the Paralympic Movement, and as a Valuable 500 Iconic Leader, dedicated to increasing public disclosure of corporate disability data across businesses.

London Stock Exchange Group (LSEG)

LSEG is a leading global financial markets infrastructure and data provider and employs 23,000 people operating in 70 countries. With its sustainable finance and investment expertise it can make a strong contribution bringing investor focused and data centric insights and perspectives to this work.

Disability inclusion is not only the right thing to do for employees and society but is also good for business. From an investor perspective, the use of environmental, social and governance (ESG) data is now common practice.

Despite this, there are low levels of disclosure on disability inclusion, which is what this area of work is seeking to address. Improved disclosure on disability by companies will enable investors and other stakeholders to make more informed investment and engagement decisions with respect to that organisation.

As well as low levels of disability disclosure, there is also a lack of common reporting criteria, making comparisons between organisations very challenging. We believe that by adopting and disclosing against the small set of KPIs proposed in this paper, the Valuable 500 companies can lead the way on disability disclosure, acting as a catalyst for the corporate change we need.

Tortoise Media

What's different about us is slow news. We don't do breaking news, but what's driving the news. We don't cover every story, but reveal a few. We take the time to see the fuller picture, to make sense of the forces shaping our future, to investigate what's unseen. Our newsroom is driven by radical optimism. We want to advance the agenda of responsibility – for a shared prosperity, a sustainable planet, personal dignity and a healthy democracy.

We are excited about the future, but think it requires new thinking and an appetite for change. We believe slow news can be a force for progress. By taking the time to investigate further, listen harder and consider competing points of view. In the end, what matters most to us is a journalism that makes a difference. Journalism that mends – our understanding of the world, the news itself and, at its best, the society we live in.

Tortoise was founded by James Harding, former Editor of The Times of London and Director of News at the BBC; Katie Vanneck-Smith, former President of Dow Jones, the publisher of the Wall Street Journal and Matthew Barzun, President Obama's Ambassador to the UK and Sweden.

Valuable 500

When the Valuable 500 was launched at the World Economic Forum in Davos in 2019, the goal was to secure the written commitment of 500 CEOs to take tangible action toward disability exclusion. Once the Valuable 500 succeeded in convening a 500-strong global collective, it began working on establishing committed partnerships with 15 iconic companies and their CEOs to co-create and co-fund systems engineered to affect system level change.

Thank you

Any questions please contact:

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