

The need to include Disability in the review of the Non-Financial Reporting Directive

Contribution by Disability Hub Europe, an initiative co-funded by the European Social Fund

1. Background

Disability Hub Europe (DHub) is a European multi-stakeholder initiative co-funded by the ESF focused on the binomial **Disability** and **Sustainability**, seeking to promote inclusive and sustainable business and leave no one behind, including the 100 million Europeans with disabilities. Inspired in the 2030 Agenda and the SDGs, DHub's partnership comprises reference organizations committed to sustainability and disability: **CSR Europe, Global Reporting Initiative (GRI), ILO Global Business and Disability Network (ILO GBDN), the European Disability Forum (EDF)**, the multinational companies **L'Oréal** and **DOW**, and **Fundación ONCE** (leading partner).

Taking into account the important steps taken by the EU during the last 10 years to include disability and accessibility as part of the corporate social responsibility (CSR), diversity, sustainability, business & human rights, and non-financial reporting agendas, **DHub underlines the need and opportunity to include Disability in the review of the Non-Financial Reporting Directive, as well as in the future European Reporting Standard.**

The **2030 Agenda and the SDGs**, the **UN Convention on the Rights of Persons with Disabilities** (ratified by the EU and all EU member states), together with **EU non-discrimination legislation**¹ including the European Accessibility Act, the **European Disability Strategy** and the **European Pillar of Social Rights**, among others, lead us to consider that disability and accessibility need to be present in the coming developments and regulations of non-financial reporting.

2. Disability, CSR, Sustainability and Non-financial information.

- The renewed **EU Strategy 2011-14 for Corporate Social Responsibility** explicitly recognized, for the first time, disability as part of the CSR agenda. The disability dimension in CSR has been further reinforced in the **European Parliament resolutions** of 6 February 2013 on CSR.
- **2030 Agenda for Sustainable Development** explicitly recognized people with disabilities (1 billion people in the world) as a vulnerable group. Different SDGs also refer to people with disabilities, such as SDG 8 on Decent Work and Economic Growth, SDG 10 on Reduced inequalities or SDG 11 on Sustainable Cities and Communities (with a specific mention of accessibility). Also, SDG 4 on Quality Education and SDG 17 on Partnerships for the Goals refer to people with disabilities.
- In the context of **business and human rights**, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework (UNGPs) or the OECD Guidelines for Multinational Enterprises include disability and so do other Commission

¹ Disability is one of the discrimination grounds addressed by EU's non-discrimination legislation (Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation) and it is also recognized by the EU Treaty together with age, gender, racial or ethnic origin, religion or belief, or sexual orientation (article 10), as well as in the EU Charter of Fundamental Rights (article 21 and 26).

instruments². Other reference institutions have underlined the link between business, human rights and disability, as is the case of the 2017 “Guide for business on the rights of persons with disabilities” by ILO and Global Compact.

- Furthermore, we recognize **disability** as an element of **diversity**, and people with disabilities as a source of **talent, growth, innovation and market opportunities**. The potential of inclusive businesses is being increasingly identified by companies, institutions and thematic initiatives around the world³. We underline the potential of the **360° approach to business and disability**⁴, where people with disabilities are seen as stakeholders from a wide perspective, valuing their roles as employees, consumers (including their families seeking for accessible products and services), providers, employers, investors and part of the community in which a company operates.
- Regarding current **Directive 2014/95/EU** on disclosure of non-financial and diversity information, the topic of **disability was included in the EU institutions’ discussions prior to approval**⁵. However, in the final version of the Directive that was adopted, disability was left aside and not expressly mentioned. At this point, with the Directive review process open, we feel that now is an excellent new opportunity to include **disability as a factor of diversity**.
- The **EC guidelines on non-financial reporting adopted in June 2017 do contain specific and various references to people with disabilities** in relation to employee and board diversity, accessibility of products and services, and human rights, including examples of key performance indicators⁶. However, while this was a **promising step towards including a strong disability dimension**, the absence of disability-specific provisions in the binding body of the Directive significantly reduces the impact on non-financial reporting⁷.
- Finally, international frameworks acknowledged by the current Directive on Non-Financial Reporting such as **Global Reporting Initiative-GRI** (DHub partner) have highlighted the importance of the **disability dimension** in non-financial and sustainability reporting. An example is the Guide on “[Disability in Sustainability Reporting](#)” (published by GRI and Fundación ONCE

² Such as the Sector Guides for implementing the UNGPs as well as in the Guide for SME “My business and human rights”, and various references to disability are included in the 2015 EC staff working document on implementing the UNGPs. In addition, the recent EU Action Plan on Human Rights and Democracy 2020-2024 refers specifically to people with disabilities, in relation to many areas, including accessibility to infrastructure, transport and ICT as well and employment.

³ Relevant international examples are the *ILO Global Business and Disability Network (ILO GBDN)*, the *Valuable 500 initiative and Disability Hub Europe in the EU*. At national level, there are other examples, such as the *Inserta Responsible Forum in Spain*, the *UK Business and Disability Forum*, the *Austrian Disability Business Forum*, The *UnternehmensForum* in Germany, or the *Come CloSeR to Disability Task Force* in Poland.

⁴ A concept created within Disability Hub Europe.

⁵ Disability was particularly considered by almost all European Parliament Committees involved in the process, and disability was included in the final Report by JURI Committee voted on 17 Dec 2013 Report A7-0006/2014 of 08.01.2014.

⁶ References are included in the guidelines’ sections 4.6 Thematic aspects: b) social employee matters and c) respect to human rights; and 6 Board diversity disclosure – footnote. Examples of indicators included are: the number of people with disabilities employed or how accessible companies’ facilities, documents and websites are to people with disabilities

⁷ An interesting example can be found in the case of Spain where Directive 2014/95/EU transposition, by means of the Law 11/2018, did include specific reference to disability and accessibility. [2019 Guide on Disability, SDG and non-financial reporting](#) (in Spanish only), by the Spanish Committee of Representatives of People with Disabilities, Fundación ONCE and Fundación Bequal, analyses this milestone from a disability perspective

in the framework of DHub, with specific guidance and indicators related to business and disability).

3. Call for action to explicitly include disability in the review of the Non-Financial Reporting Directive

Considering the foregoing and building on the steps taken in the 2017 [EC Guidelines on non-financial information](#), **DHub and its partners call on the Commission to ensure that the efforts made to consider diversity in a more complete way are reflected in the future Directive.** Particularly:

- To include **disability as a factor of diversity of undertaking's administrative, management and supervisory bodies** together with other aspects such as, age, gender, or educational and professional backgrounds, which are already recognized (Directive 2014/95/EU, article 1).
- To include **disability as a factor of diversity in relation to *social and employee matters*** (e.g. Number of people with disabilities employed, or accessibility as regards consumer satisfaction⁸).
- To include a mention of **people with disabilities and accessibility in relation to *respect for human rights*** (e.g. how accessible facilities, documents and websites are to people with disabilities⁹).
- To take the necessary measures **to ensure that digitalization of sustainability information**, as foreseen in the Directive review consultation, is developed under **accessibility features** including people with disabilities, as well as to promote accessible participation in the Shareholder's meetings.
- In the case of further provisions related to the promotion of a low carbon economy and the disclosure of actions taken, to consider the need to disclose commitments as well as to promote a **just transition, leaving no one behind, including people with disabilities**.
- To include **organizations representing people with disabilities** in the debates, workshops, further consultations and additional work to be developed for the review of the Directive.

Finally, if there were to be a **common European non-financial reporting standard** applied by companies under the scope of the NFRD and taking into account international initiatives (such as GRI), disability and accessibility should be expressly included.

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⁸ Examples are taken from the EC 2017 Guidelines themselves, understanding they can be useful in the Directive Review. Further examples of KPI can be found in [2019 Guide "Disability in Sustainability Reporting" by GRI and Fundación ONCE](#), co-funded by the ESF. Guidelines for reporting, KPIs, content, and examples of the business case of disability are included here.

⁹ Idem.