**The Valuable 500 response to FRC Consultation on evolution of the Corporate Governance Code**

## About The Valuable 500

Launched at the World Economic Forum Annual Meeting in January 2019, the Valuable 500 is the global business partnership of 500 companies working together to end disability exclusion.

Since its creation, the Valuable 500 has achieved its initial goal of getting 500 multinational organisations to make a public commitment to disability inclusion in their organisation, igniting a historic global movement for a new age of diversity in business. The Valuable 500 and their global impact partner The Nippon Foundation, will be working closely with the World Economic Forum and International Disability Alliance – bringing together a leading philanthropic organisation with the most prestigious global business network and the voice of the global disability community.

By engaging with the world's most influential business leaders and brands, the network now has a market cap of over $23 trillion, combined revenues of over $8 trillion and employs a staggering 22 million people worldwide.

The Valuable 500 is determined to create a community that supports and empowers the 500 to systematically transform their businesses via synchronised collective actions, so they include the 1.3 billion people living with disabilities worldwide, thereby unlocking their business, social and economic potential. We believe that if business takes the lead, society and government will follow. Truly inclusive businesses can build truly inclusive societies.

In the U.K. the Valuable 500 has 167 companies as partners – **37** are FTSE 100 companies.

## Comments from The Valuable 500

Good corporate governance requires businesses to consider the full range of interests of their stakeholders.

Much progress has been made in Board representation of women and those from ethnic minority backgrounds since the Davies and Parker reviews and the introduction of mandatory reporting.

One huge inequality remains in the Boardrooms of UK plc: that of disability representation. With 20% of the UK working population being made up of individuals who self-declare as disabled, research commissioned by the Valuable 500 last year showed that only 3 FTSE 100 companies declared a member of the C-Suite with a disability.

This is up from zero in 2021 when Tortoise Media and the Valuable 500 partnered up to present the first-ever Disability 100 Report. This report looked at FTSE 100 companies and their willingness to report inclusion measures regarding disability issues. The report covered accommodations, disability disclosures and public statements from company boards concerning disability inclusion. This is a concern because disability issues impact people across all other populations, and methods of inclusion are not typically shared publicly. To ensure more inclusion, there first must be transparency.

The report's findings showed how much more work there is to be done by corporations to achieve disability inclusion. When it comes to managerial positions at FTSE 100 companies, none of the executives or senior leaders had disclosed a disability. Only 20 of the 100 companies gave all employees the opportunity to disclose, and 8 of those 20 do not make that information public. One could argue, that by not making this information public, FTSE companies are adding to stigmatisation of workplace disclosure of disabilities.

Only 71 of the 100 companies meet Web Content Accessibility Guidelines, ensuring that their websites are accessible for people with various disabilities. The other 29 companies are arguably breaking the law by excluding people with disabilities. Only 37 of the 100 companies have established disability resource groups. And as of 2020, only five FTSE company boards have released inclusive statements as part of their leadership agenda.

These findings show that there is a long way to go for companies to truly be inclusive of people with disabilities. Disability disclosure reports should be made public in every industry. Companies should publish disability-inclusive diversity statements which they are then held accountable for. As the report noted, there is a significant correlation between comprehensive disability reporting and Valuable 500 membership. Including people with disabilities is not only the right thing to do, but is also strategically beneficial for business.

In January 2023, the Valuable 500 released a White Paper entitled, *ESG & Disability Data: A Call for Inclusive Reporting* at the World Economic Forum in Davos. In this body of work, we highlighted the fact that 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. We also noted significant gaps in the global business community's knowledge of employees with disabilities, and that these gaps have consequences for companies and for employees, ranging from minor frustrations to serious impediments in performing their roles and exclusion from safety-critical systems and processes.

The 5 KPIs included in the White Paper represent a call to action on behalf of our 500 companies and any willing organisation within the global business community to address the disability data void.

These 5 KPIs are as follows:

1. Workforce Representation
    a. What percentage of the company's workforce identifies as disabled/living with a disability?
2. Goals
    a. Which goals has the company defined specific to disability inclusion and how are business leaders measured against these goals?
3. Training
    a. Does your company provide disability inclusion training for its managers and employees?
4. Employee Resource Groups (ERGs)
    a. Does your company have a disability- specific Employee Resource Group (ERG) in place with an executive sponsor?
5. Digital Accessibility
    a. Has your company undertaken a review of the accessibility of its digital platforms and content?
    b. If not, does the company have a plan to undertake a review over the next calendar year?

This work was co-funded and developed with Allianz and London Stock Exchange Group (LSEG) who are 2 of our 16 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.

As evidenced here, there are clearly gaps in the global business community's knowledge of employees with disabilities, and these gaps have consequences for companies and for workers.

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

We encourage the FRC to adopt these 5 KPIs as part of the consultation, which will create a consistent and comparable baseline from which to measure progress on disability inclusion. These measures have been carefully chosen to galvanise the right action. The FRC should adopt these criteria in its guidance to listed companies covered by its code.

The lack of representation is often put down to the unwillingness of those with disabilities to self declare. It is argued that this lack of self declaration makes it impossible for an organisation to address the issue, the scale of which it cannot fully understand or measure.

This is, however, a totally inadequate response. There is much data available to an organisation to understand the extent of disability, diversity and inclusiveness within its workforce.

In October, we will be launching a Self-ID Resource Guide. We knew from the outset that asking our global collective to publicly disclose the percentage of their workforce who self-identify as disabled was one of the most critical, yet complex asks we made. Since the inception of the Valuable 500, we have seen many organisations both within our collective and in the wider business community making great strides toward collecting and analysing self-ID data but also tremendous hesitancy to publicly report this data out of a fear of it not being good enough, or close enough to where they thought it should be.

We saw many leaders and passionate disability inclusion advocates confused as to why disclosure rates were so low and questioning what they were doing wrong. We held discussions across various geographies and learned that there are nuances and intricacies related how to approach this work successfully and in a way that is respectful of world views not just western centric views.

We also heard from the investment community that there would be no resistance to ingesting disability performance data into index rankings, ESG ratings, etc. if companies were willing to disclose it and provide it in a format that could be standardised and vetted.

We also knew that this work had to be informed and led in partnership with the disability community to ensure we got this right. Data for the sake of data does not serve the disability community well and in some cases can actually do harm. It does not provide pathways to meaningful employment and career progression, it doesn't catalyse change in the way society perceives disability, and it doesn't dismantle ableist systems that impact individuals on a daily basis. Data with intent can be a powerful tool to initiate change. The Self-ID resource guide, compiled with Google and Deloitte provides clear recommendations on how to successfully tackle this issue.

The true cause of the lack of action on this issue, is that there is no requirement on a FTSE Board to address this deep-rooted and long-standing inequality.

We strongly urge the FRC, in its upcoming refresh of its Code, to introduce guidance that shapes a company's obligations towards this issue.

Disability inclusion is an essential part of an organisation's commitment to sustainability and Diversity Equality and Inclusion as expressed through it ESG programme.

Companies who exceed the first level criteria for 2025 will be able to demonstrate to investors their enhanced ESG credentials as well as creating a culture in which the leadership more fairly represents the staff and customers in its stakeholder group, and so is better able to attract and retain talent, and to understand and meet the needs of large portions of currently undeserved customers.

This is entirely aligned with the corporate governance code's expectations of the company's board. However, whilst the expectation remains implied and not explicit, the progress toward this goal of economically, effective and socially fair representation, will stall.

Thank you for inviting submissions to comment on the next phase of the Code's evolution. I hope that the FRC does not continue, by its absence of guidance, to endorse this inequity, and miss this urgent opportunity to maintain the U.K.'s position as a leader in effective corporate governance.

The UK has an outstanding record of a progressive approach to disability inclusion in other fields, including sport, and the arts.

The only question for UK plc is whether we will set standards for others to follow or be dragged by other markets to do the right thing, both economically and socially.