

# CORPORATE SOCIAL REPORTING, DISABILITY AND INCLUSIVE ADVERTISING

## Embracing the Future of Reporting on Inclusive Advertising in the Retail Sector

30 December 2016

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## Introduction

Corporations have generally taken narrow and compliance-driven approaches to disability.

Disability, when expressly recognised by a corporation's policies, is often noted but not addressed for implementation or data collection. Diversity policies for example often do not even mention disability as a form of diversity, and very rarely provide for targets, monitoring or data collection in the same way as they do for say gender diversity.

However, particularly over the last few years, developments in corporate social reporting in the European Union and in collaboration with the Global Reporting Initiative (**GRI**) suggest that disability will feature more prominently world-wide in future corporate reporting.

Further, as corporate social reporting moves from exception-reporting and a compliance mentality to including positive impacts on society and the realisation of human rights, there is a robust case for retail corporations in particular to implement and report on inclusive advertising strategies.

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## Growth of Corporate Social Reporting

Corporations have progressively and increasingly moved from reporting solely on financial performance, to including their “green bottom line” or environmental performance to now reporting on broader-based Corporate Social Responsibility (**CSR**) (also known as Corporate Responsibility (**CR**)) factors relevant to their business and stakeholders. CSR or CR reporting is becoming standard practice.

According to KPMG's 2015 Corporate Responsibility Survey ([\*\*KPMG Currents of Change: The KPMG Survey of Corporate Responsibility Reporting 2015\*\*](#)) of the top 100 companies by revenue across 45 countries (i.e. 4,500 corporations):

- approximately 75% reported on CR, up from approximately 10% in the mid 1990s and 50% in 2005 – with the Asia Pacific region having the highest percentage;
- approximately half of CR reporting is externally assured, usually by accounting firms - indicating a desire for objective reliability;
- In 2011 20% of companies included CR information in their annual reports, by 2015 56% did so;
- approximately 90% of the 250 largest global corporations reported on CR in 2015, with two-thirds of their CR reporting being externally assured;
- companies in the retail sector lag behind all other sectors in CR reporting rates;
- approximately 60% of CR reporting companies applied the GRI G4 Guidelines in preparing their CR reporting; and
- in 2015 81% of Australia's top 100 companies reported on CR and approximately 50% were externally assured, with 66% of CR reporting being prepared on the GRI G4 framework.



CR reporting is increasing in prevalence, consistency of approach, scope of social matters addressed and in assurance levels. It is anticipated that with increasing regulatory requirements (by Government and private stock exchanges) that 90-95% of all large companies will be publishing CR information by 2020.

### Recent Developments in the CR Framework – Measuring impact upon Human Rights

The move to corporations assessing their impact on human rights as part of their CR reporting was accelerated by the UN Human Rights Council endorsing the [UN Guiding Principles on Business and Human Rights](#). Article 11 provides that all businesses should respect human rights while Article 13 of the Guiding Principles elaborates in providing:

“The responsibility to respect human rights requires that business enterprises:

- avoid causing or contributing to adverse human rights impacts through their own activities [including omissions], and address such impacts when they occur;
- seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.”

It is clear that CR reporting has moved from a “voluntary” approach for corporations wishing to demonstrate their interest in non-financial matters to being expected or required to measure, mitigate and report their impact on non-financial social and sustainability matters, including their impact on human rights and the well-being of people, based upon a transparent common framework rather than subjective assessments.

The [European Union’s Strategy 2011-2014 for Corporate Social Responsibility](#) moved from “a [2001] concept where enterprises integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” towards a more contemporary understanding of CR as a corporation’s responsibility for their social, environmental, ethical and human rights impacts on society “to maximise the creation of shared value for their owners/shareholders and for their other stakeholders and society at large”.

The [European Union Directive 2014/95/EU on Non-Financial Reporting](#) was introduced in December 2014. It will require approximately 6,000 of the largest companies across Europe to report on CR matters from 2017. The Directive states that:

“... certain large undertakings should prepare a non-financial statement containing information relating to at least environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters. Such statement should include a description of the policies, outcomes, and risks related to those matters ...”. [Recital (6)]

The European Commission has been developing and will shortly issue non-binding reporting guidelines to assist reporting of non-financial information pursuant to the Directive.

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In October 2016 **GRI** launched the first international CR standards (the **GRI Standards**) which will replace the **GRI G4 Guidelines** for CR reporting from 2018, giving companies a common structured approach for disclosing non-financial information by reference to three compulsory standards (Foundation, General Disclosures and Management Approach) and 33 “topic” standards (divided into 6 Economic Standards, 8 Environmental Standards and 19 Social Standards). The topic standards are to be applied by a corporation based on materiality and relevance to its business and stakeholders. The Social Standards include topics such as Diversity and Equal Opportunity, Non-discrimination, Child Labour, Rights of Indigenous Peoples and Human Rights Assessment. The **GRI Standards**, like the **GRI G4 Guidelines**, provide a CR methodology which may be applied to discharging mandated CR reporting requirements (e.g. the EU Directive requirements) or in reference to social sustainability goals (e.g. UN Sustainable Development Goals).

However, although impacts upon people with disability may fall within general CR and sustainability reporting topics addressed by the EU Directive and **GRI G4 Guidelines** and **GRI Standards** (e.g. diversity, non-discrimination, employment matters and human rights generally), neither currently expressly purport to provide guidance for non-financial reporting on disability. It is however anticipated that the EU non-binding reporting guidelines may expressly contemplate disability and the GRI has recently indicated that the **GRI G4 Guidelines/GRI Standards** may be updated to expressly provide for disability reporting.

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### **Disability and Human Rights**

The **Universal Declaration of Human Rights** states in Article 1 that “all human beings are born free and equal in dignity and rights”. Article 4 expressly mentions disability in providing that “equality of opportunity and treatment for disabled men and women workers shall be respected”.

The **UN Convention on the Rights of Persons with Disabilities**, adopted in 2006, is the most recent authoritative and comprehensive statement of the human rights of people with disability, including:

- the right to equality and non-discrimination on the basis of disability (Article 5);
- the right of people with disability to live independently and to participate fully in all aspects of life (Article 9);
- the right of people with disability to full inclusion and participation in the community (Article 19);
- the right to an inclusive education (Article 24);
- the right of people with disability to work and employment, on an equal basis with others, free from discrimination on the basis of disability in all matters concerning all forms of employment, including conditions of recruitment, employment, career advancement and safe and healthy work conditions (Article 27).

These rights are supported by associated obligations of State parties including:

- encouraging all organs of the media to portray persons with disability consistently with the objectives of the Convention (Article 8); and



- to collect appropriate information and data to enable the formulation and implementation of policies to give effect to the objectives of the Convention (Article 31).

## Disability in CR Reporting

In July 2014 the [International Labour Organization’s Global Business and Disability Network](#) released a report entitled [Disability and Corporate Social Responsibility Reporting: An Analysis Comparing Reporting Practices of 40 Selected Multinational Enterprises](#). The report lamented:

“As a general trend, disability tended to be poorly reflected. The analysis found that a number of enterprises known to be active in addressing disability did not report on the initiatives taken. The absence of Global Reporting Initiative (GRI) indicators on disability, the standard followed by almost all of the MNEs reviewed, might explain this development. This tendency should be reversed when disability will be included in the next version of the GRI indicators.” [p9]

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As to the scope of reporting on disability:

“In the field of employment policies, raising awareness on disability is the initiative most mentioned by MNEs followed by recruitment and selection, and adaptation of jobs. Very few enterprises report on the inclusion of disability in their policies on promotion, health and safety, job retention, or on having specific grievance procedures in place.

Less than half of the enterprises analysed provided data on workers with disabilities, whether the total number of workers or the share of workers. ... Data is rarely linked to targets, and poorly disaggregated by year and by country.” [p9]

Explanations for the weak reporting on disability included:

“... an outdated vision of CSR linked with voluntarism that has not yet integrated the human rights impact-approach; the failure to identify disability as a relevant issue in reporting; lack of expertise on disability and knowledge on how to manage disability from an employment perspective; the absence of information systems in place to gather accurate and comprehensive information and data on disability by country; and an array of legal frameworks, each with its own definitions of disability and its own requirements in terms of how disability should be dealt with an reported on.” [pp9-10]

The report recommended:

- a) Acknowledgement of disability as a human right, and consequently, reporting on how it is respected and dealt with;
- b) Enterprises should take into account the multidimensional nature of disability, and the variety of disability levels. ...
- c) Focus on impact. To showcase commitment, policies and their implementation should be evaluated in terms of their impact, and this in comparison with the goals initially established. ...



d) Focus on key issues. Experts identified a number of key issues to be included in reporting, including:

- i. data on employment;
- ii. what accessibility measures have been taken to give response to the various types of disabilities identified ...;
- iii. human resources practices that ensure equal opportunities;
- iv. identify and support the organisations representing people with disabilities so that they can participate and effectively perform their role as stakeholders;
- v. identify the array of disabilities found at the workplace ...;
- vi. health and safety at the workplace; occupational risk prevention;
- vii. existing regulations on disability affecting the enterprise;
- viii. information on how disability is managed in the complete value chain ...;
- ix. awareness-raising activities as to change stereotypes on disability;
- x. make use of employee satisfaction surveys as an instrument to measure the relative satisfaction of employees with disabilities ....” [pp50-51]

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The absence of express GRI guidance on disability was sought to be addressed by a joint report **Disability in Sustainability Reporting** released by **GRI** and **Fundacion ONCE** in March 2015 and co-funded by the European Union. The purpose of the Guide is explained as follows:

“This guide is designed to help organisations communicate their commitment to respecting and promoting the rights of people with disabilities. It can help organisations understand what activities can have an impact, whether positive or negative, on the rights of people with disabilities, and which GRI [G4] disclosures can be used as a basis for reporting on those impacts. This guide can also help organisations better understand the business value of disability, as regards both creating inclusive workplaces, as well as taking advantage of the business case of disability for the development of new products, services and physical environments.” [p4]

The Guide mounts the business case for disability:

“Over a billion people -15% of the world’s population – are currently estimated to be living with a disability.

They are our planet’s largest – and most frequently overlooked – minority group.

People with disabilities are part of our diverse society and constitute a source of untapped talent for employment and for the development of products and services. This could be used by companies as a competitive advantage.



Despite this, to date, people with disabilities remain largely marginalised from society. Too often it is obstacles such as lack of accessible environments ... , non-inclusive and discriminatory policies, procedures or practices and people’s attitudes which actually do not allow every single person to fully access all spheres of life.

...

Rather than excluding people with disabilities from the employment market and other spheres, various international bodies view it as a vital missed opportunity. In order to improve the situation that people with disability currently live in, a change of perception and attitude is essential: by promoting diversity, in this case integrating people with disabilities and their talents in employment; by contributing to the creation of new market opportunities related to products, services and environments that are accessible and designed for all; and by promoting a more inclusive society based upon social innovation.

...

...international human rights norms and national laws are considered to be *minimum* standards that organisations should adhere to in order to ensure respect for the rights of people with disabilities. Organisations are encouraged to observe these when developing their policies but to also go beyond compliance with norms and regulations and to take a proactive approach in integrating people with disabilities-related considerations throughout their activities, products, services and relationships.” [pp6-8]

Section 3 of the Guide explains in detail how organisations can expand disclosures under the G4 Guidelines (now recast as the GRI Standards) as the basis for reporting commitment to respecting and promoting the rights of people with disability. Consistent with the approach taken to disability by the 2030 Sustainable Development Goals, the Guide presents disability as a cross-cutting reporting issue to be integrated across an organisation’s activities, policies and business systems, rather than treated as a stand-alone reporting topic.

In considering whether disability is material to an organisation’s CR or sustainability reporting, the Guide encourages organisations to assess whether its operations, products, services or business relationships have either negative or positive significant impacts on people with disabilities and whether the topic of disability is substantively relevant to its stakeholders.

“When it comes to determining materiality for sustainability reporting, there is no one-size-fits-all. Even within the realm of people with disability rights, the degrees to which different companies can have an impact on these rights, or gain business opportunities thereof, vary considerably – it could depend on their geographic location, the regulatory environment that they operate in, their business model or the type of products and services they provide, and may range from employment practices to the accessibility of facilities, products and services, or the portrayal of people with disabilities in advertising.” [p23] [emphasis added]

In the GRI CEO’s comment on the Guide, he advises that:

“Disability will be considered by GRI’s governance bodies for inclusion in future updates to the GRI Guidelines [now Standards]. In the meantime, we hope that organisations will make use of this guide and integrate disability-related information into their reports and public disclosures. We sincerely hope it will assist them in meeting their responsibility to

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respect the rights of people with disabilities and leveraging disability as an enabler for business success.” [p2]

In May 2016 **GRI** held a session entitled ‘Disability in Sustainability Reporting’ during its 5<sup>th</sup> GRI Global Conference with the purpose of helping mainstreaming key disability issues in CR and sustainability reporting.

## Inclusive Advertising – As a Material, Relevant and Positive CR Reporting Topic for Retail Organisations

CR reporting is not restricted to business activities, relationships or risks with an adverse impact on society or human rights, including the rights of people with disability. It may also embrace positive impacts.

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*“The area of inclusive advertising presents a social and business opportunity that is a positive CR matter and, at this point in time, visionary in furthering full participation for people with disability in all aspects of life.”*

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In **Annexure 1** we outline the social and business benefits of inclusive advertising and suggest that particularly in respect of retail organisations with significant and regular advertising activities that the organisation’s policy towards and implementation of inclusive advertising is a material CR or sustainability reporting matter, as recognised in the GRI Guide to Disability in Sustainability Reporting and foreshadowed for consideration for inclusion in the GRI Standards. Further and consistently, corporate inclusion indices, including the self-assessment **Access and Inclusion Index** (see short **video** about the Index) refined by the **Australian Network on Disability** based upon an inclusion index originally developed by the UK Business Disability Forum in 2004, increasingly include inclusiveness of external communications and marketing as a key relevant inclusion factor.

Retail organisations are lagging in adopting CR reporting. However, the area of inclusive advertising presents a social and business opportunity that is a positive CR matter and, at this point in time, visionary in furthering full participation for people with disability in all aspects of life.





## Annexure 1

### Inclusive Advertising – Engaging New Customers and Staff While Changing Attitudes to Disability and Facilitating Realisation of Disability Rights

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**1. Social Attitudes to Disability as a Barrier to Full Social and Economic Participation:**

Negative societal attitudes to people with disability hinder the capacity for people with disability to enjoy their human rights to education, employment, independence, community and family, as recognised by the UN Convention on the Rights of Persons with Disabilities.

**2. Reasons for Negative Social Attitudes:** Negative attitudes to disability stem from our long history of segregation and institutionalisation of people with disability and the modern world’s preoccupation with the narrow standard of human perfection. Negative social attitudes and socio-economic exclusion of people with disability is reinforced by the lack or limited representation of people with disability in the media, including retail advertising.

**3. Social Benefits of Inclusive Advertising:** The increased and sustained portrayal in corporate advertising of people with disability as part of the general community has the real potential to:

- accelerate change in societal attitudes to disability;
- promote recognition of disability as being part of human diversity;
- facilitate self-validation, belonging and participation of people with disability in all aspects of life,

each being critical to people with disability realising their human rights.

**4. Business Case for Inclusive Advertising:** Inclusive advertising as a commercially sound and socially responsible business strategy:

- **External Inclusive Messaging Supports Internal Inclusive Strategies:** Inclusive advertising is a powerful way for a corporation to demonstrate internally (to its own staff) its commitment to inclusive equal-opportunity employment strategies and the legitimacy of its leadership on disability – in this sense, inclusive advertising external to the corporation corroborates and reinforces internal inclusive recruitment and retention employment strategies.
- **An Overlooked Major Market:** People with disability comprise approximately 15-20% of the world-wide consumer market and control purchasing power equivalent to that of China. When one considers families and friends of people with disability, the potential market expands to 1 in 3 people.
- **Inclusive Advertising as a Pillar of Corporate Social Responsibility:** Corporate Social Responsibility as a concept extends beyond environmental responsibility - to facilitating the realisation of human rights generally (including rights of people with disability) and the 2030 Sustainable Development Goals, including the promotion of inclusive education and inclusive employment.



- **Inclusive Advertising Enhances Staff Morale, Engagement and Productivity:** Corporations frequently report that inclusive advertising resonates with their workforce, improves the status of management, engenders confidence in employees to disclose and seek productivity enhancing accommodations, generally increases staff morale and respect for a socially-conscientious employer.

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