

Part 1: Your website accessibility should be part of your ESG strategy

**Examining the impact of discrimination of
people with disabilities on ESG & the case
for website accessibility**

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Abstract

This article examines the relationship between website accessibility and environmental, social, and governance (ESG) considerations for public companies. It explains how discriminating against people with disabilities by not making all of your digital properties accessible can negatively impact the social aspect of ESG and create risks of accessibility lawsuits on the governance aspect of ESG. The article also explores the need for disclosure of lawsuit risks related to website accessibility in public companies' 10K filings with the Securities and Exchange Commission (SEC).

Introduction

Website accessibility, which refers to the design and development of websites and digital content that can be accessed and used by individuals with disabilities, has gained increased attention in recent years. As digital communication becomes a vital part of modern business operations, public companies should recognize the importance of ensuring that their website(s) are accessible to all individuals, including those with disabilities.

In addition to the state and federal laws that require certain types of websites to be accessible, website accessibility is also closely tied to environmental, social, and governance (ESG) considerations. These considerations have become a focal point for investors and stakeholders in assessing a company's sustainability and social impact and, for this reason, should be a part of your organization's ESG strategy.





Discrimination and the Social Aspect of ESG

The social aspect of ESG not only encompasses a company's commitment to the community and social causes, it is also promoting diversity, equity, and inclusion (DE&I) and avoiding discrimination in all its operations, including its digital presence. While DE&I includes people with disabilities, discrimination against individuals with disabilities can occur when the company's website(s) are not designed to be accessible, preventing these individuals from fully accessing and using digital content, products, services or the information needed to make an investment decision. This can result in exclusion, marginalization, and unequal opportunities for people with disabilities, which goes against the principles of social responsibility.

Website accessibility is, therefore, a crucial factor in addressing discrimination and promoting inclusivity as part of a company's social responsibility.

Public companies that are prioritizing website accessibility are taking proactive steps to ensure that their digital presence is inclusive and accessible to all individuals, regardless of their abilities. By making their websites accessible, public companies are also demonstrating their commitment to diversity, equity, and inclusion and aligning with the social aspect of ESG.



Accessibility Lawsuits and the Governance Aspect of ESG

In recent years, there has been a significant increase in lawsuits related to website accessibility. Many public companies have faced legal challenges alleging that their website(s) are not accessible to individuals with disabilities. These lawsuits pose significant risks to companies regarding potential financial liabilities, legal costs, reputational damage, and regulatory fines.

The governance aspect of ESG focuses on a company's adherence to ethical, transparent, and responsible business practices, including risk management. Accessibility lawsuits present governance risks that can impact a company's financial performance, legal compliance, and reputation and they are only becoming more common every year. Failure to address website accessibility issues and mitigate the risk of lawsuits can be seen as a failure of governance, which may raise concerns among investors, customers, and other stakeholders about a company's commitment to responsible business practices.



Disclosure of Lawsuit Risks in 10K SEC Filings

Public companies are required to disclose material risks in their 10K filed with the SEC. Material risks are those that could reasonably affect the company's financial condition, operating performance, or business prospects. Given the increasing litigation related to website accessibility and its potential impact on a company's financial and legal position, it is prudent for public companies to consider disclosing the risks associated with accessibility lawsuits in their 10K filings.

Disclosing accessibility lawsuit risks in 10K filings can serve several purposes. First, it helps companies demonstrate transparency and accountability in their governance practices, as they are proactively disclosing material risks that could impact their operations and financial performance. Second, it provides investors and stakeholders with relevant information to assess.

Conclusion

In conclusion, even though it is commonly overlooked, website accessibility is and should be an important aspect of a company's environmental, social, and governance (ESG) performance. Ensuring that a public company's website(s) is accessible to all individuals, including those with disabilities, may, in some cases, be a legal obligation but also aligns with the social component of ESG. Discrimination against individuals with disabilities by not providing accessible websites can have a detrimental impact on a company's social reputation and can negatively affect the S in ESG and the I in DE&I.

Furthermore, the risk of accessibility lawsuits poses a significant financial and reputational risk to companies. Accessibility-related lawsuits have been on the rise, and companies that fail to prioritize website accessibility may face costly legal battles, reputational damage, and potential fines. Such risks can impact a company's governance practices and, therefore, should be considered as part of the G in ESG.

In ***“Part Two: Don't let your IR website drag down your website accessibility effort”*** we will discuss all of the aspects of your IR website that should be addressed in order to make it accessible.



Looking to improve your ESG efforts by making your IR website accessible?

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