

Financial Services and the Treasury Bureau's Public Consultation on Promoting Paperless Corporate Communication for Hong Kong Companies

Submission from the Equal Opportunities Commission

Introduction

In 2020, there were about 534,200 persons with one or more disabilities in Hong Kong, including 47,600 persons with seeing difficulty and 47,900 persons with hearing difficulty¹. According to Hong Kong Blind Union's 2018 Web Accessibility Survey funded by the Equal Opportunities Commission ("EOC"), only 8.9% of websites of listed companies selected met 12 criteria of Level A requirements of Web Content Accessibility Guidelines² ("WCAG") 2.0, an international standard for web developers established by the World Wide Web Consortium ("W3C"), whereas only 3.0% met these 12 basic criteria and also 10 advanced criteria³ of WCAG 2.0 Level AA requirements. Given that the W3C has recently published the latest web standard, i.e. WCAG 2.2, on 5 October 2023, this is high time for companies to upgrade their webpages to conform with the WCAG 2.1 at Level AA or above⁴. If this could be done, the web contents would be more accessible to a wide range of persons with disabilities ("PWDs"), such as persons with visual, hearing, physical or cognitive impairments, or combinations of these.

The EOC advocates for accessible electronic communications materials

2. From the EOC's operational experience, from time to time, we received concerns and complaints from PWDs under sections 6 and 26 of Disability Discrimination Ordinance ("DDO") on web accessibility issues in relation to websites or mobile applications developed by companies or service providers. According to sections 6 and 26 of the DDO, a person should not discriminate against another person with a disability in the terms and conditions or in the manner of providing goods, services or facilities to the latter. As such, the EOC, in principle, supports the use of electronic corporate communications with shareholders on the premise that such change allows PWDs to use different tools and technology to read the contents. For instance, persons with visual impairment may

¹ Census and Statistics Department (2021). *Special Topics Report No.63: Persons with Disabilities and Chronic Diseases*. Retrieved January 2024, from

https://www.censtatd.gov.hk/en/data/stat_report/product/C0000055/att/B11301632021XXXXB0100.pdf

² The World Wide Web Consortium ("W3C") has developed the Web Content Accessibility Guidelines ("WCAG") 2 through a process in cooperation with individuals and organisations around the world, with a goal of providing a single shared standard for web content accessibility that meets the needs of individuals, organisations, and governments internationally. WCAG 2 includes three versions of standards, namely WCAG 2.0, WCAG 2.1 and WCAG 2.2, which were published on 11 December 2008, 5 June 2018, and 5 October 2023 respectively.

³ The basic and advanced criteria were selected and defined by the focus group participants of the Survey. All 22 criteria were adopted from WCAG 2.0.

⁴ If companies are resourceful enough, they may strive for the conformance with the WCAG 2.2 at Level AA. WCAG 2.2 is the latest set of standards, which extends WCAG 2.1 by adding 9 success criteria, 6 of which belong to Level A or AA.

understand the contents of electronic corporate communications better than hard copies and access the relevant webpages using a screen reader, which reads aloud information on-screen in a computerised voice or shows it on a Braille display.

3. While the EOC is not in a position to comment on the proposed amendments to the Companies Ordinance (“CO”) from the business and environmental perspectives, we would like to highlight the following for the attention of FSTB. First, the EOC recommends the **FSTB should require companies which choose to rely on implied consent for disseminating corporate communications by means of website to ensure that the webpages conform with WCAG 2.1 at Level AA or above by incorporating such conformance into the CO as appropriate.** As corporate communications prepared by companies often convey important information to shareholders and the public, and may seek their decisions on investment-related matters, it is crucial to ensure that such information in electronic format should be accessible to PWDs, whether they are shareholders or members of the public. If companies place these electronic corporate communications in web pages that do not conform with the WCAG 2.1 at Level AA, there is a risk that PWDs may not be able to receive the latest information and make timely decisions. As a result, the rights of shareholders and members of the public with disabilities may be compromised.

4. Second, as regards the safeguards to protect interest of shareholders, the EOC notes that shareholders may request hard copy of corporate communications anytime. The EOC recommends that **FSTB should require companies to ensure the webpages, where the application form for getting hard copy will be placed, conform with the WCAG 2.1 at Level AA or above by incorporating such conformance into the CO as well.** This would allow PWDs, particularly elder PWDs, who do not wish to read electronic corporate communications to access the application form, download and complete it, so as to keep reading hard copy. Hong Kong is facing an ageing tsunami. The elderly population is projected to increase from 1.45 million in 2021, representing about 20.5% of the total population⁵, to 2.74 million in 2046, representing 36.0% of the total population⁶. Also, the proportion of time old people living with disability has been increasing in Hong Kong⁷. Accessible and elderly-friendly websites could therefore help companies support the existing and growing PWDs population.

⁵ Census and Statistics Department (2023). *Thematic Report: Older Persons*. Retrieved January 2024, from https://www.censtatd.gov.hk/en/data/stat_report/product/C0000055/att/B11301632021XXXXB0100.pdf

⁶ Census and Statistics Department (2023). *Hong Kong population projections for 2022-2046 released*. Retrieved January 2024, from https://www.censtatd.gov.hk/en/press_release_detail.html?id=5368

⁷ Faculty of Medicine, The Chinese University of Hong Kong (2023). *CUHK study shows Hong Kong people live longer but have increasing disability problems in old age, with significant socio-economic inequalities*. Retrieved January 2024, from <https://www.med.cuhk.edu.hk/press-releases/cuhk-study-shows-hong-kong-people-live-longer-but-have-increasing-disability-problems-in-old-age-with-significant-socio-economic-inequalities>

5. The equal right of PWDs to access to information and communications, and to own or inherit property and control their own financial affairs are fundamental human rights enshrined in Articles 9 and 12 of the United Nations Convention on the Rights of Persons with Disabilities⁸ respectively. The EOC has advocated for the conformance of electronic corporate communications with web accessibility standards to Hong Kong Exchanges and Clearing Limited (“HKEx”) in February 2023⁹ during the public consultation on expanding the paperless listing regime. In the EOC’s submission, we expressed in-principle support to the mandatory electronic dissemination of corporate communications by listed issuers to their securities holders if HKEx considers incorporating the conformance of corporate communications with WCAG 2.1 into the Listing Rules or Corporate Governance Code.

Importance of Web Accessibility

6. Effective web accessibility increases business opportunities for companies¹⁰. Websites which are more accessible to more PWDs allow companies to reach more social groups, increase the customer base in the long term, and broaden the market penetration. According to an overseas survey¹¹, 69% of online consumers with disability would simply click away from websites that are difficult for them to use due to their disabilities, and 86% have chosen to pay more for a product from an accessible website rather than buy the same product for less from a website that was harder to use. Furthermore, the brand reputation of companies with accessible websites could be enhanced as PWDs with positive web experiences would commend the companies positively and share the websites by word of mouth. Companies with accessible websites could demonstrate their social responsibility to facilitate PWDs to live a more independent life and maximise their access to information and communications, which also promotes the diversity and inclusion of those workplaces and workforce.

Equal Opportunities Commission

January 2024

⁸ The United Nations Convention on the Rights of Persons with Disabilities entered into force for the People’s Republic of China, including the Hong Kong Special Administrative Region since 31 August 2008.

⁹ Equal Opportunities Commission (2023). *Hong Kong Exchanges and Clearing Limited (HKEx)’s Consultation Paper on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments (December 2022) - Submission from the Equal Opportunities Commission*. Retrieved January 2024, from https://www.eoc.org.hk/Upload/submission/HKEx_Consultation%20on%20Paperless%20Regime_v4_clean_7143.pdf

¹⁰ Forbes (2022). *Three Business Consequences Of Neglecting Web Accessibility*. Retrieved January 2024, from <https://www.forbes.com/sites/forbestechcouncil/2022/11/28/three-business-consequences-of-neglecting-web-accessibility/?sh=27c4e1e72806>

¹¹ AbilityNet (2020). *Research shows businesses lose £17 billion by ignoring accessibility needs*. Retrieved January 2024, from <https://abilitynet.org.uk/news-blogs/research-shows-businesses-lose-17-billion-ignoring-accessibility-needs#:~:text=Results%20from%20the%202019%20Click,the%20effect%20of%20their%20disability>.