This briefing presents the key rationale for and added value of producing free, publicly accessible league tables to help investors, civil society, and governments assess corporate performance in delivering the UN Sustainable Development Goals (SDGs). The topics and questions listed within do not represent prescriptive aspects to be discussed but rather considerations to help kick-start the formal consultation that will take place on the 4th of December in London. This document will be updated and expanded based on feedback, with the aim of developing recommendations around the need to develop, fund, house, and safeguard SDG-related league tables within a formal institution, tentatively described here as the World Benchmarking Alliance.
Foreword by the founding members

The Sustainable Development Goals (SDGs) are the milestones marking the path towards the future we want. Collectively, they provide one of the most ambitious yet achievable agendas the world has ever set. Delivering these goals will help to ensure all people can live in dignity and collectively succeed in preserving our environment.

These goals cannot be achieved without the firm commitment of the private sector to work with government and civil society to deliver the solutions and investments needed to achieve them. The economic opportunity this represents is clear and it is inspiring to see some of the world’s leading companies starting to align their business with the SDGs. Nevertheless, the scale of what needs to be achieved requires us to do more: we must make explicit society’s expectations of companies and incentivise engagement by making it easy and accessible to all.

A powerful and potentially transformative way to achieve this is to produce international league tables that measure and compare performance of companies on the SDGs. The global need for such league tables is widely acknowledged, from the Business & Sustainable Development Commission (BSDC) to the EU High-Level Expert Group on Sustainable Finance. Creating such league tables requires sophisticated benchmarks that can provide financial institutions, companies, governments, and civil society with information they can use to allocate capital, increase transparency, track and compare corporate sustainability performance, as well as identify gaps and opportunities.

To this end Aviva, the UN Foundation, BSDC, and Index Initiative are putting forward the idea of a World Benchmarking Alliance (WBA). We envision that the WBA would become an institution that will develop, fund, house, and safeguard publicly available, free corporate sustainability benchmarks aligned with the Sustainable Development Goals. Of course, benchmarks and league tables are only powerful tools if they are considered robust, credible, and used by a large number of actors. Only through the formation of a genuine alliance can the WBA be effective as a global institution and develop high-quality benchmarks.

Over the course of the coming months, we will be holding a series of global and regional consultations with stakeholders to refine the WBA vision, outline its institutional structure, and inform its priorities in terms of SDGs and industries.

All feedback is welcome and we look forward to insightful comments, questions, and suggestions on how to make this consultation phase a success.
Agreed upon by 193 countries in September 2015, the Sustainable Development Goals (SDGs) represent a shared vision of the world we want by 2030 – one in which stakeholders from all sectors work together to achieve a peaceful and prosperous future for people and the planet.

Collectively, the SDGs provide one of the most ambitious yet achievable agendas the world has ever set, with the ultimate aim to “leave no one behind” in their realisation. While people and the planet are at the heart of this agenda, the SDGs also represent an enormous economic opportunity for business. Delivering these goals could create 380 million jobs by 2030 and stimulate US$12 trillion of annual economic opportunities in just four sectors of the economy, according to a recent report by the Business and Sustainable Development Commission. The total economic gain could be two to three times larger when considering the benefits across the economy as a whole.

These goals cannot be achieved without the firm commitment of the private sector to work with government and civil society to deliver the solutions and investments needed to achieve the SDGs. Early estimates show that achieving the SDGs requires US$5-7 trillion in annual spending, with the potential economic opportunities outlined above paying dividends in return. Already, several of the world’s leading companies are taking clear action to align their business models with the SDGs, by making sustainability and energy efficiency commitments, incorporating circular economy models into their supply chains and sourcing practices, tying executive compensation to sustainability performance, and doubling down on investments that will yield positive social returns for the communities in which they operate.
Context and objective of the WBA consultation

This energy and enthusiasm from the private sector has not gone unnoticed. The 2017 High-level Political Forum (HLPF), the UN’s formal mechanism for country-level reporting on SDG implementation progress, saw more than 1,500 business leaders attend its SDG Business Forum – an eightfold increase from the year before. Furthermore, 90% of the voluntary national reviews presented by UN member states at the 2017 HLPF made specific reference to the vital role of the private sector in financing and catalysing SDG implementation. UN Secretary-General António Guterres has also pledged his commitment to working with the private sector, stating his particular interest in “the alignment of the core business of the private sector with the strategic goals of the international community.”

Despite the promulgation of business’s role in achieving the SDGs, information and analysis of corporate performance on sustainable development is often hard to access or compare. Among the factors contributing to this are high paywalls, lack of transparency, complexity of data collection, and lack of a common approach to measuring performance. As a result, investors, civil society, governments, and consumers have no common mechanisms through which to review corporate action, credit leading companies, or hold laggards to account. Companies’ efforts – or lack thereof – often go unrecognised, diluting competitive advantage, reducing incentives to improve sustainability performance, and making it difficult to identify industry leaders.

The scale of what needs to be achieved requires us to do more. Several actors, including the UN Global Compact and the Global Reporting Initiative, have made important efforts to provide stakeholders with valuable information on corporate sustainability performance. We must build on these important contributions, continue to make society’s expectations of companies explicit, and facilitate engagement on sustainability issues by making information on corporate performance easy to understand and accessible to all.

A powerful and potentially transformative way to achieve this is to use corporate benchmarks to measure and compare performance of companies in delivering the SDGs. This idea is based on a recommendation outlined in the BSDC’s flagship report about the need for such benchmarks, as they can provide financial institutions and other stakeholders with vital information they can use to allocate capital, increase transparency, track and compare corporate sustainability performance, and ultimately catalyse action and accelerate SDG delivery.

This is why Aviva, the UN Foundation, BSDC, and Index Initiative are exploring the concept of a proposed WorldBenchmarking Alliance (WBA) that would produce, fund, house, and safeguard free, publicly available corporate sustainability benchmarks aligned with the SDGs. By providing all stakeholders with access to league tables and benchmarks, the WBA would enable civil
Context and objective of the WBA consultation

society, governments, and individuals to exert their full influence to improve corporate sustainability performance and help the private sector play its role in delivering the SDGs. The WBA is also expected to play an important role in leveraging and harmonising the incoming wave of SDG-related benchmarking initiatives that are currently being developed (see Annex II).

Benchmarks, and the league tables that derive from them, are only as powerful as the number of actors that use them. To build ownership and ensure benchmarks reflect societal expectations, it will thus be critical that they be designed through multi-stakeholder dialogues. Only through the formation of a true alliance can the WBA become an effective global institution and develop high quality SDG-related corporate benchmarks.

True to this belief in multi-stakeholder dialogue, and thanks to support from the UK, Dutch and Danish governments, as well as Aviva, we are undertaking a series of consultations aimed at gathering inputs and insights on the proposed WBA objectives, governance, and areas of focus. The official launch of the consultation phase took place on 21 September, on the margins of the United Nations General Assembly in New York City. The high-level event was attended by numerous development ministers as well as senior executives from all major stakeholder groups, including companies, institutional investors, international organisations, foundations, civil society organisations and research institutions. The first global consultation took place that same week, with a focus on the value of corporate SDG benchmarks and the merits of establishing the proposed WBA. In addition to global consultations, the WBA is also holding regional consultations aimed at exploring the local realities of each key market. The first such regional consultation was held on the 29th of October 2017 on the margins of the EAT Asia-Pacific Food Forum in Jakarta, and explored some of the local considerations specific to the Asia-Pacific region.

Momentum around the WBA is growing rapidly. From the International Chamber of Commerce to the World Business Council for Sustainable Development, the UN Global Compact, the Global Reporting Initiative, the World Wildlife Fund and the International Finance Corporation, major actors have now endorsed the consultation phase and pledged their support as allies of the WBA. We invite others that support this inclusive consultation process to join as allies too.

This briefing paper presents the key rationale for and added value of creating the proposed WBA. The topics and ideas listed herein do not represent prescriptive issues to be discussed but rather considerations to help kick-start the discussion. This document will be updated and expanded based on discussions and insights generated during the London consultation.
The World Benchmarking Alliance
Proposed vision, mission and milestones

Vision: In our vision of a sustainable future, everyone can access information about how companies perform on sustainability issues, enabling investors, civil society, governments and individuals to exert their full influence to improve corporate sustainability performance. This environment of enhanced transparency and understanding delivers a change in the quality of multi-stakeholder engagement, critical for unlocking the private sector's potential to maximise their contribution to the 2030 Agenda for Sustainable Development and corresponding SDGs.

Mission: WBA’s mission is to provide everyone with access to information that indicates how companies are contributing to the SDGs. It will do so by developing, funding, housing, and safeguarding free and publicly available corporate sustainability benchmarks that rank companies on their sustainability performance and contribution to achieving the SDGs.

Key milestones envisaged (to be refined/modified based on consultations outcomes)

September: Launch of the WBA consultation process

October – March: 10 roundtables (five in the Northern and five in the Southern hemisphere). Some of the roundtables are expected to take place alongside key events such as the World Bank & IMF Spring meetings, and the World Capital Market Symposium in Kuala Lumpur.

The online consultation will run in parallel from October 2017 to February 2018

May: Publication of the synthesis report, recommendations, and next steps.

More information on the consultation phase, the allies that have endorsed it, and the WBA roundtables can be found at: www.worldbenchmarkingalliance.org.

Why benchmarks?

Benchmarks, and the league tables they help create, have multiple advantages when it comes to aligning corporate action with sustainability objectives.

They clarify what society expects from industries and companies. Companies often deal with a wide range of stakeholders with diverging expectations and priorities. Through an extensive multi-stakeholder consultation process, benchmarks can identify common ground among key stakeholders and build consensus around these expectations. Benchmark methodologies can then translate these expectations into clear metrics, providing companies with a path forward. As one corporate participant to the New York consultation noted: “a benchmark would help us understand where the gaps are for us and what stakeholders want us to focus on.”

They clarify where and how companies can contribute to sustainability. The potential contribution of an industry to sustainable development is influenced by an industry’s core business and position in the value chain. This both determines and limits the influence of industries and companies. Benchmarks clarify the role of companies in achieving particular SDGs but also highlight the responsibilities of other stakeholders.

They promote a race to the top. Provided they are robust, credible, and provide a fair and scrutinised analysis, benchmarks are powerful tools with which to raise awareness on an issue and shape the debate on what industries can do about it. The league tables that derive from benchmarks leverage the forces of competition to improve corporate performance: leaders are motiva-
Why benchmarks?

They help track progress. For companies and investors, regular issuance of league tables helps measure progress both relative to peers and to societal expectations. A corporate climate action benchmark, for instance, would track both how a company performs relative to its peers and whether these efforts are aligned with the objectives of the Paris Agreement.

They are a proven and effective engagement tool. Both investors and civil society frequently rely on benchmarks and league tables to engage companies and promote corporate change. CalPERS, for example, used a benchmarking approach to identify the highest carbon emitters in its portfolio. The results showed more than half of their portfolio’s carbon footprint came from just 80 companies. This league table was then used to create an effective and targeted engagement campaign, with CalPERS most recently requiring these “systemically important carbon emitters” to assess and disclose their exposure to climate-related risks. Benchmarks can also be used to recognise and celebrate leaders for their success and encourage them to do more. As one participant to the New York consultation put it: “the real value lies in the dialogue that is created before, during and after the benchmark.”

4 The Access to Medicine Index, for instance, made a “commendable contributions to advancing the engagement of the pharmaceutical industry with the issue of access to medicine”, according to an independent third-party evaluation.

5 www.responsible-investor.com/article/calpers_siec/
WBA benchmarks vs. investment benchmarks (possible approach)

The benchmarks the WBA aims to develop and house are expected to differ from traditional investment benchmarks (e.g. benchmarks used for passive strategies). One important difference is that WBA benchmarks might not necessarily track the entire investable universe, but rather focus on the largest and most impactful companies – the underlying assumption being that moving the larger, more visible players is an effective way to create momentum at scale. This focus on impact also means that WBA benchmarks are likely to differ from the environmental, social and corporate governance (ESG) benchmarks that focus on sustainability issues material to companies – whereas a WBA benchmark would track which companies can have a positive impact on a sustainability issue.

Another difference is that, in some instances, WBA benchmarks may track both listed and non-listed companies. This might be necessary in some industries to ensure that the most important players – in terms of impact on the SDGs – are included in the ranking.

Last but by no means least, WBA benchmarks are designed to be free and publicly available. This is essential to maximise the impact of a benchmark: only when data is freely available to all can companies truly be held accountable, leaders celebrated, and best practices disseminated. Free and publicly available information is also necessary to ensure that all relevant stakeholders – including investors, civil society, employees, boards of directors, and governments – can engage.
How are WBA benchmarks methodologies developed?

A corporate SDG benchmark methodology consists of scope, measurement areas and indicators.

**Scope**
The scope of each WBA benchmark determines its focus. It consists of at least three elements:

- **SDG scope**: the Sustainable Development Goals on which the benchmark focuses
- **Industry scope**: the industries included in the benchmark
- **Company scope**: the companies included in the benchmark

For each benchmark, additional scopes may be relevant and required. Examples include a regional scope (e.g. Latin America) or country scope (e.g. developing markets), as well as company activities or product scope.

**How is the scope determined?**
The scope of each benchmark is determined through research undertaken or commissioned by the World Benchmarking Alliance, and through multi-stakeholder dialogues. Each proposed scope is subject to stakeholder reviews, which include bilateral interviews, expert meetings and multi-stakeholder roundtables. The proposed scope is then reviewed by the benchmark’s Expert Review Committee (ERC), consisting of experts who provide external advice on the structure, scope, methodology and analysis underlying the benchmark.
How are WBA benchmarks methodologies developed?

Each ERC is structured so that the collective expertise of its members covers all relevant areas within the scope of the specific benchmark being explored. While each ERC is different, all ERCs are made up of experts from a variety of stakeholder groups, all of whom are active in some capacity in the topics covered by the specific benchmark. These experts typically include representatives from different stakeholder groups including consumers, investors, academics, companies, financial institutions, governments, multilateral organisations, and civil society groups (NGOs).

What determines which companies are in scope?
A benchmark clarifies and assesses the areas where companies can make substantial contributions to achieving specific SDGs and corresponding targets. Companies that can make such substantial contributions fall within its scope, irrespective of whether or not they are listed. In addition, benchmarks focus on companies that can reasonably be considered peers. This is important to ensure that results enable comparison between companies.

Measurement framework
Benchmarks measure progress relative to peers and to societal expectations. In addition to ranking companies relative to each other, benchmarks also assess whether the companies are committed to sustainability, whether they are transparent about their policies and practices, and whether their performance matches societal expectations of what the industry should contribute to the SDGs and the company’s existing commitments. Companies that choose not to participate actively in the data collection phase will be scored on the basis of publicly available information.

Measurement areas
Corporate behaviour is measured across different areas that are considered relevant to improving outcomes on the SDGs included in the scope of the benchmark. The importance of each measurement area is reflected in the weight allocated to it in the benchmark.

Indicators
Within each measurement area, companies are assessed against different indicators. These can fall into different categories such as commitments, transparency or performance. Scoring guidelines outline the different scores that companies can obtain and their associated criteria.

Developing the measurement framework
For each benchmark, a measurement framework is developed through research and multi-stakeholder dialogues. Wherever possible, the WBA aims to build on and add value to existing frameworks and initiatives. Figure 1 shows the different elements that inform the methodology development.
How are WBA benchmarks methodologies developed?

**Sustainable Development Goals**

The SDGs serve as the starting point for all WBA benchmarks and benchmark methodologies. Benchmarks should clarify what stakeholders expect from industries and companies in achieving specific SDGs.

**Best available science**

Thorough research is done to find the best science available that can inform the methodology development and company assessment. Benchmarks can then assess whether companies set targets aligned with science (science-based targets). In the area of climate change, for instance, a benchmark would use some of the work of the IPCC to assess whether GHG emission reduction targets set by companies are in line with the level of decarbonisation required to keep global temperature increase well below 2°C compared to pre-industrial temperatures, as called for by the Paris Agreement.

**Principles and normative standards**

Corporate SDG benchmarks should build on and add value to existing guidelines and normative standards. Mapping the norms and standards that apply to the benchmark’s scope ensures that benchmarks are aligned and reflect – as well as reinforce – the importance of these standards of practice.
How are WBA benchmarks methodologies developed?

Corporate reporting frameworks
Building on existing efforts to standardise corporate reporting on sustainability in general and the SDGs in particular can greatly benefit the work of the WBA. Aligning indicators to existing reporting frameworks contributes to consistency and comparability of sustainability data and will limit the data-collection burden for companies included in a corporate SDG benchmark. This enables benchmarks to use the information disclosed to actively compare the performance of companies, including those that do not yet use standards for disclosure.

Sector-, product- and issue-specific initiatives
Sector-, product- and issue-specific initiatives have been developed to stimulate improvements within and across industries on key social and/or environmental themes. These initiatives tend to show high levels of detail and are often tailored to specific sectors, issues or products. Learning from and aligning indicators with credible, meaningful and effective sector-, product- or issue-specific initiatives will help increase the relevance and impact of the benchmarks’ findings.

The scopes, key stakeholders, and goals of existing standards, frameworks and initiatives may differ from WBA’s benchmarks and goals, however. Additional research and stakeholder dialogue is therefore essential throughout the methodology development process to further inform the development of the methodology and indicators.

Based on the defined scopes, research and stakeholder inputs, the WBA then drafts an outline of potential measurement areas and indicators. The methodology outline is subject to multi-stakeholder consultation, bilateral interviews and multi-stakeholder roundtables. Based on this stakeholder input, the methodology is adjusted and developed into a first full draft methodology, which also describes the proposed impact the benchmark aims to achieve. The draft methodology is subject to public comment. Following this public consultation period, the methodology is finalised and published.
Expert Review Committees

We envision the Expert Review Committee (ERC) as a key component of the WBA benchmarking process. ERCs would play an essential role in providing the WBA secretariat with strategic guidance, recommendations and advice on the scope, structure, content and methodology of WBA benchmarks. Each benchmark’s ERC would be structured so that the collective expertise of its members covers all relevant areas within the scope of the specific benchmark being explored. There would thus be one ERC per benchmark. While each ERC would be different, all ERCs would be made up of individual experts from a variety of stakeholder groups, all of whom are active in some capacity in the topics covered by the specific benchmark. These experts would typically include representatives from different stakeholder groups including consumers, investors, academics, companies, financial institutions, governments, multilateral organisations, and civil society groups (NGOs).

The ERC would play a decisive role in key steps of the benchmark’s production cycle:

1. **Developing the methodology:** the development of a benchmark’s methodology would typically start with the WBA secretariat developing or commissioning a methodology outline, using findings from extensive stakeholder dialogue and desk research. This outline, which includes a first draft scope and key measurement areas, is then reviewed and discussed with the ERC. Based on the ERC guidance, the WBA would then develop or commission the first draft of the benchmark methodology.

2. **Validating the methodology:** the ERC is the final stop before releasing the benchmark methodology to public consultation. It reviews the draft version of the benchmark methodology produced by the WBA secretariat. Based on the ERC’s feedback, the methodology would then be updated and shared for public consultation. Following this public consultation period, the methodology would be finalised and published.

3. **Validating the benchmark report:** the ERC would be consulted prior to publication of the report to review and provide input on the benchmark’s key findings, and provide advice on lessons learnt and recommendations.

4. **Informing benchmark improvements:** stakeholder dialogues are an essential part of evaluating and discussing the results of a particular benchmarking cycle. Based on the feedback received during these dialogues, a first proposal for revision of the benchmark is developed by the WBA secretariat. The ERC then reviews and provides feedback on those updates. Based on this feedback, a new draft methodology for the next benchmark cycle would then be developed.
What would the WBA bring to key stakeholders?

There are two main ways in which the WBA benefits stakeholders: as a multi-stakeholder platform using benchmarks as a tool for dialogue; and as an institution aimed at developing, funding, housing and safeguarding publicly available SDG-related corporate sustainability benchmarks.

Companies will find in the WBA-labelled benchmarks and league tables a powerful way to inform corporate strategy development across the SDGs relevant to their industry. These league tables can also be used to raise awareness around sustainability issues within the organisation and align corporate actions with societal expectations. Since benchmarks give credit to sustainability leadership and highlight best practices, those who choose to engage in the WBA multi-stakeholder dialogue will also have a chance to refine their analytical thinking, stimulating learning within and across industries, improve sustainability performance, and secure competitive advantage in the long term.

“The ultimate goal is that all companies report on their contributions to the SDGs. This allows us to compare commitments and performance to our peers and shows us where we must improve.”

Paul Polman, CEO of Unilever and co-chair of the BSDC

For investors and banks, WBA-labelled benchmarks and league tables would provide a set of common engagement tools with which to interact with companies - tools that will deal with, but also go beyond, the discussions around materiality. Actors in the investment and lending chain can also use league tables to identify sustainability risks and opportunities and assess the performance of individual companies. This information can...
What would the WBA bring to key stakeholders?

then be used to allocate capital in support of the sustainable development agenda – by facilitating screening of companies, for instance, but with the ultimate goal of ensuring positive social and economic dividends that directly address the SDGs.

Benchmarks, SMEs, and multinational companies
Insights from the Jakarta regional consultation

Along with global consultations such as those held in New York or London, the WBA is also holding regional consultations aimed at exploring the perspectives of different regions. The first such regional consultation was held in Jakarta on the 29th of October 2017 on the margins of the EAT Asia-Pacific Food Forum, and explored some of the local considerations worth keeping in mind when thinking of implementing a benchmarking process in the Asia-Pacific market.

One key aspect to come out of this roundtable was the importance of distinguishing between large multinational companies (MNCs) and small and medium-sized enterprises (SMEs). Benchmarks, participants noted, should not just ‘raise the bar’ for global companies that have significant influence within their industries; they should also ‘raise the floor’ and enable smaller companies to catch up with their larger peers. This is particularly important in the Asia-Pacific context, where some private companies or SMEs can have much larger impacts on a local level than MNCs.

The size of a company, in fact, might also affect how it benefits from a benchmarking process. While large publicly listed multinationals are likely to see benefits in terms of reputation, brand management and access to capital, for instance, the benefits for SMEs or family-owned businesses who rely less on external capital will likely centre on talent acquisition and retention. Participants also noted that MNCs and SMEs are differently equipped with respect to governance capabilities, motivation for engagement, and capacity to transform. While the first iterations of the WBA benchmarks will likely focus on global companies, these local nuances are particularly important to consider when trying to apply methodology at the regional level. Benchmarks relevant for the region, for instance, might include a focus on how global companies collaborate with smaller local players along their supply chain on sustainability issues.

Further details on the insights from the Jakarta and New York consultations are available in Annex III and Annex IV.
What would the WBA bring to key stakeholders?

“Our clients expect us to meet investment objectives as well as those of society over the long term. The efforts of the WBA will assist asset managers to achieve this alignment.”

Hendrik du Toit, CEO of Investec Asset Management & BSDC Commissioner

For civil society, the WBA provides an opportunity to amplify the voice of civil society constituents by engaging the entire private sector, rather than just a few companies. The economy of scale this generates is particularly useful given that company engagement can be quite resource intensive. The benchmark results can also help direct advocacy efforts, making it more efficient. Finally, while the multi-stakeholder process may not always fully align with any actor’s initial advocacy objective, it does offer the advantage of broad support - thus providing increased leverage for civil society organisations and facilitating cross-sector partnerships for the achievement of the SDGs.

“Competition makes us faster, collaboration makes us better. The World Benchmarking Alliance aims to do both. By ranking companies based on their contribution to the SDGs competitive benchmarking can be a powerful catalyst for change.”

Dr. Gunhild A. Stordalen, Founder & President, EAT Foundation.

For governments, WBA benchmarks translate the SDGs into an industry and corporate agenda, creating transparency and accountability in the process. Taken as a set, WBA benchmarks also provide governments with insights on the impact of policy on SDG-related corporate performance. The league tables derived from these benchmarks can also help governments identify - or at least assess - potential partners for government procurement programmes or public-private partnerships. Lastly, but by no means least, the WBA’s funding model would enable governments to use public money to mobilise private finance to fund a public good.

“Civil society, investors and governments need to collectively voice what we expect from industry. And then work together with industry to unlock the full potential of the private sector. Initiatives like the World Benchmarking Alliance enable us to embrace a more productive and sustainable approach that benefits all of us.”

Lilianne Ploumen, Minister of Foreign Trade and Development Cooperation, the Netherlands

These, and other examples of WBA added value are summarised in Annex I.
Why is an alliance needed?

Harmonisation

Two years into the 2030 Agenda, focus is shifting from defining success to measuring progress. With this shift comes a wave of new initiatives that are attempting to promote the rise and reporting of SDG-related private investments. These are being developed across the investment and lending chain, from institutional investors to asset managers and companies, as well as banks and civil society. The focus of these initiatives varies widely, with some focusing on scoping out the investible universe (e.g. KPMG) or defining taxonomies for SDG investments (e.g. APG), while others put the emphasis on corporate reporting (e.g. UNGC & GRI) or country level performance (e.g. SDG Index). A preliminary classification of this ecosystem of efforts is provided in Annex II. The classification, along with the examples it contains, will be refined through consultations and research, with the objective of creating a free and publicly available database of this ecosystem on the WBA website.

For success to be delivered at scale and in time, efforts will need to be coordinated and harmonised. Initiatives are already under way to help standardise corporate reporting on the SDGs (e.g. UNGC & GRI). Corporate SDG benchmarks can greatly benefit from this work by aligning indicators and using the information companies will disclose based on the guidelines. A benchmark then takes it a step further by actively comparing the performance of companies, including those that do not yet use this standard
Why is an alliance needed?

for disclosure. With 17 SDGs and 24 industry groups, it is easy to see how large the upcoming wave of SDG-related benchmarking efforts will grow. Much like the global effort undertaken by the Financial Stability Board on the issue of climate risk, there is now a need to establish a set of guiding principles for benchmarks aimed at tracking corporate performance on the SDGs.

One of the first priorities of the WBA will thus be to establish a set of common design principles that will act as a quality standard for all WBA benchmarks. These principles, to be developed through global and regional stakeholder consultations, will help ensure all WBA benchmarks and league tables are robust, credible, fair, and recognisable. This development process must be global and collaborative, with input provided by a diverse range of actors including companies, civil society, investors, multilateral government organisations, financial institutions, and independent rating providers. Initial discussions with key partners and stakeholders have led to the identification of the design principles listed in the table below. These will be updated and refined through the consultation process.

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6 For instance, APG and PGGM’s effort at starting a defining a taxonomy for Sustainable Development investments.
7 For instance, UN PRI’s efforts to set up two PRI SDG working groups. See http://bit.ly/2vED4LL
8 KPMG’s and PWC’s efforts to map the investible universe of the SDGs.
9 Efforts include the launch of SDG-themed funds by Spanish bank Bankia. See http://bit.ly/2tVGDuW
10 World Benchmarking Alliance
11 Note however that since the nature of most disclosure standards is generic and benchmarks are industry or SDG specific, the latter will likely use additional indicators, thus providing more in-depth insight as well as more precise guidance to companies.
12 According to MSCI’s global industry classification standard. See: https://www.msci.com/gics
**Preliminary WBA Design principles - for consultation**

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<tr>
<th>Principle</th>
<th>Description</th>
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<tr>
<td>Reflect societal expectations</td>
<td>The influence of a benchmark rests in its legitimacy and credibility. The SDGs were developed via an extensive and inclusive multi-stakeholder process. Any benchmark designed to track performance against them should thus ensure it reflects societal expectations aligned with the SDGs. The broader this multi-stakeholder consensus, the more likely stakeholders will use the insights generated by the benchmarks.</td>
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<td>Independent and impartial</td>
<td>Benchmarks can only play a pivotal role in bringing together stakeholders with divergent views if they are independent. A benchmark needs to be equally responsive to all stakeholders in order to remain impartial.</td>
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<tr>
<td>Free and publicly available</td>
<td>Only when data is freely available to all can companies truly be held accountable, leaders celebrated, and best practices identified and disseminated. Free and publicly available information is also necessary to ensure that all relevant actors can engage.</td>
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<tr>
<td>Focus on impact</td>
<td>A benchmark clarifies and assesses the areas where companies can make substantial contributions to achieving specific SDGs and corresponding targets. It should also assess responsible business conduct to ensure that business operations do not undermine any dimensions of sustainable development not explored by the benchmark.</td>
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<tr>
<td>Focus on relevance</td>
<td>A benchmark should include all the companies that fall within its scope, irrespective of whether or not they are listed. Companies that choose not to participate actively in the data collection phase will be scored on the basis of publicly available information.</td>
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<tr>
<td>Focus on commitment, transparency and performance</td>
<td>Corporate benchmarks rank companies’ performance relative to each other and publish the results in the form of league tables. Being the best in class doesn’t necessarily mean a company’s actions are perfectly aligned with stakeholder expectations, however. Therefore, in addition to ranking companies relative to each other, benchmarks will also assess whether the companies are committed to sustainability, whether they are transparent about their policies and practices, and whether their performance matches with existing commitments and with societal expectations around what the industry should contribute to the SDGs.</td>
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<tr>
<td>Clarity of intent and of method</td>
<td>A benchmark should be transparent about its methodology, development process, and outcomes. It is vital that companies understand how and why their performance is measured in order to drive change and engage different parts of the business. It is equally essential that companies are regularly consulted during the benchmarking process and have multiple opportunities to provide input and feedback, notably during the data collection and assessment phase.</td>
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<tr>
<td>Complementarity</td>
<td>Benchmarks build upon the work done by others and add value to existing initiatives and mechanisms, including international standards and other initiatives resulting from a robust multi-stakeholder process.</td>
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<tr>
<td>Responsive and iterative</td>
<td>Societal expectations over the role of businesses evolve; so do the nature and quantity of information available on a given issue. Benchmarks respond by updating their methodologies accordingly. Boundaries are set to ensure comparability of information across iterations. The cyclical nature of a benchmark provides companies with an incentive to improve and show progress and accountability over time.</td>
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Why is an alliance needed?

Economies of scale and resilience

Responsible engagement is a public good, as should be the data and benchmarks that underpin it. Only when data is freely available to all can companies truly be held accountable, leaders celebrated, and best practices identified and disseminated. Free and publicly available information is also necessary to ensure that all stakeholders along the value chain can engage. This matters for civil society, governments and investors. In the case of climate, for instance, the “relatively limited availability, accessibility, and relevance of publicly available environmental data have been an obstacle for many financial firms to begin their engagement in green finance activities,” according to the G20’s Green Finance Study Group.13 This argument is even more relevant in the case of SDGs, which include – but have a broader scope than – green finance.

The production of benchmarks is a resource intensive process, the workload of which varies over time. As a result, producers of single benchmarks often rely on specialised private firms for data collection and analysis. While this is economically feasible for the production of a single index, this approach has limited benefits for the production of a comprehensive set of benchmarks tracking corporate SDG performance.
Why is an alliance needed?

It would be more efficient – and more affordable – for the global community if this research service is provided by (or through) a non-profit organisation such as the WBA. Alternatively, the WBA could act as a single purchaser for WBA-labelled benchmarks, thus reducing the unit costs for each individual benchmarking effort.

The added value of – and need for – such a ‘one-stop-shop’ platform providing publicly available data has been widely recognised at the international level. In its latest report, the G20’s Green Finance Study Group notes that: “Gathering and disseminating such information requires employing individuals with specific skill sets [...] and investments into building data platforms. It is very difficult for individual financial services institutions to use such investments sustainably and profitably within their typical business model. Public institutions (including some NGOs), however, do have business models suited for and comparative advantages in producing data of this type.” [emphasis added] “From this perspective,” the report continues, “the public sector has a responsibility to ensure its provision and accessibility. This is analogous to existing models in the finance sector where some data (e.g., monthly labour and inflation statistics) are produced by the government but used by financial institutions free of charge.” This call for free and public information was also echoed by the EU high level expert group on sustainable finance, which identified the creation of “a public goods research unit that monitors ESG disclosure by firms and financial institutions, provides public league tables of firms’ performance on key sustainability issues and reports on the state of disclosure annually” as an important tool to align financial markets with sustainability objectives.
A common platform for research capacity would also improve the resilience of SDG-related corporate benchmarking efforts. League tables and benchmarks only help measure progress if they are produced on a regular basis (see design principles). Benchmark producers relying on external providers can find themselves in a difficult situation when their private counterpart rotates between cycles, however. For instance, the new counterpart may not necessarily be fully familiar with the previous cycle or agree with the benchmark’s overall public mission. Meanwhile, companies providing the data see their primary contact for data change. Relying on an external private provider therefore creates a risk of institutional knowledge loss. Providing a common platform for research capacity, by contrast, would help maintain institutional knowledge and ensure the analysts share a sense of common purpose with the members of the WBA.

Being well-capitalised is another way the WBA can ensure resilience of corporate sustainability benchmarks. The natural cycle of benchmarks, which is typically around 1-2 years, is not well aligned with donor budget cycles (which tend to be longer). This creates a challenge for individual producers of league tables, who often must rely on ad-hoc funding as a result. By creating a stable institution that can secure funding across the different cycles of a wide range of donors, the WBA would be able to address this problem. This, in turn, would help provide more stability to the funding of SDG-related corporate benchmarks as a whole.

In the same way, the WBA would be able to attract a larger group of actors – both public and private. Individual benchmark initiatives, by definition, are focused on a particular subject area, thus narrowing down the scope of potential funders they can engage or rely on. By diversifying the scope, the WBA becomes a channel for donors and financial institutions interested in supporting fact-based analysis of corporate performance against the SDGs as a whole, giving the organisation a broader capacity for fundraising. With that functionality in mind, the WBA intends to develop a model through which partners can not only use but also financially contribute to the development and operations of WBA-labelled benchmarks. This financing model will have to be developed in a way that does not compromise on the fact that the benchmarks should remain independent, public, and free for all to use.

Why is an alliance needed?

Why is an alliance needed?

The 2030 Agenda cannot be delivered without the private sector’s involvement. The potential contribution of an industry to sustainable development is influenced by an industry’s core business and position in the value chain. This both determines and limits an industry’s and company’s influence. Benchmarks clarify the role of companies in achieving a particular SDG but also highlight the responsibilities of other stakeholders.

Yet, integrating the SDGs into corporate strategies remains a challenge for many companies. Part of this stems from the fact that the SDGs were initially designed for governments, not business. In fact, according to a recent survey by BSR and GlobeScan, less than one in three companies (30%) use the SDGs as input for setting corporate objectives, making it difficult to turn these goals into operational strategies. Another challenge is the scope of the SDGs, which, as a set, often goes beyond any single company’s activities. This can make it hard for companies to identify where they can have the strongest impact. In fact, just 30% of companies think they have the tools they need to assess their impact on the SDGs.

Efforts to identify the catalytic areas at the intersection between SDGs and industry are already underway. A preliminary mapping of the contribution that 15 global industries can make to the SDGs was outlined in 2015 under Index Initiative’s landscape
study “Unravelling the Role of the Private Sector”. Similar efforts have since been undertaken by large consultancies such as KPMG and PWC, as well as by investors such as APG and PGGM and banks such as UBS. The SDG-Industry matrix below represents some of the latest work on mapping this intersection between SDGs and industry.

The nature and size of the impact of different industries on a single SDG will differ. The pharmaceuticals, biotechnology and life sciences industry, as well as the consumer durables and apparel industry groups, can make important contributions to SDG 5 (gender equality), for instance. Yet the nature of this contribution is fundamentally different. Consumer durables and apparel companies employ millions of women in their supply chains, mostly in developing countries. Pharmaceutical, biotechnology, and life sciences companies can make important contributions to improving maternal, sexual, and reproductive health. Similarly, whereas many industry groups have an impact on SDG 13 (climate action), the impact of the oil and gas sector (energy), electric utilities, and transport is particularly large.

Using the latest research and an inclusive consultation process, the WBA will identify and develop benchmarks focusing on the industries and companies best positioned to deliver a significant and actionable contribution to the SDGs. This need to focus on areas where companies could most significantly have an impact on the SDGs was echoed by participants of the global consultation in New York, as well as the regional one in Jakarta. In line with the call to “leave no one behind” that underpins the entire 2030 Agenda, the WBA will prioritise the production of benchmarks that focus on industries and SDGs that are most relevant to marginalised and vulnerable communities and individuals, including blue-collar workers, smallholder farmers, and women living in developing economies. A robust public consultation process will identify and prioritise such new benchmarks.

This approach makes the WBA one of the few evidence-based, multi-stakeholder platforms for dialogue through which global, industry-relevant change can be actioned to align the private sector with the SDG Agenda.

https://www.globescan.com/component/edocman/#download-modal-content
https://www.unglobalcompact.org/library/311
https://www.pwc.com/gx/en/sustainability/SDG/SDG%20Research_FINAL.pdf
https://www.apg.nl/pdfs/SDI%20Taxonomies%20website.pdf

A similar matrix has been developed for the Asia-Pacific region and can be accessed here.
How to read this map:
While each industry can be linked to the 17 SDGs, this map focuses on where a given industry can have the greatest impact and where solutions are more likely to be financially sustainable and scalable. The list of industries is based on the Global Industry Classification System (GICS), a classification widely used by groups involved in the investment process. For each of the SDGs (excluding SDG 17), we analysed which industries can make the most substantial contribution. A final report detailing descriptions for each of the identified intersections, including references to relevant sources, will be published at the end of this consultation phase. The present matrix is thus intended to act as a conversation starter and will be continuously refined and updated based on roundtable outcomes, interviews, and additional research. The ultimate purpose of this analysis is to identify critical links between different industries and the SDGs. Stakeholders can then use this analysis to identify the most urgent and critical intersections and prioritise the development of new benchmarks.
Creating the World Benchmarking Alliance would provide an international, independent, and authoritative voice on the status of corporate performance in achieving the SDGs. While for-profit indices have their own association, there is currently no equivalent for benchmarks created with a public mission in mind. This makes it hard for any individual SDG-related benchmark producer to speak beyond the particular scope of its work, reducing its outreach and ability to engage on the SDGs as a whole. Designed as an organisation that would cover the full range of SDG-related benchmarks, the WBA is in an ideal position to fill this gap.

It would also prove critical in promoting evidence-based discussions in international bodies. Given its focus on the SDGs, an observer status to the United Nations would enable the WBA to provide the UN SDG process with a valuable, fact-based overview of corporate performance that goes beyond the financing issues explored by the Inter-Agency Task Force on Financing for Development. Such a move would also complement the recent decision to give a UN Observer status to the International Chamber of Commerce – a decision that reflects the central role of the private sector delivering sustainability objectives. Another possible and no less important arena for the WBA could be the International Organization of Securities Commissions, where the WBA may be able to qualify for affiliate membership and thus bring the voice of societal expectations to the world’s major stock market
regulators. It might also be worth exploring how the WBA could join the OECD Global Forum on Responsible Business Conduct, where the WBA might be able to provide valuable input and help inform OECD guidance and guidelines.

Last but by no means least, the WBA would add important value to the SDG-monitoring ecosystem. Most of the key private-sector focused international initiatives such as PRI, UN Global Compact, WBCSD, the OECD’s Global Forum on Responsible Business Conduct, or the World Economic Forum have now engaged in the process of aligning their members with the SDGs. As part of this, they are starting to establish working groups, develop guidelines, and define common reporting methodology on the impact of the private sector on the SDGs. By providing them with an independent, evidence-based analysis on the state of corporate performance on the SDGs, the WBA would act as a powerful ally for these initiatives, helping them speed up their members’ journey towards the delivery of the SDGs.

22 http://www.indexindustry.org/
24 Under current IOSCO by-laws, WBA could qualify for affiliate membership as an “international bodies other than governmental organisations with an appropriate interest in securities regulation”. Depending on its final design, and role, it might also be able to qualify for associate membership as an “intergovernmental international organisations and other international standard-setting bodies”. Source here: http://bit.ly/2vXsUpz
Differentiated approaches are required to cover the nuances of corporate impact on the SDGs. While some SDGs have direct business relevance for a large number of industries (e.g. climate change, decent work, or gender equality), for other SDGs the contribution of specific industries is key, such as the impact of the seafood industry for SDG 14 (life below water) or that of the pharmaceutical industry for SDG 3 (good health and well-being). Depending on the industry and the issue, there are therefore likely to be two main possible approaches to the benchmarking process: industry-centred and SDG-centred.

An industry-centred benchmark focuses on a sector’s impact on and contribution to the SDGs closest to their core business and supply chain. This includes the development of indicators serving as proxies of performance on the SDGs, as well as the identification of critical pathways and issues where companies can make a significant positive contribution – both within their organisation and throughout their supply chain. Because they are sector-specific, these benchmarks – and the league tables that derive from them – allow the ranking of companies against their peers and the exploration of how industry trends, risks, and contexts affect the ability of a particular sector to deliver on the SDGs. An existing example of such an industry-centred benchmark is the Access to Seeds Index, which assesses the contribution of leading global and regional seed companies to SDG 2 (zero hunger), SDG 12
What type of benchmarks should the WBA focus on?

(sustainable production and consumption), SDG 13 (climate action), and SDG 15 (life on land).

**SDG-centred benchmarks, by contrast, focus on how a select group of industries contribute to a given sustainable development goal.** This, in effect, makes them the dual of industry-centred benchmarks. Because SDG-centred benchmarks include multiple industries, the number of companies in scope is often larger than that of industry-centred benchmarks. An example of an SDG-centred benchmark is the recently launched Corporate Human Rights Benchmark, which covers three industries and assesses 98 publicly traded companies on their human rights performance and implementation of global human rights standards. The benchmark tracks policies, processes, and practices companies have in place to systematise their human rights approach and how they respond to serious allegations. It follows a specific approach for each industry covered, allowing indicators to be tailored to industry contexts and for the identification of industry best practices – thus driving improvements within and across industries. Its ultimate goal is to rank the world’s top 500 listed companies.

Both the Industry-centred and SDG-centred benchmarks are likely to be relevant for the WBA. Many participants of the New York consultation, for instance, noted that specific issues and/or SDGs would likely apply across multiple industries – gender equality and decent work being two prominent examples. The consultation also signalled a clear interest in developing industry-focused benchmarks, with some noting that a sector approach might resonate with a larger audience.

**To explore the advantages and limitations of each approach, the WBA founding partners will explore multiple benchmarks during the consultation phase.** The WBA expects to pilot a benchmark on seafood (focused on SDGs 1, 2, 5, 8, 12, 14, and 15) and, in partnership with CDP, a benchmark related to SDG 13 (climate change) that would assess key industries’ contributions to – and alignment with – the Paris Agreement. Intermediate approaches, such as an Access to Internet benchmark will also be explored, along with other priority benchmarks that come out of the consultation phase.

The scoping of these potential new benchmarks will also be used to identify the best possible approaches to methodology development. This includes questions on how best to build on existing normative standards provided by multilateral organisation such as the ILO, FAO and OECD as well as standards that have been set through a thorough multi-stakeholder process such as RSPO, FSC. It will also inform how benchmark methodologies can best be aligned with existing disclosure standards like GRI, TCFD, CDP, etc. Last but not least, this should explore how
What type of benchmarks should the WBA focus on?

to ensure methodologies are aligned with science-based targets, such as decarbonisation consistent with the Paris Agreement or scientifically advised catch limits for fish stocks.

For each benchmark and league table produced by the WBA, the consultation process will determine the most appropriate approach. The aforementioned SDG-Industry Matrix can be a useful tool to initiate discussions on where industries and the SDGs meet. It will also be important to consider the potential impact the industry has on achieving a particular SDG, how close the SDG is to an industry’s core business, and whether a benchmark will be the right tool for stimulating companies in the industry to enhance their contribution to the SDGs. To ensure maximum business relevance, it is also important to consider and refer to existing international standards (OECD, ILO, etc.). Ultimately, what determines the approach is the impact the information can have on aligning corporate practice with sustainability.

25 The industries are agricultural products, apparel and extractives
SDG-Industry Intersection Media
Subindustries: advertising, broadcasting, cable & satellite, movies & entertainment, publishing

Media have great influence in shaping how we perceive and understand the world. It holds a powerful position through the influence of their content and their capacity to inform, create debate and engage people around key sustainability and development issues. Media enables messages to move further, faster and to places all over the world. The industry has considerable influence on the following SDGs:

GENDER EQUALITY
- Media reflects – but also anchors – gender biases.
- Only 1 in 4 people heard, read about or seen in media is female.
- Gender stereotypes embedded in news media output.
- Only 4% of stories challenge gender stereotypes.
- Media can contribute to shifting gender norms.

PEACE, JUSTICE AND STRONG INSTITUTIONS
- Media critical in providing information and informed opinion.
- Key to conflict prevention and resolution.
- Independent watchdog role.
- Empowering people to participate in civil society.

QUALITY EDUCATION
- Particularly media providing editorial content play central role in how education material is produced, distributed and consumed.
- Media promote lifelong learning.
- Ensuring educational materials are accessible.

REDUCED INEQUALITIES
- Digitalisation can help to overcome information barriers.
- Concern that knowledge gap between and within countries is exacerbating inequalities.
- New financing models needed to ensure reliable information is accessible to all.

The average time a person spends consuming media daily
Only 1 in 4 people heard, read about, or seen in newspapers, television and radio news is female
SDG-Industry Intersection Climate change

Take urgent action to combat climate change and its impacts

Climate change represents the single biggest threat to development, and its impacts have disproportionate effects on the poorest and most vulnerable. Urgent action to combat climate change and minimize its impacts are integral to achieving all SDGs. Without the active contribution of the private sector, the goals set by the Paris Agreement will not be achieved.

17,336m tons of CO₂
Oil and gas

10,9730m tons of CO₂
Electricity and heat production

7,547m tons of CO₂
Transport

7,100m tons of CO₂
Livestock

OIL AND GAS
- Oil (34%) and gas (20%) together responsible over half of fuel combustion emissions. Most emission related to final use of products.
- Limiting global temperature rise to well below 2°C requires halving share of fossil fuels in energy demand between 2014 - 2050.
- Oil and gas will continue to supply nearly half of the world’s energy in 2040 according to the International Energy Agency’s 450 scenario.
- Carbon intensities of oil and gas reserves vary: unconventional sources more carbon intensive.
- Increasing share of renewables in portfolios and carbon, capture, use and storage (CCUS) can contribute to lowering sector emissions.

ELECTRICITY AND HEAT PRODUCTION
- Electricity and heat production responsible for 42% of CO₂ emissions from fuel combustion due to heavy reliance on coal.
- Renewables comprise about 30% of world’s power generating capacity, supplying an estimated 25% of global electricity. To achieve the 66% 2°C scenario, 95% of electricity would need to be low-carbon by 2050.
- Redesign of electricity market required to integrate large shares of variable renewables such as wind and solar.

TRANSPORT
- Responsible for 28% of total energy consumption, mainly oil, and 23% of energy-related greenhouse gas (GHG) emissions. Road transport accounts for three quarters of transport emissions.
- Fastest growing source of CO₂ emissions, strongly coupled to GDP growth.
- Electric vehicles key contributor to reducing sector’s GHG emissions although impact depends on type of electricity used to charge the battery.
- New solutions required for long-haul freight transport, aviation and shipping as potential for electrification with current technologies is low.

LIVESTOCK
- Sector represents about 14.5% of anthropogenic GHG emissions, cattle being responsible for most.
- Growing populations, rising affluence and urbanization drives demand for animal products, mainly in developing countries.
- Clearing of land for feed crop production and expansion of pastures driving force behind deforestation. Deforestation and forest degradation account for 10-15% of global GHG emissions.
- Sector can reduce emissions by addressing deforestation, and improving practices and technologies. Main potential with ruminant systems operating at low productivity.
Questions for the consultation

As the second global consultation, the London meeting is particularly important for the WBA to build on insights from the first global consultation in New York, as well as from informal discussions held throughout 2017. The consultation will explore the value of corporate SDG benchmarks and work to solidify the case for establishing the proposed World Benchmarking Alliance.

Each consultation is meant to be a conversation. With that in mind, the consultations are held in a participatory and engaging manner, with a view to collecting as much information and inputs as possible on the different strategic aspects needed to promote corporate alignment with sustainability and the role that the WBA can play in delivering it.

With the above objectives and approach in mind, it is proposed that the first regional consultation explores the three questions below. These questions are in no way prescriptive and we therefore welcome any other questions or issues participants feel are important to discuss in order to deliver on the objectives of this consultation.

- What kind of institutions should be part of the alliance to ensure the WBA is credible and legitimate? And what value does the WBA need to create in return for these institutions?
- How can corporate SDG benchmarks be designed to ensure they create value for stakeholders as well as the companies being assessed?
- Where can the WBA complement the efforts of leading initiatives such as PRI, UN Global Compact, GRI, as well as commercial research providers such as MSCI and Sustainalytics?
- What critical intersections between SDGs and the industries should the WBA focus on for its first benchmarks?
What happens after the consultation?

Over the coming months, the WBA will engage in a series of formal global and regional consultations aimed at refining the concept, added value, governance, and focus of the WBA. These consultations will be complemented by additional research, interviews and online consultations. Participants interested in sharing their thoughts via a personal, in-depth interview can contact e.chachoua@indexinitiative.org to schedule a conversation. The collective findings and recommendations on next steps will be compiled in a synthesis report, to be published in May 2018.
ANNEX I
Mapping the added value of the WBA

As a multi-stakeholder platform using benchmarks as a tool for dialogue, and as an institution aimed at developing, funding, housing, and safeguarding publicly available SDG-related corporate sustainability benchmarks, the WBA would provide a wide range of benefits to stakeholders across the investment and lending chain. Some of the main advantages the WBA would provide are summarised in the table below.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>WBA (as an institution developing, funding, housing, and safeguarding publicly available SDG-related corporate sustainability benchmarks)</th>
<th>WBA (as a platform for multi-stakeholder, benchmark-based dialogue)</th>
</tr>
</thead>
</table>
| For all     | • One-stop-shop for tracking corporate performance on SDGs.  
              • Coherent set of publicly available engagement tools and data across industries and the SDGs. | • Embodiment of putting SDG 17 into practice.  
              • Translates societal expectations for companies into clear and measurable benchmarks.  
              • Keeps track of performance via regular publication of league tables. |
| Companies   | • Unique point of orientation in strategy development (as benchmarks reflect consensus in societal expectations).  
              • Benchmarks compare companies to their peers across more than one area, using the competitive nature of the market as a powerful driver for change.  
              • Efficiency gains as open, credible benchmarks become accepted measures of performance, reducing duplication in ratings and reporting | • Benchmarks – and the league tables that derive from them – give credit to sustainability leadership and highlight best practices, stimulating learning within and across industries.  
              • Opportunity to contribute to the methodology (for companies that actively take part to the multi-stakeholder process). |
| Stakeholder | **WBA**  
(as an institution developing, funding, housing, and safeguarding publicly available SDG-related corporate sustainability benchmarks) | **WBA**  
(as a platform for multi-stakeholder, benchmark-based dialogue) |
|---|---|---|
| **Investors and banks** | • Helps the individual investor or bank prioritise which companies to engage.  
• WBA benchmarks and league tables provide information beyond material issues. Strategic direction for allocating capital, influencing capital flows in support of the sustainable markets fast-check screening tool.  
• League tables help identify sustainability risks and opportunities and assess the performance of individual companies.  
• Easier to justify support to the public good due to a broader portfolio of benchmarks. | • Creates a common process and output with which both investors and civil society can engage and discuss with companies.  
• Ability to identify how their approach to stewardship and investment align with broader societal expectations (relevant for fiduciary duty). |
| **Civil society** | • Easy access to open, publicly available data facilitates the creation of new benchmarks and league tables.  
• Civil society could have a significant voice in helping the WBA prioritise benchmarks production. | • Tool to amplify and further reflect the voice of civil society organisations – providing reach across the entire private sector.  
• By engaging in a multi-stakeholder, benchmark-oriented process, civil society organisations can ensure their advocacy informs standardised monitoring at the industry level – as opposed to having to do the same engagement to different companies.  
• Issues that matter for impact are considered, irrespective of their materiality.  
• Ensures that the voice of the beneficiaries and the on-the-ground challenges are reflected in the methodologies.  
• The legitimacy of WBA benchmarks will rely in large part in its ability to engage all stakeholders in a balanced manner. This means the position of civil society is as strong as that of any other stakeholder.  
• While the multi-stakeholder process may not always fully align with any actor’s initial advocacy objective, it does offer the advantage of broad support – thus providing increased leverage for civil society organisations and facilitating cross-sector partnerships for the achievement of the SDGs. |
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</tr>
</thead>
</table>
| Donors      | - Provides an institution that can absorb funding for a wide variety of benchmarks on a timeframe that matches government budget cycles. Reduction of transactions costs thanks to a single focal point.  
- Reduces benchmark fatigue by offering a one-stop-shop that can a) absorb funding at scale, b) identify most promising and impactful benchmarks, and c) act as a re-granting mechanism.  
- Lower risk of funding competing initiatives thanks to increased alignment between benchmarking initiatives.  
- Cost reductions (by enabling both public and private actors to support the effort). | - Tool to influence companies beyond national jurisdictions.  
- Assessing the relevance and impact of benchmarks can be difficult from a donor’s point of view. The WBA multi-stakeholder process ensures public money is spent on issues that matter most to the largest number of actors. |
| Governments | - Fast-check screening tool for public-private partnerships on SDGs. Identification of potential partners in public-private partnerships focused on specific sustainable development outcome  
- The access to a comprehensive set of benchmarks of similar quality provides a broader insight on the impact of the policy environment on corporate performance.  
- Access to evidence-based information that can inform the creation of guidelines or policies. | - A public institution which, through transparency and accountability, helps to align businesses with the interest of society.  
- Ensures that the private sector plays a significant role in delivering the SDGs.  
- Provides a tool through which policy guidelines can transform into an actionable private sector agenda (via the use of benchmarks). For instance, a ‘responsible business conduct’ benchmark would help measure the degree to which the associated guidelines are adopted. |
| Public benchmark producers | - An opportunity to have their voice represented in key international fora.  
- Greater brand recognition due to WBA label and core principles. Ability to build on members’ work thanks to the WBA open platform.  
- More freedom and flexibility to innovate thanks to a more stable and more long-term funding approach. | - Greater visibility for any individual benchmark and league tables.  
- Greater legitimacy for the design of indices as a result of a comprehensive stakeholder group. |
Two years into the 2030 Agenda, focus is shifting from defining success to measuring progress. With this shift comes a wave of new initiatives that are attempting to promote the rise and reporting of SDG-related private investments. These are being developed across the investment and lending chain, from institutional investors to asset managers and companies, as well as banks and civil society. The focus of these initiatives varies widely, with some focusing on scoping the investible universe (e.g. KPMG) or defining taxonomies for SDG investments (e.g. APG), while others put the emphasis on corporate reporting (e.g. UNGC & GRI) or country level performance (e.g. SDG index). Similarly, some benchmarks focus on SDGs, while others focus on industries and their impact on the SDGs as a set.

A preliminary classification and corresponding mapping of this ecosystem of efforts is provided in the detailed table below. This classification, along with the examples it contains, will be refined through consultations and research, with the objective of creating a free and publicly available database of this ecosystem on the WBA website.

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Description and function</th>
</tr>
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</table>
| SDG-related benchmarks and league tables | SDG Index | • Helps countries “assess its current state of progress relative to peers (e.g. countries at a given income level or in a given geographic region), to the SDG targets, and to the ‘best’ possible scores on the various indicators.”  
• Ranks governments on SDG performance.  
• Ranking is in its 2nd year (methodology was updated therefore results are not comparable).  
• Relies on publicly available data. |
| SDG-related benchmarks and league tables | Corporate Human Rights Benchmark | • The Corporate Human Rights Benchmark provides a comparative snapshot year-to-year of the largest companies on the planet, looking at the policies, processes, and practices they have in place to systematise their human rights approach and how they respond to serious allegations. This is a public good for all stakeholders.  
• First benchmark (2017) focuses on 98 companies from three industries: agricultural products, apparel, and extractives. |

26 For instance, APG and PGGM’s effort at starting a defining a taxonomy for Sustainable Development investments
27 For instance, UN PRI’s efforts to set up two PRI SDG working groups. See http://bit.ly/2vED4LL
28 KPMG’s and PWC’s efforts to map the investible universe of the SDGs.  
29 Efforts include the launch of SDG-themed funds by Spanish bank Bankia. See http://bit.ly/2tYGDuW
30 World Benchmark Alliance
<table>
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<tr>
<th>Category</th>
<th>Name</th>
<th>Description and function</th>
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<tbody>
<tr>
<td>SDG-related benchmarks and league tables</td>
<td>Transition Pathway Initiative</td>
<td>This initiative:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Evaluates and tracks the quality of companies’ management of their greenhouse gas emissions and of risks and opportunities related to the low-carbon transition.</td>
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<td>2. Evaluates how companies’ future carbon performance would compare to the international targets and national pledges made as part of the Paris Agreement.</td>
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<td>3. Publishes the results of this analysis through an online tool.</td>
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<td>The initiative is backed up by funds that commit to using the information for their investment decision.</td>
</tr>
<tr>
<td>SDG-related benchmarks and league tables</td>
<td>Asset Owner Disclosure Project</td>
<td>• Ranked the world’s largest asset owners on their climate change policies and practices. The project has now been absorbed by ShareAction.</td>
</tr>
<tr>
<td>SDG-related benchmarks and league tables</td>
<td>Equileap Gender Equality Global Report</td>
<td>• The Global Report is comprised of the Top 200 companies, insights per sector and country as well as key findings on gender equality.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Over 3,000 companies ranked based on 19 criteria covering leadership, career development, work-life balance, equal pay, family leave, as well as health &amp; safety.</td>
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<td></td>
<td></td>
<td>• The top three companies leading the field in terms of gender equality in 2017 are L’Oreal (France), Pearson (United Kingdom), and National Australia Bank (Australia).</td>
</tr>
<tr>
<td>SDG-related benchmarks and league tables</td>
<td>Climetrics</td>
<td>• Climate impact rating for equity funds and ETFs in Europe, representing US€2.5 trillion of AUM.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Methodology developed by CDP and ISS-Ethix Climate Solutions in consultation with NGOs, asset owners and managers, and members of the academic community.</td>
</tr>
<tr>
<td>SDG-related benchmarks and league tables</td>
<td>Access to Nutrition Index</td>
<td>• The Access to Nutrition Index (ATNI) is founded on the premise that Food &amp; Beverage manufacturers can make a strong contribution to addressing poor nutrition and related diseases. By assessing and ranking the world’s largest manufacturers on their nutrition-related commitments, practices and performance globally, ATNI aims to encourage companies to:</td>
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<td></td>
<td>1. Increase consumer access to nutritious and affordable food and beverages through actions related to product formulation, pricing, and distribution, and</td>
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<td>2. Responsibly exercise their influence on consumer choice and behaviour through actions in areas such as marketing, labelling and promoting healthy diets and active lifestyles.</td>
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<td>SDG-related benchmarks and league tables</td>
<td>Workforce Disclosure Initiative</td>
<td>• Initiative modelled on CDP and calling for more disclosure on workers issues throughout the supply chain.</td>
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<td>• Launched by ShareAction in collaboration with Oxfam.</td>
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<td>• Currently backed by 79 institutional investors representing US$8 trillion of assets under management.</td>
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<td>The 2017 survey was sent to FTSE 50 as well as 25 mega cap companies and assesses governance of the workforce, workforce composition, workforce stability, workforce development, and worker engagement.</td>
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<tr>
<td>SDG-related benchmarks and league tables</td>
<td>Corporate Carbon Policy Footprint</td>
<td>Developed by the NGO InfluenceMap, the Corporate Carbon Policy Footprint identifies the 50 corporations with the strongest political impact and influence on climate policy. The 50 companies are selected from the top 250 largest listed, non state-owned, industrial corporations. The 2017 results found that 35 of the companies were actively lobbying against climate action, while just 15 were trying to support more ambitious climate policy.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Access to Medicine Index</td>
<td>The ATMI independently ranks pharmaceutical companies’ efforts to improve access to medicine in developing countries. Focuses on 107 countries, including 50 conditions and diseases.</td>
</tr>
<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Access to Seeds Index</td>
<td>The Access to Seeds Index ranks seed companies by measuring and comparing their efforts to improve access to quality seeds of improved varieties for smallholder farmers in developing countries. The methodology was developed through a process of extensive stakeholder consultation and expert review. The Index 2016 focuses on global seed companies and regional companies in Eastern Africa.</td>
</tr>
<tr>
<td>Industry-related benchmarks and league tables</td>
<td>The Higg Index</td>
<td>Set of self-assessment tools to measure environmental and social and labour impacts and identify areas for improvement. The tools generate standardised performance scores that can be shared with supply chain partners. Scores are anonymised and aggregated, which allows businesses to benchmark their results against the industry and serves as a powerful incentive to strive for greater improvements and raise the sustainability bar.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Seafood Stewardship Index</td>
<td>The benchmark, currently in development, will rank the world's largest 30 seafood companies on their policies, commitments, and performance in delivering sustainable seafood. It explores what seafood companies are doing and what they can do to improve responsibility and sustainability in seafood supply chains. By highlighting best practices, the Index will stimulate learning and accelerate the uptake of best practices throughout the industry.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Global Sustainable Seafood Initiative (GSSI)</td>
<td>Benchmarks seafood certification programmes worldwide based on the FAO Code of Conduct for Responsible Fisheries (CRRF), the FAO Guidelines for Ecolabelling of Fish and Fishery Products from Marine/Inland Capture Fisheries, and the FAO Technical Guidelines for Aquaculture Certification (FAO Guidelines). GSSI used this foundation to create a Global Benchmark Tool for seafood certification schemes.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Behind the Brands</td>
<td>The Behind the Brands Scorecard assesses the agricultural sourcing policies of the world’s 10 largest food and beverage companies. It exclusively focuses on publicly available information that relates to the policies of these companies on their sourcing of agricultural commodities from developing countries. The project ran for three years as part of the GROW Campaign. It has been discontinued.</td>
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<td>Category</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>KnowTheChain Benchmarks</td>
<td>In 2016, KnowTheChain benchmarked 60 large global companies in the Information &amp; Technology Communication, Food &amp; Beverage, and Apparel &amp; Footwear sectors on their efforts to address forced labour and human trafficking in their supply chains.</td>
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<td>Industry-related benchmarks and league tables</td>
<td>SPOTT (Sustainable Palm Oil Transparency Toolkit)</td>
<td>SPOTT assessments scores 50 of the largest palm oil producers and traders on the public availability of corporate information relating to Environmental, Social, and Governance (ESG) issues. Initially designed for the palm oil industry, the methodology has now been extended to assess timber, pulp, and paper companies.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Ranking Digital Rights</td>
<td>In 2015, Ranking Digital Rights launched its inaugural Corporate Accountability Index, which evaluated 16 companies based on 31 indicators focused on corporate disclosure of policies and practices that affect users’ freedom of expression and privacy. In March 2017, Ranking Digital Rights released the second edition of its Corporate Accountability Index, which ranked 22 companies according to an expanded list of 35 indicators. The 2018 Index applies the same 35 indicators and the methodology to the same 22 companies evaluated in 2017.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Responsible Mining Index</td>
<td>Responsible Mining Index (RMI) will rank 30 of the world’s largest mining companies. The goal of the RMI is to encourage continuous improvement in responsible mining by transparency – ranking the performance of mining companies on Economic, Environmental, Social and Governance (EESG) issues – and highlighting leading practice.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Fair Finance Guide International</td>
<td>League tables enabling consumers to identify the performance of their banks on issues ranging from climate change to human rights and decent work. Currently active in nine countries (mostly EU).</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Agrobiodiversity Index</td>
<td>Developed by Bioversity International, the Agrobiodiversity index focuses on four dimensions of agrobiodiversity: diets, production, seed systems and conservation. According to those developing the index, the methodology is applicable to both governments, corporations or investors.</td>
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<tr>
<td>Industry-related benchmarks and league tables</td>
<td>Fashion Transparency Index</td>
<td>Developed by the social enterprise ‘Fashion Revolution’, the Fashion Transparency Index 2017 reviews and ranks 100 of the biggest global fashion and apparel brands and retailers according to how much information they disclose about their suppliers, supply chain policies and practices, and social and environmental impact.</td>
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| Industry-related benchmarks and league tables | Guide to Greener Electronics               | Developed by Greenpeace, the guide ranks the top 17 consumer electronics companies on their environmental impacts. The index considers three main parameters:  
- Energy (reduction of greenhouse gases through efficiency and renewable energy),  
- Resource consumption (sustainable design and use of recycled materials),  
- Chemicals (elimination of hazardous chemicals from both the product itself and manufacturing).  

The benchmark is part of Greenpeace’s Rethink-IT campaign, which engages IT companies on their environmental footprint. The guide was regularly published between 2006 and 2012, stopped publication, and then restarted in 2017.                                                                 |
<p>| Commercial benchmark providers               | Dow Jones Sustainability Index             | The DJSI are a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices. Measures company performance on farm animal welfare. Tracks three industries – food producers, food wholesalers, and retailers/restaurants. Initiated in 2012 and publishes annually. |
| Commercial benchmark providers               | FTSE4Good Index                           | Series of ethical investment stock market indices. Designed to measure the performance of companies demonstrating strong Environmental, Social, and Governance (ESG) practices.                                                                                                                                               |
| Commercial benchmark providers               | MSCI ESG Indices                          | Set of indices designed to support common approaches to Environmental, Social, and Governance (ESG) investing and help institutional investors more effectively benchmark to ESG investment performance as well as manage, measure, and report on ESG mandates. USD $62 billion in assets are benchmarked against these indices. MSCI ESG Sustainability Indices has recently been renamed MSCI ESG Leaders Indexes, while the MSCI Global Socially Responsible Indexes have been re-named as MSCI SRI Indexes. |
| Commercial benchmark providers               | Global Compact 100 Index                   | Developed by Sustainalytics, this stock index is composed of a representative group of UN Global Compact signatories. Selected companies must have implemented and demonstrated executive commitment to the principles, in addition to maintaining a base-line profitability.                                                                                          |
| General sustainability benchmarks and league tables | Sustainable Stock Exchange report          | Ranks the world’s largest stock exchanges on the level corporate disclosure in relation to seven sustainability indicators – payroll, GHGs, energy, water, waste, injury rate, and employee turnover. Published annually, currently in the sixth iteration.                                                                 |</p>
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<tr>
<td>General sustainability benchmarks and league tables</td>
<td>Future-Fit Business Benchmark</td>
<td>Methodology to help businesses assess the degree to which their operations and strategies are aligned with long-term sustainability needs. Currently in its second round. Companies can calculate their score; a third-party assessment is only necessary if a company wishes to publicly share this information. The benchmark was published under a Creative Commons Attribution licence which enables anyone to use the methodology and results (on the condition they share the associated product as well).</td>
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<tr>
<td>General sustainability benchmarks and league tables</td>
<td>Fortune Change the World</td>
<td>The Fortune Change the World list highlights leading companies that are working to solve the world’s biggest challenges through core profit-making strategy and operations. Building on the concept of shared value, the list recognises companies not for their philanthropy, corporate social responsibility, or other ‘business-as-usual’ approaches, but for innovative activities that create material business value while contributing to societal impact.</td>
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<tr>
<td>General sustainability benchmarks and league tables</td>
<td>Newsweek Green Ranking</td>
<td>Ranked environmental performance of world’s 500 largest publicly traded companies. Latest version (from 2016) had two indices (global 500 and US 500). Usually published annually, though the 2017 has yet to be issued.</td>
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<td>Reporting/information/guidance</td>
<td>Business Reporting on the SDGs</td>
<td>Two-year project focusing on standardising corporate reporting on SDGs using GRI indicators.</td>
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<td>Reporting/information/guidance</td>
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<td><strong>Phase I (2017)</strong></td>
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<tr>
<td>Reporting/information/guidance</td>
<td></td>
<td>- Consolidating, filling gaps, and prioritising SDGs business disclosures.</td>
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<td>Reporting/information/guidance</td>
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<td>- Leadership and practice for business on SDGs reporting.</td>
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<td>Reporting/information/guidance</td>
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<td><strong>Phase II (2018)</strong></td>
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<tr>
<td>Reporting/information/guidance</td>
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<td>- Alignment/merging GRI Standards &amp; UNGC Communication on Progress.</td>
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<tr>
<td>Reporting/information/guidance</td>
<td></td>
<td>- Address accessibility to all users.</td>
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<tr>
<td>Reporting/information/guidance</td>
<td></td>
<td>- Aggregation of data.</td>
</tr>
<tr>
<td>Reporting/information/guidance</td>
<td>Global Compact Sustainable Development Investments Taxonomy</td>
<td>Methodology developed by APG and PGGM to identify investment opportunities linked to 13 of the United Nations’ 17 SDGs. Sweden’s four main buffer funds and Australia’s Construction and Building Unions Superannuation fund are said to have explicitly expressed their support.</td>
</tr>
<tr>
<td>Reporting/information/guidance</td>
<td>Future-Fit SDG Industry Matrix</td>
<td>Developed by KPMG in collaboration with UN Global Compact. Maps out areas where six selected industries can contribute to each of the SDGs and provides examples of actions where a given industry can deliver a positive contribution.</td>
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<td>Reporting/information/guidance</td>
<td>Envonet</td>
<td>Free online web portal to allow easy comparison of corporate environmental financial disclosures. Enables users to quickly access environmental and climate-related financial disclosures provided in financial filings. Also reveals where corporations have omitted information relevant to investors.</td>
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</tbody>
</table>
| Reporting/information/guidance| Engage the Chain          | Investor guide covering:  
  - Descriptions of potential areas of financial risk in agricultural supply chains, including climate change, deforestation, land use, biodiversity, land rights, water scarcity, pollution, and working conditions.  
  - Detailed briefs on the eight commodities that include descriptions of the value chain for each and an assessment of how the risks identified can impact them.  
  - A ‘table’ showing the exposure of major US food and beverage companies to each of the commodities.  
  - Guidance for investors on the steps they can take to evaluate material risks in their portfolios due to these supply chain impacts. |
| Reporting/information/guidance| SDG Business Dashboard    | Focused on SDG 2, 3, 5, 6, 8, 10, 12 & 17. Looks at materiality related to a) operational risks, b) licence to operate risk, and c) technology risk.                                                                                                                                                        |
ANNEX III
Insights summary.

Number of participants:
• Thirty-four participants representing companies, investors, civil society, international organisations, foundations, and research institutions.

Questions explored:
• What kinds of institutions need to be part of the alliance to help ensure the WBA is credible and legitimate? And what value does the WBA need to create in return?
• How can corporate SDG benchmarks be designed to ensure they create value for stakeholders as well as the companies being assessed?
• Where can the WBA complement the efforts of leading initiatives such as UN PRI, UN Global Compact, GRI, and commercial research providers such as MSCI or Sustainalytics?
• How can we best go about identifying and prioritising the critical intersections between the different SDGs and industries?

Insight 1: Put people at the centre
• The SDGs call for a redefinition of the notion of risk that goes beyond just financial issues.
• Putting people at the centre should be an essential to any effort to align corporate practices with the SDGs.

Insight 2: How to create added value
• Corporate sustainability benchmarks can add value to all stakeholder groups.
• Robust and easily understandable information is key for benchmarks to deliver this value.
• Benchmarks should remain scientifically aligned with what is needed to deliver the SDGs.
• The consultation process is a critical component of the benchmarking effort.

Insight 3: Identifying and prioritising the critical intersections between SDGs and industries
• Benchmarks need to reflect the fact that the SDGs apply to all (universality principle).
• Both industry-focus (e.g. seafood) and SDG-focus (e.g. climate, gender) are relevant.
• Focus should be on the SDGs where industry can have the most significant impact.
• Whether to take a product (e.g. access to medicine) or supply chain approach (e.g. food and beverage industry) for the benchmark will be case specific.
• A ‘performance gap’ approach can help compare across industries.

Insight 4: Engagement strategy and positioning
• Engage all stakeholders. Don’t prioritise.
**Insight 5: Dealing with data – and data providers**

- Data transparency, reliability, quality, and comparability is essential.
- Making benchmark information and methodology publicly available could be a powerful way to empower stakeholders.
- For companies, avoiding questionnaire fatigue is key: it will be important to communicate how the requested information translates into added value for them.
- The WBA should define a strategy for working with the reporting industry in general, and data providers in particular.
- For public-oriented data collectors/providers (e.g. CDP), the focus should be on collaboration, joining forces in funding, and collecting only the best data. Building trust will be key.
- For commercial providers, a more refined strategy is needed to counter the perception that the WBA might challenge their existing profit-making models. It would be useful to organise a consultation with this group to discuss and find ways to enlarge the market demand for benchmarks (as opposed to simply dividing it).

**Insight 6: Methodological aspects**

- Engaging with the UN Global Compact, the Global Reporting Initiative, and similar institutions was seen as being vital to the methodological design going forward.
- Methodology needs to be clear and transparent. The more convoluted or complicated the methodology, the harder it will be for people to understand the results, and the more companies can play the ‘methodology game’.
- The lens chosen for the benchmark (e.g. risk vs. opportunity) affects the weighting.
- It might be useful to integrate future-oriented questions into the benchmark design process (e.g. does the company have transition plans to address the SDGs?)
- WBA benchmarks should incorporate and build upon existing reporting guidelines and structures as much as possible.
- The WBA mapping of the ecosystem is very useful. It is important to continue this work and use it to inform strategy.
Number of participants:
• Eighteen participants representing companies, investors, civil society, international organisations, foundations, and research institutions.

Questions explored:
• How can corporate SDG benchmarks be designed to ensure they create value for stakeholders as well as the companies being assessed?
• What are the critical intersections between SDGs and the industries for the Asia-Pacific region?
• What kind of global and regional institutions should be part of the alliance to ensure the WBA is credible and legitimate? And what value does the WBA need to create in return?

Insight 1: Raise the floor – not just the bar
• Benchmarks should not just raise the bar for global companies that have significant influence within their industries. They should also raise the floor and enable smaller companies to catch up with their larger peers.
• This is particularly important in the Asia-Pacific context, where some private companies or SMEs have much larger impacts on the local level than MNCs.
• Benchmarks should account for the fact MNCs and SMEs are differently equipped with respect to governance capabilities, motivation for engagement, and capacity to transform.
• Collaboration within industries can help address some of these gaps.

Insight 2: Size matters – differentiating between MNCs and SMEs
• The nature of a benchmark’s added value will depend on the size of the company. Large publicly listed multinationals will see an effect on reputation, brand management and access to capital. For SMEs or family owned-business that rely less on external capital, incentives will likely centre around talent acquisition and retention.
• A benchmarking process that facilitates knowledge transfer from MNCs to SMEs on how to deal with sustainability issues would be extremely useful.
• The process of non-financial reporting needs to be streamlined so that stronger emphasis can be placed on outcomes such as impact and alignment with the SDGs, rather than output or past performance alone.
• Community engagement and awareness-building around the SDGs will be important for SMEs. Media has an important role to play here.

Insight 3: Finding value for the individual
• Benchmarks can empower individuals to align their investments with their values.
• Making this information transparent, free and available to the public encourages more people to be involved in this conversation.
- A standardised way to communicate data to people is needed to help achieve scale.

**Insight 4: Building the Alliance**
- Key stakeholders in the region will include business, philanthropy, civil society, government, and academia. Media will also be important.
- Messaging needs to be aligned to ensure that the mission and value of corporate SDG benchmarks resonate with the general public.
- For the alliance to be successful, there needs to be a balance between stakeholder consultation and engagement, both of which should highlight the urgency for action.
- Global institutions that could be involved in the alliance include WHO, FAO, UNGC, UNCTAD, ILO, UNICEF, and UNDP. Regional organisations could include research institutions such as CSIRO ACIAR, and regional development banks such as the ADB and the IDB.

**Insight 5: Critical intersections between SDGs and industries for the Asia-Pacific region**
- While the SDGs are universal, it is important to take into account national and regional differences. SDG 1 (no poverty) and SDG 2 (no hunger) were identified as key priorities for Malaysia and Indonesia, for instance, with the agribusinesses playing an important role in driving action on these SDGs.
- ICT solutions will be key but it is important to take into account differences in bandwidth capacity to avoid the risk of over-engineering solutions. Low-tech solutions will scale better.
- Inequality in access to clean water and sanitation, including in informal settlements, was raised as an important challenge in the region.
- Addressing air pollution and energy issues is essential in the Asia-Pacific region, which suffers disproportionally from the burden of outdoor pollution.
- An ageing population is another challenge in Asia. Evolving family norms are affecting elderly care, requiring significant changes and investments in healthcare systems and infrastructure.

**Insight 6: Benchmarking considerations**
- Benchmarks can only be valuable if they create mechanisms to ensure that companies cannot game the system.
- Benchmarks need to be meaningful, credible and understanding of the sectors being benchmarked.
- Along with holding companies accountable for their impact – both negative and positive – some participants recommended that benchmarks should also be seen as an opportunity to recognise companies for what they aim to achieve.
- Consideration should be given to the role of SMEs, particularly when they play a dominant role in an industry or issue.
- It will also be essential to account for the differences across political systems, governance structures, as well as economic and technical drivers of change.
The consultation phase of the World Benchmarking Alliance is funded by:
As of this consultation, the following organisations have endorsed the consultation phase of the WBA.