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 consultation that will take place on the 22nd and 23rd of March in Bonn on the margins of the UN SDG Action Campaign’s Global Festival of Action. 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 benchmarks within a formal institution, tentatively described here as the World Benchmarking Alliance.
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Collectively, the Sustainable Development Goals (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. 193 governments agreed upon this vision, in partnership with citizens, companies, civil society and other stakeholders – making this the largest global conversation of its kind.

The collective mission of the SDGs cannot be achieved without the firm commitment of the private sector to work with governments and civil society to deliver the solutions and investments needed. Many of the world’s leading companies are already taking up the challenge and aligning their business models with the SDGs, however reporting and analysis of how these companies are performing remains hard to access. These barriers are reducing the potential for companies to collaborate and take critical action on the SDGs most relevant to their industries. For companies to be successful, easily accessible and credible information that analyses corporate sustainability performance is crucial. This will be key to celebrating leading companies and providing guidance for those who are falling behind.

A powerful and potentially transformative way to address this need is through the production of game-changing international league tables that will measure and compare corporate performance on
Context and objective of the WBA

the SDGs. These league tables require sophisticated benchmarks that can provide financial institutions, companies, governments, and civil society with the information they need to allocate capital, increase transparency, track and compare corporate sustainability performance, and ultimately catalyse action and accelerate SDG delivery. To develop, fund, house and safeguard these publicly available, free corporate benchmarks, Aviva, the UN Foundation, BSDC, and Index Initiative are putting forward the idea of a new, innovative, institution – the World Benchmarking Alliance (WBA).

The goal of the WBA is to harness the power of the private sector and ultimately create a race to the top in SDG performance. The global need for such league tables is widely acknowledged, from the Business and Sustainable Development Commission (BSDC) to the EU High-level Expert Group on Sustainable Finance. By providing all stakeholders with the information they need to exert their full influence and help the private sector play its role in delivering the SDGs, the WBA can help move from aspiration to action to achievement.

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. To strengthen the credibility and effectiveness of this alliance the WBA has embraced a multi-stakeholder approach, holding consultations with individuals around the world to gather critical insights for success. We are excited to be in Bonn to continue the conversation with one of our key stakeholder groups – young people. Today we have the largest youth generation in history – close to half of the global population is under the age of 30. We are keen to learn about what you think is the most important for the WBA to consider in our vision to accelerate a more prosperous, just, and sustainable world for all.
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 – April:** 10 roundtables (five global and five regional). Some of the roundtables take place alongside key events such as the UN General Assembly, the World Bank & IMF Spring Meetings, and the World Capital Market Symposium in Kuala Lumpur.

  Online consultations will be held in parallel from October 2017 to March 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:

1. They clarify what society expects from industries and companies.
2. They clarify where and how companies can contribute to sustainability.
3. They promote a race to the top.
4. They help track progress.
5. They are a proven and effective engagement tool.

What type of benchmarks should the WBA focus on?
Differentiated approaches are required to cover the nuances of corporate impact on the SDGs. An industry-centred benchmark focuses on a sector’s impacts on and contributions to the SDGs close to their core business and supply chain. SDG-centred benchmarks, by contrast, focus on how a select group of industries contribute to a given sustainable development goal. Both the Industry-centred and SDG-centred benchmarks are likely to be relevant to the WBA.
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 Standard (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 the consultation phase. The present mapping is intended as a conversation starter and will be continuously refined and updated based on roundtable outcomes, online consultations, 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 corporate SDG benchmarks.
Media has 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 is 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**
- Media providing editorial content plays a central role in how education material is produced, distributed and consumed.
- Media promotes lifelong learning.
- Ensuring educational materials are accessible.

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

**Oil and gas**
- Oil (34%) and gas (20%) together are responsible for over half of fuel combustion emissions. Most emissions are 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 are 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. 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. The main potential is with ruminant systems operating at low productivity.
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 producing publicly available SDG-related 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, and to assess their performance in line with societal expectations and the performance of their peers or competitors.

“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 to identify sustainability risks and opportunities, assess the performance of individual companies, and allocate capital in support of the sustainable development agenda.

“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
What would the WBA bring to key stakeholders?

For civil society, the WBA provides an opportunity to amplify the voice of civil society constituents by helping to direct advocacy efforts, align policy objectives, improve transparency, and facilitate 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 and helping governments identify and vet potential partnerships.

“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
Youth as a key stakeholder

Today’s generation of adolescents and young people (between 10 and 24 years old) is close to 1.8 billion – more than at any other time in history – approximately 90% of whom live in less developed countries. The 2030 Agenda recognises the enormous power of young people to drive change and explicitly references the role they have to play in achieving a more sustainable, just, and prosperous world for all. More than one third of SDG targets reference young people explicitly or implicitly, with a focus on empowerment, participation and/or well-being. There are 20 youth-specific targets spread over six SDGs, including SDG 2 (hunger), SDG 4 (education), SDG 5 (gender equality), SDG 8 (decent work), SDG 10 (inequality) and SDG 13 (climate change). And young people’s involvement is also key if the call for participation, inclusion, accountability and revitalised global engagement embedded in SDG 16 (peaceful, just and inclusive societies) and 17 (partnerships and implementation), is to be achieved.

And yet, while we know that young people are often simultaneously the individuals most affected by drivers of inequality, as well as the drivers of change within their communities, we recognise that they are also too often not given a seat at the table and left out of decision-making processes about their futures. The WBA seeks to give young people a voice and a platform to express their opinions on the world’s greatest challenges and opportunities for change between now and 2030, and beyond.

“I have one thing to say to all the young people in the room. We are the SDG generation and we are critical in implementing and reviewing the Agenda. Demand to have a seat at the table, don’t wait for an invitation. Act now, speak up and believe in your power to change the world”

Jayathma Wickramanayake, UN Secretary-General’s Envoy on Youth

“The future of humanity and of our planet is in our hands. It lies also in the hands of today’s younger generation who will pass the torch to future generations.”

2030 Agenda, paragraph 53
Youth as a key stakeholder

SDG facts on youth

SDG 1: No Poverty
156 million or approximately 40% of working youth, often in developing countries, are in extreme or moderate poverty, compared to 26% of working adults. [1]

SDG2: Zero Hunger
Each year, 3.1 million children die from hunger [2]

SDG3: Health
AIDS is the second most common cause of death among adolescents globally and the leading cause in Africa [3].

SDG4: Quality Education
Worldwide, an estimated 263 million children and youth are out of school [4]. In ensuring basic literacy and numeracy skills for all youth living in low-income countries, 171 million people could be lifted out of poverty which would result in a 12% reduction in the global poverty levels [5].

SDG5: Gender Equality
More than three quarters (76%) of out-of-school youth are female [6].

SDG6: Clean Water
Every 2 minutes a child under five dies due to diarrhoea caused by poor sanitation [7].

SDG7: Affordable Energy
In 2012, about 1.1 billion people – approximately the same number of young people between ages 18-24 in the world – did not have access to electricity. [8]

SDG8: Decent Work and Economic Growth
Youth are almost three times as likely as adults to be unemployed [9]. The private sector is the key driver in the fight against poverty, providing 9 in 10 jobs globally [10].

SDG9: Innovation, Infrastructure and Industrialisation
71% of young people are online compared to 48% of people globally, in developed countries this proportion rises to 94%, while falling to 67% in developing countries and 30% in Least Developed Countries [11].
SDG10: Reduced Inequalities
Evidence from developing countries shows that children in the poorest 20% of the population are still up to three times more likely to die before their fifth birthday than children in the richest quintiles [12].

SDG11: Sustainable Cities and Communities
It is estimated that by 2030, as many as 60% of all urban dwellers will be under the age of 18 [13].

SDG12: Responsible Consumption
Approximately, three-out-four young consumers are willing to pay more money for sustainable goods which are produced by companies who are openly committed to positive social and environmental impact [14].

SDG13: Climate Action
By 2050, an additional 24 million children will be at risk of undernourishment as a consequence of climate change, increasing the risk of stunting which will severely impact cognitive development and educational learning in later childhood and adolescence [15].

SDG14: Life Below Water
An estimated 800 million people worldwide are dependent on the catch, processing, production and sale of fish and seafood [16].

SDG15: Life on Land
Around 1.6 billion people depend on forests for their livelihood [17].

SDG16: Peace and Justice
Half of the world’s population is under 30 years old but less than 2% of the world’s MPs are under 30 [18]. Additionally, people aged between 20 and 44 years of age make up 57% of the world’s voting age population, but only 26% of the world’s MPs [19].
Youth are 33% less likely to have a savings account than adults and 44% less likely to save in a formal institution [16].

Across 65 developing countries, an average of 60% of primary and secondary schools have access to computers and the internet. In sub-Saharan countries this average is reduced to just 40% [17].

One in three children in the developing world – more than 500 million children – has no access at all to sanitation facilities. And some 400 million children, one in five, have no access to safe water [18].

Worldwide, 60% of all child labourers – approximately 98 million - work in agriculture, including farming, fishing, aquaculture, forestry, and livestock [19].

71% of young people are online compared to 48% of people globally, in developed countries this proportion rises to 94%, while falling to 67% in developing countries and 30% in Least Developed Countries [21].

Only a few financial service providers such as banks, credit unions or microfinance institutions understand and adequately serve the youth market, and regulatory frameworks are not designed to be youth inclusive [22].

The top three causes of death among adolescents include road traffic crashes [23].
How are WBA benchmarking 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 WBA, and through multi-stakeholder dialogues. Each benchmark has an Expert Review Committee (ERC), consisting of experts who provide external advice on the structure, scope, methodology and analysis underling the benchmarks. These experts typically include representatives from different stakeholder groups including consumers, investors, academics, companies, financial institutions, governments, multi-lateral organisations and civil society groups (NGOs). The ERC plays a decisive role in key steps of the benchmark’s production.
How are WBA benchmarking methodologies developed?

cycle, namely: developing the methodology, validating the methodology, validating the benchmark report and informing benchmark improvements.

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 link corporate behaviour to the SDGs. These measurement areas are then divided into separate themes that are measured across different indicators.
How are WBA benchmarking methodologies developed?

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.

Sustainable Development Goals
The SDGs serve as the starting point for all WBA benchmarks. Benchmark methodologies 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).

Principles and normative standards
Corporate SDG benchmarks should build on and add value to existing principles 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 benchmarking 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.

**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.

Based on the defined scopes, research and stakeholder inputs, the WBA then drafts an outline of potential measurement areas and indicators. Based on multi-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.
The WBA have been holding a series of global and regional consultations with stakeholders over the past several months to refine the WBA’s ambition, institutional structure, and inform its priorities in terms of SDGs and industries. The roundtables will be complemented by additional research, interviews, online consultations and expert meetings. This consultation in Bonn will be our first youth consultation and will mark the first step in integrating a youth perspective in our consultation process.

Questions for the consultation

As the first youth consultation, the Bonn meetings are particularly important for the WBA to build on insights from the global consultations in New York, London and Mumbai, as well as on the regional roundtables in Jakarta, Kuala Lumpur, Cape Town, Nairobi and Buenos Aires, and to capture inputs from an under-represented but important stakeholder group. The consultation will explore the value of corporate SDG benchmarks for young people 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
Consultations

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 youth consultation explores the two 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.

• How can youth contribute to and benefit from the benchmarking of companies against the SDGs?
• How can the World Benchmarking Alliance ensure youth engagement? What could be potential approaches to involving youth and what would be the main barriers?
• What are important intersections between industries and the SDGs for youth?

What happens after the consultations?
Over the coming months, the WBA will continue to engage in a series of additional 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, which will culminate in a synthesis report, to be published in May 2018.

The WBA is also eager to continue incorporating the views of young people throughout the remainder of the consultation process and the launch of the formal institution. We encourage you to reach out to m.phiri@indexinitiative.org if you’d like to participate in a one-on-one interview, contribute a blog post, be featured on a podcast or engage in any other way in the process.

We also encourage you to stay involved by signing up to our mailing list and following us on social media via Twitter, Facebook, Instagram, and LinkedIn.
Bibliography


[18] Inter-Parliamentary Union, “Youth Participation in National Parliaments 2016,” Inter-Parliamentary Union, 2016.


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:

- ABN-AMRO
- ABP
- Access to Nutrition Index
- Access to Seeds Index
- Biodiversity International
- Bridges Fund Management
- Capital Markets
- Corporate Knights
- Casa Business School
- Cârja Change
- CHRB
- CM2
- EIRIS Foundation
- Folksam
- Future-Fit Business Benchmark
- Grant Thornton
- GRI
- ICC
- IDB
- IFC
- Impact Management Project
- Investec
- iseal alliance
- ITUC CBI IGB
- M2020
- Oxfam
- Oxfam reporting 3.0
- ShareAction
- Stockholm Resilience Centre
- S-HUB
- The Geneva Association
- The Global Foundation
- 2020 Investing Initiative
- The Global Compact
- WBCSD
- WWF
- ZSL