

Scorecard

# World Benchmarking Alliance Social Transformation Framework

## About WBA

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COVERAGE OF COMPANIES

**Global**

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LAUNCH DATE

**2018**

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FOCUS

**Corporate reporting and benchmarking tools**

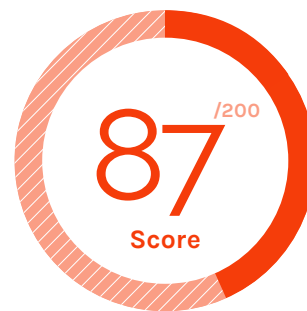
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LINK:

<https://www.worldbenchmarkingalliance.org/research/social-transformation-framework/>

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# World Benchmarking Alliance Social Transformation Framework Score

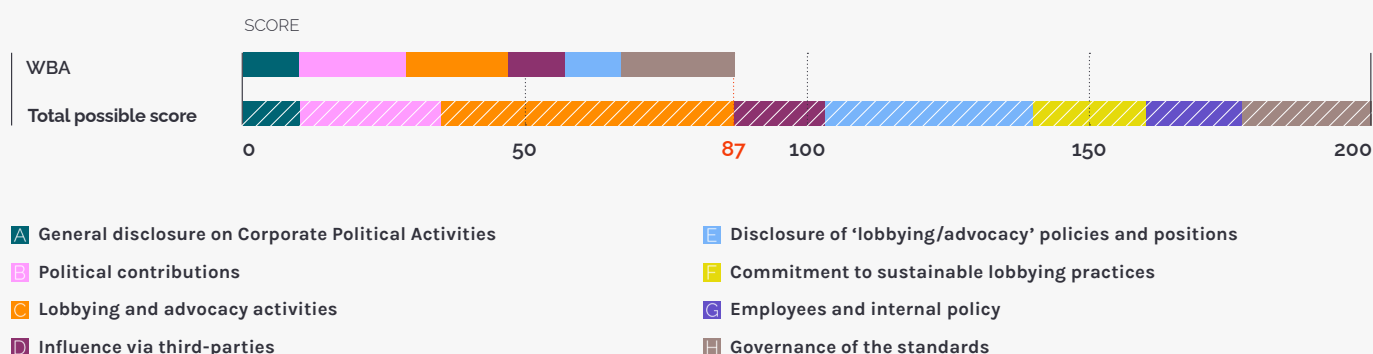


Rank 10 /27

## Tracker Rank and Score for WBA

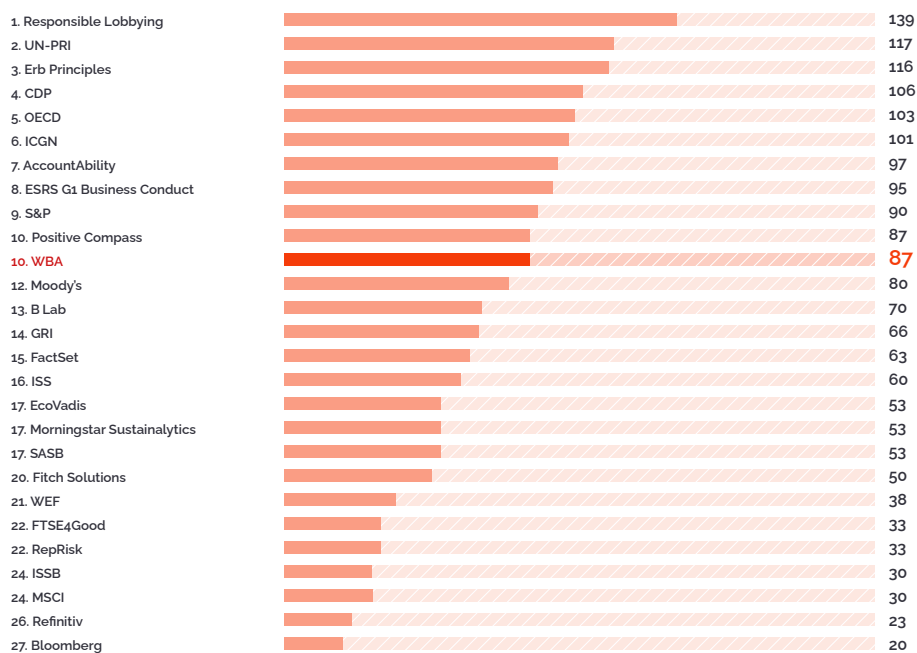
The score is out of a total of 200 and the rank describes the standards position in the 27 standards assessed by the Tracker.

## Category scores of WBA



\*Categories where the standard received no points do not appear in the colour-coded graph

## Rank and scores for all standards



# Description

The World Benchmarking Alliance (WBA) was launched in 2018 in order to improve the way that business impact is measured by companies and other market participants. Their goal is to boost motivation and stimulate action by corporate actors for a sustainable future for everyone. As part of this process, the WBA identified seven systems transformations that need to take place to put society and the worldwide economy on a more sustainable path to achieve the SDGs.<sup>1</sup> To turn these transformations into action, WBA publishes a series of benchmarks assessing 2,000 of the world's most influential companies, ranking and measuring them on their contributions to the SDGs.

The WBA Social Transformation Framework is built around a set of core social indicators, based on pre-existing tools and frameworks. It sets out expectations that companies should meet in order to leave no one behind, support the SDGs and help create a future that works for everyone. The 12 key expectations are grouped into three categories: human rights, decent work and ethical conduct.<sup>2</sup> The Framework defines a set of core social indicators (CSIs) intended to reflect international normative expectations. Using the indicators, companies can provide investors and other stakeholders with an assessment of whether the company is on a path towards meeting these expectations. WBA considers the CSIs as 'signposts' towards the expectations for the social transformation.<sup>3</sup>

The social transformation framework describes how WBA will measure what the world's most influential companies (keystone companies) are doing to ensure they leave no one behind. It has three key elements: a set of high-level expectations regarding company behaviour; a set of 18 core social indicators that point towards the achievement of these expectations; and three work streams that will ensure the social component is integrated in all our assessments to drive impact in the social transformation.

The framework lays out a set of high-level societal expectations that all keystone companies should meet if they aspire to be part of a systems transformation that leaves no one behind. These expectations are grounded in companies' responsibility to respect human rights, their role in providing and promoting decent work and their ethical conduct in areas such as lobbying and tax. WBA's aim is to incentivise companies to meet these expectations by creating and leveraging transformation and spotlight benchmarks. Core social indicators – Based on pre-existing tools and frameworks,

WBA defines a set of core social indicators (CSIs) that reflect the above-mentioned expectations and provide an assessment of whether companies are on the path towards meeting these expectations. Companies that fail to meet these core social indicators will be regarded as failing to demonstrate sufficient commitment to meeting the high-level societal expectations and to responsible business conduct in general.

# Score summary

The WBA score changed from 76 to 87 reflecting new analysis and an updated Social Benchmark 2024 Scoring Guidelines. The Framework asks reporting companies to take a ‘socially responsible approach’ to their political activities and other lobbying. The Framework’s Expectation 12 describes an expectation that companies implement a “socially responsible approach to direct and indirect lobbying and political engagement, overseen by the highest governing body and supported by appropriate controls and transparency, and which at a minimum does not undermine either the 2030 agenda or international human rights frameworks.”<sup>4</sup> This high-level ambition for enhanced corporate governance of corporate political activities receives points in Tracker categories covering transparency, internal oversight, and sustainable lobbying. The WBA openness to feedback and commitment to update standards in response also earns points in Category H on governance of the standards.

Indicator 18 in the updated Scoring Guidelines include an expectation that: (a) the company has a publicly available policy statement(s) or policies that set out its lobbying and political engagement approach; (b) the company has a publicly available policy statement that specifies that it does not make political contributions; (c) the company discloses its expenditures on lobbying activities; and (d) the company requires third-party lobbyists to comply with its lobbying and political engagement policy (or policies).<sup>5</sup>

The updated WBA Guidelines receives points in Tracker Category C, ‘Lobbying and advocacy activities’ for their new Indicator 18; Element C expectations that companies disclose their lobbying expenditures covering all locations of operation or discloses its expenditure on lobbying activities in some locations of operation where it lobbies and explains that it only lobbies in these specific locations; or discloses that it does not engage in any lobbying activities.<sup>6</sup> In addition, the updated WBA Methodology receives points in Tracker Category D, ‘Influence via Third Parties, via the WBA Indicator 18 Element D. This new Element D expects a company to require third-party lobbyists to comply with its lobbying and political engagement policy. According to the WBA, the company should either disclose that it requires third-party lobbyists to comply with its lobbying and political engagement policy (or policies); disclose that it does not use third party lobbyists; or disclose that it does not engage in any lobbying activities.

The new 2024 Social Benchmark Scoring Guidelines go further, outlining an expectation that a company will have publicly available policy statements or policy(ies) setting out its lobbying and political engagement approach.<sup>7</sup> Companies are expected to disclose a policy in document or webpage format on lobbying and political engagement which applies to the whole company in all locations of operation, not to a specific subsidiary, region or jurisdiction.

According to the Guidance, companies are expected to describe their political engagement approach including at least two of the following: (a) the types or ways the company engages politically; (b) the topics/issues covered in the company’s political engagement; (c) the basis or intention of the company’s political engagement; (d) the internal authorisation process or policies that must be followed to engage politically; (e) whether personal political engagement is prohibited/restricted; (f) the types of stakeholders who the company engages with politically; (g) internal management or oversight of political engagement; (h) legal and reporting compliance around political engagement.

# Opportunities for improvement

The updated Guidance is an important improvement in pointing the way forward. Until a formal revision is made to the Social Transformation Benchmark itself, WBA Framework's high-level approach misses opportunities for more detailed disclosures. In particular, more questions around Tracker Category C, 'Lobbying and Advocacy Activities' and Category G on 'Employees and internal policy' would make the framework more complete. Adding more detailed expectations for consistency between corporate sustainability commitments and their political activities would make the WBA Framework more useful as a reporting guide for the globally significant universe of companies. Updating the Social Transformation Framework to include these details, and to address other areas of the Tracker would bring it up to date as a best practice guide for global firms and investors in these firms who are committed to social impact and transparency.<sup>8</sup>

## Endnotes

- 1 'Seven systems transformations' <https://www.worldbenchmarkingalliance.org/seven-systems-transformations/>
- 2 <https://www.worldbenchmarkingalliance.org/research/social-transformation-framework/>
- 3 <https://assets.worldbenchmarkingalliance.org/app/uploads/2021/02/WBA-Social-Transformation-Framework-FINAL.pdf>
- 4 Idem
- 5 Social Benchmark 2024 Scoring Guidelines (July 2024): <https://assets.worldbenchmarkingalliance.org/app/uploads/2024/06/WBA-Social-Benchmark-Scoring-Guidelines-2024.pdf>
- 6 Idem
- 7 <https://www.worldbenchmarkingalliance.org/research/2024-social-benchmark-scoring-guidelines/#>
- 8 '90% of world's 2,000 most influential companies failing to ensure human rights, decent work and ethical conduct' (02.07.2024): <https://www.worldbenchmarkingalliance.org/news/social-benchmark-press-release-2024/>

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