

A young woman with dark hair tied back, wearing a light blue t-shirt with a graphic, is focused on weaving a patterned fabric on a traditional wooden loom. The workshop is filled with other looms and people working in the background, all under a warm, reddish-orange light. The text 'The social transformation' is overlaid in white on the right side of the image.

The social transformation

A framework to measure and incentivize companies to leave no one behind

A summary
January 2021



World
Benchmarking
Alliance

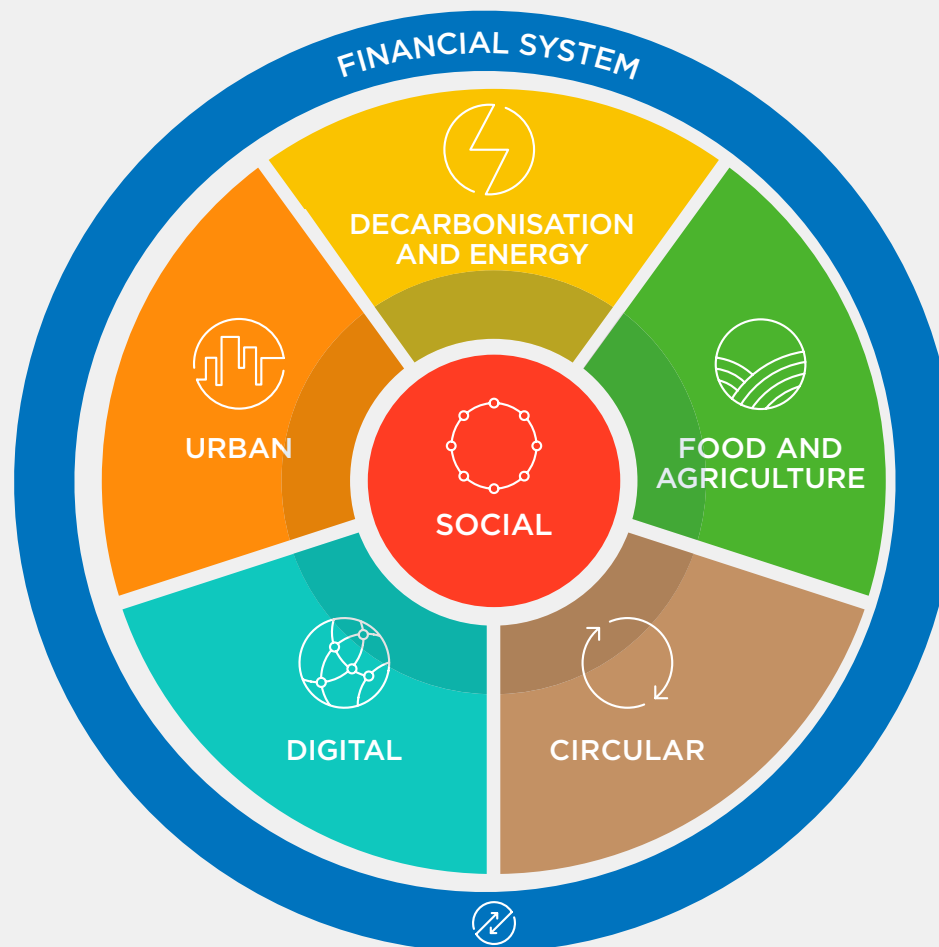
The World Benchmarking Alliance (WBA) develops free and publicly available benchmarks that measure and incentivise company contributions towards the Sustainable Development Goals (SDGs). To do so, we identified [seven system transformations](#) that are needed to put our society and economy on a more sustainable path.

The **social transformation** seeks to achieve universal human development by respecting human rights, promoting equality and empowering people to pursue the opportunities and choices they value. It sits at the heart of WBA's model, underpinning and enabling the food, energy, circular, digital, urban and financial system transformations.

The social transformation framework explains how WBA measures what the 2,000 most influential companies are doing to ensure **people** are at the heart of business contributions to the SDGs and how we will incentivise change. It sets out the societal expectations of business conduct that companies should meet in order to leave no one behind. By **respecting human rights, providing and promoting decent work, and acting ethically**, companies can support the SDGs, address inequalities and contribute to a sustainable future for all.

The framework will be used by WBA to assess and compare company performance, incentivising companies to create a future that works for everyone. The full framework is available [on our website](#).

FIGURE 1: SEVEN SYSTEMS TRANSFORMATIONS



Why companies are crucial for the social transformation

We know that our current systems must change to achieve a sustainable future for all, as envisaged by the SDGs, and it is clear that the private sector has a key role to play in this. While it is true that business has been a catalyst for human development, our current capitalist models are **leaving too many people behind**. The exclusive focus on creating shareholder-value is deepening inequalities and hindering the achievement of universal human development. If companies are going to support the SDGs, they must also embed a central principle of the SDGs; to leave no one behind.

Unless companies truly **value all people**, the social transformation will not succeed and the systems transformations will be undermined. The world needs companies to contribute to the social transformation, by putting people at the heart of their business models and activities. We need companies to profitably solve societal problems, without profiting from social harms. And we need companies to ensure they leave no one behind as we transition to regenerative economies and equitable societies where people are empowered to pursue the opportunities and choices they value.

WBA has identified 2,000 companies across the seven systems, chosen for their ability to dominate, control, connect and influence their relevant sectors and systems. To create the systemic transformations needed to achieve the SDGs, these 2,000 companies are critical. They are called 'keystone companies' and the list of the world's most influential companies for the SDGs is called the [SDG2000](#). Each of these companies has a role to play in the social transformation, and will be assessed by our social framework. We aim to incentivise businesses to meet

their societal expectations, and drive transformation towards a world where companies value all people.



Companies can support the social transformation by meeting key societal expectations

WBA believes there are three key enablers for the social transformation, which provide a foundation on which opportunities for positive impact can be built. These enablers are:

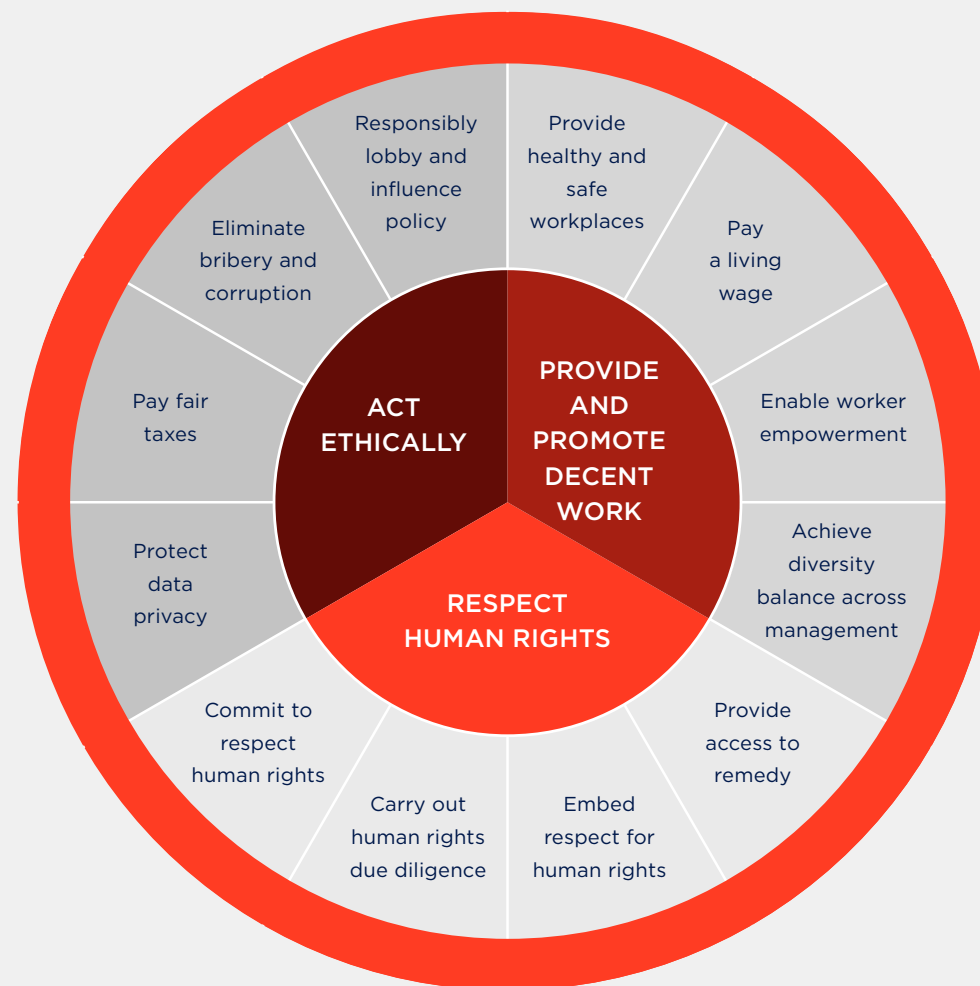
- 1 respecting human rights;
- 2 providing and promoting decent work; and
- 3 acting ethically.

WBA aims to incentivise companies in relation to these three areas, in support of the SDGs.

To bring these enablers to life, WBA has identified **12 high-level societal expectations** that companies should meet if they aspire to be part of a system transformation that leaves no one behind. The expectations do not cover all aspects of responsible business conduct but focus on the behaviours and outcomes we see as most important in enabling and underpinning the private sector's contribution to the social transformation.

Where companies are not meeting these expectations, WBA aims to incentivise companies to change, by developing and leveraging benchmarks, in support of the social transformation. By identifying these social expectations on companies, and explaining how the social transformation underpins all aspects of business transformation, this framework enables action by the private sector, government and civil society.

FIGURE 2: EXPECTATIONS ON BUSINESS FOR SOCIAL TRANSFORMATION

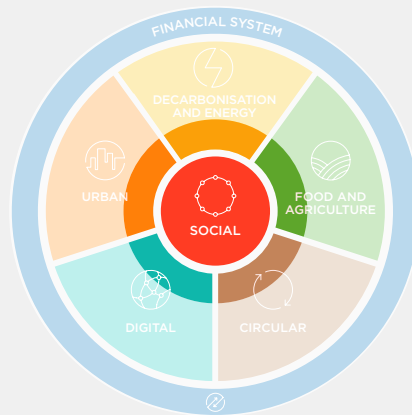


WBA will assess and incentivise companies to support the social transformation through three workstreams

WBA will concentrate on three workstreams: embedding the 'leave no one behind' principle in all the systems transformations, creating and leveraging social spotlight benchmarks, and supporting and building on the work of Allies and other pre-existing initiatives. These three workstreams are designed to incentivise companies to meet the 12 societal expectations, enabling and underpinning the social transformation and ultimately supporting the achievement of the SDGs.

An Expert Review Committee of external experts will help guide the focus of the three workstreams. Coalitions of stakeholders will be built to identify and exploit opportunities to create change, including through direct engagement with companies, indirect engagement via investors, mobilising consumers and influencing policy.

FIGURE 3: THREE SOCIAL TRANSFORMATION WORKSTREAMS



**Embed the principle
of 'leave no one
behind' in all systems
transformations**



**Create and
leverage spotlight
benchmarks**



**Support the work
of Allies and
other pre-existing
initiatives**

Workstream 1 – Embed the principle of ‘leave no one behind’ in all systems transformations

To put people at the heart of WBA’s benchmarks, we will embed the ‘leave no one behind’ principle in the food, finance, urban, energy, digital and circular transformation benchmarks, by including a set of universal and transformation-specific social indicators in their methodologies.

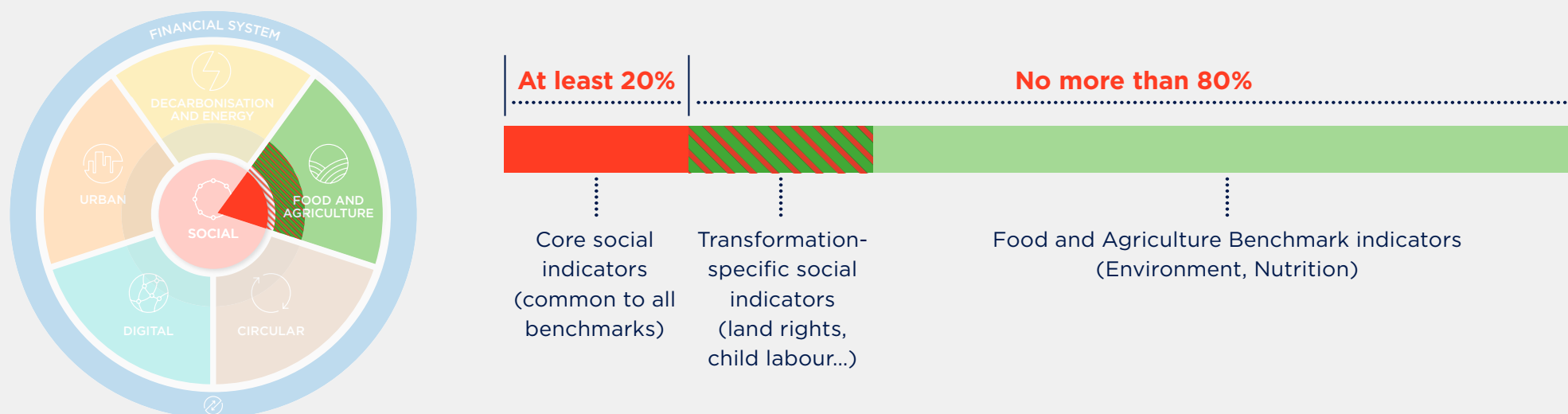
All 2,000 companies will be assessed on a universal set of **core social indicators**, which will make up at least 20% of final ranking of each benchmark. The core social indicators (CSIs) show whether companies are making progress on the 12 societal expectations. All companies should be meeting the requirements of the CSIs. The CSIs represent a line, below which we question both a company’s ability to contribute to the SDG transformations as well as whether the company can be seen as a responsible actor. The list of CSIs

and their link to the social transformation expectations is included in Figure 5.

On top of the CSIs, each benchmark will be supplemented by **transformation specific social indicators**, which go deeper in the topics most relevant to the sectors and desired transformations. Figure 4 illustrates how this workstream will be implemented in the Food and Agriculture Benchmark.

Each transformation benchmark will be used by WBA to drive change by the SDG2000 companies and meeting the social expectations will be built into this theory of change. We believe that respect for human rights, decent work and ethical conduct are crucial for **all** the SDG system transformations.

FIGURE 4: EMBEDDING THE PRINCIPLE OF ‘LEAVE NO ONE BEHIND’ IN THE FOOD AND AGRICULTURE BENCHMARK

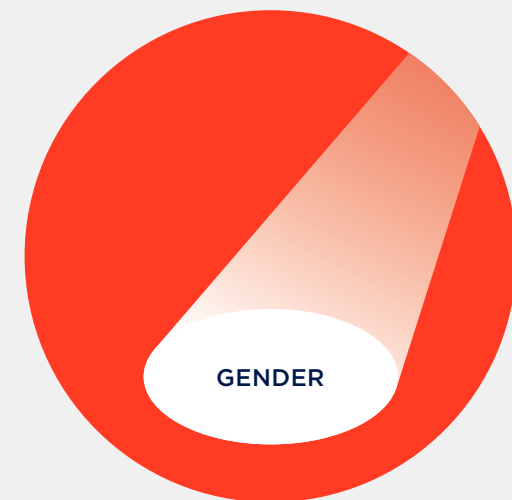


There are a huge number of ‘social issues’ that WBA could potentially cover, including racial inequality, access to healthcare, the gender pay gap, income inequality, forced and child labour, and worker empowerment. However it is simply not feasible to create a single, overarching benchmark assessing performance on every social issue of interest, across more than 30 sectors and 70 countries. Nor is it desirable; not only are company contexts different, but there are many organisations who already deal with some of these areas.

Instead, WBA will create **social spotlight benchmarks** for several priority areas which, if addressed, will be key catalysts for change.

These are chosen for their ability to cut across sectors and geographies, and because we believe they can have a ‘multiplier effect’.

The initial focus areas are human rights performance, gender equality and women’s empowerment, and the living wage. WBA has already published the [Corporate Human Rights Benchmark](#), and the first [Gender Benchmark](#) will be launched in 2021. We intend to scope out the approach to the living wage in 2021 and will consider the development of additional spotlight benchmarks following the roll out of the core social indicator assessment across all 2,000 keystone companies in 2022.



Workstream 3 – Support the work of Allies and other pre-existing initiatives

WBA will focus on a limited set of social topics and companies, but there are opportunities to drive change across a broader set of social topics and companies by working with others.

Firstly, the core social indicators provide a public methodology which can be used to take a snapshot of businesses in various sectors or geographies. Third parties will be able to use the methodology to assess companies outside of the SDG2000 and to track things like the level of implementation of human rights due diligence at a country, region or sectoral level.

Secondly, the core social indicator data sets will be made public, so third parties can integrate them into assessments of topics outside of WBA's scope. For example, building on the core social data with indicators relevant to child rights for key companies, or adding a racial equality assessment for all the companies in a specific country. The indicator elements will also be mapped against other initiatives, highlighting the equivalences and ability to share data.

Thirdly, elements of the methodology and data sets can be built on for specific topics. For example, a deeper dive into the corruption, lobbying and tax expectations, building on the core social indicators and focusing on a specific region, could be used to create an SDG-relevant spotlight benchmark by a third party.

Opportunities to collaborate will be explored in 2021 and 2022. The full list of our Allies is available [on our website](#).



Core Social Indicators

The core social indicators that will be applied to all 2,000 companies are listed below, along with their relationship to the enablers and expectations for social transformation. The detailed methodology is included in the social transformation framework document.

FIGURE 5: CORE SOCIAL INDICATORS WITHIN THE FRAMEWORK

Enablers for social transformation	...demonstrated by meeting expectations...	...that are signposted by Core Social Indicators (CSI):
Respect human rights	Commit to respect human rights	CSI 1 Commitment to respect human rights CSI 2 Commitment to respect the human rights of workers
	Carry out human rights due diligence	CSI 3 Identifying human rights risks and impacts CSI 4 Assessing human rights risks and impacts CSI 5 Integrating and acting on human rights risks and impacts
	Embed respect for human rights	CSI 6 Engaging with affected and potentially affected stakeholders
	Provide access to remedy	CSI 7 Grievance mechanisms for workers CSI 8 Grievance mechanisms for external individuals and communities
Provide and promote decent work	Provide healthy and safe workplaces	CSI 9 Health and safety fundamentals CSI 11 Working hours fundamentals
	Pay a living wage	CSI 10 Living wage fundamentals CSI 11 Working hours fundamentals CSI 12 Collective bargaining fundamentals
	Enable worker empowerment	CSI 12 Collective bargaining fundamentals
	Achieve diversity balance across management	CSI 13 Workforce diversity disclosure fundamentals CSI 14 Gender equality and women's empowerment fundamentals
Act ethically	Protect data privacy	CSI 15 Personal data protection fundamentals
	Pay fair taxes	CSI 16 Responsible tax fundamentals
	Eliminate bribery and corruption	CSI 17 Anti-bribery and anti-corruption fundamentals
	Responsibly lobby and influence policy	CSI 18 Responsible lobbying and political engagement fundamentals

The timeline below sets out the key tasks for embedding the principle of 'leave no one behind' and the spotlight benchmarks on the path towards the 2030 Agenda

FIGURE 6: SOCIAL TRANSFORMATION TIMELINE

	2021	2022	2023
Core social assessment	<ul style="list-style-type: none"> 1,000 companies assessed on core social indicators 	<ul style="list-style-type: none"> 2,000 companies assessed on core social indicators 	<ul style="list-style-type: none"> Rolling assessment of 2,000 companies
Social within the other six transformations	<ul style="list-style-type: none"> Integration into Food and Agriculture Benchmark Integration into Climate and Energy Benchmarks 	<ul style="list-style-type: none"> Integration into Digital Inclusion Benchmark Integration into Financial System Framework 	<ul style="list-style-type: none"> Full integration into all
Spotlight benchmarks	<ul style="list-style-type: none"> Corporate Human Rights Benchmark Gender Benchmark Mainstreaming of Gender Benchmark methodology Scoping of Living Wage Benchmark 	<ul style="list-style-type: none"> Corporate Human Rights Benchmark Gender Benchmark Living Wage Benchmark (TBC) 	<ul style="list-style-type: none"> Continuation of Corporate Human Rights Benchmark, Gender Benchmark and Living Wage Benchmark cycles

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