



Alliance in Action

How Asset Managers and Asset Owners work with the World Benchmarking Alliance

How Asset Managers and Asset Owners work with the World Benchmarking Alliance

The World Benchmarking Alliance (WBA) works with asset managers, asset owners and key actors across the investment industry to accelerate corporate accountability and sustainable systems transformations.

By using the WBA's open-source data, insights, and expertise to **conduct investment analysis** and individual **stewardship activities**, investors can confidently challenge companies on the speed of progress and the decisions taken in relation to global sustainability goals. Investors also work with the WBA team to **build collective investor and multi-stakeholder action**. These actions include WBA-led company engagement activities, such as issuing statements, sending letters and targeted company meetings. Wherever relevant WBA also works to input data and insights as well as share methodologies and expertise with **initiatives led by other investor-linked organisations** to ensure the most efficient and impactful use of resources. Investors also work with WBA on **market shaping, signalling and knowledge sharing activities**, such as providing input into any methodology developments for each transformation, contribution to or attendance at WBA events and roundtables as well as providing input into WBA publications.

Investors who believe in the power of benchmarks and cross-sector partnerships to drive systemic progress on the United Nations Sustainable Development Goals join the WBA's multi-stakeholder alliance. This document contains examples of how investor and investor-linked allies are working with the World Benchmarking Alliance.

Contents



Alliance in Action: Fidelity International and Boston Common Asset Management

Leading the Collective Impact Coalition, focusing on Ethical AI

Steering the collective investor engagement with input on the strategy, processes and timeline

Working with the WBA team to shape the initial set-up of the collective engagement, including the selection of the topic, the ambitions and the timeline. Followed by regular input to guide and shape the ongoing engagement process, bringing in expertise from being involved in other collaborative investor initiatives and from many years of working on investor stewardships activities.

Using benchmark data to inform 1-1 and collective engagements with corporate investee companies

Leading engagement meetings with a number of companies that are part of the Digital Inclusion benchmark. Using the benchmark findings to help to guide the asks of companies, as well as asking the WBA team for additional insight and context on some companies to help guide the engagement.

Contributing to joint events, investor calls and webinars with the World Benchmarking Alliance

As a lead investor in the Collective Impact Coalition, sharing insights on the collective engagement and expertise on the topic of Ethical AI at several public events. Also sharing updates on progress, as well as challenges faced in the engagement process, in the WBA quarterly investor allies meetings and in quarterly catch up meetings with all investors participating in the Collective Impact Coalition.

Facts and figures



Name of the organisations:

Fidelity International and Boston Common Asset Management



Location:

Fidelity International has its HQ in the UK and has operations in over 25 countries. Boston Common AM has its HQ in the USA.



Activities:

Fidelity International offers investment solutions and services and retirement expertise to more than 2.87 million customers globally. With \$728.6 billion in total assets, our clients range from central banks, sovereign wealth funds, large corporates, financial institutions, insurers and wealth managers, to private individuals.

Boston Common AM is a thoughtful, active, ESG-integrated, investment manager and global leader in shareowner engagement. For more than 20 years, Boston Common AM have generated competitive investment returns and challenged companies across industries to devote resources and innovation toward social equity and earth renewal.



Incorporating WBA benchmarks as valuable inputs into proprietary SDG database

Facts and figures



Name of the organisation:

Macquarie Asset Management



Location:

HQ in Sydney, Australia, operations in New Zealand, Americas, Asia, Europe, Middle East and Africa



Activities:

Macquarie Asset Management (MAM) is a global asset manager that aims to deliver positive impact for everyone. MAM is trusted to manage over £470 billion in assets globally across a range of capabilities.

Applying WBA benchmark findings into proprietary MAM SDG scoring system

The WBA benchmark data serves as a valuable input for MAM's proprietary UN SDG database. The range of WBA benchmarks available allows them to assess companies' alignment to the SDGs, covering social areas such as supply chain labour risks and environmental issues such as impact on biodiversity. MAM investment teams can use the SDG database as an initial screening mechanism when making investments for certain sustainability-themed products.

Connecting with WBA to better understand benchmark methodologies

Prior to including the WBA benchmarks in MAM's SDG database, they value the opportunity to meet with the WBA's benchmark developers to better understand the methodologies and alignment with the SDGs. This gives them confidence that they are choosing a high-quality data metric.

Engaging with investee holdings on material systemic issues

Over the last few years, MAM has welcomed the opportunity to engage with portfolio companies based on WBA benchmark results, most recently collaborating with investors on ethical artificial intelligence (AI) through the WBA's Digital Inclusion Benchmark. They are currently engaging with one of the global companies in the benchmark, encouraging them to implement policies and processes to ensure the ethical development and application of AI.

Facts and figures



Name of the organisation:

Principles for Responsible Investment (PRI)



Location:

HQ in London, with international network of investor signatories (global investor signatory base), and offices in Beijing, New York, Paris



Activities:

PRI is a UN-supported network of 7,000 institutional investors from 135 countries working to understand the investment implications of ESG factors and support investor signatories in incorporating these factors into their investment and ownership decisions.

Alliance in Action: Principles for Responsible Investment (PRI)

Using WBA's data and expertise in the Advance Collaborative Stewardship Initiative

WBA's benchmarks were assessed to select focus sectors and companies for the Advance Initiative.

The PRI used WBA's sector categorisation in the [SDG 2000 list](#) as a starting point to conduct sector-level research on human rights and social issues. WBA's Corporate Human Rights Benchmark dataset further provided valuable information across sectors and companies, enabling us to identify sectors and companies where human rights risks and impacts are most severe.

WBA's company assessments are provided to investors to guide the engagement.

The WBA's Social Transformation Baseline Assessment and Corporate Human Rights Benchmark are shared with investor participants of the Advance Initiative. The assessment results provide investors with useful contexts and thematic scores, enabling them to identify priority areas for company engagement. The PRI will be using WBA's [Social Transformation Framework](#) as one of the components to track performance of the Advance Initiative's focus companies.

WBA spoke at the PRI in Person conference on a panel focussed on overcoming investor challenges with social data.

The WBA shared their expertise with PRI signatories at a panel at the PRI in Person 2022, where investor data needs, challenges and approaches to social issues and human rights were discussed.

Leading investor actions in the Social Collective Impact Coalition

Engaging with ESG service providers and proxy voting advisors on their Human Rights Due Diligence offers

Along with other investors, Scottish Widows wrote to several data providers and proxy advising agencies to express their requirements regarding the availability and use of data to establish a baseline on expectations from companies on Human Rights Due Diligence provisions. This initiative has already generated a lot of discussion and is moving to its next phase with specific engagement activities between service providers and investors.

Using WBA Just Transition Framework to shape strategic direction

Scottish Widows engaged with the WBA to discuss its new Just Transition methodology and benchmark, looking at company readiness to achieve a Just Transition. WBA's results revealed shortcomings at the majority of the companies assessed. Scottish Widows highlighted the important work of the WBA and called on the pensions industry to put pressure on companies in our Just Transition report, [The Just Way](#).

Engaging with investee holdings on material systemic issues, including social factors and nature and biodiversity

In 2022 Scottish Widows added human rights as a Stewardship priority and have prioritized companies with high human rights related risks for engagement. WBA's Corporate Human Rights Benchmark and Social Transformation Framework are used to support analysis and engagement. Scottish Widows are currently undergoing a similar exercise for the Nature and Biodiversity theme and will be utilising the WBA's Nature Benchmark as a core input.

Facts and figures



Name of the organisation:

Scottish Widows



Location:

HQ in Edinburgh, operations across the UK.



Activities:

Scottish Widows Group Limited (Scottish Widows), a major insurance, investment and long-term savings provider, is part of Lloyds Banking Group (LBG), which has an overarching purpose of Helping Britain Prosper. By the end of 2022, Scottish Widows' assets under management were c.£166bn.

Facts and figures



Name of the organisation:

Ethos Foundation



Location:

Geneva and Zurich, Switzerland



Activities:

Ethos aims to promote socially responsible investment (SRI) as well as a stable and prosperous socio-economic environment that safeguards the interests of civil society. To achieve its objectives, Ethos serves its members (Swiss pension funds) in four areas: funds & indices, sustainability analysis, proxy voting and engagement.

Alliance in Action: Ethos Foundation

Participation in Collective Impact Coalitions and access high-quality sustainability assessments

Joining forces with other WBA Allies to engage companies on their corporate digital responsibility

Ethos Foundation considers corporate digital responsibility to be a crucial topic for long-term investors. Thus, they are proud to join forces with other investors in the Ethical AI collaborative investor engagement and lead the engagement efforts with one Swiss company. This initiative has enabled them to develop a better understanding of the associated challenges and respective corporate practices.

Using the ACT evaluation methodology in the context of their climate solutions

Ethos climate transition ratings integrates a credibility assessment that estimates the proportion of the GHG emissions reduction targets set by companies that can credibly be expected to be achieved. For this purpose, Ethos uses the Assessing low-Carbon Transition (ACT) evaluation methodology, developed by ADEME and CDP, and hosted by the WBA.

Keeping up to date on key systemic sustainability topics and informing engagement

The monthly emails from the WBA and the regular WBA meetings allow them to broaden their expertise while the findings of the specific benchmarks inform their engagement activities with companies e.g., the Nature Benchmark for biodiversity-related and the CHRB for human rights-related engagements.



Join this global Alliance

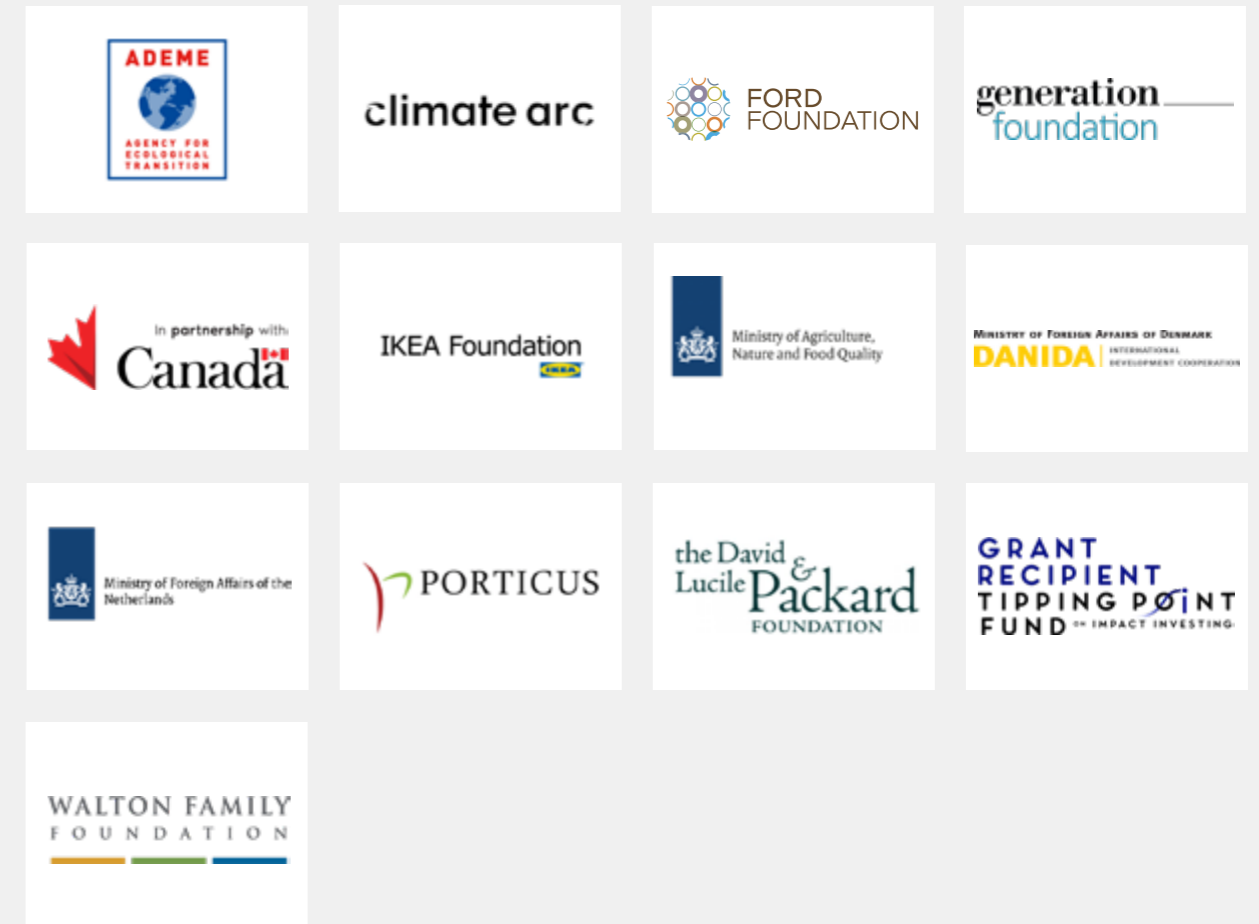
We're focused on broadening the regional representation of our Alliance to build a truly global and inclusive movement. Each new Ally brings fresh energy and new perspectives to the challenges we collectively face. From its inception, WBA has understood that success rests on our ability to build a diverse and representative global network of stakeholders from the public, private, and civil society sectors.

Since the launch of our global consultation in September 2017, the Alliance has grown significantly. We look forward to continuing to grow and strengthen the Alliance as we work towards greater corporate transparency, leadership, and accountability on the SDGs.

If you would like to learn about more work done with investors please take a look at our website and reach out to the Investor Engagement team

If you would like to learn more about the Alliance, please take a look at our Alliance page on the website

The World Benchmarking Alliance is funded by



World Benchmarking Alliance
Prins Hendrikkade 25
1012 TM Amsterdam
The Netherlands
www.worldbenchmarkingalliance.org

Copyright

This work is the product of the World Benchmarking Alliance. Our work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit www.creativecommons.org/licenses/by/4.0/.

Disclaimer

Information available on our website, visit www.worldbenchmarkingalliance.org/disclaimer/

