



World
Benchmarking
Alliance



Urban Benchmark Methodology

January 2024

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Note to readers

Background for developing the Urban Benchmark

Home to 55% of the world's population, which exceeds 4 billion people globally, and generating over 80% of the world's GDP (The World Bank, 2023), cities play a central role in determining whether the world will achieve both sustainable and equitable development. Urbanisation has been the defining trend shaping cities over the past several decades, and is expected to continue being so, particularly in East Asia and the Pacific, South Asia and Sub-Saharan Africa. Rapid population growth in these regions can contribute to greater prosperity, especially for city inhabitants, given that increasing populations drive further economic growth. At the same time, as hosts to a large share of the world's economic activities, cities are also key drivers and hubs for environmental and social issues.

Given the disproportionately large impact that urbanisation, infrastructure and climate change have on cities and their inhabitants, it may be tempting to narrow our focus on achieving sustainable urban environments. However, this approach essentially treats urban challenges as a collection of disaggregated issues, dispersing them across multiple sectors, instead of thinking about sustainable urban development in an integrated, cohesive manner (UN-Habitat, UCLG, Cities Alliance, & ICLEI, 2013). In reality, it is often impossible to untangle these issues into any one sector, considering the inextricable relationship between sectors in urban areas. This is in vast part due to the density of urban areas, as well as the number and interrelations of services and actors that exist in urban environments. As an example, affordability is an issue pertinent to both the real estate and transport sectors. However, it is not uncommon to find cases where affordable housing complexes are built far from city centres, with fewer, accessible public transport options, leading to increased transportation costs for inhabitants. Issues such as these are often only resolved through an integrated, cross-sectoral approach.

Urban issues usually straddle the boundary between social, economic and environmental development objectives. For example, climate change and the aim to achieve net-zero emissions by 2050 is traditionally perceived as an environmental agenda. However, it is increasingly recognised that achieving net zero emissions will require a shift in technologies and sectors away from fossil-fuel dependent economies, leading to job losses and exacerbating poverty in urban areas. Another example can be seen in the real estate and property sector, as industries with significant energy use and emissions, and therefore key contributors to climate change. But next to this, the industry is also inherently connected to living standards and community wellbeing (O'Connor, 2022). The green transition is exacerbating the demand for raw materials to support electric vehicle (EV) production. Mineral extraction is often associated with negative environmental and social impacts. Here too, the role of improving public transport and mobility grid in urban areas can play a crucial role in both curbing our fossil fuel dependence and promote healthier urban environments. These examples go to show how urban development projects have impacts beyond environment goals; they fundamentally overlap with the social and economic dimensions of sustainability.

Addressing the multitude of issues resulting from urbanisation, climate change and other unavoidable global trends (Das, Yuko, Chapman, & Jain, 2022) has been a challenge for governments worldwide. However, governments are not the only entities contributing to or affected by these issues. Urban areas rely on a wide range of actors to function, ranging from companies (both public and private) to communities and civil society organisations. Companies, as development stakeholders whose influence is notably growing (Li & Rama, 2023), have often been referenced as 'key' to complementing local efforts to further sustainable urban development. However, clear guidelines, incentives and codes of conduct surrounding how companies can contribute to sustainability in urban environments



are needed. This will ensure that companies help advance both local and global sustainable development commitments (Satterthwaite & Dodman, 2018) across all three sustainability pillars (environment, social, and economic).

The ways in which companies can work towards sustainable development commitments in relation to the environment are relatively well established in corporate reporting standards. However, there is much less clarity on the social and economic aspects of sustainability, especially in urban environments. Indeed, a recent analysis of English publications revealed that the appearance of the term 'environmental sustainability' far exceeds mentions of 'social sustainability' and 'economic sustainability' (Barron, et al., 2023). The New Urban Agenda (NUA), ratified in 2016, and the UN-Habitat's Global Urban Monitoring Framework (UMF) may represent a welcome departure from this trend, as they comprehensively list the different domains and indicators relevant to sustainable urban development – including those pertaining to society, economy, environment, culture, as well as governance (UN-Habitat, 2022). Similarly, the environmental, social and governance (ESG) mechanisms that drive much of the sustainability disclosure initiatives in the private sector have included objectives related to the environment (e.g. greenhouse gas emissions, water consumption), social (e.g. diversity, gender equality, labour conditions) and governance factors (e.g. taxes, executive remuneration, expertise) – many of which are related to, but possess no official link with the UN's Sustainable Development Goals (SDGs) that cities are pursuing. It is clear that an explicit translation of what these goals entail for companies in urban areas is yet to be established.

The Urban Benchmark and methodology objectives

The World Benchmarking Alliance (WBA) has developed this first iteration of the Urban Benchmark's methodology, to measure and track how the world's most influential companies operating in urban spaces are helping to make cities more inclusive, safe, resilient and environmentally sustainable, as mandated by the SDGs and NUA. The first iteration of the Urban Benchmark based on this methodology will aim to understand the state of play of what companies are doing in the urban sector. This will help test the benchmark's relevance, while also informing stakeholders on how companies can shape sustainable urban environments. Some of the topics explored within this first assessment fall squarely within the scope of what companies are already reporting on, such as governance and strategy, greenhouse gas emissions and water consumption. However, in addition to these relatively mature topics, the benchmark also seeks to explore topics such as affordability, cultural heritage, public open spaces, land consumption and universal accessibility of urban infrastructures – many of which are mentioned as indicators in the SDGs, NUA or UMF, but are yet to be included in corporate reporting standards. By introducing these relatively underexplored topics, the first assessment of the Urban Benchmark will also seek to raise stakeholders' awareness on these issues and contribute to the availability of corporate-level data on these aspects of sustainable urban development.

In the first Urban Benchmark iteration, WBA will provide an assessment of 300 companies selected from four industries which arguably have the most impact on our ability to address some of the key issues for urban development in the coming decades (housing, transport and basic services). The companies come from the real estate, construction and engineering, transportation and utility sectors, and cover public, private and state-owned enterprises. Public and state-owned enterprises were included in this benchmark considering the intrinsically public nature of urban environments and services that the selected sectors provide (e.g., water, electricity, intra-urban passenger transportation). In addition, the company selection process for the first assessment also prioritises companies that serve or operate in the current and future megacities, given the disproportionately large segment of the world's urban population they serve.

We take stock of leading sustainability frameworks, such as Planetary Boundaries (Rockström et al., 2009) and Doughnut Economics (Raworth, 2017) to construct a sustainability framework for



companies operating in urban areas. To this end, sustainable urban land management is understood as the practice which delivers essential services to everyone living in urban area within identified environmental ceiling. This approach has shaped our benchmarking methodology, translating to four measurement areas: **1) Governance & Strategy, 2) Inclusive Cities 3) Healthy Cities and 4) Climate Change and Resilience.** It is envisioned that the findings of the first iteration of the Urban Benchmark will inform and help flesh out the role and responsibilities of companies in creating sustainable urban environments, which currently lack adequate definition. This can help in synchronizing the public and private actors' efforts towards making cities more sustainable. Finally, our findings can help identify potential levers of change in companies and translate them into policy recommendations for policy makers to support practices that expedite progress towards more sustainable, inclusive, and resilient cities.

As a final note to readers, urban areas are among the world's most dynamic environments, with environmental, social and economic factors that are constantly evolving. The first iteration of the Urban Benchmark and its results should therefore be seen as a continuation of the series of consultations the WBA Urban Team has had with stakeholders and policymakers to formulate a robust assessment methodology, rather than a finished product. Specifically, the company engagement process and the findings of this first assessment will allow the team to further build on discussions with stakeholders and continue to learn more about the world's most pressing urban issues and challenges. The team will use its learnings to refine the methodology for its next benchmark iteration, to ensure that the benchmark stays relevant and responsive to prevailing and current urban issues. This is by no means a small endeavour considering the wide array of activities that occur in urban areas and the ever-changing nature of urban issues. As such, the team sees great value in and looks forward to discussing the process and results of this first iteration with interested stakeholders, so that the benchmark can maintain its effectiveness as an accountability framework for companies.



About WBA and the seven systems transformation

In 2015, the UN set out an enormously ambitious and transformational plan of action for people, the planet and prosperity. The 17 SDGs demonstrate the scale and ambition of this agenda, stimulating action in areas of critical importance to humanity and the planet.

The private sector has a crucial role to play in advancing the SDGs and contributing to the needed systems transformations. However, this requires significant change in the way that business impact is measured, to boost motivation and stimulate further action. Together with Allies from the public sector, industry, business, financial institutions and civil society, WBA is developing transformative benchmarks to measure companies' progress against the global challenges we all face.

WBA is building a movement to increase the private sector's impact towards a sustainable future for all.

Seven systems transformations

WBA has identified [seven systems transformations](#) that are needed to put our society and economy on a more sustainable path (Figure 1). The transformations offer a strategic framework to develop benchmarks and identify keystone companies that are vital for achieving the SDGs.

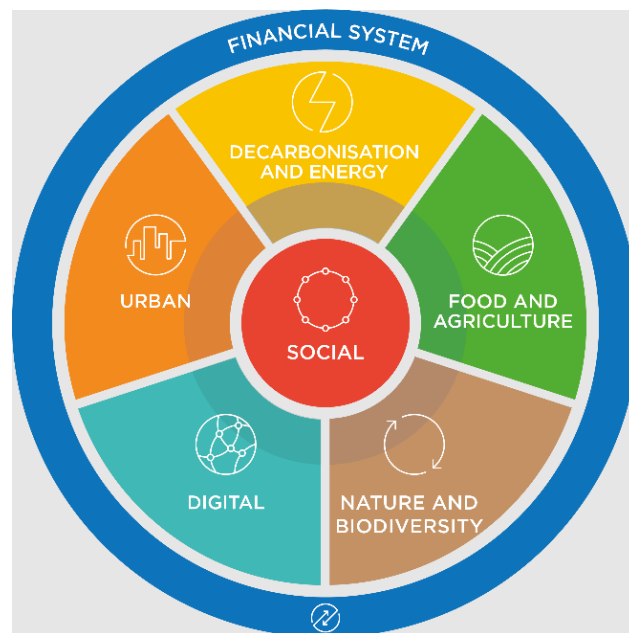


Figure 1. WBA's seven systems transformations



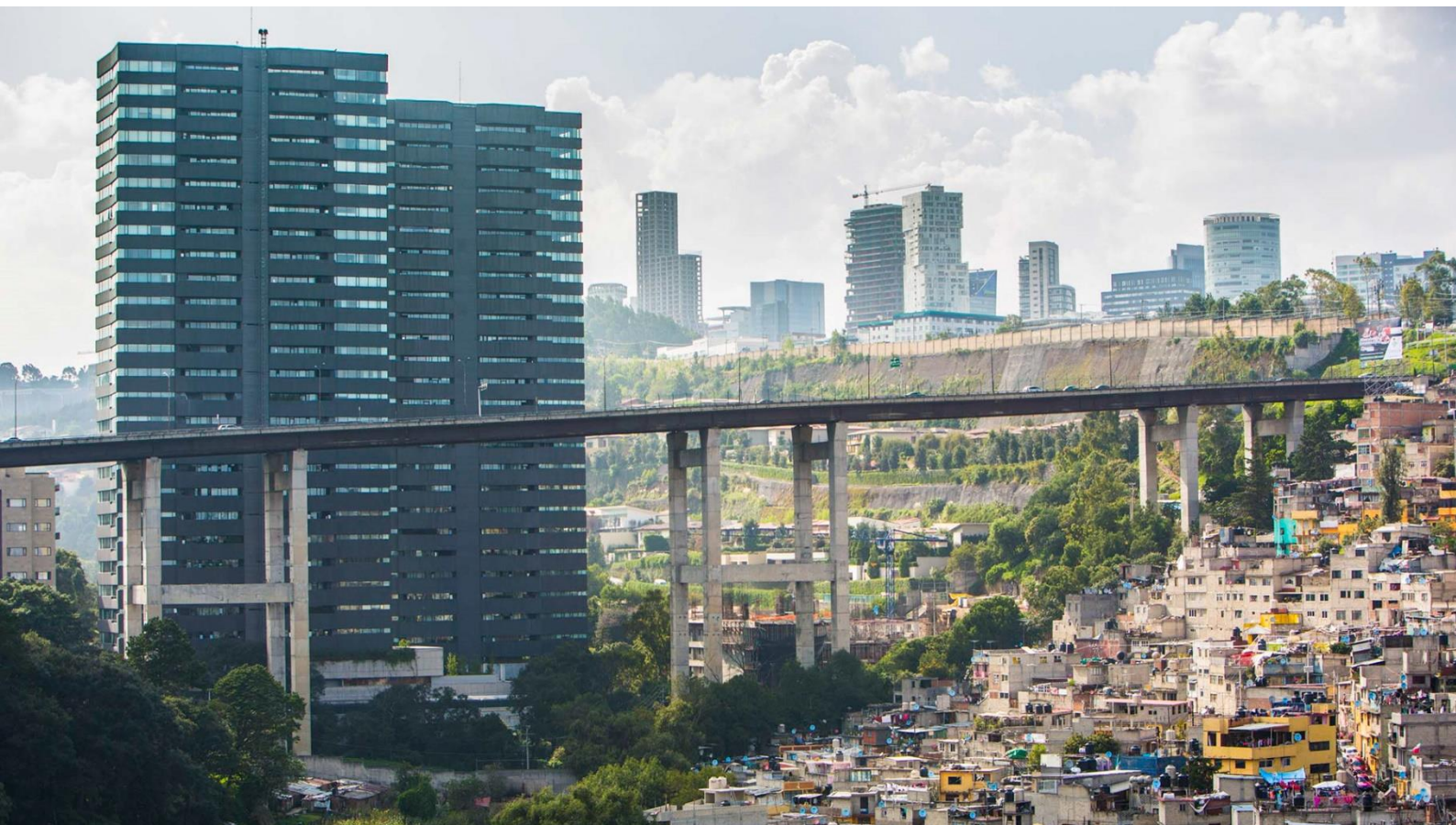
Benchmarking for a better world

WBA's benchmarks demonstrate to companies and their stakeholders where they stand compared to their industry peers and identify areas where they can improve. This information provides businesses and stakeholders with a roadmap for the transformations ahead, showing how sectors can positively leverage their influence and where action is most urgently needed. The benchmarks are informed by the best available science and build on existing norms and standards, frameworks and initiatives.

WBA's benchmarks are free for everyone to use and are continually improved through open and inclusive multistakeholder dialogue. Being public, they empower all stakeholders, from consumers and investors to employees and business leaders, with key data and insights to facilitate sustainable business practices across all sectors.

SDG2000: WBA's keystone companies in focus

WBA focuses on keystone companies (the [SDG2000](#)) with the greatest potential to positively or negatively impact the systems in which they operate. The SDG2000 span public, private and state-owned companies and represent USD 46 trillion in collective revenue. The companies are spread across 80 countries and directly employ over 100 million people, with a quarter of the companies headquartered in developing, emerging or frontier markets. By the end of 2024, WBA will have assessed and ranked the performance of these 2000 companies across the seven systems transformations.



The Urban Benchmark

Rapid urbanisation has been one of the most defining and transformative demographic trends of the 21st century. This is particularly evident in East Asia, South Asia and Sub-Saharan Africa, regions with the highest concentration of people living below the poverty line (Sustainable Development Solutions Network, 2013). Approximately 55% of the world's total population now lives in urban areas – a figure that is expected to increase rapidly (UN, 2019). As such, urban sustainability, i.e. ensuring that all residents of a city have access to essential services and resources while observing the ecological limits of the planet, must be prioritised.

Framework for the Urban Benchmark

Urban transformation trends

The critical role of urbanisation has come to the forefront of policy debates in the past few decades, especially since the first United Nations Conference on Human Settlements (Habitat I) in 1976. When well-planned and managed, urbanisation can accelerate poverty reduction by providing more opportunities for employment, better services and amenities, and thus a higher quality of life (UNDESA, 2020). However, without proper planning and management, urbanisation could easily lead to overcrowding, poor health, evictions, deepened inequalities and depleted natural environments. It is critical that urbanisation is carried out in ways that are effective, efficient, legitimate and socially just (Hartmann & Spit, 2015), while creating economic and social opportunities for all.

While the world has seen a rising level of urbanisation over the past couple of centuries, the fastest growth has occurred in the past few decades. The UN estimates that in 1960, there were twice as many people who lived in rural areas (about two billion people) as opposed to urban areas (about 1 billion), globally. Since 2007, however, more than half of the world's population has been living in urban areas, and this figure further increased to 55%, or about 4.22 billion people, by 2018 (UN, 2019). By 2050, the urban population is projected to reach 6.68 billion (UN, 2019). Considering the risks of poor urban planning and management, these patterns of rapid urbanisation emphasise the importance of urban sustainability both now and in the future. Broadly, urban sustainability involves ensuring that all individuals have access to essential services and resources while observing the ecological limits of the planet and local environments. This is key to long-term human and planetary wellbeing. It is also important to consider the rapid urbanisation rates alongside accompanying and unavoidable global trends, such as demographic transitions, a rapidly digitising society and climate change (Das, Yuko, Chapman, & Jain, 2022)¹.

¹ Das et al. (2022) identified at least four global trends that are shaping our world today: demographic transition, urbanisation, technological boom and frequent emergencies caused by health (i.e., the Covid-19 pandemic) and climate shocks.



Urbanisation and ageing

Regional variations in urbanisation contexts are accompanied by different challenges and opportunities, such that particular issues may be significant for one region but less salient for others. An example of this is observable in urbanisation and ageing trends. The speed and scale of urbanisation in Asia and Africa have been markedly higher (see Figure 2)² compared to Europe. Similar regional variations have been observed in relation to ageing. Europe and Central Asia (ECA) and East Asia and the Pacific (EAP) are experiencing much faster rates of ageing relative to the rest of the world, with 20% of the population in these regions estimated to be 65 years or older by 2050. In contrast, less than 5% of the population of Sub-Saharan Africa (SSA) is expected to be over 65 by 2050³.

Digitisation, smart cities and employment

Rapid digital transformation and increases in urban data availability are already taking place in some cities, particularly those situated in more advanced economies. These cities are combining data with new analytics and simulation technologies to help respond to their most pertinent urban challenges, including natural and climate change induced disaster risk and adaptation. Smart technology is also being adopted to optimise the use of resources, such as energy, water and waste, during the construction and operation of buildings and infrastructure (Antunes, Barroca, & Oliveira, 2021). It should be noted, however, that there are significant variations in the extent of these practices across cities, owing to the significant gaps between cities that are 'data-rich' and those that are 'data-poor' (World Economic Forum, 2023).

While digitisation presents many opportunities, digital technologies, including automation and artificial intelligence, can lead to a transformation of the employment landscape. It is estimated that 14% of jobs are at high risk of automation, with estimates varying between 6.5% in Norway and 34.6% in the Slovak Republic. Workers with a lower level of education are more concentrated in occupations that are at high risk of automation, such as refuse workers or labourers in construction and transport (OECD, 2021), as are those working in industries closely linked to urban development. Digitisation has also facilitated remote work arrangements, allowing people to work from anywhere. This trend has a direct impact on commuting patterns and the demand for office spaces in urban areas, while also informing the design and transformation of residential spaces to incorporate features that enable working from home. It also affects urban environments through the emergence of innovation hubs hosting a variety of stakeholders from corporations to universities, venture capitalists, incubators and start-ups, and reimagining entire urban districts.

Climate change, natural disaster risk and resilience

Despite their comparatively small physical footprint, cities are the most populous areas in the world and have been by far the biggest contributors to climate change. They are responsible for approximately 75% of the global carbon dioxide (CO₂) emissions, with transport and construction industries listed amongst the top contributors (UNEP, n.d.). Cities also bear the brunt of climate change impacts. Population-level exposure to extreme heat will be highest in cities, and this effect will be disproportionately concentrated in equatorial regions (see Figure 3). The increasing loss of urban

² Data from the World Bank (2023), combining rural and urban population data:

<https://data.worldbank.org/indicator/SP.RUR.TOTL>; <https://data.worldbank.org/indicator/SP.URB.TOTL>

³ See Annex 1



biodiversity, accelerated by climate change, is also resulting in a growing proportion of the world's population being cut off from daily contact with nature.

Disaster risk, being a function of hazard and exposure vulnerability, is higher in urban areas. This is due to higher population densities being exposed to climate change related risks, such as heat waves, floods and water scarcity. Moreover, the total urban population facing droughts and water scarcity as a result of increase in temperatures is also projected to an increase to 350 million at 1.5°C and up to 410 million at 2°C of warming (Castillon, 2022).

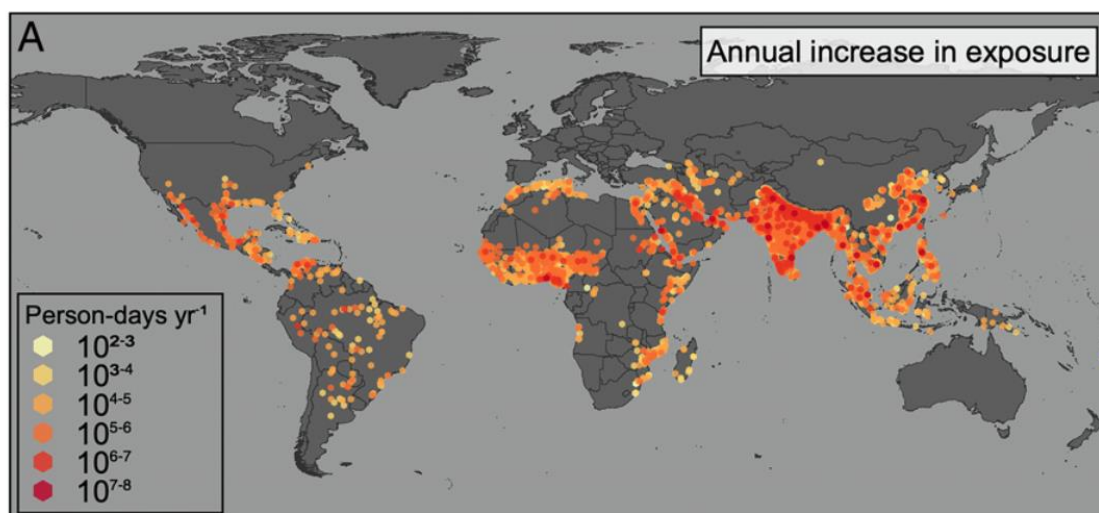


Figure 3. Municipality-level increase in the rate of urban population exposure to extreme heat from 1983 to 2016⁴.

Additionally, climate change induced disasters disproportionately impact the poor, women, people with lower education and ability, and racial and ethnic minorities. The highest climate change vulnerability is observed in informal settlements with low adaptive capacities, and the same is true for natural disaster risks. Therefore, it is imperative that disaster and climate adaptation plans keep vulnerable communities at the centre of their considerations. Adaptation responses to climate and natural disaster risks also vary between urban areas and cities in different regions and countries. As such, climate change is yet another trend that urban areas need to contend with, using approaches that fit the particular urban context and the challenges that materialise in each locality.

Affordable and informality

In recent years, housing affordability in cities around the world has become an increasingly pressing and complex issue. Rapid urbanisation, coupled with growing population densities, has led to soaring demand for housing and essential services. Unfortunately, this surge in demand has often outpaced the supply of affordable housing, contributing to rising property prices and a widening gap between incomes and housing costs. Since 2015, housing price growth has outpaced income growth by 35% and 38% in North America and Canada respectively, and by up to 50% in some European countries (Statista, 2023).

⁴ Adopted from Tuholske et al. (2021)

Generating more than 80% of the global GDP (The World Bank, 2023), cities are also responsible for much of the increase in global prosperity and economic growth that many have experienced in the past. Nevertheless, studies indicate that housing in more productive and populated cities tends to be less affordable (Kallergis, et al., 2018). Often, informal housing emerges as a solution to housing unaffordability. Around 40%, sometimes up to 75%, of the population of fast-growing cities in developing countries is housed in squatter/informal settlements, amounting to 881 million people globally (Habitat for Humanity, 2023). From this perspective, cities are also responsible for much of the deprivation and environmental degradation, considering that one billion people worldwide live in slums (Sustainable Development Solutions Network, 2013) – which contribute to increasing volumes of wastewater discharges, land conversion due to sprawling urban development patterns, and increased consumption of natural resources. More often than not, informal developments produce overpopulated and often unhealthy living conditions. As highlighted in SDG 11, improving access to affordable housing and services remains a fundamental sustainability challenge and is crucial to reducing poverty, guaranteeing equal opportunities and supporting sustainable growth.

Health and public spaces

Public spaces play a vital role in promoting public health by providing environments that facilitate physical activity, social interaction and mental wellbeing. Accessible green or recreational areas offer opportunities for exercise, contributing to the prevention of chronic illnesses such as obesity and cardiovascular diseases (Sugiyama, Carver, Koohsari, & Veitch, 2018). Additionally, these spaces foster social connections, reducing feelings of isolation and enhancing mental health, while providing a sense of tranquillity amid the hustle and bustle of urban life. Lastly, green spaces improve urban air quality and provide a cooling effect, lowering air and surface temperatures and in turn providing healthier and more comfortable urban environments (Zupancic, Westmacott, & Bulthuis, 2015). By supporting physical and mental health and creating avenues for community engagement, public spaces become integral components of holistic public health.

The link between public spaces and public health became particularly pronounced during the 2020 pandemic. COVID-19 altered perceptions about the importance of public spaces, as well as healthy cities more generally. As lockdowns and social distancing measures became the norm, accessible outdoor areas became increasingly important to individuals to provide a sense of community and reprieve from the confines of their homes. The limitations imposed by the pandemic emphasised the essential role of public spaces in maintaining mental and physical wellbeing, as they became not just recreational areas, but spaces for social interaction, exercise and mental rejuvenation.

The pandemic also prompted a re-evaluation of urban planning priorities. The shift towards more sustainable transportation options, such as walking and cycling, gained momentum as people sought alternatives to crowded public transportation (Institute for Transportation and Development Policy, 2021). Cities also began to reconfigure their infrastructure to accommodate these changes, creating more bike lanes and pedestrian-friendly zones (Rérat, Haldimann, & Widmer, 2022). As such, the pandemic reinforced the interconnected relationship between the built environment and the wellbeing of individuals and communities; the idea that a healthy city is one that prioritises accessible green spaces, encourages active lifestyles and embraces sustainable urban planning practices.

Closing the corporate accountability gap

All of the aforementioned trends are already shaping our everyday lives and are unavoidable by nature. Countries and stakeholders, including local governments and the private sector, will need to change their operations and practices to adapt to these new realities and overcome these challenges. During 2015-2016, UN member states reached a total of six global agreements relevant to sustainable



urban development issues. These include the 2030 Agenda for Sustainable Development, the Sendai Framework for Disaster Risk Reduction and the Paris Agreement on Climate Action, among others. All UN member states adopted the 2030 Agenda for Sustainable Development in 2015, with a set of 17 Sustainable Development Goals (SDGs). Of these, SDG 11 on sustainable cities and settlements vowed to make cities and human settlements inclusive, safe, resilient and sustainable. One year after the adoption of the SDGs, Habitat III introduced the New Urban Agenda (NUA). The NUA calls for inclusive cities that leave no one behind, leveraging the economic opportunities that arise from well-planned urbanisation, and ensuring environmental sustainability and urban resilience.

These premises form the heart of what we see as urban transformation. While these agreements call for national-level commitments, many of the goals stated in their agendas can only be achieved through action *within* cities – most of which will require the involvement of local and regional governments, in partnership with the private sector and civil society (Satterthwaite & Dodman, 2018). Benchmarking the performance of cities on the SDGs is gaining traction, with leading initiatives such as Eurostat’s city statistics (Eurostat, 2022) providing a wealth of data. Further, public authorities are frequently also benchmarked by their own national and local governments on several dimensions of sustainability; such as employment, air quality and exposure to natural disaster risks; or on initiatives where cities are ranked. Various private consulting groups have developed indices for cities, such as the *Sustainable Cities Index* and *Global Liveability Index*. Others explore more specific aspects, such as the *Safe Cities Index*, *Resilient Cities Index*, *Intercultural Cities Index* and the *Urban Transport Benchmarking Initiative*. Some national governments have developed and adopted different versions of these indices to measure how their cities are contributing to the SDGs. While there are several standards and benchmarks that apply to cities and urban projects, very few apply to companies in the urban transformation realm.

Companies play a pivotal role in shaping urban environments and can be the source of unsustainable urban development practices, resulting in overconsumption of resources, inadequate waste management, gentrification, displacement and excessive carbon emissions. However, companies and their key stakeholders are also in a strong position to leverage change and overcome these challenges. The real estate sector, for instance, can use digitisation to bolster disaster risk management in urban areas, by implementing advanced monitoring systems and sensors to detect potential hazards and improve early warning systems. Transport and utility companies are leading the way in smart mobility and smart grid solutions for efficient resource management (Jones, 2023). Public sector partnerships with the private sector can lead to inclusive housing policies that cater to a diverse range of income groups. This involves offering a mix of housing types and ensuring that developments consider the needs of low-income communities.

Companies’ good practice initiatives demonstrate the private sector’s ability to speed up the achievement of the SDGs in urban areas. Yet, the overall performance of the private sector in this regard falls short for a number of reasons. First, there is a lack of clear articulation of the private sector’s responsibilities in effectuating global sustainability agendas, leading to different expectations for businesses. This is particularly true for urban development, which is informed by public policies as much as by private sector agendas. Additionally, there are no globally accepted reporting standards, aligned with global sustainability agendas, that address all stakeholders’ needs (World Benchmarking Alliance, 2023). WBA’s Urban Benchmark aims to fill this accountability gap by looking at companies from various industries relevant to urban transformation and assessing them in a comprehensive way covering multiple aspects as envisioned by the SDGs and NUA.



Urban sustainability within the 'doughnut'

We took stock of leading sustainability frameworks, such as planetary boundaries (Rockström, et al., 2009) and doughnut economics (Raworth, 2018a), to translate the SDGs into actionable and measurable indicators for companies operating in urban areas. The 'doughnut economy' framework outlined by the British economist Kate Raworth (2018a) is a development model which promotes the fulfilment of the essential needs of society while keeping within Rockström's (2009) planetary boundaries (Figure 4). This model is presented in response to "*economies that need to grow whether or not they make us thrive, when what we need... is economies that make us thrive whether or not they grow,*" (Raworth, 2018b).

To this end, sustainable urban development is understood as the practice which delivers on the essential needs and services to everyone living in urban areas in line with the twelve dimensions of the doughnut economics framework, identified as the social foundation, while observing the ecological ceiling. This understanding of sustainability has shaped our urban benchmark methodology (Figure 5).

We have identified four measurement areas: **1) Governance and Strategy**, which benchmarks the companies' sustainability objectives and targets, and their alignment with the SDGs and local development goals, as defined by respective local authorities and civil society, **2) Inclusive Cities**, which benchmarks companies' performance on delivering adequate, affordable and accessible housing and services, and companies contribution to the local economy, **3) Healthy Cities**, which benchmarks companies' contribution to public and green space provision, reduction of air pollution, water use efficiency and quality, and waste reduction, and **4) Climate Proof and Resilient Cities**, which benchmarks companies' contributions to greenhouse gas emissions reduction, energy efficiency, ecosystem protection, natural disaster risk reduction and resilience. Along with these urban-specific measurement areas, we include **WBA's core social indicators (CSI)** as a fifth measurement area, embedded across all our benchmarks.

Using 24 urban-specific indicators across the four measurement areas, we assess 300 of the world's most influential companies operating in urban spaces across the world. All indicators included in Inclusive Cities and CSIs, together with some indicators in Governance and Strategy and Healthy Cities contribute to dimensions of the Social Foundation which can be addressed in urban areas. Similarly, all the indicators included in Climate Proof and Resilient Cities together with some indicators in Governance and Strategy and Healthy Cities contribute to assessing companies' commitments and achievements in safeguarding identified planetary boundaries, as indicated visually in Figure 5 below.



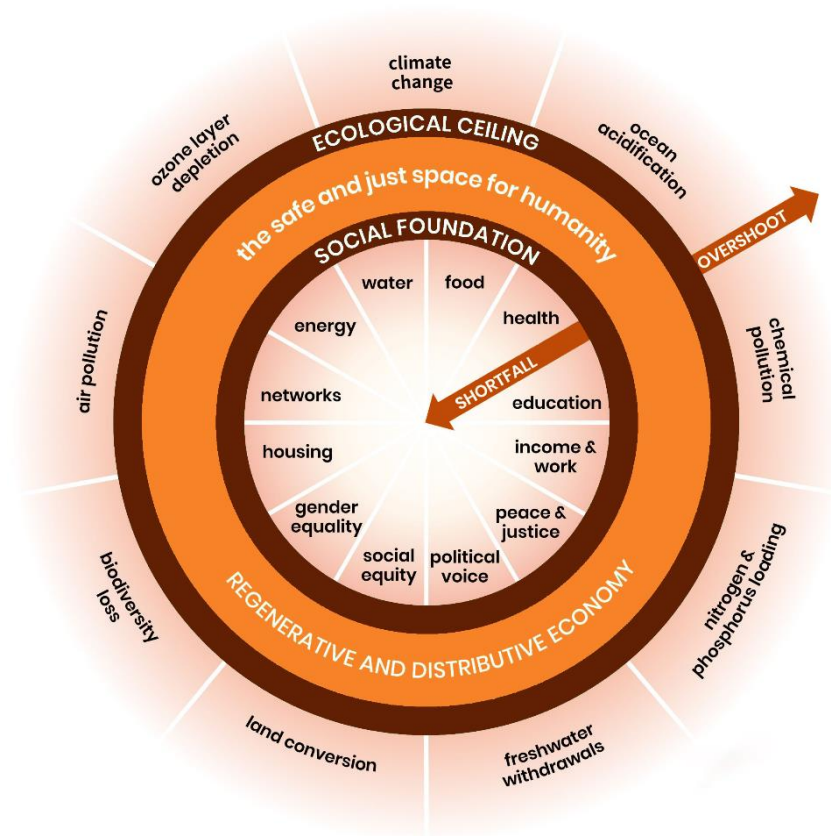


Figure 4. The social foundation and ecological ceiling of doughnut economics (Raworth, 2018a).

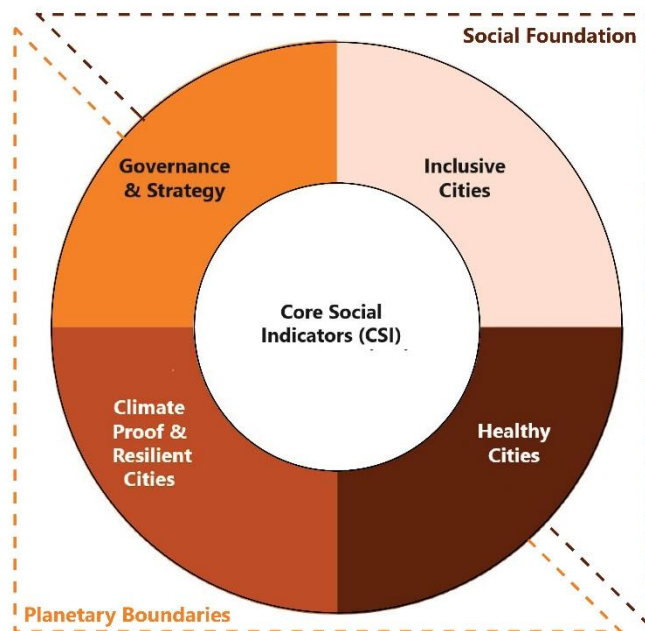


Figure 5. The five measurement areas of the Urban Benchmark.



The design of the indicators and scoring elements takes reference from existing benchmarking and reporting frameworks relevant for each topic/industry. The Global Real Estate Sustainability Benchmark (GRESB), for instance, has *Real Estate Assessments and Infrastructure Assessments* (GRESB, 2022) which cover multiple aspects of urban transformation focusing on environmental, social and governance (ESG) factors. The International Organization for Standardization (ISO) has set forth the *ISO 37120 – Sustainable cities and communities, ISO 37122 – Smart cities, and ISO 37123 – Resilient cities* (ISO, 2018). The US Green Building Council has the LEED (Leadership in Energy and Environmental Design) certification for cities and communities (US Green Building Council, 2021), both for existing projects and those under planning and design. Similarly, the Institute for Human Rights and Business (IHRB) has a *Framework for Dignity in the Built Environment* that applies to policies and projects (IHRB, 2018). The *Sendai Framework*, developed by the UN Office for Disaster Risk Reduction (UNDRR), outlines targets and priorities to reduce the impact of natural disasters on cities, emphasising the importance of understanding disaster risk and investing in resilient infrastructure (UNDRR, 2015). All of these have been consulted when developing the benchmark methodology. Lastly, the Global Reporting Initiative’s standards (GRI, 2022) have been used to guide all WBA benchmarks, including the Urban Benchmark. The GRI standards are a widely recognised framework for ESG reporting and are designed to foster transparency and accountability in reporting practices.

Benchmark development: a multistakeholder iterative process

Our benchmarks are published in accordance with [WBA’s benchmark cycle](#), which progresses from methodology development to data collection and analysis and is rounded off with the publication of the benchmark (Figure 6). After a review of the methodology and stakeholder input and expert advice, the cycle starts again. The public consultation on the methodology for the 2023-24 Urban Benchmark kick-started this process and will lead to the publication of the first benchmark iteration in 2024. Throughout the process, companies will be informed about key engagement opportunities, updated timelines and development updates.

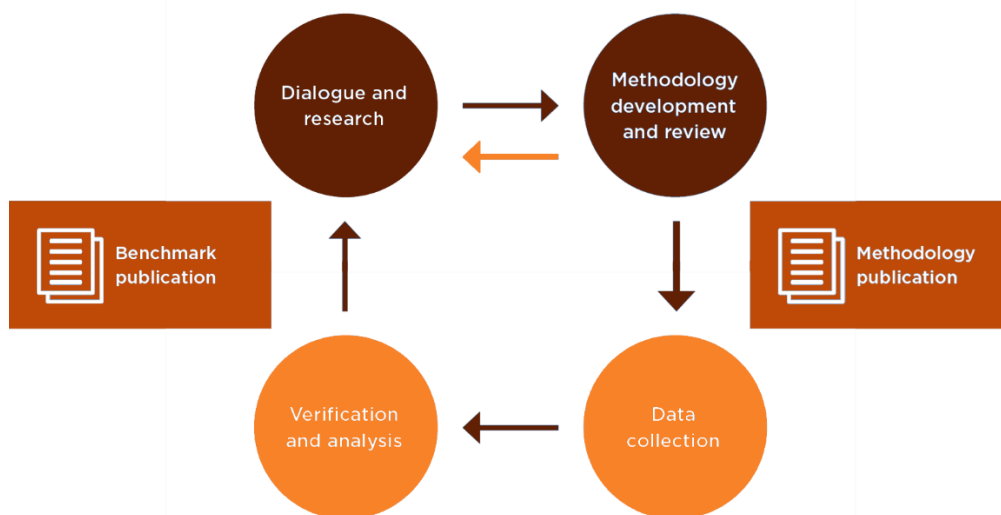


Figure 6. WBA’s process for methodology development.



Public and bilateral consultations

To allow a broader group of stakeholders to provide input and feedback on the methodology, a draft version was uploaded onto the WBA website on 31 January 2023 for public consultation until August 2023. A total of three online consultations in three different time zones were held between January 2023 and March 2023, followed by another round of public consultation in the WBA's Allies Assembly in June 2023 in Mexico City, and a series of bilateral consultations in the following months.

During October-November 2023, WBA's Urban Team held its first round of consultations with its Expert Review Committee (ERC) members, whom the team will continue to correspond with throughout the benchmark's research phase. The team will engage the ERC three to four times per year during key moments of the research. The latest round of consultation, where the team presented the revised methodology framework and gave a high-level overview of the topics being benchmarked, was in late October 2023 at the Eighth Asia Pacific Urban Forum, held in Suwon City, South Korea (Figure 7).

Following these rounds of consultation, the team reconvened to organise and consolidate the feedback received. Initial findings from these consultations suggest that urban transformation is a rather novel field, relative to climate, biodiversity or human rights. Furthermore, company contributions to shaping the urban environment will, more likely than not, depend on the context in which they operate, and will be determined by prevailing regulations, legal requirements, local governance, industry sectors and other context-dependent socio-cultural factors.

Members of the urban benchmark's expert review committee (ERC)

The urban team recruited a number of independent Expert Review Committee (ERC) members to help guide and oversee the development and consultation process for the Urban Benchmark. To help ensure the benchmark's relevance across different stakeholders and geographies, members from different backgrounds, organisations and regions were recruited. Individual consultations were held with ERC members between October and November 2023, where they provided their inputs on the benchmark's development and topic coverage.

As of December 2023, the Urban Benchmark's ERC included:

- Anthony Pipa, Brookings Institute, Senior Fellow – Global Economy and Development, Center for Sustainable Development, based in Washington DC, US
- Cynthia Susilo, UN-HABITAT, Strategic Advisor, based in Surakarta, Indonesia
- Jiexin Li, Architecture 2030, China Lead for Architecture 2030, based in Shanghai, China
- Yong Jian Vun, The World Bank, Senior Disaster Risk Management Specialist, based in Sydney, Australia
- Zoe Fitzgerald, C40, Head of City-Business Engagement team, based in London, UK

In line with WBA's mission to have a balanced representation of voices across regions and backgrounds, the team will continue to grow its ERC representation from Africa, Latin America and the Middle East in the months leading up to the benchmark's publication, expected in the fourth quarter of 2024.





Figure 7. Urban Benchmark First Roundtable, South Africa WBA Allies Assembly, June 2022 (top); Urban Benchmark Socialisation, South Korea, October 2023 (bottom).

To make sure that the benchmark is applicable to all the sectors it assesses across the world’s regions and addresses today’s pertinent global issues, the first iteration of the benchmark will be aimed to understand what companies are doing in the urban sector. The team expects the first iteration of the benchmark to not only help test the benchmark’s relevance but also inform stakeholders on important topics related to how companies can help shape a more sustainable urban environment holistically. As such, the benchmark also includes topics that have not yet been extensively explored, but that remain important in many of today’s global discussions. These include affordability, cultural heritage and universal accessibility of urban infrastructures and services, among others. By introducing these previously underexplored topics, the benchmark is expected to raise stakeholders’ awareness of these key issues and therefore contribute to the growth and availability of data on these aspects of sustainable urban environments, which has historically been limited.

Process and timelines

This publication of the Urban Benchmark methodology in January 2024 follows from the draft methodology published in January 2023 and the ensuing year-long consultation process. Data collection to carry out company assessments using this methodology is set to begin in February 2024. During this phase, WBA’s Urban Team will gather information pertaining to companies’ performance in relation to the various topics covered in the methodology, using publicly available corporate disclosure.

In parallel with the research process, we plan to notify companies of their inclusion in the Urban Benchmark. We will also hold roundtables and bilateral consultations with these companies to explain the methodology and criteria that need to be met to receive scores against the indicators. This will



help to clarify some of the novel indicators included in the Urban Benchmark, provide companies with a channel to learn more about the research process and timeline, and establish a productive relationship that facilitates engagement and encourages change.

At the same time, our researchers will be analysing the data, both at an institutional and industry level, to ensure that it is accurate for all relevant areas of the methodology and assessed in an impartial and transparent way. If necessary, scoring guidelines will be improved, in consultation with our experts and the ERC, before we publish the benchmark results. In this way, all stakeholders will be able to see not just what we assess under the methodology, but also how each score was calculated.

When finalising our assessments, we will first share the results with companies and request their feedback, allowing them to have a more detailed and specific conversation on their individual assessments. All companies included in the benchmark will be contacted and invited to comment during the research phase to provide clarifications on the assessments if needed. Companies that do not respond or decline to participate in the research phase are not permitted to appeal their results and will have to wait for the next benchmarking cycle to provide their input.

The first iteration of the Urban Benchmark is scheduled for publication in the fourth quarter of 2024 (see Figure 8). WBA aims to share the final company scorecards with all the companies included in the benchmark prior to the release.



Figure 8. Urban Benchmark timeline, 2023-2024.

Presentation of the results

The release of the 2024 Urban Benchmark results will be accompanied with a presentation of key findings on the main trends, leading approaches and notable conclusions of the benchmarking exercise, tied to the industry rankings and individual scorecards of all the assessed companies. To inform companies of how they are performing against their peers, the overall ranking will be presented in such a way as to allow peer-to-peer comparisons, with the aim of facilitating meaningful discussions and self-evaluations.

Considering the often local- and sector-specific nature of companies in this benchmark, the data will also be analysed and presented in a way that allows identification of trends that are sector-specific, regional and/or centred on certain topics. This will allow companies that achieve a high overall score in the benchmark to compare themselves against those that perform better in specific geographic areas or topics, to take into account possible country or regional differences that might have contributed to differences in performance.



In addition to the disaggregated regional- and sector-specific analyses, companies' performance on the benchmark will also be summarised in the form of an overall ranking. This will allow companies to understand their aggregate performance across the measurement areas and provide an overview of leading practices, key risks and improvement opportunities.

Updating the methodology

Urban areas are dynamic environments that are continually changing. Take for example, the changes we have seen in the past few years alone, in the way we live, work and connect following the COVID-19 pandemic. Considering the role of urban areas as centres for the world's social and economic activities, these changes have far-reaching consequences for our progress towards a more sustainable future. To ensure that the Urban Benchmark stays relevant, the team is closely monitoring any changes in the global agenda's priorities on urban development, while also reaching out to key stakeholders and policymakers to exchange views, build relationships and continue learning about today's most pressing urban issues and challenges.

The Urban Benchmark assessment is planned to be completed every two years, with revision and public consultation processes built in between the assessment years. This cycle will allow the team to consult stakeholders on the results of its assessments and to update the methodology as and when needed to cover emerging issues, thereby keeping it relevant and effective as an accountability framework for companies.



Industry and company selection

Industry selection and distribution

*“By 2050, almost 70 per cent of us will be urban dwellers. That’s 6.3 billion people who will need access to a **clean water supply**, functional **sanitation**, and appropriate **sewage** and **waste disposal** systems. That’s also 6.3 billion people who will need to be **transported** day to day in a sustainable and efficient manner; **housed** in safe and healthy settlements; and hosted in cities resilient to climate change, extreme weather events and disease transmission.” (Sharif, 2023).*

The United Nations Human Settlements Programme (UN-HABITAT) identifies three key issues for urban development in the coming decades, namely housing, transport and basic services. The four industries selected within the scope of the Urban Benchmark are those with the greatest impact on our ability to meet these basic needs for all existing and future urban citizens:

- **Real estate companies** – property owners, property developers and real estate investment companies
- **Construction and engineering companies** – companies involved in the construction of buildings and urban infrastructure, as well as architecture and urban design firms
- **Transportation companies** – intra-urban passenger transport companies
- **Utility companies** – suppliers of energy (gas and electricity transmission and distribution companies), water and sanitation, and urban waste disposal and management services

Since these industries are equally important for achieving SDG 11 and the New Urban Agenda (NUA), the 300 companies are drawn equally from the different industries, with 150 companies from the real estate and construction sectors and 150 companies from the transport and utilities sectors.

Keystone company selection

The selection of companies for the Urban Benchmark is based on WBA’s methodology for identifying its [SDG2000 ‘keystone companies’](#) across the seven systems transformations. These are transformations needed to put our society, planet and economy on a more sustainable and resilient path. Given the local nature of urban development, some of the criteria were adjusted or operationalised to consider local footprint, size and impact, and an additional criterion was added to cover companies operating in megacities.

First, companies were screened against the [Industrial Classification of All Economic Activities \(ISIC\)](#) methodology to identify those with activities relevant to the four selected industries listed above. Companies with relevant activities were then assessed against the following keystone criteria to guide selection:

1. The company dominates global production revenues or volumes within a particular sector.⁵
2. The company controls globally relevant segments of production and/or service provision.
3. The company connects (eco)systems globally through subsidiaries and their supply chains.

⁵ Data on revenues, total assets owned and market capitalisation were sourced from companies’ own financial reports as well as lists such as the Fortune 500.



4. The company influences global governance processes and institutions.
5. The company has a global footprint, particularly in developing countries.
6. The company's operations cover a megacity and/or several cities with an equivalent population.

The goal was to identify companies with the highest impact on urban populations, especially in the Global South. While we aimed to select companies that fulfilled more than one of the criteria above, we prioritised the last two criteria, namely footprint and operations located in one or more megacities. This was especially true for transport and utility companies, for which footprint data (e.g. ridership, number of people served) was readily available. Inconsistent reporting of footprint data by real estate and construction companies prevents direct comparisons. As a result, the first four criteria took precedence for these industries, while remaining cautious of selecting companies that operate in megacities and with a fair representation of the Global South, as explained in the next section. This meant that, for instance, the threshold for company production revenues, in line with criterion 1, varied by industry and region. What constitutes a large real estate company in the USA may differ from a large real estate company in the Philippines or Nigeria. This was considered in the selection process to avoid a skewed distribution of companies with the majority of operations in the Global North.

The final selection of 300 keystone companies for the Urban Benchmark consist of public, private and state-owned enterprises. Of these, 85 companies are relevant for other transformations and fall within the scope of other WBA benchmarks, most prominently the Climate and Energy and the Nature Benchmarks.

Geographic distribution of companies: megacities and regional representation

Megacities, defined as cities with over 10 million people, have been at the forefront of global urbanisation trends in recent decades. In 1970, there were just a handful of megacities worldwide. In 2022, there were around 30, and by 2030, this number is expected to reach almost 50 (UN, 2019). The growth and expansion of megacities is particularly pronounced in Asia, Africa, and Latin America. By 2030, more than 80% of the world's megacities will be located in these regions.

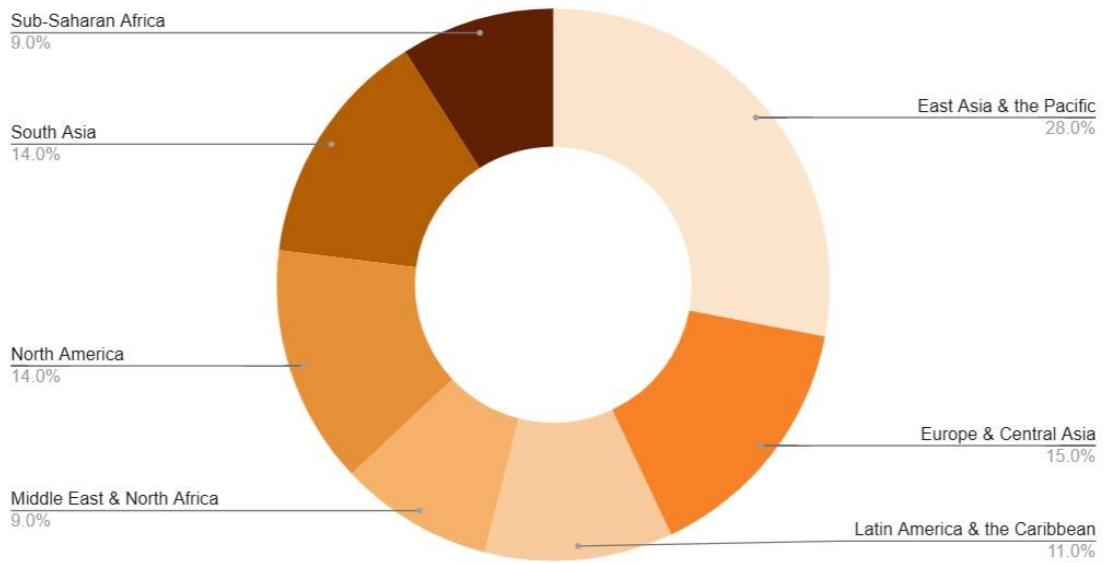
While megacities are often a hub of economic opportunity, technological advancement and cultural dynamism, their growth underscores the complex challenges associated with urbanisation, including issues related to infrastructure development, housing, transportation, environmental sustainability and social equity. In addition to re-examining urban planning strategies and policies, this requires us to look at the contribution and role of the private sector in ensuring the continued viability and resilience of these population centres.

We have therefore focused company selection for the Urban Benchmark on companies that serve or operate in one of these megacities, rather than where they are headquartered. We have also selected clusters of companies within a megacity to get a fuller picture of how the private sector is contributing to the development of that city.

Further, the overall regional composition of the selected companies reflects a balance between population, GDP, and megacity distribution (Figure 9).



Regional distribution of the 300 companies selected for the Urban Benchmark 2024



■ Regional distribution of megacities (%)
 ■ GDP & population of the Urban300 companies (%)
■ Company distribution by region (%)

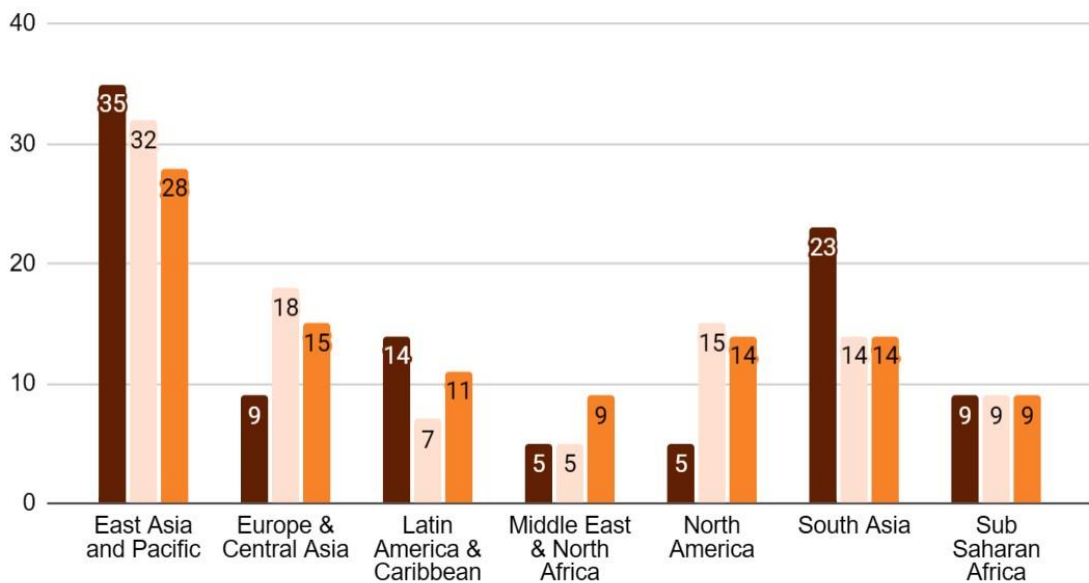


Figure 9: Regional distribution of the 300 companies selected for the 2024 Urban Benchmark (top); comparison of companies' regional distribution, regional distribution of megacities and GDP (bottom).



Measurement areas and indicator overview

In addition to the core social indicators (CSI) which span all of WBA’s benchmarks, the assessment will look at 24 indicators specific to the Urban Benchmark, spread over four different measurement areas. The four measurement areas are: **Governance & strategy; inclusive cities; healthy cities; and climate proof & resilient cities**. Each of these measurement areas contain 4-6 elements, as summarised in Figure 10.

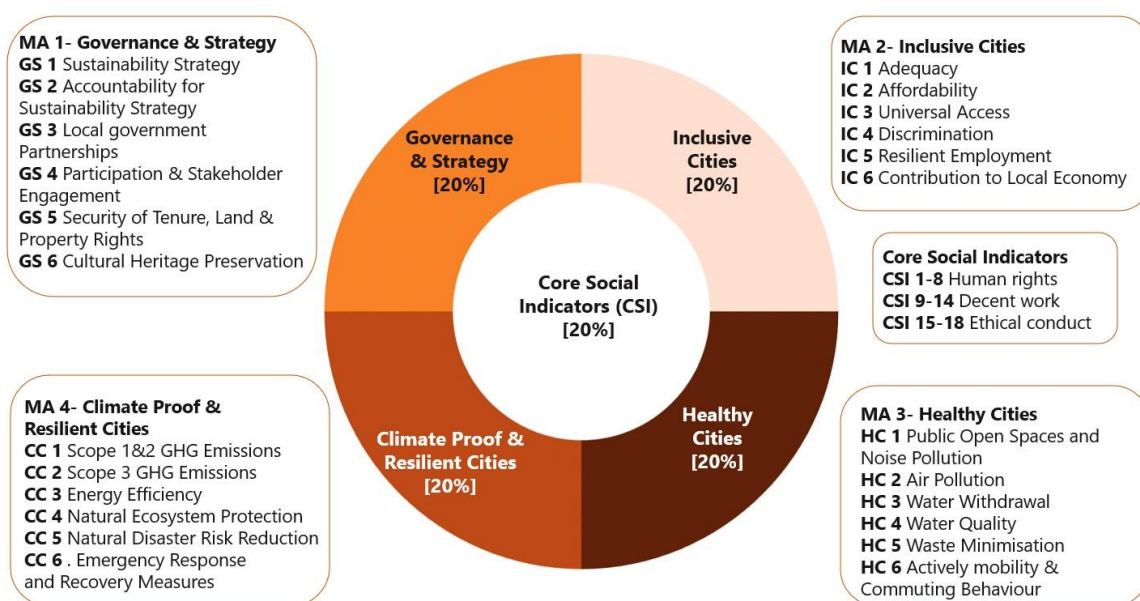


Figure 10: Overview of measurement areas and indicators in the Urban Benchmark.

Approach to scoring

Each of the four measurement areas, and the core social indicators, are worth 20% of the total score for each company in the benchmark.

Many indicators in the benchmark are industry agnostic; they are applicable to all the industries being assessed. In some instances, elements are adjusted or adapted to apply to different industries. These instances will be noted under the Applicability subheading within each indicator description in the subsequent sections of the report. Elements and indicators will either cover the company’s own operations or value chain, depending on the industry in question.

The assessment will be based only on available data that is already public or could be made public by the company or a third party. The scoring will therefore be based solely on public disclosure; if



information is not publicly disclosed, it cannot be considered in the assessment. Further, only data at the parent/group level for the company will be considered. The 2024 Urban Benchmark will include corporate data from 2021 to 2023.

There will also be additional data points collected during the assessments; these will not be scored but will be used to add context to company performance.

The following sections describe each indicator within the four different measurement areas. The indicator descriptions follow a standard format:

- **Indicator:** sets out the topic-specific outcomes expected of the company
- **Applicability:** specifies which industries the indicator is applicable to
- **Rationale:** sets out the reason why the topic is included in the benchmark and why it is crucial for achieving sustainable and equitable urban development
- **Contributes to:** specifies how the indicator aligns with the SDGs and/or NUA points
- **Elements:** set out the indicative scoring guidelines against which companies will be assessed for the indicator
- **Sources:** lists relevant sources or initiatives that the indicator aligns with or builds upon



MA1. Governance & strategy (GS)

GS1. Sustainability strategy

Indicator: The company has sustainability objectives and targets embedded in its strategy and business model.

Applicability: All industries – Industry agnostic

Rationale: A company sustainability strategy prioritises and embeds sustainability objectives and targets and helps the company to deliver on key SDGs. It facilitates the company's ability to adapt and change through forward planning, while increasing its resilience, managing risks and protecting workers, the company and society at large.

Contributes to: SDGs 12.6, 16, 17.16, 17.17

Elements:

- a) The company conducts a materiality assessment⁶ to identify and prioritise relevant sustainability topics and impacts.
- b) The company has a sustainability strategy covering its most material impacts.
- c) The company has time-bound targets for its material impacts.
- d) The company reports consistently against all its targets.

Sources: CDSB (2019); Forum for the Future and WBSCD (2021); GRI 2-22, 2-23, 3-1, 3-2, 3-3 (2022); IFAC et al. (2020); IPBES (2019); SBTN (2020); UNDP (2021); WEF (2020)

⁶ Refers to a description of how companies identify topics that represent their most significant impacts on the economy, environment and people, including impacts on human rights.



GS2. Accountability for sustainability strategy

Indicator: The company assigns responsibility for its sustainability strategy objectives and targets to its highest governance body and links accountability for target fulfilment to remuneration policies.

Applicability: All industries – Industry agnostic

Rationale: Linking sustainable development objectives and targets to roles and remuneration is important to ensure company accountability in relation to sustainable development. Ensuring capability within decision-making bodies further indicates a company's commitment to transition to a sustainable future.

Contributes to: SDGs 16, 17.16, 17.17

Elements:

- a) The company has persons, teams or committees who are responsible for the implementation of its sustainability strategy.
- b) The company assigns decision-making and oversight responsibility for its sustainability strategy to the highest governance body⁷.
- c) The company links performance criteria in senior executives' remuneration policies to its sustainability targets and objectives.
- d) The company's highest governance body has expertise with respect to the company's most material sustainability topics.

Sources: CDSB (2019); GRI 2-10, 2-12, 2-13, 2-14, 2-17 (2021); IFAC et al. (2020); UNDP (2021); WEF (2020)

⁷ As defined by the GRI Standards, the highest governance body refers to a formalised group of individuals with the highest authority in the organisation who are responsible for the strategic guidance of an organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body (GRI, 2021).



GS3. Local government partnerships

Indicator: The company collaborates and engages with local governments to help achieve local urban development goals.

Applicability: All industries – Industry agnostic

Rationale: Translating the SDGs into actionable local development goals requires a thorough understanding of the local context. Additionally, the implementation of these goals in an urban environment requires multi-stakeholder partnerships. Local governments can be the best government body to facilitate this partnership (Masuda, Kawakubo, Okitasari, & Morita, 2022) given that their responsibilities and interests span across all sectors, and taking into account their mandates, legitimacy, existing networks and knowledge of local experiences (Gustafsson & Mignon, 2020). Companies should actively engage with local governments, which play an important role in enabling interventions and investments essential to advancing the SDGs at the local level. These partnerships should be in place throughout the implementation, maintenance and operation of services and infrastructures, since the provision of sustainable urban environments closely relates to accountability of local governments and the private sector.

Contributes to: SDG 17.17; NUA 48, 104, 149, 167

Elements:

- a) The company commits to collaborate with local government(s) throughout the whole life cycle of their projects and services.
- b) The company explicitly lists local government(s) as one of the stakeholder groups it engages with as part of its stakeholder engagement activities.
- c) The company discloses the purpose and frequency of its engagement with local government(s).
- d) The company explains how it addresses key issues raised by local governments.

Sources: GRI 2-29, 415 (2022); UNDP (2021)



GS4. Participation & stakeholder engagement

Indicator: The company contributes to the development of people-centred urban environments by establishing transparent and inclusive participation processes.

Applicability: All industries – Industry agnostic

Rationale: The planning, development, management and delivery of urban infrastructures and services must reflect the aspirations and concerns of all residents, customers and users that are affected by their provision, or lack thereof. Sustainable urban development can only work when no one is left behind. Therefore, particular attention must be paid to the participation of marginalised groups and minorities. Participatory approaches should aim for collaborative planning, including formal and direct participation with local communities. The outcomes of these deliberations must be transparently disseminated, and companies must disclose how they address the issues raised.

Contributes to: SDGs 11.3, 5.5, 6.b; NUA 13.b, 48

Elements:

- a) The company discloses its process for engaging with stakeholders, including channels and frequency, beyond its materiality assessment.
- b) The company discloses an overview of the issues raised during its stakeholder engagement activities.
- c) The company explains how it responds to key issues raised by its stakeholders.
- d) The company identifies obstacles to meaningful stakeholder engagement⁸ and takes actions to address these obstacles.
- e) The company engages with marginalised, vulnerable and/or indigenous stakeholders or their representatives.

Sources: Adams, Druckman & Picot (2020); GRI 2-29, 411, 413-1 (2022); UNDP (2021)

⁸ Meaningful stakeholder engagement is characterised by two-way communication and depends on the good faith of participants from both sides. It is also responsive and ongoing and includes, in many cases, engaging with relevant stakeholders before decisions are made.



GS5. Security of tenure, land & property rights

Indicator: The company commits to promoting security of tenure⁹ for all, paying particular attention to vulnerable tenure rights holders.

Applicability: All industries – Adaptable

Rationale: Land and property are crucial assets, forming the foundation for economic activity and providing residents with livelihood opportunities. In urban settings, they enable access to employment opportunities, and ownership can enhance access to credit (Hudson, 2017; Deininger, 2003). Conversely, insecurity of tenure can impair households' ability to earn livelihoods and enjoy a good quality of life, which could translate to dilapidated, unkempt neighbourhoods and slum areas (Hudson, 2017). Urban companies can address this by respecting diverse land rights, conducting due diligence on the impact of their developments on local land uses and adhering to land use laws, in turn bolstering security of tenure. The real estate and utilities sectors can further enhance tenure security by providing users with legally recognisable documentation during transactions, which can be used to support people's claims over land and property.

Contributes to: SDGs 11.1, 1.4; NUA 14.b, 35, 107

Elements:

- a) The company commits to recognising and respecting legitimate tenure rights of properties affected by its operations.
- b) The company identifies legitimate rights holders when acquiring, leasing or making other arrangements to use properties.
- c) The company discloses its due diligence process for identifying vulnerable tenure rights holders.
- d) The company adheres to international standards, such as free, prior and informed consent, when dealing with tenure rights holders it affects.
- e) The company has mechanisms in place for resolving conflicts that may arise in the course of dealing with tenure rights holders.

Sources: UN OHCHR (2014), (2015)

⁹ Security of Tenure refers to “an agreement between an individual or group to land and residential property, which is governed and regulated by a legal and administrative framework (the legal framework includes both customary and statutory systems)” (UN-Habitat, 2004)



GS6. Cultural heritage preservation

Indicator: The company commits to preserving the character of cities, particularly cultural heritage.

Applicability: All industries – Adaptable

Rationale: Urban heritage¹⁰ constitutes a key resource in enhancing the liveability of urban areas by fostering economic development and preserving the character of communities, thereby enhancing social cohesion. This aspect is particularly pertinent in today's rapidly globalising economy (Tweed & Sutherland, 2007). Urban companies, being key actors in how urban environments are shaped, can contribute to this by committing to protect urban heritage sites and ensuring that newer developments do not adversely impact existing neighbourhood qualities.

Contributes to: SDG 11.4; NUA 38, 60, 97, 124, 125

Elements:

- a) The company commits to protecting tangible and intangible cultural heritage.
- b) The company discloses the number and location of operational sites owned, leased or managed in protected areas adjacent to or within the buffer zone¹¹ of heritage sites.
- c) The company has a process for stakeholder consultation when conducting its activities adjacent to or within a heritage area's buffer zone.
- d) The company ensures that its developments preserve heritage sites.

Sources: NYC Mayor's Office for Environmental Coordination (2020), ch. 21, p. 1; UNESCO (2023)

¹⁰ Urban heritage encompasses either cultural and natural heritage, mixed cultural and natural heritage, cultural landscapes or movable heritage. Heritage sites may come in the form of landscapes, groups of buildings, individual monuments or other works of outstanding universal value. See UNESCO's full list of World Heritage sites here: <https://whc.unesco.org/en/list/>.

¹¹ Buffer zone refers to an area surrounding a property with legal and/or customary restrictions to its use and development to give an added layer of protection to heritage sites.



MA2. Inclusive cities (IC)

IC1. Adequacy

Indicator: The company contributes to the adequacy of housing, transport and/or basic services in urban areas.

Applicability: All industries – Adaptable

Rationale: Ensuring the adequacy of housing and basic services by conforming with international and national standards on quality and reliability is crucial for inclusive and sustainable urban development. In many metropolitan areas, substandard housing, inadequate and/or unpredictable transportation, and limited and/or interrupted access to energy and clean water create significant challenges for quality of life. Addressing these issues is aligned with the 2030 Agenda for Sustainable Urban Development. An important aspect of inclusive urban development involves expanding the coverage of quality housing and basic services to underserved areas, such as informal settlements and urban peripheries.

Contributes to: SDGs 1.4, 3.9, 6.1, 6.2, 6.3, 7.1, 11.1, 11.2, 11.6, 12.4; NUA 14.a, 33, 34, 55, 74, 111, 121

Elements:

- a) The company reports regularly on the quality of its products/services.
- b) The company sets time-bound targets for delivering a high-quality supply of its products/services.
- c) The company reports progress against its targets for quality.
- d) The company takes systematic actions to improve the quality of its products/services.
- e) The company is certified by international standards on product/service quality.

Sources: ISO 9001, ISO 14001, ISO 24510, ISO 24511, ISO 24512, ISO 27001, ISO 45001, ISO 50001, ISO 55001



IC2. Affordability

Indicator: The company contributes to the affordability of housing, transport and/or basic services in urban areas.

Applicability: All industries – Adaptable

Rationale: Out of 92 metropolitan areas that are the world's major housing markets, 79 are severely unaffordable (Urban Reform Institute & Frontier Centre for Public Policy, 2022). Unable to cope with the high cost of housing, many people end up in informal settlements, which are often overcrowded and lack adequate water and sanitation, healthcare, educational or recreational facilities. Affordable housing and basic services, transport systems, drinking water and energy, are all part of the 2030 Agenda for Sustainable Development, and affordability is defined differently for each of these elements. For example, a dwelling in the US is considered affordable if its rent or mortgage payment amounts to 30% or less of what a low-income household earns, which is 80% of the city's median household income (HUD USER, 2017). Affordability can be improved by companies offering a tiered pricing system as well as committing a portion of their products and services to serving low-income households. Such initiatives can be implemented by a company through private efforts and can complement the efforts that governments are making through subsidy programmes.

Contributes to: SDGs 6.1, 7.1, 11.1, 11.2; NUA 14.a, 33, 34

Elements:

- a) The company reports regularly on the affordability of its products/services.
- b) The company sets time-bound targets for affordability, including a description of how it determines affordability.
- c) The company reports progress against its targets for affordability.
- d) The company takes systematic actions to improve the affordability of its products/services.
- e) The company has achieved past targets on affordability.

Sources: OECD HC.1.5, SABS Standards SICS IF-EU 240a, SICS IF-GU 240a, SICS IF-WU 240a



IC3. Universal access

Indicator: The company contributes to universal accessibility¹² of buildings, transport stations, services and information.

Applicability: All industries – Adaptable

Rationale: Cities across the world are often difficult to navigate for minorities. Children, elderly populations and people with disabilities often have a hard time moving around cities, since many buildings, transportation modes and facilities are not designed with these groups in mind. Moreover, access to information for these people can be limited when companies do not provide information on billing and services in local languages, or provide large writing, audio or other formats that enable information access for people with different needs. Companies have a responsibility to adapt their buildings, facilities and services to be as inclusive as possible.

Contributes to: SDGs 2.3, 6.1, 6.2, 7.1, 11.2, 11.7; NUA 13.6, 25, 34, 36, 55, 114, 122

Elements:

- a) The company reports regularly on the accessibility of its products/services.
- b) The company has a time-bound target for achieving universal access to its products/services.
- c) The company reports progress against its targets for accessibility.
- d) The company takes systematic actions to improve the accessibility of its products/services.
- e) The company complies with international/regional standards on accessibility.

Sources: ADA Accessibility Standards, ADA Standards for Accessible Design (2010), ISO 21542:2021 (physical accessibility), ISO/IEC Guide 71:2014, ISO/IEC 40500:2012 (technology and website accessibility), UN-OHCHR (2014)

¹² Universal accessibility is defined as the character of a product, process, service, information or environment that, with equity and inclusiveness in mind, enables any person to perform activities independently and achieve equivalent results.



IC4. Discrimination

Indicator: The company ensures equal treatment of its users and customers by taking the necessary measures to prevent, mitigate and correct instances of discrimination.

Applicability: All industries – Industry agnostic

Rationale: Discriminatory policies and practices can still be found in many cities, whether explicit or implicit, towards certain genders or ethnic groups, people with disabilities and religious minorities, as well as domestic and foreign migrants. This not only affects the workforce, but it also negatively impacts citizens in terms of access to opportunities, housing, mobility and basic services. Companies have a duty to prevent discrimination through zero tolerance policies and employee training, and by implementing processes to identify and correct instances of discrimination that prevent citizens from exercising their rights to the city.

Contributes to: SDGs 2.3, 5.1, 6.1, 7.1, 11.2, 11.7; NUA 13.b, 20, 34

Elements:

- a) The company commits to ending all forms of discrimination against current and potential users of its products/services.
- b) The company trains all employees on non-discrimination.
- c) The company describes its corrective action process for non-compliance with its discrimination policy.
- d) The company discloses the number of incidents of discrimination reported and resolved.
- e) The company has achieved 100% resolution of reported incidents from past reporting periods.

Sources: GRI 406-1 ([2022](#)); UN OHCHR ([2014](#))



IC5. Resilient employment¹³

Indicator: The company ensures the continued relevance and employment of its workers.

Applicability: All industries – Industry agnostic

Rationale: The transition to a net-zero economy, as well as digitalisation and social/cultural trends, are creating shifts in economic sectors as well as changes in the skills and knowledge demanded of workers. Private sector actors, being at the forefront of technological innovation, have a role to play in upskilling their workers to ensure their continued relevance and employment. They should also help disseminate skills and knowledge to build talent for future transitions and create better matches between jobs and workers.

Contributes to: SDGs 8.3, 8.5, 8.6; NUA 14.b, 43, 56, 57

Elements:

- a) The company researches the impact of emerging future trends on its workers.
- b) The company provides or supports access to programmes for upskilling its employees.
- c) The company reports statistics on the outcomes of its upskilling programmes.
- d) The company reports the proportion of its workforce that is made redundant annually.
- e) The company demonstrates systematic partnerships with academic institutions to support decent employment/local economic transition.

Sources: GRI 404-1, 404-2 (2022)

¹³ Resilient employment in this context refers to measures ensuring that workers have the skills and knowledge to adapt to changing working conditions and job markets, particularly in the face of increased competition, digitalisation and industrial development, in order to sustain their employment/career/earnings.



IC6. Contribution to local economy

Indicator: The company contributes to the development of the local economy.

Applicability: All industries – Industry agnostic

Rationale: Large companies can contribute positively to local economies by procuring inputs locally. They can also provide opportunities for small and medium enterprises (SMEs) by expanding local infrastructure networks which creates income opportunities and stimulates foreign investment. Further, they can invest in research and development to speed up innovation and technological advancement locally. Conversely, there are many ways in which companies can negatively impact local economic development, for example, by outsourcing labour and inputs, creating monopolies over local businesses, and not providing transparency on which stakeholders benefit from the value the company creates. Being transparent about the value that large companies create for local economies helps to capture their direct and indirect impacts on local productivity, poverty reduction and social equity.

Contributes to: SDGs 8.3, 9.5, 9.a, 9.b, 11.c, 17.9; NUA 70, 141, 142

Elements:

- a) The company reports its direct economic value generated and distributed in all countries where it operates¹⁴.
- b) The company discloses the proportion of its total employees that are hired locally.
- c) The company discloses the proportion of its spending on local suppliers.
- d) The company discloses the total monetary value of financial assistance it has received from any government during the reporting period.

Sources: GRI 201-1, 201-4, 202-2, 204-1 (2022)

¹⁴ Direct economic value generated and distributed (EVG&D) is a measure of how a company creates and distributes wealth its stakeholders. It includes things like revenue, operating costs, employee wages and benefits, payments to among providers of capital, payments to governments and community investments.



MA3. Healthy Cities (HC)

HC1. Public open spaces and noise pollution

Indicator: The company contributes to creating high-quality public open spaces¹⁵, by including green landscaping and maintenance facilities, and minimising noise pollution.

Applicability: This indicator contains two different sets of elements (HC1a; HC1b). HC1a is applicable to real estate and utility companies, while HC1b is applicable to construction and transport companies.

HC1a. Public open space

Applicability: Real estate and utilities industries

Rationale: Public open spaces play a pivotal role in the health of urban communities, offering spaces for recreation, relaxation and social interaction. In doing so, they promote physical activity, reduce stress and enhance mental wellbeing (UN-Habitat, 2018). Recognised by urban planning and public health experts, these spaces also contribute to environmental sustainability, acting as green lungs that improve air quality and mitigate the urban heat island effect (Aram, García, Solgi, & Mansourniac, 2019). Real estate and utility companies play a pivotal role in shaping urban environments, and their investment in well-designed, accessible public spaces not only enriches the quality of life for residents but also contributes to the long-term appeal and sustainability of urban areas.

Contributes to: SDGs 11; NUA 37, 53, 67, 99, 100

Elements:

- a) The company provides systematic evidence of supporting the quality of public spaces through design elements, green landscaping and/or providing maintenance services.
- b) The company provides systematic evidence of supporting the safety of public spaces through design elements or adherence to service safety standards.
- c) The company discloses the amount of public space it provides and/or maintains.
- d) The company systematically increases the amount of public space it provides and/or maintains.

Sources: C40 (2021); UCLG (2016); UN-Habitat (2018)

¹⁵ Public open spaces refer to undeveloped land or land with no buildings (or other built structures) that is accessible to the public, and that provides recreational areas for residents and helps to enhance the beauty and environmental quality of neighbourhoods. Types of open public space vary across cities and can broadly include parks, gardens, playgrounds, public beaches, riverbanks and waterfronts. These spaces are also available to all without charge and are usually publicly owned and maintained.



HC1b. Noise pollution

Applicability: Transport and construction industries

Rationale: Environmental noise has been recognised by the World Health Organization (WHO) as the second largest environmental health risk in Western Europe after air quality (World Health Organization, 2011). Prolonged exposure to environmental noise has been shown to have harmful effects on public health, community wellbeing and overall urban liveability, contributing to sleep disturbance, impaired cognitive development, mental health problems, tinnitus and even heart disease (World Health Organization, 2011). The construction and transport sectors contribute heavily to urban noise levels. By adhering to noise regulations and best practices and adopting noise reduction technologies companies can contribute to creating healthier and more sustainable urban environments.

Contributes to: SDG 11; NUA 67

Elements:

- a) The company has a noise and/or vibration mitigation plan for its operations.
- b) The company discloses its adherence to local, national and/or international noise and/or vibration regulations and standards.
- c) The company conducts regular noise and/or vibration monitoring during its activities.
- d) The company takes measures to reduce noise and/or vibration pollution in its operations.

Sources: European Noise Directive ([2002](#)); ISO 11204:2010; World Health Organization ([2022](#))



HC2. Air pollution

Indicator: The company reduces its production of air pollutants.

Applicability: All industries – Adaptable

Rationale: Air pollutants produced through companies' operations and business activities have adverse effects on the climate, habitats, biodiversity, agriculture, air quality and the health of both animals and humans. This becomes especially important in urban areas, where high concentrations of air pollutants, such as particulate matter (PM), carbon monoxide (CO), nitrogen dioxide (NO₂) and sulphur dioxide (SO₂), are strongly associated with human health concerns. According to the World Health Organization, over 99% of the global population lives in areas where air pollution is above air quality guidelines, and this results in 4.2 million deaths every year (World Health Organization, 2022). This indicator measures companies' approaches to measuring and reducing harmful air pollutants.

Contributes to: SDG 11 (11.6); NUA 54, 65, 118

Elements:

- a) The company reports regularly on air quality parameters.
- b) The company has time-bound targets to reduce air pollutants.
- c) The company reports progress against its air pollution targets.
- d) The company discloses its management and monitoring processes to measure and reduce its air pollutants.
- e) The company has achieved its past targets for air pollution reduction.

Sources: Clean Air Fund ([n.d.](#)); GRI 305-6 ([2022](#)); World Health Organization ([2022](#))



HC3. Water withdrawal

Indicator: The company reduces its water withdrawal¹⁶.

Applicability: All industries – Adaptable

Rationale: In the last five years, one-fifth of the world's river basins are experiencing significant changes in surface water availability (UN Water, 2021). Increasing exploitation of water resources is likely to lead to ecosystem degradation and a reduced capacity to renew and purify water resources. Companies operating in urban environments may withdraw and use large volumes of water. For example, construction companies may use water in concrete production or dust suppression, and power plants may withdraw water for cooling purposes. As such, urban companies should reduce their water withdrawal to safeguard local ecosystems and mitigate the risk of water scarcity.

Contributes to: SDG 6; NUA 70, 71, 72, 73

Elements:

- a) The company reports regularly on its water withdrawal.
- b) The company has time-bound targets to reduce water withdrawal.
- c) The company reports progress against its water withdrawal targets.
- d) The company discloses its management and monitoring processes to measure and reduce its water withdrawal.
- e) The company discloses the proportion of withdrawals from water-stressed areas¹⁷.
- f) The company has achieved its past targets for water withdrawal reduction.

Sources: GRI 303-3, 5 ([2022](#)); UN Water ([2021](#))

¹⁶ Water withdrawal refers to freshwater taken from ground or surface water sources, either permanently or temporarily, and conveyed to a place of use.

¹⁷ When a territory withdraws 25% or more of its renewable freshwater resources it is said to be 'water-stressed'. See UN Water: <https://www.unwater.org/water-facts/water-scarcity>



HC4. Water quality

Indicator: The company reduces its water quality pressures.

Applicability: All industries – Adaptable

Rationale: Approximately 80% of global wastewater¹⁸ is untreated when released back into the environment, causing significant negative effects on both ecosystem functioning and human health (IUCN, 2017). Companies operating in urban environments are direct contributors to water quality. Urban transport, for instance, can impact water quality in urban areas through the runoff of pollutants such as oil, heavy metals and debris from roads and parking lots, leading to increased surface water contamination. Similarly, the construction industry can significantly impact water quality by contributing to sediment runoff, erosion and the release of pollutants during construction activities. Urban companies must increase their monitoring, reporting and effective implementation of measures to minimise their impact on water quality.

Contributes to: SDG 6; NUA 70, 71, 72, 73

Elements:

- a) The company reports regularly on water quality parameters.
- b) The company has time-bound targets to reduce water quality pressures.
- c) The company reports progress against its water quality targets.
- d) The company discloses its process for managing and monitoring discharge water quality.
- e) The company has achieved its past targets for reducing water quality pressures.

Sources: GRI 303-2, 4 (2022); IUCN (2017)

¹⁸ Wastewater refers to water that has been used in various human activities and has become contaminated with pollutants, impurities or other substances as a result. This water may originate from domestic, industrial, commercial or agricultural activities and typically contains a mixture of liquid and solid waste.



HC5. Waste minimisation

Indicator: The company reduces its production of waste¹⁹.

Applicability: All industries – Adaptable

Rationale: Waste comprises materials that are discarded at the end of their lifecycle, including residuals and by-products, whether solids, liquids, or gaseous, and hazardous or non-hazardous. These diverse waste streams are predominantly handled by municipal waste management systems. However, the effectiveness of such systems varies, and challenges are particularly pronounced in low-income countries. It's noteworthy that waste, being a by-product of consumption, exhibits distinct patterns based on economic development. Notably, high-income countries tend to generate more waste per capita compared to their low-income counterparts (World Bank Group, 2021), underscoring the relationship between consumption patterns and waste generation. Globally, with an increasing concentration of human activities in urban areas, waste management is becoming a critical aspect of environmental stewardship.

Contributes to: SDG 12 (12.5); NUA 71, 74, 122

Elements:

- a) The company reports regularly on its waste production, including information on different categories of waste.
- b) The company has time-bound targets to reduce waste production.
- c) The company reports progress against its waste reduction targets.
- d) The company discloses its process for managing and monitoring waste reduction.
- e) The company has achieved its past targets for waste reduction.

Sources: GRI 306 ([2022](#)); World Bank Group ([2021](#))

¹⁹ Waste refers to anything that the holder discards, intends to discard, or is required to discard. It can include residuals and by-products, excluding recovered materials, and may be solid, liquid or gaseous, and hazardous or non-hazardous. See GRI standard 306 definition:
<https://www.globalreporting.org/standards/media/2573/gri-306-waste-2020.pdf>



HC6. Active mobility and commuting behaviour

Indicator: The company promotes active²⁰ and public²¹ forms of transport for its employees.

Applicability: All industries – Industry agnostic

Rationale: Cities are responsible for 70% of global greenhouse gas emissions, with transportation contributing up to one-third of this amount in major cities (OECD, 2020). In particular, work commutes using personal vehicles (i.e. cars, trucks, motorcycles) contribute significantly to the total amount of emissions produced by the transportation sector in cities. Coupled with the rapid urbanisation trend in the world's emerging megacities, road travel in urban areas often entails additional social costs, such as traffic congestion, noise and accidents. As 70% of individuals living in urban areas are employees (ILO, 2020), the private sector's policies and support for its employees' commuting trips can have a significant impact on reducing emissions from transport in urban areas, while simultaneously minimising the social costs of traffic in cities.

Contributes to: SDG 11; NUA 50, 113, 114, 116

Elements:

- a) The company has a mobility strategy which addresses the approach to travel for its employees.
- b) The company provides opportunities for flexible working hours, hybrid working or remote working for its non-field employees.
- c) The company provides travel or commuter incentives to employees to promote public and/or active transport modes.
- d) The company discloses metrics measuring its progress in promoting public and/or active commuting behaviour.

Sources: ILO (2020); OECD (2020)

²⁰ Active transport refers to a mode of transportation that involves physical activity, typically through human-powered means, such as walking, cycling or the use of non-motorised scooters or skateboards.

²¹ Public transport refers to a system of transportation that is available for use by the general public, typically consisting of vehicles and infrastructure operated by government or private entities. Public transport is designed to provide efficient and affordable transportation services to individuals who do not use private vehicles or prefer shared transportation options (e.g. buses, ferries, trains, trams).



MA4. Climate Proof & Resilient Cities (CC)

CC1. Scope 1 & 2 Greenhouse Gas (GHG) emissions

Indicator: The company reduces its scope 1 and 2 GHG emissions in line with a 1.5°C trajectory.

Applicability: All industries – Industry agnostic

Rationale: Cities and urban areas account for over 70% of the world's CO₂ emissions (Dasgupta, Lall, & Wheeler, 2022; UNEP, n.d.). Many of these emissions come from motor vehicles, industrial activities, and the heating and cooling of buildings that rely on fossil fuels. This indicator assesses companies' reporting and activities related to reduction of scope 1 and 2 GHG emissions. Scope 1 emissions are direct emissions from sources that are owned by the company, whereas scope 2 emissions are indirect emissions associated with purchased electricity, steam, heating or cooling (US EPA, 2023).

Contributes to: SDG 13.2; NUA 65, 75, 79, 101

Elements:

- a) The company reports regularly on its scope 1 and 2 emissions.
- b) The company has time-bound targets to reduce its scope 1 and 2 emissions.
- c) The company reports progress against its scope 1 and 2 emissions reduction targets.
- d) The company's scope 1 and 2 emissions targets are aligned with the 1.5°C trajectory.
- e) The company has achieved its past scope 1 & 2 targets.

Sources: CDP ([2021](#)); GRI 305 ([2022](#)); SBTN ([n.d.](#)); US EPA ([2023](#))



CC2. Scope 3 Greenhouse Gas (GHG) emissions

Indicator: The company reduces its scope 3 GHG emissions in line with a 1.5°C trajectory.

Applicability: All industries – Industry agnostic

Rationale: Scope 3 emissions are those resulting from activities from assets that are not owned or controlled by the company, but that the company indirectly affects in its value chain (US EPA, 2023). Scope 3 emissions often comprise the largest segment of companies' total GHG emissions, and it is estimated that about 40% of the global GHG emissions are driven or influenced by companies through their purchases and the products they sell (Labutong, 2018). Companies can reduce their scope 3 emissions by influencing business partners across their value chains. This indicator seeks to hold companies accountable for their scope 3 emissions and is aligned with the Science Based Target initiative's (SBTi) guidance on the topic (SBTi, 2021).

Contributes to: SDG 13.2; NUA 65, 75, 79, 101

Elements:

- a) The company discloses the core categories of its scope 3 emissions.
- b) The company has time-bound targets to reduce its scope 3 emissions.
- c) The company reports progress against its scope 3 emissions reduction targets.
- d) The company's scope 3 emissions targets are aligned with the 1.5°C trajectory.
- e) The company has achieved its past scope 3 targets.

Sources: CDP (2018); GRI 305 (2022); SBTN (2021); US EPA (2023)



CC3. Energy efficiency

Indicator: The company maximises energy efficiency.

Applicability: All industries – Adaptable

Rationale: As contributors to 80% of the world's GDP (The World Bank, 2023), urban areas require a constant, uninterrupted supply of energy in order to function. The high concentration of economic activities in urban areas mean that they are also a major consumer of the global energy supply, consuming up to 75% of global primary energy (UN-Habitat, 2023). As a result, urban areas are a major contributor to the world's GHG emissions. Achieving sustainable urban development requires prioritising energy efficiency across all urban assets, transport infrastructures and service provision. Urban sector companies can contribute to this by incorporating energy efficiency measures in their products, infrastructures and services, while incentivising energy saving practices by end users.

Contributes to: SDG 7.1, 7.3, 7.a, 7.b; NUA 121

Elements:

- a) The company reports regularly on its energy consumption.
- b) The company has time-bound targets to increase its energy efficiency.
- c) The company reports progress against its energy efficiency targets.
- d) The company discloses its energy efficiency management and monitoring processes.
- e) The company has achieved its past targets related to increasing energy efficiency.

Sources: ISO 14001; SASB Electric Utilities & Power Generation, SASB Engineering & Construction Services, SASB Home Builders, SASB Water Utilities & Services



CC4. Natural ecosystems protection

Indicator: The company minimises its footprint across all relevant ecosystems.

Applicability: All industries – Adaptable

Rationale: The rapid growth of urban populations can have significant impacts on natural ecosystems, given their relationship with urban area expansion. Urban developments need to be approached in a balanced manner, by considering the need for new developments next to the conservation of natural ecosystems. To minimise their footprint across all relevant ecosystems, companies must refrain from operating in protected areas and minimise the conversion of natural ecosystems, including those that lack formal protection status, into developed areas. To this end, companies can prioritise locating facilities in areas with existing infrastructure, in-fill development, repurposing brownfield sites and adopting smart urban planning strategies that preserve green spaces. Furthermore, companies should engage in transparent and responsible land use practices, such as avoiding deforestation and protecting natural habitats.

Contributes to: SDG 15 (15.1, 15.5, 15.a)

Elements:

- a) The company commits to zero ecosystem conversion of protected areas.
- b) The company discloses the number of operational sites owned, leased, managed in, protected areas²² or adjacent to protected areas.
- c) The company has time-bound targets to reduce ecosystem conversion.
- d) The company reports progress against its ecosystem conversion reduction targets.
- e) The company has achieved its past targets related to ecosystem conversion reduction.

Sources: Accountability Framework Initiative (2021); CDP F6 (2021); Forest 500 (n.d.); SBTN (2020)

²² Protected area refers to an area protected from any harm during operational activities, where existing ecosystems are to be maintained in their original condition. See GRI 304-4 note.



CC5. Natural disaster risk reduction

Indicator: The company contributes to reducing risks related to natural disasters.

Applicability: All industries – Adaptable

Rationale: Urban areas are prone to natural disasters, which may (e.g. flood risk) or may not (e.g. earthquakes) be exacerbated by climate change. The need for structural resilience is highlighted in both the 2030 Agenda for Sustainable Development as well as the NUA. The UNDRR highlights that just 1 USD invested in risk reduction and prevention can save up to 15 USD in post-disaster recovery (UNDRR, n.d.). Companies can limit natural disasters in the built environment by reducing exposure to risk (i.e. choosing development sites carefully, in disaster risk-free areas wherever possible) and reducing vulnerability (i.e. building disaster-resistant infrastructure, facilities and services). Companies should also ensure that buildings and service networks are designed, built and operated in accordance with natural disaster risk assessments conducted at each building and service network location. Moreover, risk assessments must be conducted systematically, iteratively and collaboratively.

Contributes to: SDGs 11.5, 11.b, 11.c, 1.5; NUA 13.g, 65; Sendai Framework Priority 1 and 3

Elements:

- a) The company conducts risk assessments²³ for all types of natural disasters relevant to its operations.
- b) The company adopts harmonised open data standards²⁴ on risks to its operations by making risk data available to stakeholders.
- c) The company systematically reduces disaster risk vulnerability by following international and industry specific standards²⁵ for disaster proofing.
- d) The company reports the percentage of its assets, development portfolio or associated service networks that are insured against disasters.
- e) The company insures all of its assets and portfolio to reduce the financial impact of disasters on governments and societies.

Sources: ISO 14001 pg.13 Emergency preparedness and response, ISO 30001 Risk Management

²³ Risk assessment refers to the overall process of risk identification, analysis and evaluation. Risk assessments should be conducted systematically, iteratively and collaboratively, drawing on the knowledge and views of stakeholders. They should use the best available information, supplemented by further enquiry as necessary. See ISO 31000.

²⁴ Open data standards refer to standards that are implemented to make data openly accessible and usable by anyone. Often visualised spatially, an example of open data standards for showing disaster risks are the Open Geospatial Consortium (OGC) standards. Another example of data standards that may be pertinent for recording and publishing building information, and thus help in documentation of post-disaster damages and risk simulation, are the open BIM standards.

²⁵ Disaster proofing standards refer to industry standards that are relevant for improving the resilience of assets. For buildings, a list of industry-specific disaster proofing standards can be found in UNDRR's Disaster Resilience scorecard for industrial and commercial buildings (<https://www.preventionweb.net/media/77468/download>).



CC6. Emergency response and recovery measures

Indicator: The company implements measures to enhance the effectiveness of its responses to disasters and its capacity to recover, rehabilitate and restore services following a disaster.

Applicability: All industries – Adaptable

Rationale: Designers, builders and operators of the built environment must be prepared for the possibility of emergencies. Additionally, they must be able to provide an appropriate response to guarantee the safety and survival of everyone exposed to risks. A well-designed and well-managed early warning and emergency response system is critical, as addressed by both the 2030 Agenda for Sustainable Development and NUA. For the private sector, this translates to installing early warning systems and implementing emergency response systems that are regularly tested and communicated to all users. Companies must also ensure that their buildings and infrastructures have adequate evacuation plans, are equipped with emergency supplies, are connected to first responders, and have adequate maintenance measures planned to reduce the impact of hazards and increase systemic resilience. Additionally, companies should have backup or reserve capacities to ensure that basic services are not affected for extended periods after an emergency.

Contributes to: SDG 11.5, 11.b, 11.c, 1.5; NUA 13.g, 65; Sendai Framework Priority 2 and 4

Elements:

- a) The company has a natural disaster response and recovery strategy relevant to the locations where it operates.
- b) The company has a business continuity plan²⁶, against any risks related to natural disasters.
- c) The company systematically embeds emergency management systems in its assets, development portfolio or associated network infrastructures.
- d) The company maintains emergency management systems in place.

Sources: ISO 14001 pg.13 Emergency preparedness and response, ISO 30001 Risk Management; UNDRR (2023)

²⁶ Business continuity plans refer to plans, principles, strategies and/or procedures to maintain continuity of critical and systematically important company processes in the face of certain eventualities. Within this indicator, this refers specifically to plans made to manage natural disaster risks.



Core social indicators

Along with the four measurement areas specific to the Urban Benchmark, we will include a fifth measurement area in the assessment: WBA's core social indicators (CSI). The CSIs are embedded across all of WBA's benchmarks (see Figure 11). These indicators represent fundamental requirements on: **(1) respect for human rights, (2) provision of decent work and (3) acting ethically**. While these indicators are designed to be industry-agnostic and are crucial for all sectors, some are particularly relevant to industries that affect local stakeholders and communities, and therefore fit particularly well within the scope of the Urban Benchmark.

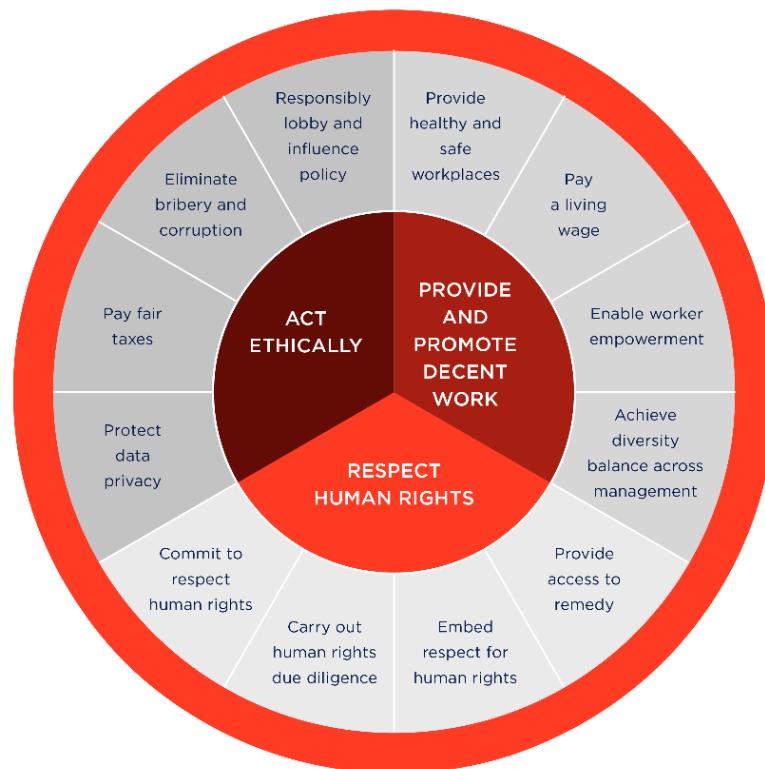


Figure 11. Core social indicator (CSI) elements included in the Urban Benchmark.

Acknowledgments

WBA is grateful for the support received in the early stages of the Urban Benchmark and enabling the publication of this methodology.

We thank the partners and organizations that supported us with feedback during the methodology development, including the Institute for Housing and Urban Development Studies at Erasmus University Rotterdam, the Carbon Disclosure Project, the Green Building Council of South Africa, and the more than 20 stakeholders who took time to review and provide detailed written comments.

We also want to thank the people from over 40 organisations who took part in our consultation event during the Allies Assembly in June 2023 in Mexico City and during the latest round of socialisation at the Eighth Asia Pacific Urban Forum, held in Suwon City, South Korea in October 2023, for generously sharing their time, experience and feedback. Moreover, we are grateful to our Expert Review Committee (ERC) for their ongoing guidance and support.

WBA is funded by a group of governments, foundations and philanthropic organisations that share our vision for the future. The full list of our funders is available on our website and on the last page of this report. We would like to thank them for their support, without which none of our work would be possible. Our growing Alliance of 300 organisations has SDG 17 (partnerships to help achieve the global goals) at its core and represents civil society, business networks, reporting platforms, standards setters, financial institutions and multilateral organisations. We would like to thank our Allies for the continued support and expertise they provide.



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Annex 1. Urban and rural population distribution

The world has been urbanising at a rapid pace and urbanisation is expected to be the defining demographic trend of the next few decades. This is particularly evident in East Asia, South Asia and Sub-Saharan Africa, regions with the biggest concentration of people living below the poverty line. The figure below shows the pace at which the urban population in these regions is growing as opposed to their rural population.

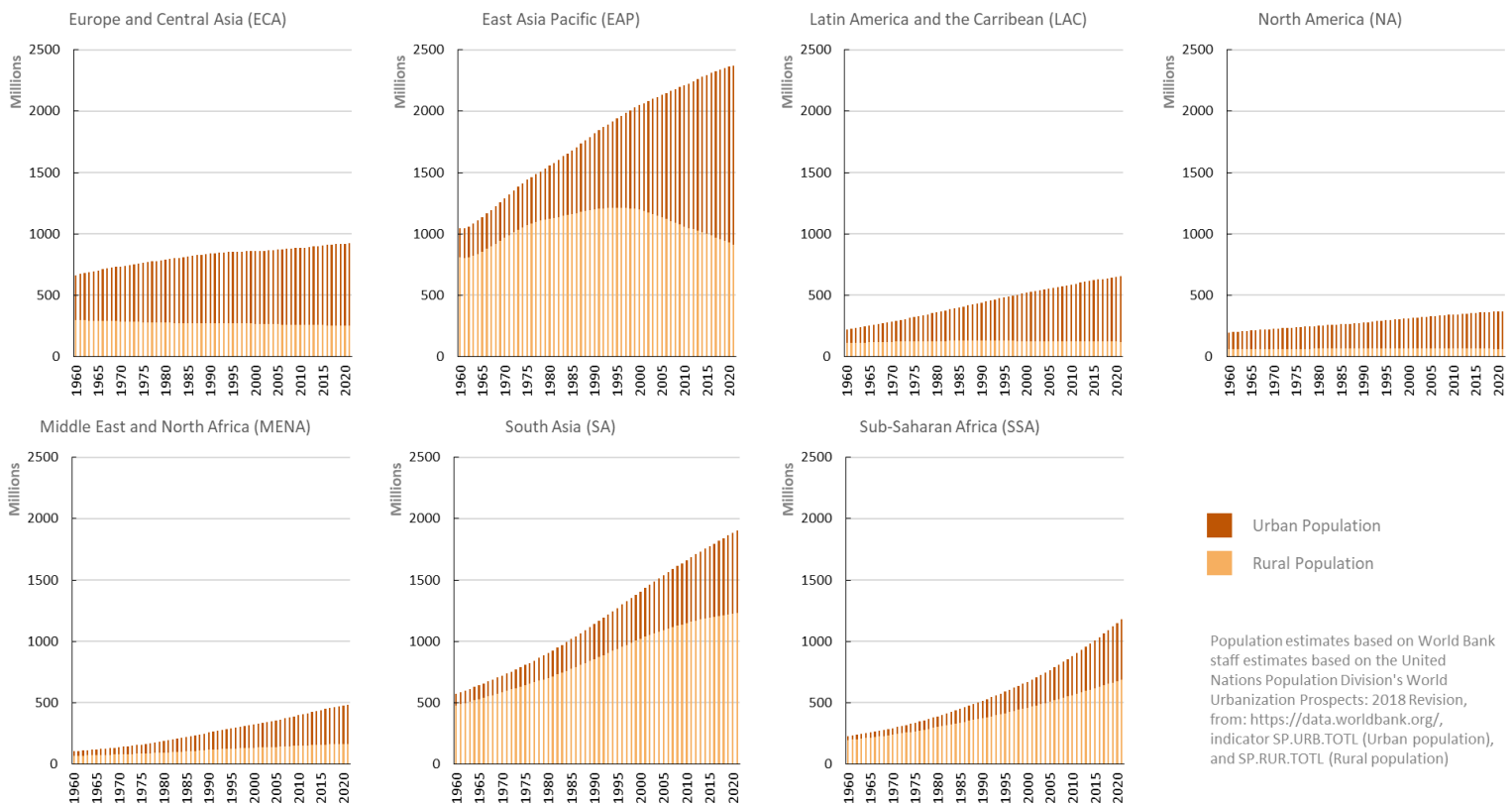


Figure 2. Urbanisation trends across global regions



Annex 2. The world's megacities

Rank	Megacity	Country	Region	Population 2018 (mn)	Population 2030 (mn)
1	Delhi	India	South Asia	28,5	38,9
2	Tokyo	Japan	East Asia & Pacific	37,5	36,6
3	Shanghai	China	East Asia & Pacific	25,6	32,9
4	Dhaka	Bangladesh	South Asia	19,6	28,1
5	Cairo	Egypt	Middle East & North Africa	20,1	25,5
6	Mumbai	India	South Asia	20,0	24,6
7	Beijing	China	East Asia & Pacific	19,6	24,3
8	Mexico city	Mexico	Latin America & Caribbean	21,6	24,1
9	Sao Paulo	Brazil	Latin America & Caribbean	21,7	23,8
10	Kinshasa	Congo	Sub-Saharan Africa	13,2	21,9
11	Lagos	Nigeria	Sub-Saharan Africa	13,5	20,6
12	Karachi	Pakistan	South Asia	15,4	20,4
13	New York	USA	North America	18,8	20,0
14	Chongqing	China	East Asia & Pacific	14,8	19,6
15	Osaka	Japan	East Asia & Pacific	19,3	18,7
16	Calcutta	India	South Asia	14,7	17,6
17	Istanbul	Turkey	Europe & Central Asia	14,8	17,1
18	Lahore	Pakistan	South Asia	11,7	16,9
19	Manila	Philippines	East Asia & Pacific	13,5	16,8
20	Buenos Aires	Argentina	Latin America & Caribbean	15,0	16,4
21	Bangalore	India	South Asia	11,4	16,2
22	Guangzhou	China	East Asia & Pacific	12,6	16,0
23	Tianjin	China	East Asia & Pacific	13,2	15,7
24	Shenzhen	China	East Asia & Pacific	11,9	14,5
25	Rio de Janeiro	Brazil	Latin America & Caribbean	13,3	14,4
26	Chennai	India	South Asia	10,5	13,8
27	Los Angeles	USA	North America	12,5	13,2
28	Moscow	Russia	Europe & Central Asia	12,4	12,8
29	Jakarta	Indonesia	East Asia & Pacific	10,5	12,7
30	Hyderabad	India	South Asia	9,5	12,7
31	Bogota	Colombia	Latin America & Caribbean	10,6	12,3
32	Lima	Peru	Latin America & Caribbean	10,4	12,3
33	Bangkok	Thailand	East Asia & Pacific	10,2	12,1
34	Luanda	Angola	Sub-Saharan Africa	7,8	12,1
35	Paris	France	Europe & Central Asia	10,9	11,7
36	Ho Chi Minh City	Vietnam	East Asia & Pacific	8,1	11,1
37	Jiangsu	China	East Asia & Pacific	8,2	11,0
38	Dar es Salaam	Tanzania	Sub-Saharan Africa	6,0	10,8



39	Chengdu	China	East Asia & Pacific	8,8	10,7
40	London	UK	Europe & Central Asia	8,9	10,2
41	Tehran	Iran	Middle East & North Africa	8,9	10,2
42	Seoul	Korea	East Asia & Pacific	10,0	10,1
43	Ahmadabad	India	South Asia	7,7	10,1



Annex 3. Glossary

Active transport	A mode of transportation that involves physical activity, typically through human-powered means, such as walking, cycling or the use of non-motorised scooters or skateboards.
Air pollutants	Include, but are not limited to, nitrous oxides (NOX), sulphur oxides (SOX), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP) and particulate matter (PM)
Buffer zone	An area surrounding a property with legal and/or customary restrictions to its use and development, to give an added layer of protection to heritage sites (UNESCO, 2023).
Business continuity plan	Plans, principles, strategies and/or procedures to maintain continuity of critical and systematically important company processes. In this benchmark, this refers specifically to plans made to manage natural disaster risks.
End-use efficiency & demand strategies	May include offering rebates for energy-efficient appliances, weatherising customers' homes, educating customers on energy-saving methods, offering incentives to customers to curb electricity use during times of peak demand ('demand response'), or investing in technology such as smart meters, which allow customers to track their energy use (SASB Electric Utilities & Power Generation).
Heritage sites	Cultural and natural heritage, mixed cultural and natural heritage, cultural landscapes, or movable heritage sites. Heritage sites may come in the form of landscapes, groups of buildings, individual monuments or other works of outstanding universal value. See UNESCO's full list of World Heritage sites here: https://whc.unesco.org/en/list/ .
Highest governance body	Formalised group of individuals with the highest authority in the organisation responsible for the strategic guidance of an organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body (GRI, 2021).
Land tenure	The relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to land (FAO, 2012).
Local urban policy instruments	Land use plans, zoning plans and – when local instruments are not present – regional planning instruments.



Materiality assessment	Description of how a company prioritises its most relevant sustainability impacts and the outcome of its process to include a description of the SDGs, NUA points or local development objectives that are relevant.
Meaningful engagement	Characterised by two-way communication and depends on the good faith of participants on both sides. It is also responsive and ongoing and includes, in many cases, engaging with relevant stakeholders before decisions are made.
Neighbourhood character	A combination of various elements that give neighbourhoods their distinct "personality." These elements may include a neighbourhood's land use, urban design, visual resources, historic resources, socioeconomics, traffic and/or noise.
Open data standards	Standards that are implemented to make data openly accessible and usable by anyone. Often visualised spatially, an example of open data standards for showing disaster risks are the Open Geospatial Consortium (OGC) standards. Another example of data standards that may be pertinent for recording and publishing building information, and thus help in documentation of post-disaster damages and risk simulation, are the open BIM standards.
Property rights	In this benchmark, refers specifically to formal property rights to land that are explicitly acknowledged by the state and may be protected using legal means. This is applicable to both statutory rights and customary rights, depending on the context.
Protected areas	Area that is protected from any harm during operational activities, where existing ecosystems are to be maintained in their original condition (GRI 304-4).
Public open spaces	Undeveloped land or land with no buildings (or other built structures) that is accessible to the public, and that provides recreational areas for residents and helps to enhance the beauty and environmental quality of neighbourhoods. These spaces are also available to all without charge and are normally publicly owned and maintained (UN-Habitat, 2018).
Public transport	A system of transportation that is available for use by the general public, typically consisting of vehicles and infrastructure operated by government or private entities. It is designed to provide efficient and affordable transportation services to individuals who do not use private vehicles or prefer shared transportation options.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation. Risk assessment should be conducted systematically, iteratively and collaboratively, drawing on the knowledge and views of stakeholders. It should use the best available information, supplemented by further enquiry as necessary (ISO 31000).
Stakeholder	Individual or group with interests that are affected or could be affected by an organisation's activities. Examples include business partners, civil society organisations, consumers, customers, employees and other



workers, governments, local communities, non-governmental organisations, shareholders and other investors, suppliers, trade unions and vulnerable groups (GRI, 2021).

Value chain	The range of activities carried out by an organisation, and by entities upstream and downstream from the organisation, to bring the organisation's products or services from their conception to their end use. Entities upstream from the organisation (e.g. suppliers) provide products or services that are used in the development of the organisation's own products or services. Entities downstream from the organisation (e.g. distributors, customers) receive products or services from the organisation. The value chain includes the supply chain (GRI, 2021).
Waste	Anything that the holder discards, intends to discard or is required to discard (GRI 306). Can include residuals and by-products, excluding recovered materials, and may be solid, liquid or gaseous, and hazardous or non-hazardous.
Wastewater	Water that has been used in various human activities and has become contaminated with pollutants, impurities or other substances as a result. This water may originate from domestic, industrial, commercial or agricultural activities and typically contains a mixture of liquid and solid waste.
Water pollutants	Include, but are not limited to, biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), heavy metals (e.g. mercury, lead, zinc) and volatile organic chemicals (VOCs) (e.g. solvents, pesticides, synthetics).
Water stressed areas	A territory that withdraws 25% or more of its renewable freshwater resources (UN Water: https://www.unwater.org/water-facts/water-scarcity).
Water withdrawal	Also known as water abstractions, refers to freshwater taken from ground or surface water sources, either permanently or temporarily, and conveyed to a place of use (OECD 2023).
Zero conversion	In this benchmark, refers to "net-zero" conversion, meaning that companies may still develop new areas to accommodate urban growth, provided that they compensate for the area that was developed.



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