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1 Management Summary

About World Benchmarking Alliance

The World Benchmarking Alliance (WBA) was launched in 2018 with the aim to catalyse change among leading companies in order to achieve the Sustainable Development Goals by 2030. The private sector, in particular large companies, have an outsized influence on many SDGs including those related to environmental sustainability (emissions, pollution, water quality etc.) as well as social aspects (labour standards, inclusion). Lack of objective, independent metrics for measuring and benchmarking the performance has been undermining the ability of both companies themselves to learn and stimulate improvement across these goals, as well as for other actors (such as civil society, or governments) to hold companies accountable for their actions. The WBA was launched to address exactly this gap, by benchmarking the 2000 most influential companies in 7 transition areas.

About this evaluation

This independent evaluation, carried out by research consultancy Technopolis Group, has aimed to take a first high-level stock of WBA’s effectiveness, coherence and first signs of impacts. As part of this evaluation, a theory of change covering four impact pathways was developed, guiding the investigation. The focus of this evaluation lies on the mechanisms towards outcomes and impacts of the benchmarks. The evaluation is based on a synthesis of evidence from stakeholder interviews, desk research, case studies, benchmark data analysis, and web scraping.

Main findings

Effectiveness

For a relatively young organisation, WBA has managed to very quickly establish itself as a leading independent benchmarking organisation on many key transformation challenges. It is increasingly visible and its benchmark are used by an increasing number of stakeholders. WBA Benchmarking influences companies to improve their corporate policies via four main pathways, with different levels of effectiveness:

- **Race to the top**: companies use WBA rankings and scores in their own corporate communications (unsurprisingly, mostly positive aspects). However, absolute rank seems to be of limited strategic interest for the intended impacts, beyond immediate PR, and may have even have adverse side-effects (‘ESG-washing’) due to misinterpretation on the part of stakeholders. Overall, this is not the most effective pathway for inducing change.

- **Learning by companies**: We have found quite broad evidence of learning effects, in particular for companies that engage with WBA via COPs or one-on-one. Companies receive valuable feedback through their participation in the benchmark, and there is ample evidence of companies incorporating feedback for a next cycle. Although there is a bias towards focusing on disclosure rather than true transformation, WBA is effective in inducing change in company policies via these strategies.

- **External pressure (to laggards)**: External stakeholders can be an important way to generate leverage on corporates to change their policies. We have found evidence that investors are increasingly using WBA as a resource to put pressure on corporates to update their corporate policies. For NGOs/civil society/media, this is more challenging and less effective (in terms of inducing corporates to change their
policies/strategies/practices) so far. The extent to which this pressure engenders large-scale change among corporate policies is not yet evident, but there is clear potential.

- **Public Policy.** The longest impact route involves informing and supporting policy change based on the insights from the benchmarks. WBA is increasingly visible in key global forums, and has some early successes in contributing to policy change. This impact route has potential, but is a long game.

We find evidence that WBA has been important as a contributor and enabler to improving corporate accountability across the transformations, even if that accountability is often not effectuated by others. There is limited evidence that the policy and strategy changes at company level is already cascading through to societies and the environment. While some companies do see early impacts, no concrete or specific information could be shared. This is due to the nature of the current benchmarking approach (based on public disclosures, not discovered data), the difficulty in assessing and measuring such impact (even for companies), and the general closedness of companies. On the positive side, companies will be held to higher standards after committing to policies (including internally, by staff), and disclosure does facilitate external pressure as well.

The Alliance is a valuable tool for Allies, although in particular so for an active minority. NGOs and civil society find a way to share their voice and engage with companies on a global stage in Alliance events, and investors can find useful data to use in their own corporate engagement strategies. Focused engagement through CICs seem particularly effective rather than broad dissemination of results. The benchmarks are broadly coherent with other frameworks and benchmarks, but attention is needed to keep it that way. The fast pace of new global standards means that benchmarks are part of an evolving landscape and there is still room for better alignment. There is limited systematic overlap with other benchmarking organisations, and good collaboration with some specific ‘deeper’ benchmarks.

**Key Recommendations**

- Build on the impressive achievements of the past five year, but engage in a process of evolution and reorientation to develop an updated Theory of Change and narrative.
- Maintain exclusive reliance on public funds and foundations, to ensure independence.
- Remain agile by moving quickly in new emerging challenges and transformation areas.
- For each transformation/sector area, develop/upgrade a clear engagement strategy that is either focused on the learning pathway or the external pressure pathway, depending on the level of engagement and traction in a specific area. Develop a maturity model that can guide transformation areas in what should/can be expected in terms of results from benchmarks over their lifecycle.
- De-emphasize the ‘race to the top’ narrative.
- In case of the learning pathway, deeper learning and even joint commitments (e.g. companies together, or even in a broader partnership) would be a next steps to ensure greater impacts. This is related to an updated partnership approach.
- In case of the pressure pathway, WBA would need to work more strategically with investors, NGO and civil society. For investors, this is ongoing and can be intensified. For NGOs/civil society, a new strategy is needed. A logical focus would be to form strategic partnerships with larger NGOs that have the resources to effectively use the insights generated by WBA to put pressure on companies, in particular on the (relative) laggards.
• In line with the above, update the partnership/Alliance strategy, to reflect a stronger and more systematic collaboration with a select number of ‘core’ partners.

• For the policy impact pathway, this has clear potential, in particular for new/emerging areas. While this is a longer pathway, WBA has the potential to provide meaningful evidence for policy reform, with its unique data and insights.

• Continue and further strengthen the use of a balance of indicators between policies, strategies, commitments, practices, results and impacts, such as already done under the ACT-framework. Even if full impact benchmarking is likely to remain challenging or impossible, a clear indication of ‘progress towards concrete results and impacts’, also in terms of the indicator composition, would strengthen the impact-orientedness.

• Invest in the development of use of discovered data and impact indicators.
2 Introduction

2.1 Background to the evaluation

The World Benchmarking Alliance was launched in 2018 with the aim to catalyse change among leading companies in order to achieve the Sustainable Development Goals (SDGs) by 2030. The private sector, in particular large companies, have an outsized influence on many SDGs including those related to environmental sustainability (emissions, pollution, water quality etc.) as well as social aspects (labour standards, inclusion). Lack of objective, independent metrics for measuring and benchmarking the performance has been undermining the ability of both companies themselves to learn and stimulate improvement across these goals, as well as for other actors (such as investors, civil society, or governments) to hold companies accountable for their actions. The WBA was launched to address exactly this gap, by benchmarking the 2000 most influential companies in 7 transition areas. Its approach is outlined in Figure 1 below.

![Figure 1 WBA's approach](source: WBA)

As a young organisation with high ambitions, funded largely by (public) donors, regular independent evaluation is a key tool to generate insights in WBA’s mechanisms and results towards its foreseen impacts. It is as such a key tool for both learning, as well as accountability. A third goal of this evaluation is to contribute to the wider literature on the effectiveness and influence of benchmarking, thereby also contributing to wider learning. As such, the results will be made publicly available.

This evaluation is a follow-up of a mid-term evaluation carried out in 2020. The mid-term evaluation found that WBA was the first organisation to consolidate benchmarking initiatives. It also concluded that WBA, in its first two years of operation, had delivered on the expected research outputs and had hence quickly developed credibility among important stakeholders. It also noted that the first signs of impacts were already visible in its longer running benchmarks and that more visible impacts could be expected in the next three to five years. In contrast to that period, at this moment in time more insight into actual outcomes and impact should be known. In order to provide the optimal learning effect for this evaluation given the available

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1 Final mid-term evaluation report conducted by Steward Redqueen B.V.
resources, we have decided to focus our design and approach on the nexus between outputs and outcomes while looking ahead at impacts.

2.2 Building blocks for this evaluation

Our conceptual and methodological design was based on a number of key conceptual and methodological ‘building blocks’ that determined our approach for this evaluation.

- **Built on a theory of change** within a systemic perspective. Concretely, we have based our assessment of WBA on a theory of change, situated in a systemic perspective. In order to keep this manageable, we have organised the evaluation around a select number of archetype **impact pathways** (see Figure 2) and defined and assessed critical assumptions. More is explained in 2.3.

- **A synthesis between key evaluation questions and OECD-DAC criteria** in order to arrive at clear yet complete focus for this evaluation. We have used a mixed-method approach to gather a rich insight into the working mechanisms of WBA. In terms of design, we used a mix of traditional ‘representative’ methods and more focused outcome-harvesting using data science and case studies. More is explained in 2.4.

- **We used a learning approach** to this evaluation, dedicating time to collective prioritisation and design in the inception phase, as well as validation and learning in the final phase of the evaluation. More is explained in 2.5.

2.3 Conceptual approach

Our evaluation approach was centred on the theory of change of WBA, styled around four central ‘impact pathways’ that show the main mechanisms of how WBA’s activities and outputs should lead to its desired impacts of transformational change. The key pathways are focused on the main agents and motives of change:

- **1: Race to the Top**: Benchmarks instil competitive behaviour among those firms that, either driven by core values or consumer branding motivations, wishes to be among the top ranked firms in relation to sustainable and social practices.

- **2: Learning**: A benchmark provides a structured form of learning for all willing and able firms in the ranking of why their performance is suboptimal, and provides directions regarding improvement (e.g. by looking at better performing firms)

- **3: Pressure on the laggards**: Benchmarks are often used by other actors (investors, civil society, governments, even citizens) to pressure (relatively or absolutely) lagging firms into improving their outcomes

- **4: Policy change** The benchmark and the wider movement around it may inform and induce policy and regulatory change, in particular for supranational frameworks (EU Regulations, UN Standards etc.)

We know these pathways may overlap in the cases of individual firms, yet they provide a good unit of analysis to have insight into which mechanisms are particularly relevant (this may also differ across transformations). It is also important to assess the **scope of change** of these companies to assess expected impacts on society and environment. Finally, we have identified two assumptions underlying the theory of change that have been validated during the evaluation, and have been integrated as evaluation questions.

- **Improved position in the benchmarks is directly associated with actual improved performance, without disproportionate side-effects.**
• The benchmarks provide additional value to existing efforts and are coherent with other approaches.

![Figure 2 Conceptual Approach](image)

**2.4 Evaluation Framework**

We have mapped the evaluation questions against the OECD-DAC criteria and added evaluation questions for Coherence and Relevance. We have also added a question on Value-for-Money (Efficiency), although we have assessed this aspect in a broad, high-level sense rather than economic efficiency at detailed activity level. The evaluation framework presents the main overall evaluation questions.

We have used a combination of methods. We have used desk research and data analysis of existing sources available at WBA to develop a good baseline of understanding of the activities and outputs of the WBA. We have used stakeholder interviews and a stakeholder survey to collect a broad view of WBA’s performance across impact pathways, as well as drivers and barriers for these pathways. We have also used web-scraping to get an estimate of the uptake of the WBA benchmarks and methodologies. Finally, we have used econometric analysis of existing WBA benchmark datasets to test the impact pathways from a more quantitative perspective. These methods are described in more detail in section 2.5.
Table 1  Evaluation Framework

<table>
<thead>
<tr>
<th>Main Evaluation Questions</th>
<th>Desk</th>
<th>Cases</th>
<th>Stakeholder Survey</th>
<th>Webscraping &amp; Text Mining</th>
<th>Data Analysis</th>
<th>Stakeholder Interviews</th>
<th>Relevant OECD/DAC Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>In what ways are key stakeholders using WBA methodologies, insights and results to hold companies to account on their sustainability commitments?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Effectiveness</td>
</tr>
<tr>
<td>How do WBA benchmarks and stakeholder actions based on WBA benchmark results lead to changes in company behaviour?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>Effectiveness</td>
</tr>
<tr>
<td>How and to what extent does strong performance in the benchmark cascade through to positive impact on people and the planet, particularly in developing countries?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>Impact</td>
</tr>
<tr>
<td>What is the added value of the Alliance for Allies?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>Relevance, Effectiveness</td>
</tr>
<tr>
<td>Are the benchmarks additional and in line with other relevant frameworks</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>Coherence, Relevance</td>
</tr>
<tr>
<td>Are the benchmarks capturing performance without disproportionate side-effects?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Relevance, Impacts</td>
</tr>
<tr>
<td>Does WBA provide value-for-money?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>Efficiency</td>
</tr>
<tr>
<td>What are critical success factors?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>Effectiveness</td>
</tr>
</tbody>
</table>

Source: Technopolis (2023)

2.5 Methodologies / Data Collection

**Desk research** comprised all relevant internal documentation, including the rich inputs from the Impact, Learning and Development (ILD) team (including Impact Journeys, Case Studies & Impact Projects), Annual Reports, the Mid-term evaluation, etc., as well as relevant external policy or academic literature.

The **stakeholder survey** was aimed at collecting the perspective from benchmarked companies, allies and other stakeholders on (the activities of) the WBA. The main channels employed for distributing the survey were internal mailing lists of the WBA. The link was included in an email that was sent out to companies benchmarked in the Digital Inclusion Benchmark, a follow up email after the Q3 Investors Quarterly call, in the monthly Allies newsletter for the months of October and November, and in targeted emails to selected Allies. Engaged companies in the Food and Agriculture Benchmark and some Collective Impact Coalition members were also provided with the link. In addition, WBA employees were asked to include a note about the ongoing survey in their email signature and an invitation to complete the survey was shared on WBA’s social media and by some WBA employees. Next to these channels the survey was also distributed on Technopolis and WBA social media. The stakeholder survey received over the timeframe from 6 October to 13 November 50 completed.
responses. While the choice for the use of open invitations does not allow us to determine the exact response rate of the survey, the estimate is that the response in general is on the low side. Yet, the response is in line with what could be expected based on the experiences of the previous evaluation of the WBA, in which the response on the survey also turned out to be on the low side. One of the explanations is limited initial willingness of benchmark and engagement leads, outside a few exceptions, to broadly distribute the survey among benchmarked companies, worried about burdening the companies due to several benchmark launches happening simultaneously. Heavy support from the WBA ILD team did result in a better outreach to companies, but not a full coverage of all (engaged) companies. The low response on the survey could bias the response to stakeholders that are either extremely satisfied or dissatisfied with the World Benchmarking Alliance. Yet, the survey offers still a large enough sample to provide insight into the general patterns, but it limits the possibilities to conduct further analyses on the results.

**Interviews** were held with 36 stakeholders from WBA, funders, Allies (NGOs, civil society, investors), companies and partners.

**Four cases** were carried out to zoom in on outcomes and impacts generated through the different pathways and transformations. For each case, a discussion was held with the WBA benchmark lead to do a most-significant change analysis of where most likely the Technopolis research teams could find concrete impacts. Together, follow-up interviews were planned and desk research, via an impact tracing method, was carried out. The impact-tracing method in this case consisted of a step-by-step analysis of the flow of influence from WBA outputs (the benchmarks) to eventual impacts, in line with the overall theory of change and the impact pathways as described in 2.3. For each step along the theory of change, we analysed the degree of contribution from WBA on changes at the next level. The results are four case studies. They are currently in the process of finalisation, and verification with stakeholders. Information has already been used (anonymously where relevant) in the report.

**The data analysis** of the 2021 and 2023 iterations of the Digital Inclusion Benchmark, Food and Agriculture Benchmark and the Oil & Gas Benchmark is used to conduct various investigations on whether the patterns over time are in line with the impact pathways.

**The webscraping analysis** was aimed at gathering a broad picture about references to WBA by Allies, SDG2000 companies and other NGOs. For this purpose we scraped the first 1,000 pages of the websites of the SDG2000, Allies and the SGO200. The webscraping is aimed at providing a descriptive overview of the extent to which the various stakeholder groups reference the various benchmarks. In addition, we conducted a qualitative review of the textual contexts in which the WBA or its benchmarks were mentioned.

### 2.6 Reading Guide

The structure of this report follow the Theory of Change. Chapter 3 presents the main results regarding the activities, outputs and outcomes related to the four main impact pathways. Chapter 4 subsequently dives into the high-level outcomes and impacts. Chapter 5 discusses other evaluation aspects. Chapter 6 presents Conclusions and Recommendations.
3 Impact Pathways

<table>
<thead>
<tr>
<th>Research questions addressed in this section:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In what ways are key stakeholders using WBA methodologies, insights and results to hold companies to account on their sustainability commitments?</td>
</tr>
<tr>
<td>• How do WBA benchmarks and stakeholder actions based on WBA benchmark results lead to changes in company behaviour?</td>
</tr>
<tr>
<td>• What is the added value of the Alliance for Allies?</td>
</tr>
</tbody>
</table>

3.1 Race to the Top

3.1.1 Activities and outcomes

Race to the Top has been identified as the first of four central ‘impact pathways,’ each showing the main mechanisms of how WBA’s activities and outputs should lead to its desired impacts of transformational change. The pathway Race to the Top can be understood as the following: benchmarks instil competitive behaviour among those firms that, either driven by core values or consumer branding motivations, wish to be among the top ranked firms in relation to sustainable and social practices. By definition, this impact pathway applies mainly to companies who are already doing comparatively well in terms of their social and sustainability policies, strategies, and practices. These companies tend to see their Corporate Social Responsibility as an important cornerstone of their corporate identity. Reporting and communicating on sustainability and social issues, and the efforts being taken to tackle them, is built into company functions and activities. The companies find it important to showcase these efforts to build and maintain reputations as responsible companies who are change leaders in terms of social and sustainability issues. The results of the webscraping showed that 119 unique SDG2000 companies referenced the WBA or its benchmark on their website.

Two types of engagements have been identified under the impact pathway Race to the Top: rankings and media. Rankings refers to the position (numbered list) that WBA assigns to each company that it benchmarks. This position directly relates to how well a company is performing on the topic of the benchmark. The companies are assessed through various KPIs distributed across different measurement areas. Each KPI has its own set of scoring guidelines, which is made public after the publication of the benchmark. The average score on these KPIs gives the final ranking number of a company, producing a ranked list of hundreds of companies. Media refers to social media and press releases by companies. Once the rankings are disseminated, social media and company press releases create important platforms on which companies and stakeholders can engage to discuss what the rankings mean for them. This type of media engagement is important and useful because it can potentially lead to mobilising action, fostering further dialogue, heightened awareness, and an overall change in company norms.

WBA published its first benchmark ranking in 2019, starting with The Seafood Stewardship Index, the Corporate Human Rights Benchmark, and the Automotive Benchmark as part of the Climate and Energy Benchmarks. Now in 2023, WBA has expanded these initial outputs in terms of coverage (greater number of companies included) as well as in terms of scope, with

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3 Annual Report 2019
benchmark releases on the topics of gender, digital inclusion, climate and energy, food and agriculture, financial system, and nature. However, benchmarks are not the only type of engagement that has increased. Press releases and corporate disclosures by companies that mention to WBA and WBA benchmarks have also grown considerably. A good example of corporate disclosures mentioning WBA is Apple having reached out to WBA to include their company ranking in the Digital Inclusion Benchmark in their own public disclosures.

3.1.2 Outcomes: companies changing their policies and strategies

The race to the top is a dynamic process: from one iteration to another, as some of the best scored companies have potentially adjusted their policies and/or disclosure, their top-ranked competitors are consequently pushed to improve their strategy and practices accordingly if they wish to at least maintain the same ranking. Hence, the companies interviewed that are doing already quite well in the benchmark are still expected to step up their efforts to stay among the best performers of a given benchmark. In addition, they acknowledge that their successful ranking is in fact a very relative result. In general, for most companies that obtain top scores, their performance is not sufficient in absolute terms and leaves room for significant improvement. This is very clear when looking at the scores into more details: across benchmarks, companies’ scores rarely exceed 50%. This view is confirmed by the results of the stakeholder interviews, with stakeholders indicating that even top scoring companies on most benchmarks are not doing enough in their domain and might actually be harmful to the society (see box below). Indeed, some of them keep being involved in serious allegations over some SDG related aspects: greenwashing, climate inaction (with the example of TotalEnergies being sued in court for these reasons, despite being on the top-3 of the Oil & Gas Benchmark), etc..

Climate and Energy Benchmark: top scoring companies not aligned with a low-carbon economy

On the Climate and Energy Benchmark, the ACT scores provides a specific score on the company’s performance regarding its decarbonization strategy. For example on the 2023 Oil & Gas benchmark, regardless of the other aspects included in the benchmark (just transition, social indicators) Neste and ENGIE are the only companies with an ACT performance score above 50%. Even among the best ranked companies in the benchmark, the ACT performance score drops to levels equal to 30% for the 7 best companies, before reaching very low scores after the 15th company, i.e., less than 20%. This means that most of the companies, even the best ranked in the benchmark, are not aligned with a low-carbon economy.

Among the best scoring companies, our investigations with WBA and companies interviewed show that the race to the top impact also relates to what we describe below in the learning impact: some of these companies are willing to understand the reasons why competitors did better and try to improve their score similarly. This friendly competition between well ranked companies only happens for a small share of them, as some stated they were reviewing their policy by considering several standards, and not only WBA.

The econometric analysis of benchmark data over time (see appendix for a full overview of the results) confirms that there is no evidence of firms that already perform well trying to even further rise in terms of scores. In fact, companies that score in the top quartile in a given year are likely to improve slower compared to those in the middle two quartiles (middle performing firms). A plausible reason for this finding is that improving scores becomes progressively harder, as the ‘easiest’ changes can be done first, and ‘followers’ can more easily incorporate practices from leaders on specific criteria. As such, we find no quantitative evidence that the ‘race to the top’ is a strong driver of benchmark performance. Certain companies are assessed in several benchmarks as their activity and operations make them impactful on several systems

4 https://www.worldbenchmarkingalliance.org/climate-and-energy-benchmark/
transformations. In these cases, they may perform very differently depending on the benchmarks components, being top ranked for some measurements but not all. To this regard, Orsted is a very good example of successful race to the top5: the energy company was ranking first in the Electric Utilities benchmark, which assesses the low-carbon transition performance against the Paris Agreements, but still had improvements to do on Just Transition and Social Transformation assessments part of the overall benchmark. Based on the benchmark methodology, the Danish company stated having identified “relevant indicators…to build an even stronger social and just transition foundation”. This example shows that the transition encompasses several areas and that energy companies performing well on the carbon impacts need to undertake the transition with a holistic approach, including social performance.

Digital Inclusion Benchmark: the race to the top of a giant tech that also increases WBA visibility

Since the first iteration of the Digital Inclusion Benchmark, Apple is the company that has improved most, jumping from 14th to 4th place in the 20216 and 2023 assessments7. Its particular strengths lie in strong data privacy protection as well as its support for start-ups with underrepresented groups. Apple communicated in its public-facing disclosures their rank in the benchmark as the 4th best performing company. The fact that the largest companies in the world use WBA highlight the credibility of WBA benchmarks as being a relevant accountability mechanism.8

However, interviews with stakeholder indicate that a substantial share of companies are moving beyond a focus on score/ranking optimisation, with increasingly companies focused on designing and delivering real-word impacts in their strategies regardless of ranking performance.

Our investigations show that the race to the top seems to be more limited to a reporting-facing use rather than a significant and deep shift of sustainability practices within the organizations. WBA reported that top ranking companies actively used the benchmark to present their sustainability work. And while the absolute score might be highly insufficient and as companies may communicate about their good rank, the highest rankings might be used by companies to send a misleading positive message on their performance. There is a risk that companies might do some cherry picking on the information shared about their performance on the benchmark.

The aspects mentioned clearly appear in Figure 3 below: companies confirm their interest in learning from their peers (which also relates to the learning impact pathway described below), and are generally interested in being among the top performers. Only some of them are also integrating WBA benchmark results within their reports, which might actually correlate to our point below: probably only well ranked companies may communicate about the benchmarks.

5 Impact Journey 2022, Q1
7 https://www.worldbenchmarkingalliance.org/publication/digital-inclusion/
8 Quarterly Impact Journey Q2 2022
Figure 3  Survey Results Companies: race to the top aspects

<table>
<thead>
<tr>
<th>Distribution of answers related to race to the top</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being rated among the top performers of the benchmark is important for our company</td>
</tr>
<tr>
<td>We report on our benchmarking results in our (ESG) company disclosures (e.g. annual report, website)</td>
</tr>
<tr>
<td>We use the benchmark to identify peers we can learn from</td>
</tr>
<tr>
<td>28%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>20%</td>
</tr>
</tbody>
</table>

Source: stakeholder survey (2023)

Figure 4 summarizes the sentiment of mentions of WBA on the internet using the web scraping tool. The first column correspond to the 2000 most influential companies (SDG2000), the second one the Allies, and the third one the 200 leading Social Good Organizations (SGO200). Each column represents, for a given group, the share of WBA benchmarks mentions correlated to a positive, neutral or negative feedback. The overall observation is that the sentiment associated is mainly neutral. Companies are a bit more positive, which indicates that they like to use benchmarks in a positive way, such as promoting that they belong to the top best companies in the benchmark. This observation relates to the race to the top as the best performing companies are significantly communicating more on positive feedback around the benchmarks. We discuss the uptake of information by the NGOs/SGOs and Allies in the ‘Pressure’ Pathway.

Figure 4  Sentiment of mentions of WBA captured in the web scraping

Source: Web scraping (Technopolis)
3.2 Learning (by companies)

3.2.1 Activities and outcomes

Learning has been identified as the second of four central ‘impact pathways,’ each showing the main mechanisms of how WBA’s activities and outputs should lead to its desired impacts of transformational change. The pathway Learning can be understood as the following: a structured form of learning derived from a benchmark for all willing and able companies in the benchmark – in some cases it might involve companies who are not included in the ranking. The learning comes from choosing to engage to understand why their performance is suboptimal and exploring directions regarding improvement (e.g. by looking at better performing firms). This impact pathway applies mainly to companies who are not performing excellently in the benchmarks published by WBA. These companies have not fully and/or comprehensively encompassed social and sustainability concerns within their Corporate Social Responsibility strategies, policies and practices. This means that the companies either do not disclose their efforts to tackle such issues, or simply have not implemented any actions to address them. In these cases, there is a lot of room for learning and improving how to create policies and strategies to better tackle social and sustainability issues, as well as how to adopt better disclosure policies and strategies. Albeit, although this impact pathway will traditionally apply to the companies described, this does not exclude the possibility of other companies predominantly involved in other pathways also adopting this pathway partially or fully.

Two types of engagements have been identified under the impact pathway Learning: Communities of Practice (CoPs) and one-to-one engagement with companies. CoPs, in WBA’s context, is a series of peer learning roundtables where companies (grouped by benchmark) come together to discuss and learn from one another. CoPs were initiated in response to companies articulating the necessity for interactive platforms to discuss obstacles that hinder advancement, exchange knowledge, and connect with peers in relevant fields. One-to-one engagement with a company comprises many types of engagements, but at its core it takes place when companies are willing to have conversations, ask questions about WBA’s outputs and are curious to understand their scores better. In some less frequent instances, these one-to-one engagements take place when companies who are unhappy about their ranking approach WBA – still, these conversations have often proven to be fruitful. There is quite a difference in engagement levels by benchmark (see Figure 5), with an overall engagement level of around a quarter of all firms benchmarked. Negative outliers include the Oil and Gas, Utilities, Gender and Automotive benchmarks, whereas the Digital Inclusion, Food and Agriculture, CHRB, Financial System and Seafood Stewardship have relatively engaged company groups.

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9 Based on internal WBA interview
WBA first started to officially host CoPs in 2021. The CoPs are held per transformation, with the Digital, Food and Agriculture and Social transformations being among the first to host their own. WBA has experimented with several different ways in which these CoPs can be hosted. It has hosted CoPs individually as well as co-hosted them. It has also experimented with the way in which they choose the participating companies. The number of benchmarked companies has grown considerably, which makes it difficult to choose which ones should be invited. WBA has found that one of the most successful ways to choose participants is by only inviting companies who have engaged during the benchmarking process. This invitation approach has also worked to incentivise more companies to engage with WBA throughout the benchmarking process. CoPs have been largely well received by companies since they were created in response to companies’ needs for having an interactive platform where they could learn from another. A good example of how companies have positively welcomed the CoPs can be drawn from the Access to Seeds Index’s first CoP, where the company APSA shared the summary of learnings from the session in the Q2 Asia Seed Magazine. Below in Table 2 is an overview of the CoPs held to date.

Table 2 Overview of CoPs

<table>
<thead>
<tr>
<th>Communities of Practice (CoPs)</th>
<th>Transformation</th>
<th>Discussion Topic</th>
<th>Launch Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital</td>
<td></td>
<td>How to become a digital inclusion changemaker,</td>
<td>20 Apr 2021</td>
</tr>
</tbody>
</table>

Source: internal WBA data. Only most recent benchmark cycle is considered.
### WBA Internal Documentation

In relation to the engagements that we have identified for this learning pathway, certain questions in the survey that we shared with stakeholders are relevant in this regard. These relevant questions can be seen below, in Figure 6. The results show that companies have the highest level of engagement with WBA in terms of reviewing and completing draft assessments and providing information for benchmark cycles. Notably, 16% of companies have no engagement and 60% of them have minor engagements with WBA in terms of follow-up discussions regarding the benchmark outcomes. In terms of CoPs, engagement is quite low – with 56% citing no engagement.
3.2.2 Outcomes: companies changing their policies and strategies

At different levels, the WBA benchmarks, network and activity are a source of learnings for companies. While WBA’s main output lies in the benchmarks publication, its activity and impact go beyond companies’ scores and rankings: first, companies are engaged with regular dialogues with WBA teams as well as meetings or events with peer companies. Second, the evaluation itself constitutes a strong basis for improving companies’ disclosure and internal policy along the iterations of the benchmarks.

The econometric analysis of benchmark data shows that firms have been systematically improving their scores of specific indicators where they were poorly performing in previous benchmark iterations. These findings are consistent among the two benchmarks included (Food and Digital) in the analysis and all subcomponents. The effect was typically stronger on companies that engage with WBA during the benchmarking process. Together, this provide some indicative evidence that there is indeed a learning effect of the WBA benchmarking process. A description of the full outcomes and applied methods for the econometric analyses can be found in the appendix.

Having a clear focus of its activity dedicated to companies’ engagement, WBA tends to engage in dialogue with companies at different steps of the benchmark cycle. In particular, after the publication of a given benchmark, several companies interviewed reported that this dialogue with the research team of WBA was the opportunity for them to better understand their score and WBA’s expectations. The benefit is double: on one hand, the company assessed has a better vision on its strengths and areas of improvements, and on the other hand, the WBA team can create a better understanding of the company’s overall structure and constraints.

In several contexts and forms, the collaboration between WBA and the assessed companies led to positive learnings. Over the past two years, several WBA actions focused on increasing companies’ engagement and learning were success stories. For example, WBA was invited by...
Unilever in January 2022 following the publication of the Social Transformation Baseline to present the results to its sustainability team. This was the opportunity for Unilever to understand its potential for improving its own performance and inspire other companies to improve through collaboration. WBA also hosted webinars to introduce methodologies or to conduct Q&A sessions on a specific benchmark. This is particularly helpful for new companies as it can be considered as an onboarding process with the WBA methodologies, but also for the companies included in previous iterations to provide a refresher. For the Digital Inclusion Benchmark, the impact on companies’ engagement was particularly positive: several companies previously assessed by the benchmark that did not engage, or even strongly opposed to their inclusion in the benchmark (like Digicel), have attended a webinar organised by the WBA team afterwards. For the next benchmark, these companies will be actively engaged and open to learn.

A couple of the companies interviewed stated that the network and regular events put in place at WBA like the Community of Practice are also a useful place for them to share experiences and benefit from the success factors of their peers. While it contributes to the Race to the Top, it is above all a place for sharing and identifying the key elements for improving the performance. The joint participation of several benchmarked companies also contributes to showcase the feasibility of having a good score. For companies that lag, it helps identifying actions to better perform from a company operating in the same sector or with replicable actions. For example, certain indicators can be easily improved by increasing transparency on existing policies. For companies that are already performing well and that want to push better actions internally, the interviewees reported that this peer learning is very helpful to have examples on what competitors say and do. For making internal decision within the company, having the view of other companies supports the justification for wanting to prioritize some actions. Finally, regardless of the companies’ performance, they reported that this sharing of experiences was an essential part of the learning process.

The recognition of WBA’s work as a reliable methodology is key to engage companies and bring them support using WBA’s outputs. A general feedback from companies and partners interviewed is that WBA’s overall work is of high quality and robust. Several stakeholders stated they had used the methodologies developed by WBA as a “standard” to develop their internal policies and disclosure.

### Food and Agriculture Benchmark: a successful engagement process

Launched in 2021, the Food and Agriculture Benchmark published the results of its second iteration in 2023. An important engagement process was put in place after the first benchmark publication in 2021: 28 companies joined an information session to learn more about the leading practices standing out from the FAB. In addition, WBA invited companies for bilateral follow-up to provide companies with more tailored feedback on their score. Among others, Musim Mas (a privately owned integrated palm oil company) and a conglomerate active in agribusiness, have expressed a clear added value of the WBA benchmark compared to other ratings, and meaningful discussions helped them better understanding opportunities for improvements.

While WBA’s work and collaboration with companies, investors, civil society, etc built on positive impacts on companies, several areas of improvement have been identified.

Based on certain companies’ feedback, the main improvements seem to be very focused on reporting rather than concrete actions. While the methodologies developed by WBA are

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10 Impact journey Q1, 2022
11 Quarterly Impact Journey Q2 2022
13 Impact Journey Q1, 2022
recognized as relevant and robust, certain companies stated having used their resources to improve their scores by aligning with the disclosure requirements and expectations in terms of wording to obtain the highest scores. In certain cases, they report not having changed anything about their current policies, but had rather improved the disclosure of certain aspects that were already implemented within their organization.

Another limit reported by certain Allies or companies interviewed was also the lack of investment into more deep learning and the capacity to engage with companies equally across continents. Companies want to move beyond generic insights, and dive into the details of the assessment and to discuss concrete strategies for improvement on the specifics. Also, for regions where WBA is not well positioned and recognized yet, investing into trainings was mentioned by partners to help WBA increasing its visibility. Our findings highlight the differences in awareness of WBA's work across different countries. For instance, on the one hand the interviewees based in China and Thailand mentioned that the challenge of increasing learning is key not only for companies but also for stakeholders in general (investor, civil society…), as WBA is not sufficiently visible. Partners in these countries indicate to face difficulties to engage more stakeholders, for example because of a limited access to WBA events due to an invitation-only basis. As such, these companies indicate that they have lower benchmark scores than would have been possible under a more tailored approach. On the contrary, a successful engagement of Japanese companies on the Seafood Stewardship Index has been demonstrated\textsuperscript{14}: delegations from Japanese companies collaborated with WBA to discuss the benchmark and their role in the benchmarking process. Finally, 5 out of the 6 Japanese companies in the scope of the benchmark submitted data. As WBA has very different levels of visibility, this observation shows different needs in terms of engagement and awareness depending on the geographical region.

Figure 7 shows how companies engage with WBA. From the different types of engagement listed, it seems very clear that companies engage much more with WBA for discussions directly related to the assessments: follow-up on benchmark outcomes, providing information for the different cycles and reviewing and complementing draft assessments. The engagement with companies is however much less important for activities less directly connected to the benchmarks, like the Community of Practice and Benchmark methodology development. A vast majority of respondents have replied they were not or very partly engaged with WBA on these aspects.

\textsuperscript{14} Annual report 2019, WBA
More generally, companies interviewed stated that the overall learnings had to be put into perspective with other CSR or ESG ratings. While WBA plays a significant role as an independent and non-for-profit organization, the benchmarks still come along with other ratings, and companies are willing to take most of them into account. Consequently, the learning from WBA assessment arises within a holistic approach conducted by certain companies to align with the main elements that stand out from these ratings. For these companies, the learning impact attributable to WBA is less direct.

Figure 8 illustrates the results obtained from the survey (with companies, N=25) with certain focus on the learning aspects. We qualify the extent to which companies capture the results internally. Globally, there seems to be a consensus on the identification of areas of improvement, 88% of respondents agreed or strongly agreed that the benchmark was used to identify improvements in their companies. This identification was done either through companies’ specific assessment or through peers they can learn from (for 80% of the respondents). For 60% of companies that answered the survey, the benchmarks results are relayed to the organization and the top leadership, key factors for successfully implementing new practices. The results are more mixed when dealing with the integration of WBA results in companies’ (ESG) reports. In total 56% of the survey respondents claim not having done so, possibly related to sub-optimal performance.
Figure 8  Elements of answers from the survey

Distribution of answers to questions related to learnings

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>I don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>A low rating on the benchmark would be a significant source of concern for our company</td>
<td>4%</td>
<td>32%</td>
<td>48%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Being rated among the top performers of the benchmark is important for our company</td>
<td>28%</td>
<td>55%</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NGOs, civil society, governments or the media confront us with the benchmark results</td>
<td>28%</td>
<td>36%</td>
<td>24%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Our investors/shareholders find our performance on the benchmark important</td>
<td>24%</td>
<td>36%</td>
<td>16%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Our top leadership is aware of the benchmark results</td>
<td>8%</td>
<td>32%</td>
<td>32%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>The benchmark is taken seriously throughout the entire organisation, beyond ESG departments</td>
<td>8%</td>
<td>28%</td>
<td>48%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>The benchmark is used in our company to identify areas of improvement</td>
<td>12%</td>
<td>64%</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We report on our benchmarking results in our (ESG) company disclosures (e.g. annual...)</td>
<td>20%</td>
<td>36%</td>
<td>28%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>We use the benchmark to identify peers we can learn from</td>
<td>20%</td>
<td>56%</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: stakeholder survey (2023)

Our conclusion regarding this impact pathway is that learning is by far one of the most significant impacts of the benchmarks on companies. While the visibility of WBA benchmarks is unequal across geographical areas, companies assessed are often learning from the published results, in several forms: taking the methodologies as a new standard, relaying the information to the top management, learning from peers that scored better, etc.

3.3  Pressure on the laggards

3.3.1  Activities and outcomes

Pressure on the laggards has been identified as the third of four central ‘impact pathways,’ each showing the main mechanisms of how WBA’s activities and outputs should lead to its desired impacts of transformational change. The pathway Pressure on the laggards can be understood as the following: actors (such as investors, civil society, governments, and citizens) use benchmarks to pressure (relatively or absolutely) lagging firms to improve their outcomes. This impact pathway applies mainly to companies that are not performing well, or have fallen in ranking. These companies can range from companies that have not understood their Corporate Social Responsibility to include social and sustainability issues to companies who have had a decent track record in their rankings but have recently fallen behind. Nonetheless, within this impact pathway, the benchmarks created by WBA are a useful tool to create a sense of urgency within the company to either start improving company strategy and policy, or further improve it to meet the expectations of others, such as its investors.
Three types of **engagements** have been identified under the impact pathway pressure on the laggards: Collective Impact Coalitions (CICs), the WBA Alliance, and the media. **CICs** are temporary, worldwide partnerships involving multiple stakeholders, dedicated to pivotal issues and guided by evidence provided by WBA. The aim of CICs is to revolutionise corporate practices. CIC policy initiatives aim to shape regulations and policies on national, regional, or global scales, with the goal of achieving systemic change. Below in Table 3 is an overview of the CICs held to date.

**Table 3  Overview of CICs**

<table>
<thead>
<tr>
<th>Collective Impact Coalitions (CICs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformation</td>
</tr>
<tr>
<td>Digital</td>
</tr>
<tr>
<td>Decarbonisation &amp; Energy</td>
</tr>
<tr>
<td>Food &amp; Agriculture</td>
</tr>
<tr>
<td>Social</td>
</tr>
</tbody>
</table>

WBA Internal Documentation

CICs were designed with the help of WBA’s Allies in 2021, with the first CIC taking place in February 2021. Each CIC centres around a key issue requiring targeted action, as evidenced by the benchmark outputs. A good example of how CICs have brought multiple stakeholders together is the CIC for Digital Inclusion focused on Ethical Artificial Intelligence that rallied a group of 33 investors and 12 civil society groups. These investors contacted 44 of the 150 companies assessed in the 2021 DIB who did not have publicly available ethics in AI principles. Through these interactions, 14 more companies were encouraged to publish their AI principles in the 2023 DIB, adding up to a total of 47 out of 150 companies (31%) that have disclosed their principles. Additionally, WBA’s research discovered that among the five newly evaluated companies in 2023 (Capgemini, HPE, Juniper Networks, NXP, and Panasonic), all of them met this criterion. By September 2023, slightly more than a quarter (26%) of all companies evaluated in the 2023 Digital Inclusion Benchmark were capable of showcasing a set of easily accessible AI ethical principles.\(^\text{15}\)

The **WBA Alliance** is made up of organisations operating across global, regional, and local spheres, aiming to influence how the private sector contributes to fulfilling the SDGs. WBA Allies are dedicated to advancing WBA’s mission, vision, and values. According to the WBA website, “the Alliance is WBA,” making it an immensely useful tool for engagement within WBA. Participation in the WBA Alliance is voluntary and help ensure WBA consultations and benchmarks are used by companies, investors, policymakers, and civil society. Moreover, the Alliance helps WBA transform its work to create meaningful impact. A good example of this is the important role Allies play in carrying out the work conducted in the CICs. Over the years, the Alliance has only grown in numbers. Starting at 66 Alliance members at the inception of WBA, only a year later the number had grown to 116 members\(^\text{16}\). Today, the Alliance counts on more than 386 members from organisations from all sectors, such as academia, business platforms, consultancies, governments, and civil society\(^\text{17}\). In Figure 9, a breakdown of the

\(^{15}\) 2023 Progress Report on the Collective Impact Coalition for Digital Inclusion

\(^{16}\) Annual report 2019

\(^{17}\) Quarterly Impact Journey Q3
overall composition of the Allies can be found. Out of these, as of 2022, 58 Allies also refer to WBA in their own communication (17%), showing that many Allies likely only engage in ‘light’ cooperation with WBA\(^\text{18}\).

Moreover, during the WBA Ally survey that was conducted for this evaluation, several questions were identified as relevant for the types of engagements that pertain to this pathway. These can be seen below in Figure 10. For the development of the benchmark methodology, 52% of allies cited no engagement with WBA and 29% cited minor engagement. 43% of allies also cited no engagement in bilateral meetings with WBA, while 33% cited minor engagement. In terms of benchmark dissemination, 38% of allies cited minor engagement and 14% cited major engagement with these activities. For participation in CICs, 43% of allies had no engagement and 24% had minor engagement. Lastly, 19% of allies had major engagement with WBA events and 48% had minor engagement. This, in line with interview observations, confirms that only a relatively small number of Allies is strongly engaged, although other may still find it useful to receive information for learning/contextual purposes. Still, across all questions most allies report engaging with WBA, the exception being in benchmark methodology development.

\[^{18}\text{WBA Result Management Framework}\]
Lastly, media coverage has been identified as an important way to put pressure on lagging companies. Allies receive pre-launch briefings of benchmarks to position them for better uptake of the results. Media coverage gives legitimacy to WBA and raises awareness, both of these are enabling factors to actors being able to use WBA outputs as pressure tools. As of Q3 2023, WBA has reported 479 media mentioned of either WBA itself or one of its benchmarks. A good example of the media being used to this effect was seen in 2021 during WBA’s intervention on the BBC about the Oil & Gas benchmark publication. The results of the Social Transformation assessment were also published in several outlets (including Fortune and Fortune China), providing a visibility across more than 5 billion regular visitors. However, WBA also regularly features in professional sectoral journals. Overall, in Q3 2023, 82% of media mentions were originated by external parties without WBA intervention (organic mentions) and 18% were proactive media mentions. These numbers are substantially different from 2022, at 51% and 41% respectively. Although it would be important to follow-up the long-term patterns of this evolution, this would suggest that the reputation of WBA is growing.

3.3.2 Outcomes: companies changing their policies and strategies

We see a mixed picture when considering the question whether the WBA, through pressure and use of the benchmarks by third parties (NGOs, civil society, investors etc.) has an effect on companies changing their corporate policies and strategies.

As discussed above, there are several examples in which investors used WBA benchmarks as a tool or reason to engage with corporates. A common method is the use of WBA information during engagement with (potential) investees, assessment for new investments, and even during shareholder voting or even dedicated resolutions. The latter holds true for both investors.

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19 Impact Journey 2023, Q3
20 Impact Journey 2023, Q3
21 Impact Journey 2023, Q3
that are seeking to maximise social impact (such as Scottish Widows), or those that seek to minimise risks. A very visible instance of when WBA facilitated shareholder activism is when NorthStar Asset Management used WBA data in its shareholder resolution to reduce the use of forced labour in a large multinational’s textiles production chain in 2022. Another prominent example – as mentioned in the previous section - is the Digital CIC investors group, which lobbied with 44 large companies to promote ethical AI. Five large international companies (PayPal, Bytedance, Intel, Palentir and Tele2) have responded to being willing to increase transparency and disclosure, with the total of companies in 2023 coming up to 47 out of the 150 DIB companies. The Just Transition CIC similarly led to collective action towards companies by an investor group. As such, CICs can be an important mechanism to promote the uptake of investors of benchmark results in their engagement with companies.

Other investors, such as Robeco, BNP Paribas, Alliance Bernstein, Fidelity, Aviva, APG, Macquarie, Matter, have also confirmed to use WBA information for their investee engagement and due diligence processes. Another tool used by investors is to issue letters to management. The potential effectiveness of this tool is highlighted by the an example of the Investor Alliance for Human Rights. Its members pressed some of their investees to engage better with the WBA Benchmarking process. Similarly, a group of 176 investors representing 4.5t USD in assets, called out poor human rights performance in the CHRB among 95 large companies. While the majority of investor engagement has been around the CHRB, there is also evidence of emerging use of other benchmarks such as the Just Transition assessment (part of Climate & Energy), Food & Agriculture, Digital Inclusion and Seafood Stewardship benchmarks. In total, around 50 investors with over 13t USD in management are part of the Alliance. Figure 11 below shows that Allies are the biggest source of online referencing of the WBA Tools.

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22 See WBA Investor Case Study for examples.
23 https://investor.tjx.com/static-files/33922d84-5c06-45df-a8b8-f4496f9f5ca8#:~:text=RESOLVED%3A%20Shareholders%20of%20TJX%20Companies,labor%20in%20TJX%20supply%20chain.
24 Digital CIC Progress Report 2023
25 WBA Case Study on Investors
The engagement of NGOs and civil society with WBA works generally in a different way. While 38% of NGOs/civil society in the stakeholder survey (see Figure 12 below) indicate to directly use the benchmark results to engage or advocate with/against companies that perform poorly, there are limited concrete examples available. A positive example is the use of the Food Industry Benchmarking toolkit by Indian NGO Food Future Foundation, where 50 Indian companies were assessed in terms of their broad social and environmental performance. Another example is the WBA Social Transformation teams, which trained civil society and academia in six countries (Chile, Scotland, Kenya, Denmark, Spain, and Colombia). However, interviewees indicate that the uptake among NGOs and civil society is still rather limited overall, with this being mostly linked to the limited internal capacities of NGOs, and in some instances also due to the risk of more direct engagement/advocacy of smaller organisations with such larger corporates. The sentiment analysis (see Figure 4 in Section 3.1) corroborates this picture, as neither Allies or other NGOs publicly use WBA to hold companies to account to a large scale.

WBA also does not possess the capacity itself to manage a wider or deeper engagement with civil society. Interviewees do indicate that WBA does provide an important platform for NGOs/civil society to be part of the (global) conversation on these transformation challenges, and build networks and linkages to other Allies as well as corporates. Also, WBA is a useful source of information in their own policy development and communication (see survey Figure 12 below), although almost exclusively by Allies and not by other large international NGOs (see also Figure 11).

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26 https://www.foodfuturefoundation.org/food-agriculture-benchmarking/
27 WBA Annual Report 2022, page 35 and 36.
28 Especially for smaller NGOs in countries with weaker rule of law, agitating to powerful companies can result in negative consequences (harassment, threats etc.).
For influence through media, we find no concrete examples of companies directly responding to coverage of their (WBA benchmark) performance in the media, although there have been examples of companies that at least started the engagement process with WBA as a result of media outlets discussing the company’s performance. Interviewees indicate that the overall effect of WBA on public opinion is so far limited.

Overall, a picture emerges that WBA in increasingly useful resource for Allies, in particular investors to push for better disclosure and policy change at companies. In total 38% of Allies use the benchmark to engage with individual companies (see Figure 12). It is also a useful resource for Allies to influence own priorities and work streams (48%). NGOs/civil society generally find it more challenging to make direct use of the benchmark results. CICs are a useful emerging tool for Allies to exert influence at a more substantial scale. While we do see companies in the bottom quartile improving their benchmark performance faster than average (see Box A below), in particular for engaged companies, the evidence that external pressure is a major driver for such change is limited so far. There are a number of reasons. First, there is at times a disconnect between engagement and actual investment/partnership decisions. The majority of Allies (57% vs 24%) does not use WBA data for investment/partnership decisions. Secondly, companies are very closed about what sources influence their internal decision making, so even successful influence may not register at such. Third, there has only been a limited time span since publication of most of the benchmarks, and CICs are relatively new. Combined with limited information streams between investors and WBA, it is hard to find the evidence for change.

The econometric analyses indicate that firms in the bottom quartile of the ranking are improving their scores faster than the firms in the 2nd and 3rd quartile. This indicates that firms performing poorly improve their score faster than the middle cohorts. We do see differences in the econometric analyses.
by sector: laggards in the Oil & Gas benchmark do not show any sign of catching up. This shows that, outside of the Oil and Gas benchmarks, the results are line with what would be an expected effect of a ‘pressure on the laggards’ pathways. However, it is important to note that we cannot determine the causal link between the applied pressure from WBA Allies using this methodology, and a plausible alternative explanation is that the bottom-ranked companies can more easily increase their score due to tackling the ‘low-hanging fruit. A description of the main outcomes and applied methods for the econometric analyses can be found in the appendix.

On the side of NGOs and civil society, the current model has clear value as described above, but is not highly impact-oriented, due to the limited mobilisation (rather than convening) capacity of WBA.

As such, the impact pathway of change through pressure of NGOs/civil society and investors has clear potential for the future, with the latter relatively more easily integrated into current WBA frameworks, and the former requiring more reflection on its engagement model (see box).

Pressuring the laggards of the Oil & Gas Benchmark: a particularly challenging mission?

While climate is core for many business models, improving the sustainability impact of oil and gas companies which, by definition, focus their activity on fossil fuels extraction and exploitation, seems impossible without a complete shift of business model. WBA partnered with ADEME and CDP on the ACT initiative to use the methodology on decarbonization aspects. In 2021, the benchmark results were presented at BBC and several follow-up discussions took place to engage companies.

However, our investigations with WBA highlighted the complexity of assessing these companies across the globe: while the international context (increased transparency on transition plan, High-Level Expert Group…) pushes the major multinational companies to change with a progressive but quick replacement of assets, the levers for national companies in oil countries seem more tricky to activate. The economy in these countries is highly reliant on fossil fuels, preventing national companies to phase out from oil and gas. The national context and its constraints are a major obstacle to these companies transition and can hardly be taken away when considering their improvement opportunities.

3.4 Public Policy Change

3.4.1 Activities and outcomes

Public policy change has been identified as the last of four central ‘impact pathways,’ each showing the main mechanisms of how WBA’s activities and outputs should lead to its desired impacts of transformational change. The pathway public policy change can be understood as the following: any induced or informed regulatory change, in particular for supranational frameworks (EU Regulations, UN Standards etc.), resulting from a benchmark and/or the wider movement around it. In contrast to the other impact pathways, this pathway does not apply to companies but to governments and supranational frameworks as it refers to changes in public policy.

Only one type of engagement has been identified under the impact pathway public policy change: policy engagement. Policy engagement refers to the active participation, involvement, or interaction of WBA in the development, analysis, or evaluation of policies.

WBA’s public policy engagement started in 2019 around the UN’s Financing for Development Forum in New York and the G20 Summit in Tokyo where some formal roundtables were held with policymakers. In 2019 WBA also developed a public policy engagement strategy to be

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29 Also supported by interviews with other similar benchmark initiatives
implemented in 2020. This strategy identified three strategic priorities where WBA saw the biggest opportunities to drive impact:

- Translating benchmarks into actionable points for policymakers
- Advocate for policies that have the potential to advance sustainable systems changes
- Advocate for changes that align capitalistic markets with beneficial systems transformations

WBA also hired new staff members whose role was to implement the strategy at a global and regional level with Europe and Southeast Asia as their initial focus. In 2020 WBA recruited three more full-time staff who focused on driving public policy engagement at these same levels. This same year, WBA was invited to serve on one of the Sustainable Finance Working Groups to the EU, which focused on topics of sustainable corporate governance, non-financial reporting and sustainable finance. Outside of Europe, WBA collaborated with the Centre for Responsible Business and hosted the first Policy Collaborative Learning and Action Lab (CoLAB) that focused on the current ecosystem around the enabling environments for responsible business in India. Moreover, WBA also submitted recommendations and presented them to the Indian government on the Indian National Action Plan on Business and Human Rights as well as the Indian Ministry of Labour’s Draft Wage Rule consultation.

Globally, in 2020, WBA also submitted policy recommendations on gender and inclusion, climate and sustainable finance as part of the UN’s High-level Meeting on Financing for Development in the Era of COVID-19 and Beyond. In 2021, WBA conducted two more CoLABs, one with Climate Disclosure Standards Board (CDSB) focusing on EU policy and the other one with Value Reporting Foundation focused on US policy. WBA also continued its engagement with EU policymakers as well as the UN. In 2022, WBA heavily engaged with policymakers and stakeholder leading up to the Kunming-Montreal Global Biodiversity Framework at the UN Biodiversity Conference (COP15) in December 2022. Notably, it also gained UN Economic and Social Council (ECOSOC) status.

Additionally, WBA is mentioned in a document titled “Feedback summary – Proposed projects on sustainability-related risks and opportunities,” where the main objective is to provide a summary of the feedback received by IFRS on what the focus of research projects related to biodiversity, ecosystems, human capital and human rights should be (all topics included in the International Sustainability Standards Board (ISSB)). The document notes that some respondents suggested WBA’s CHR Benchmark would be a useful resource to keep in mind in any research project related to human rights. Therefore, the benchmark is listed in questions 6c and 4c as possibly important to consider when filling in the Request for Information documents of the ISSB. As of 2023, companies such as BBVA, Jupiter Asset Management, Mazars, Loccitane Group, Philips Morris International, and several others, have selected WBA as an organisation that should be used by the ISSB when pursuing its project.

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30 WBA Annual Report 2019
31 WBA Annual Report 2020
32 WBA Annual Report 2021
33 IFRS Feedback summary, November 2023
34 IFRS Feedback summary, November 2023
35 IFRS Feedback summary, November 2023
Overall, WBA has demonstrated strong ties to the UN system, utilising these ties as a platform to engage with policymakers. It has also made significant efforts to engage with the EU. Its engagement with national governments remains limited. The ties with public policy become also visible when assessing online mentions of the WBA and its benchmarks by a selection of governmental actors (see Table 4 below). By being featured in debates, WBA benchmarks can provide policymakers with tools to advocate for change.

Table 4  Uptake of WBA benchmarks by policy actors

<table>
<thead>
<tr>
<th>Actor</th>
<th>Website</th>
<th>Number of hits</th>
<th>Topics discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations</td>
<td>Un.org</td>
<td>182</td>
<td>Developments related to Sustainable Development Goals, descriptions of WBA methodology and organisation</td>
</tr>
<tr>
<td>European Union</td>
<td>europa.eu</td>
<td>432</td>
<td>Participation in events by WBA representatives, use [trends in] benchmarks results to highlight policy priorities</td>
</tr>
<tr>
<td>Government and parliament of the Netherlands</td>
<td>rijksoverheid.nl; eerstekamer.nl; tweedekamer.nl</td>
<td>144</td>
<td>Use (trends in) benchmarks results to highlight policy priorities</td>
</tr>
</tbody>
</table>

Source: number of hits retrieved by a Google search on the WBA (and a selection of best-known benchmarks) on the websites of these organisations. Search string used: site:un.org “world benchmarking alliance” OR “corporate human rights benchmark” OR “access to seeds index” OR “digital inclusion benchmark” OR “financial system benchmark”

3.4.2 Outcomes: companies changing their policies and strategies

During internal interviews conducted with WBA, it was expressed that public policy change has slowly become a larger focus but has not always been so. This is not due to a lack of will or determination but simply due to WBA still being a young organisation in its early stages. Now, with the core of its activities clearly defined and in place, as well as a public policy engagement team, WBA expects policy change to become a much bigger part of its work. Interviewed stakeholders agreed with this view and explained how up until now there are few examples of WBA outputs being used in policy, but that there was an underutilisation by policymakers of the data WBA made available and this pointed to a clear potential for further uptake in the future. In relation to this, one of the results from the survey conducted among WBA Allies showed that 67% of respondents either did not use the benchmark results or did not know if they used the benchmark results to engage with or confront policymakers. Nonetheless, this figure is only indicative of potential unexplored possibilities since not all Allies engage with policymakers.

Nonetheless, there are already some examples of concrete public policy outcomes. In June 2022 the EU Corporate Sustainability Reporting Directive (CSRD) was adopted and is set for implementation in 2024. The CSRD was an improvement from the previous EU Non-Financial Reporting Directive (NFRD) by requiring more reporting elements, such as social and environmental topics. The CSRD included multiple recommendations that WBA had been advocating for in the previous year and a half by holding various consultations, issuing letters, and engaging directly with certain EU policymakers. In the 2022 annual report, WBA states that this is an important step forward in increasing corporate transparency.

Annual report 2022
Social Transformation Framework and Corporate Human Rights Benchmark: serving the European law³⁷

One of the clearest impacts of WBA on public policy is the Social Transformation Framework (STF) and Corporate Human Rights Benchmark (CHRB). Launched in 2017 and with a fifth CHRB iteration just being published, this is the historical benchmark at WBA. The policy impact of the STF and CHRB materialized through the Corporate Sustainability Due Diligence Directive (CSDDD) which integrated WBA’s recommendations first on the social aspects of the Financial System Benchmark. On this occasion, WBA highlighted the fact that 7% of the financial institutions disclosed their processes to identify human rights risks and impacts within their operations, and this number comes down to less than 3% when looking at their financing activities. Through continuous engagement with the European Parliament and Commission using the STF and CHRB data, the European Council included WBA’s recommendation in the CSDDD with a due diligence obligation, not only for financial institutions, but more broadly for large companies in the EU.

In December 2022, the European Council adopted the Corporate Sustainability Due Diligence Directive (CSDDD). The CSDDD included a recommendation for financial institutions to take responsibility for human rights and environmental impacts resulting from financing activities. This same recommendation had been issued in WBA’s Financial System Benchmark³⁸. Additionally, WBA had actively advocated for the inclusion of this recommendation through consultations and direct engagement with the European Parliament and the Commission.

As it stands, this impact pathway has a lot of potential for the future. It remains to be seen what can be achieved with a dedicated public policy team.

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³⁷ Annual report 2022
³⁸ Annual report 2022
4 Towards impacts

| RQ: How and to what extent does strong performance in the benchmark cascade through to positive impact on people and the planet, particularly in developing countries? |
| RQ: What are critical success factors (cross-cutting) |

4.1 High-level outcomes: Companies changing practices

In order to assess the contribution of WBA in terms of affecting companies changing their practices, we first synthesise the findings from the influence on company policies and strategies in the different impact pathways, before discussing the subsequent influence on practices. When we discuss influence in this section, we mean both directly and indirectly, through the various impact pathways described in the previous chapter.

Assessing whether companies changed their policies/strategies is quantified through the different iterations of the benchmarks, but assessing the extent to which WBA contributed to these changes is more challenging. Indeed, as mentioned previously, some companies interviewed were able to tell the improvements made within their organizations, but could not tell what was the direct impact of WBA as many other factors come into play. Media, policy changes, scientific or specialized reports, legal actions led by organizations, investors requirements, clients changing behaviours, etc. are all possible means of pressure for urging changes from these companies.

In the online survey, we have questioned companies on the extent to which they had changed their internal policies following a benchmark publication where they were assessed – regardless of the pathway. Figure 13 shows the different questions and the share of companies having responded the level of contribution they estimated from WBA benchmarks. The influence on social policies and strategies stands out from all the areas covered in this graph. With 56% of surveyed companies answering “Yes, minor contribution” and 8% “Yes, major contribution”, a clear majority of companies can state that the benchmarks influenced policies and strategies in a positive way. We also some influence on company governance (44%) and environmental policies strategies (32%). Overall, it is clear that the influence is present but typically minor rather than major.

In terms of practices, we also see some influence of WBA. In total 36% see an influence on employment practices, procurement/sourcing practices (40%) or dedicated investment (36%). Again the influence of WBA is mostly minor, rather than major.

This mixed results depending on the area need to be linked to the age of the benchmark they relate to. Indeed, the Corporate Human Rights Benchmark was the first being implemented at WBA, in 2017, which has been followed afterwards by the Social Transformation Framework and the Gender Benchmark. They all relate to social aspects assessed in the social policies or strategies that we capture in the questionnaire. Not surprisingly, the highest outcomes are observed for the oldest benchmark, with more iterations, perspective and discussion between WBA and companies. This is also the transformation area which resulted in a policy impact at the EU level which is aligned with WBA methodologies, through the CSDDD in 2022. The other benchmarks are far more recent: for example, the first iteration of the Transport Benchmark as part of the Climate and Energy Benchmark was published in 2022. The expected outcomes in companies changing practices need some time to be processed and implemented, not to mention the fact that concrete actions (as opposed to reporting improvements) will very likely affect companies’ business models.
The observations from the interviews align with these findings. The direct impact on companies seems to be more focused on overall learning, reporting and disclosure improvements than concrete actions on business models, recruitments, etc. Several companies acknowledge that the main reason why their score had improved along the different iterations was the increased resources dedicated to disclosing their existing (and unchanged) policies. While there is a global recognition of WBA’s work, certain companies are still not confident on how the methodologies and results reflect their actual performance.

Figure 14 outlines the perception from surveyed stakeholders (both companies and allies) of WBA’s outcomes on the companies’ policy and changes in practices. The results are quite homogenous among the respondents and might reflect the difficulty for them to assess these impacts: a majority of the answers are divided between the answers “Somewhat effective” and “I don’t know”. The perceived impact is overall positive, though with quite a high level of uncertainty around it. The positive perception of the impact is clearer on the learnings and interaction with stakeholders. On the opposite, the results tend more to a limited impact on the concrete change of actual behaviour and impacts on the less engaged.
4.2 Impacts

4.2.1 Increased corporate accountability, restoration of balance of power

Throughout the different pathways, we have seen that WBA has become an increasingly important tool for promoting corporate disclosure around transformation challenges. More recently (Sep. 23), this has also become an explicit goal in WBA’s strategy, although elements of this rationale were present from WBA’s inception. The impact is particularly driven through the pathways of learning, and in some instances also through external pressure of investors. In most benchmark areas, ESG reporting and disclosure more broadly is improving, with WBA playing a relevant contributory role. As such, transparency is broadly increasing. Consulted stakeholders believe that WBA has played a relevant role in strengthening corporate accountability globally (see Figure 15). Still, outside a small number of (mandatory) outcome and impact indicators (e.g. carbon emissions, registered human rights violations), such transparency is mostly limited to compliance with standards in terms of policies and strategies (see discussion in next section). However, we can recognise the value of such transparency in enabling true corporate accountability in two ways:

- Companies can be held to account when key policies/strategies/standards are lacking;
Companies can be held more easily to account when apparent practice is not in line with their own policies/strategies and standards. As such, the benchmarking activities of WBA, given its broad footprint, can serve as an important enabler for true corporate accountability, though not sufficient on its own. Other key requirements are the will of companies to engage, and secondly the ability of other players (investors, civil society, governments) to use the information to hold these companies to account. This refers to the second element of the impact, focused on restoring the balance of power. This balance has two sides of the equation: the corporates and the other players. At the moment, WBA is able to support the restoration of balance of power in a few instances, but a broad effect on the balance of power restoration is not yet fully visible. This has a few causes:

- WBA is a relatively young organisation, and most benchmarks are younger still, meaning that many of the impacts also reasonably could not have emerged yet.
- NGOs and civil society do not have sufficient capacity to use WBA resources to hold companies to account and/or mobilise public opinion/media to support that.
- Governments increasingly become active in corporate accountability through mandatory frameworks (e.g. on carbon, deforestation), but the direct influencing of WBA on policy development is still in the emergence phase.

More recently, WBA has started to explicitly position itself as a global thought leader on corporate accountability, building on its strong visibility. The white paper on corporate accountability\textsuperscript{39} that was recently published, has been well-received by stakeholders and global media (including Fortune) and is an important starting point for the next phase of WBA.

\textsuperscript{39} \url{https://assets.worldbenchmarkingalliance.org/app/uploads/2023/09/WBA2023_whitepaper_corporate_accountability_lr.pdf}
**To what extent is the World Benchmarking Alliance effective in generating change through the following mechanisms?**

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Companies (n=25)</th>
<th>Allies (n=21)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affecting wider policy change through provision and dissemination of aggregate insights</td>
<td>12% 56% 16% 16%</td>
<td>5% 43% 14% 38%</td>
</tr>
<tr>
<td>Changing actual company behaviour and impacts on the ground of generally engaged companies</td>
<td>16% 56% 12% 16%</td>
<td>10% 24% 14% 52%</td>
</tr>
<tr>
<td>Changing actual company behaviour and impacts on the ground of less engaged companies</td>
<td>28% 40% 32%</td>
<td>19% 19% 62%</td>
</tr>
<tr>
<td>Creating a culture of corporate accountability</td>
<td>20% 56% 12% 12%</td>
<td>10% 24% 38% 29%</td>
</tr>
<tr>
<td>Creating momentum for collective action through the Alliance for Allies</td>
<td>28% 44% 4% 24%</td>
<td>14% 29% 38% 19%</td>
</tr>
<tr>
<td>Creating momentum for learning from and interacting with a range of stakeholders</td>
<td>16% 64% 12% 8%</td>
<td>10% 19% 52% 19%</td>
</tr>
<tr>
<td>Driving further improvement of company policies and strategies among generally engaged companies</td>
<td>20% 56% 12% 12%</td>
<td>5% 38% 10% 48%</td>
</tr>
<tr>
<td>Driving further improvement of company policies and strategies among generally engaged companies</td>
<td>12% 60% 16% 12%</td>
<td>5% 33% 19% 43%</td>
</tr>
<tr>
<td>Driving improvement of company policies and strategies by facilitating concrete pressure on ‘laggards’ by...</td>
<td>28% 36% 4% 32%</td>
<td>10% 33% 14% 43%</td>
</tr>
<tr>
<td>Driving improvement of company policies and strategies of less engaged companies through awareness raising</td>
<td>28% 44% 12% 16%</td>
<td>19% 19% 10% 52%</td>
</tr>
</tbody>
</table>

Source: stakeholder survey (2023)

### 4.2.2 Impacts on societies and the environment, in particular in developing countries

Measuring the effect of actual impacts on societies and the environment of corporate value chains is notoriously difficult (see box below for example from WBA impact project), even for companies themselves. Such impacts are also typically outside the direct scope of the WBA benchmarking due to the lack of availability of measurement standards, (independent) data, and measurement bias (e.g. countries/sectors with more transparency might find more issues, and would score artificially lower in a benchmark). A part of the consulted companies do report positive change. In our (small) sample of companies surveyed, 24% of companies indicate more generally that they do see positive effects on their supply chain stakeholders in developing countries, and 20% on the environment (See Figure 16). However, we could not independently verify specific examples of companies changing their practices leading to better impacts for societies and environments. We therefore conclude that concrete, direct impacts are – at the moment – limited.
However, for the large majority of impacts, companies indicate that it is either too early to tell or that they do not expect impacts. This discrepancy between available information (also through company interviews, open answer) on specifics and at times positive appraisal by companies is in line with the earlier mentioned closed nature of internal company data.

### WBA Impact Project

The food and agriculture impact project was the first of its kind at WBA and provided multiple lessons learned. The project brought attention to the need to build stronger relationships with stakeholders for data collection purposes. Over 150 suppliers were contacted but the team only managed to interview 11, primarily due to logistical issues when contacting suppliers in developing countries through partners (e.g. Rainforest Alliance, Bonsucro or the World Food Program). Similarly, the project has made WBA consider how to build relationships with keystone companies during the process, so that they feel comfortable sharing relevant data and that they are more engaged with the results of the project. Moreover, future case studies or projects should consider post-launch engagement strategies with companies and stakeholders, so that the results are disseminated as wide as possible.

Source: WBA Summary
5 Other evaluation aspects

5.1 Implementation feedback

While the focus of this evaluation does not cover the implementation of the benchmarks, we have collected relevant feedback collected during the evaluation process for learning purposes of WBA.

The overall assessment of the WBA Benchmarks in terms of quality, as perceived by participating companies, is acceptable to high (see Figure 17). Companies are most positive about the transparency (72% high), robustness (52%), and WBA professionalism (56%). Companies are most critical about the perceived fairness (36% low), practical applicability (28% low) and complementarity (24% low). While the relatively limited response to the survey likely skews this to be on the somewhat positive side (engagement response bias), the other information collected via interviews and the internal focus group corroborate this picture. Regarding fairness, companies express frustration that they are only judged on readily available documentation rather than ‘actual practices’, and also complain that providing documentation does not always improve the score. These complaints also seem to be rooted in a misinterpretation of the purpose of independent benchmarking compared to ESG performance self-assessment tools, i.e. to what extent benchmarking is a ‘service’ for internal learning, or external accountability respectively.
Companies also made suggestions through the survey and interviews. These include suggestions to increase the direct communication with companies on the methodology, to provide more learning-oriented feedback when company feedback does not subsequently lead to score adjustments, to give more time to companies to respond, to develop an online portal for data upload (instead of the Excel format), more follow-up after benchmark results are available, and more adjusted engagement for companies operating from different countries (e.g. Asia), e.g. through local representatives.

Allies are typically very positive on the quality of the benchmarks (see Figure 17 above). They perceive the benchmarks as highly clear (72%), transparent (71%), useful (71%) and practically applicable (57%). Their direct feedback is less on the implementation side, and has been integrated in the respective sections elsewhere in the report.

A remarkable recurring feedback on WBA as an organisation, and its leadership in particular, is its excellent visibility as an organisation. Regardless of their judgement on WBA as an impactful organisation, companies, allies and other stakeholders all acknowledge that WBA

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**Figure 17: Survey results**

How do you rate the quality of the following aspects of the WBA benchmarking process?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Companies (n=25)</th>
<th>Allies (n=21)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity of the benchmark results</td>
<td>20% 40% 36% 4%</td>
<td>0% 19% 48% 24%</td>
</tr>
<tr>
<td>Complementarity to other benchmarks, tools, standards, rankings and/or frameworks</td>
<td>24% 28% 40% 4%</td>
<td>5% 29% 38% 29%</td>
</tr>
<tr>
<td>Fairness of the benchmark results</td>
<td>36% 20% 36% 8%</td>
<td>14% 24% 24% 14% 24%</td>
</tr>
<tr>
<td>Practical applicability of the benchmark results</td>
<td>28% 32% 24% 16%</td>
<td>5% 33% 33% 24% 5%</td>
</tr>
<tr>
<td>Professionalism of engagement during the benchmarking process</td>
<td>8% 36% 40% 16%</td>
<td>14% 19% 19% 29% 19%</td>
</tr>
<tr>
<td>Reliability of the benchmark methodology</td>
<td>20% 40% 36% 4%</td>
<td>14% 19% 19% 29% 19%</td>
</tr>
<tr>
<td>Robustness of the benchmark methodology</td>
<td>8% 40% 48% 4%</td>
<td>10% 24% 29% 24% 14%</td>
</tr>
<tr>
<td>Transparency of the benchmark methodology</td>
<td>12% 16% 52% 20%</td>
<td>5% 38% 43% 5%</td>
</tr>
<tr>
<td>Usefulness of the benchmark results</td>
<td>20% 36% 28% 12%</td>
<td>14% 14% 38% 33%</td>
</tr>
</tbody>
</table>

Source: stakeholder survey (2023)
has managed to be – very quickly – part of key global initiatives, fora and platforms, including GRI, WEF, G20, WBCSD etc.

In general, it is universally recognized that WBA has evolved itself fast and fundamentally throughout the last few years. There is a clear spirit of growth, experimentation and improvement. Funders indicated that WBA has steadily professionalised its strategic organisational functions, including MEL, reporting and fund management. MEL has undergone significant professionalisation over the past years, which results in tangible communication results. While new funding has been acquired, there is a concern that new funding is insufficiently long-term, and that fund management needs to be further professionalised.

5.2 Coherence

<table>
<thead>
<tr>
<th>RQ: Are the benchmarks additional and in line with other relevant frameworks?</th>
</tr>
</thead>
</table>

In terms of coherence, two specific aspects are of importance. First of all, is WBA in line with global standards and relevant frameworks. Secondly, is it work complementary and coherent to other benchmarking efforts?

With respect to the first, WBA’s benchmark methodologies take into account global standards and frameworks in its methodology design process, although they typically go beyond these standards. The fast pace of new regulations and standards recently, have put a strain on this relationship. Interviewees indicate that there could be more/better alignment (or communication around this alignment), how benchmarks are linked to global standards & regulatory frameworks, also to lighten the burden for companies for engagement. This could go two ways: WBA accepting publicly disclosed information from international standards (as already is mostly the case), and WBA benchmark processes helping to deliver new indicators/disclosures for emerging/new regulation.

Regarding the coherence with other benchmarks, we find that WBA has developed a relatively unique position in terms of the breadth and reach of its benchmarks. This is widely appreciated by all stakeholders. There do exists other benchmarks that have more a more detailed and focused approach, working with fewer companies or on more specific issues, such as the Access to Food and Nutrition Index, or the Access to Medicine Index. We do not find that there is much risk of duplication, and with some initiatives like ATNI and Global Child Forum there is even relatively good collaboration to avoid overlap. Companies do indicate that the growth in number of benchmarks can be overwhelming and increasingly beyond their capacity for meaningful engagement. A more integrated approach, which WBA is expected to develop after the first full cycle of benchmarking (2024), could alleviate this, and WBA is well positioned to offer a more integrated perspective. This also makes sense from a analytic point: increasingly, thematic transformation challenges are seen as interlinked, and a siloed approach may not work.
5.3 Negative Side effects

RQ: Are the benchmarks capturing performance without disproportionate side-effects?

A number of relevant side effects have emerged during the evaluation. From the survey, around a third of consulted stakeholders (34%) see negative side effects. The main side effects, that are in line with the information from the interviews are the following:

Table 5 Negative side effects mentioned

<table>
<thead>
<tr>
<th>#</th>
<th>Side Effect Mentioned</th>
<th>Judgment of Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Companies divert resources to managing the reporting requirements for the WBA benchmarks, rather than engaging in actual sustainability practices.</td>
<td>Relatively modest at the level of actual human resources or money (actual transformation would require many multiples of investment compared to the ESG-reporting officer). But possibly more of a problem at the level of C-level attention, if sustainability is framed too narrowly as ESG disclosure.</td>
</tr>
<tr>
<td>2</td>
<td>Not enough flexibility, context-specificity in the benchmarking methodologies leading to unfair results damaging companies' reputation.</td>
<td>While certainly relevant in some instances, the benchmarking cycle does prevent companies with at least an avenue for dialogue and improvement in the next cycle.</td>
</tr>
<tr>
<td>3</td>
<td>The exclusive focus on a specific set of large companies (SDG200) makes sense from a strategic and operational perspective, but does not allow for the “willing” companies outside to be part of the learning benefits of WBA.</td>
<td>At the moment, given the operational challenges and actions still to achieve with the SDG2000, the negative side effects seem limited, but could potentially be accommodated in the future (e.g. free self-testing tool).</td>
</tr>
<tr>
<td>4</td>
<td>Companies use the results to greenwash or legitimise their actual impacts on the ground, by zooming in on specific aspects where they score well.</td>
<td>While clearly taking place in practice, the WBA methodologies and rankings provide a clear direct fact-based alternative.</td>
</tr>
<tr>
<td>5</td>
<td>Lack of alignment with global standards &amp; competing benchmarks</td>
<td>While of ongoing concern to companies, the concerns here seem to be rather more one of pacing and communication rather than a fundamental challenge.</td>
</tr>
<tr>
<td>6</td>
<td>Investors/other stakeholders trust on scores for investment decisions, while they may not align with actual societal/environmental impacts.</td>
<td>Whilst there is no concrete evidence that well-scoring companies actually have more negative impacts (there are difficult mechanisms, including a larger size being both correlated with having the resources available for better reporting standards as well as more footprint overall), this may remain a real risk in terms of both perceptions and actual incidents.</td>
</tr>
</tbody>
</table>

From the analysis above, side-effects 1, 3 and 5 seem to be potentially the most damaging, as they are not easily mitigated through better communication and use of third-party stakeholders. They may actually have undermining rather than just ‘collateral’ effects. While parts may be mitigated through better communication (e.g. top-ranked does not mean
good), some are intrinsic to the focus on measuring self-reported disclosures at company policies rather than practices level. Several consulted Allies already shared heavy critiques on the perceived gap between the results of WBA rankings and actual known practice of large corporates, in particular related to specific human rights scandals.

So far, given the relative youth of WBA and the still early stage of many benchmarks, such adverse effects are unlikely to have already taken place to a very large extent, but these fundamental risks are important to consider when charting out the course for WBA in the next years (see Recommendations section).

5.4 Critical success factors

<table>
<thead>
<tr>
<th>RQ: What are critical success factors?</th>
</tr>
</thead>
<tbody>
<tr>
<td>While this evaluation does not yield enough granularity to perform a deep analysis of performance patterns per benchmark, and can therefore not provide a systematic view why activities, outputs and outcomes and impacts vary between them, we do find evidence for a number of success factors:</td>
</tr>
<tr>
<td>• The launch of relevant global frameworks/commitments can yield interest and demand for benchmarking (as highlighted in the ‘closing the gap’ Corporate Accountability White Paper).</td>
</tr>
<tr>
<td>• More established benchmarks typically (not always) see higher levels of engagement, uptake of information and therefore influence. A key example is the CHRB. This makes for a positive view on the future of WBA’s influence as benchmarks mature.</td>
</tr>
<tr>
<td>• New, challenging and underserved areas, such as Digital Inclusion and AI, have performed rather well.</td>
</tr>
<tr>
<td>• Cultural proximity. Companies close to the Western Europe (though not exclusively) seem to engage easier with WBA. Reversely, in particular stakeholders in Asia indicated that it was more challenging to engage with the WBA process due to a different business culture and ability to access directly WBA events.</td>
</tr>
</tbody>
</table>

Some benchmarks also see more difficult company engagement, in particular those around the Oil & Gas, Nature, Utilities benchmarks etc. It is possible that these areas, which have a history of being under heavy scrutiny, are more focus on established (mandatory) frameworks, or that these ‘busy’ areas are already overserved.

5.5 Value for Money

<table>
<thead>
<tr>
<th>RQ: Does WBA provide value for money</th>
</tr>
</thead>
<tbody>
<tr>
<td>WBA’s expenditure is around 9m EUR a year, for which it assessed 1014 companies in that year. This translates to around 9k per company, per year. This compares favourably to a number of other benchmarks:</td>
</tr>
<tr>
<td>• ATNI, expenses of 2.4m (2022 annual report) for assessing 25 companies, or around 100k per company</td>
</tr>
</tbody>
</table>

40 8.915 in 2022 (Annual Report)
• Access to Medicines Index 3.6m (2022 annual report) for 20 companies, or around 180k per company.

Of course, both ATNI and Access to Medicines Initiatives deliberately choose a strategy of high-intensity, high-detail engagement for a small focused group of companies. It is difficult to compare value-for-money holistically, given the difficulty of how to conceptualize ‘value’ in terms of actual outcomes/impacts, but it clear that WBA employs an ‘efficient’ approach in terms of benchmarking process.
6 Conclusions and Recommendations

6.1 Conclusions to the research questions

• For a relatively young organisation, WBA has managed to very quickly establish itself as a leading independent benchmarking organisation on many key transformation challenges. It is increasingly visible and its benchmark are used by an increasing number of stakeholders.

• WBA Benchmarking influences companies to improve their corporate policies via four main pathways, with different levels of effectiveness:
  - **Race to the top:** companies do use WBA rankings and scores in their own corporate communications (unsurprisingly, mostly positive aspects). However, absolute rank seems to be of limited strategic interest for the intended impacts, beyond immediate PR, and may have even have adverse side-effects (‘ESG-washing’) due to misinterpretation on the part of stakeholders. Overall, this is not the most effective pathway for inducing change.
  - **Learning by companies:** We have found quite broad evidence of learning effects, in particular for companies that engage with WBA via COPs or one-on-one. Companies receive valuable feedback through their participation in the benchmark, and there is ample evidence of companies incorporating feedback for a next cycle. Although there is a bias towards focusing on disclosure rather than true transformation, WBA is effective in inducing change in company policies via these strategies.
  - **External pressure (to laggards)** External stakeholders can be an important way to generate leverage on corporates to change their policies. We have found evidence that investors are increasingly using WBA as a resource to put pressure on corporates to update their corporate policies. For NGOs/civil society/media, this is more challenging and less effective (in terms of inducing corporates to change their policies/strategies/practices) so far. The extent to which this pressure engenders large-scale change among corporate policies is not yet evident, but there is clear potential.
  - **Public Policy.** The longest impact route involves informing and supporting policy change based on the insights from the benchmarks. WBA is increasingly visible in key global forums, and has some early successes in contributing to policy change. This impact route has potential, but is a long game.

• We find evidence that WBA has been important as a contributor and enabler to improving corporate accountability across the transformations, even if that accountability is often not effectuated by others. There is limited evidence that the policy change at companies is already cascading through to societies and the environment. While some companies do see early impacts, no concrete or specific information could be shared. This is due to the nature of the current benchmarking approach (based on public disclosures, not discovered data), the difficulty in assessing and measuring such impact (even for companies), and the general closedness of companies. On the positive side, companies will be held to higher standards after committing to policies (including internally, by staff), and disclosure does facilitate external pressure as well.

• The Alliance is a valuable tool for Allies, although in particular so for an active minority. NGOs and civil society find a way to share their voice and engage with companies on a global stage in Alliance events, and investors can find useful data to use in their own corporate engagement strategies. Focused engagement through CICs seem particularly effective rather than broad dissemination of results.
• The benchmarks are broadly coherent with other frameworks and benchmarks, but attention is needed to keep it that way. The fast pace of new global standards means that benchmarks are part of an evolving landscape and there is still room for better alignment. There is limited systematic overlap with other benchmarking organisations, and good collaboration with some specific ‘deeper’ benchmarks.

• There are some worrying side effects of the benchmarking approach, in particular for the future. The focus on reporting could have a potential adverse effect, including companies to focus on the quality and extent of disclosure in terms of transformation (attention effect of KPIs).

• WBA is a very efficient organisation, offering value-for-money at the output level.

• Critical success factors include the development and launch of global standards and frameworks, novel/new underserved challenges, the maturity of the benchmark, and cultural proximity of the company base.

6.2 Recommendations

Strategic

• Build on the impressive achievements of the past five year, but engage in a process of evolution and reorientation to develop an updated Theory of Change reflecting the impact pathways (see for example in Figure 18 below), with a clear narrative for the role and positioning of WBA (towards different audiences). The white paper on the ‘corporate accountability gap’ is a good first step.

• Maintain exclusive reliance on public funds and foundations, to ensure independence.

• Remain agile by moving quickly in new emerging challenges and transformation areas.

• For each transformation/sector area, develop/upgrade a clear engagement strategy that is either focused on the learning pathway or the external pressure pathway, depending on the level of engagement and traction in a specific area. Develop a maturity model that can guide transformation areas in what should/can be expected in terms of results from benchmarks over their lifecycle.

• De-emphasize the ‘race to the top’ narrative and consider to discontinue the publication of rankings, or more prominently combine rankings with percentage scores in external communication. The latter provide a fairer assessment that are less susceptible to misinterpretation.

• In case of the learning pathway, deeper learning and even joint commitments (e.g. companies together, or even in a broader partnership) would be a next steps to ensure greater impacts. In these cases, WBA should collaborate closely with partners such as business councils, sector platforms, or platforms that have stakeholder management as a ‘core business’ (such as WBCSD, WRI, IDH) that take responsibility for the process, with WBA taking the ‘knowledge and data platform’ role, while relying on other capacity for convening & scaling. This could also entail an evolution of the ‘Alliance’ concept and strategy into a two-tier structure of those who are knowledge users (outer ring) and those who ‘co-create’ the follow-up (real ‘Allies’).

• In case of the pressure pathway, WBA would need to work more strategically with investors, NGO and civil society. For investors, this is ongoing and can be intensified. For NGOs/civil society, a new strategy is needed. A logical focus would be to form strategic partnerships with larger NGOs that have the resources to effectively use the insights generated by WBA to put pressure on companies, in particular on the (relative) laggards.
• For the policy impact pathway, this has clear potential, in particular for new/emerging areas. While this is a longer pathway, WBA has the potential to provide meaningful evidence for policy reform, with its unique data and insights. Additionally, WBA data may be promoted to public investors (e.g. development banks) to inform their partnership and procurement strategies.

• In line with the above, update the partnership/Alliance strategy, to reflect a stronger and more systematic collaboration with a select number of ‘core’ partners, and a wider range of stakeholders in less intensive ways. This partnership strategy can be linked to a benchmark maturity model and impact pathways strategy.

• Continue and further strengthen the use of a balance of indicators between policies, strategies, commitments, practices, results and impacts, such as already done under the ACT-framework. Even if full impact benchmarking is likely to remain challenging or impossible, a clear indication of ‘progress towards concrete results and impacts’, also in terms of the indicator composition, would strengthen the impact-orientedness. The weight of these different ‘stages’ of influence can be linked to the benchmark maturity.

• Invest in the development of use of discovered data and impact indicators. While extremely challenging, the value of such indicators is of similar level, and could contribute to avoiding risks of important negative side-effects (adverse focus on reporting, reduced meaning of disclosures, advantage for larger companies). New technological developments (e.g. LLMs, remote sensing etc.) also provide opportunities. This would entail the development of an ‘Research, Development & Innovation‘ programme, in cooperation with research organisations and/or specialised providers (funded through research grants). Such an RDI programme would further strengthen the positioning of WBA as a thought and practice leader in benchmarking.
Implementation/organisation

- In line with existing plans, consider taking a more holistic (and efficient) benchmarking system by focusing on a rolling, single benchmarking process, with a mix of standard and sector/transformation/spotlight specific indicators, to increase efficiency and promote a more holistic view on corporate performance.
- Keep improving the methodologies based on legitimate feedback by companies, NGOs, investors, to ensure that results are fair and reliable.
- Stay on top of harmonization with (emerging) global standards in order to increase acceptance and reduce duplicative efforts. Be wary of benchmark fatigue, and seek collaborations or even mergers where it makes sense.
- Explore how companies can be facilitated and unburdened in the benchmarking process, such a better interfaces, better synergies with other reporting requirements, easier formats, better guidance (recurring issue) in the process, better explanation of results and clearer feedback. A follow-up engagement after the benchmark publication could be considered. The above is especially important for newer/smaller companies.
- Better facilitate access to WBA opportunities across the globe, and have a clear calendar of engagement opportunities for both companies and (potential) allies. Consider
translating the benchmark to more key languages. Move towards a true ‘global’ organisation, especially given the shifting economic patterns in the world.

- In the future, consider to widen the scope of the SDG2000 (e.g. more focused on the largest players in each transformation, rather than overall) via a clear and transparent ‘rule’, and open up the possibility for companies to voluntarily use the benchmark methodology (e.g. through self-assessment).

- Further stimulate a learning and impact-oriented culture. A light annual outcome & impact survey of both companies and Allies could be a useful monitor of engagement, uptake, influence and impact patterns.
Methodology

Overview of interviewees

Table 6  List of interviewees / consulted stakeholders

<table>
<thead>
<tr>
<th>Organization</th>
<th>Names, role</th>
</tr>
</thead>
<tbody>
<tr>
<td>WBA</td>
<td>Gerbrand Haverkamp, Executive Director</td>
</tr>
<tr>
<td>WBA</td>
<td>Pauliina Murphy, Engagement &amp; Communication Director</td>
</tr>
<tr>
<td>WBA</td>
<td>Viktoria de Bourbon de Parme, Food &amp; Agriculture Benchmark lead</td>
</tr>
<tr>
<td>WBA</td>
<td>Vicky Sin, Climate and Energy Benchmark lead</td>
</tr>
<tr>
<td>WBA</td>
<td>Romain Poivet, Engagement lead</td>
</tr>
<tr>
<td>WBA</td>
<td>Namit Agarwal, Social Transformation lead</td>
</tr>
<tr>
<td>WBA</td>
<td>Jan Rydzak, Digital Inclusion Benchmark lead</td>
</tr>
<tr>
<td>WBA</td>
<td>Group interview with researchers</td>
</tr>
<tr>
<td>Shanghai Green Light-Year</td>
<td>Helen Ni Huan, Founder</td>
</tr>
<tr>
<td>Lysa John</td>
<td>Civicus, Secretary General</td>
</tr>
<tr>
<td></td>
<td>WBA Board</td>
</tr>
<tr>
<td>Influence Map</td>
<td>William Aitchison, Director</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs (NL)</td>
<td>Anneloes Hoff, Policy Officer</td>
</tr>
<tr>
<td>IKEA Foundation</td>
<td>Annelies Withoffs, Programme Manager Agriculture</td>
</tr>
<tr>
<td></td>
<td>Nic van der Jagt, MEL manager</td>
</tr>
<tr>
<td>Access to Nutrition Foundation</td>
<td>Mark Wijne, Research Director</td>
</tr>
<tr>
<td></td>
<td>Marije Boomsma, Director Strategic Alliances and External Relations</td>
</tr>
<tr>
<td></td>
<td>Sameea Sheikh, Program Manager</td>
</tr>
<tr>
<td>Rio Tinto</td>
<td>Kathryn Casson, Chief Adviser, Civil Society and Outreach</td>
</tr>
<tr>
<td></td>
<td>Imran Samnakay, Principal ESG Strategy and Performance</td>
</tr>
<tr>
<td>Danish Institute for Human Rights</td>
<td>Cathrine Bloch Veigerg, Corporate Engagement Programme Manager</td>
</tr>
<tr>
<td>Caux Round Table Japan</td>
<td>Hiroshi Ishida, Executive Director</td>
</tr>
<tr>
<td>Charoen Pokphand Group</td>
<td>Apinya Synsatayakul, Sustainability Analyst</td>
</tr>
<tr>
<td></td>
<td>Daorudee Saengjuiwong, Deputy Director</td>
</tr>
<tr>
<td>Unilever</td>
<td>Sanne Snieder, Communication and Corporate Affairs Manager</td>
</tr>
<tr>
<td>HP</td>
<td>Jessica Eilers</td>
</tr>
<tr>
<td>Corning</td>
<td>Stella Bray, Director of Supply Management Sustainability</td>
</tr>
<tr>
<td></td>
<td>Allison Yake, Innovative R&amp;D, Regulatory and Sustainability Executive</td>
</tr>
</tbody>
</table>
Econometric analyses

The data of the 2021 and 2023 iterations of the Digital Inclusion Benchmark, Food and Agriculture Benchmark and the Oil & Gas Benchmark is analysed on the presence of patterns over time that could be in line with the impact pathways.

In preparation of this analyses, the data from the different benchmark iterations, as available on the website of the WBA, are linked to get a data set containing te scores and ranks from both the 2021 and 2023 benchmarks. Companies present in just one of the iterations were removed from the sample. In such cases the rankings were recalculated using the underlying scores to assure that the range of the ranking was the same for both years.

This data set is subsequently linked with another dataset containing firm characteristics such industry and continent, that are later used as covariates in the econometric analyses. We run a standard linear regression model with Heteroskedasticity-consistent standard errors.

Race to the top

The table below indicates for each ranking the score improvement of firms ranked in the top quartile in 2021 over the timeframe 2021-2023 relative to the score improvement of firms ranked in the 2nd and 3rd quartile. The negative values indicate that firms in the top quartile made less improvement in their scores than firms ranked in the 2nd and 3rd quartile. Based on these figures we do not see evidence for a race to the top in which the companies in the top quartile (the best 25% ranked companies) are doing additional efforts. We rather see that companies in the top quartile are showing less progress in the development of their score compared to the companies in the 2nd and 3rd quartile. Plausible explanations are a catching-up effect of the companies in the 2nd and 3rd quartile and regression towards the mean from the companies in the top quartile.

Table 7 Race to the top statistical analyses

<table>
<thead>
<tr>
<th></th>
<th>Engagement 2021 benchmark</th>
<th>Engagement 2023 benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-engaged</td>
<td>Engaged</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>-6.63***</td>
<td>-14.22***</td>
</tr>
<tr>
<td>Food</td>
<td>-3.29*</td>
<td>-3.20***</td>
</tr>
<tr>
<td>Digital</td>
<td>5.24***</td>
<td>-5.51***</td>
</tr>
</tbody>
</table>
Learning
The values in the below table indicate whether a relative low rank of an element in the 2021 benchmark (a score which is lower than the overall rank of the company in that benchmark), correlates with an improvement of the ranking of that element in the 2023 benchmark. The negative values indicate that all firms improved their ranking for a specific element considerably in case they were underperforming on the given element in the previous benchmark. We cannot verify whether this can be attributed to a learning effect, although that on average the improvement of the elements is stronger for engaged companies could support this hypothesis.

Table 8  Statistical analysis on the Learning pathway

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Element</th>
<th>Non-engaged</th>
<th>Engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>Governance and strategy</td>
<td>0.00</td>
<td>-0.53***</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>-0.43***</td>
<td>-0.42***</td>
</tr>
<tr>
<td></td>
<td>Nutrition</td>
<td>-0.46***</td>
<td>-0.52***</td>
</tr>
<tr>
<td></td>
<td>Social inclusion</td>
<td>-0.48***</td>
<td>-0.28***</td>
</tr>
<tr>
<td>Digital</td>
<td>Access</td>
<td>-0.36***</td>
<td>-0.71***</td>
</tr>
<tr>
<td></td>
<td>Skills</td>
<td>-0.17**</td>
<td>-0.37***</td>
</tr>
<tr>
<td></td>
<td>Use</td>
<td>-0.29***</td>
<td>-0.28***</td>
</tr>
<tr>
<td></td>
<td>Innovation</td>
<td>-0.07</td>
<td>-0.34***</td>
</tr>
</tbody>
</table>

Pressure on the laggards
We tested the hypothesis whether companies in the bottom quartile improve their score faster than the middle quartiles. The values in the below table indicate the change in benchmark score over the timeframe 2021-2023 for companies that scored in 2021 in the bottom quartile in comparison to companies that companies that scored in 2021 in the 2nd and 3rd quartile. The figures indicate that the companies in the bottom quartile (the 25% worst ranked companies) are making more progress in than the companies in the 2nd and 3rd quartile. Plausible explanations are a catching-up effect of the companies in the bottom quartile, although we cannot verify whether this can be attributed to the pressure on the laggards, a learning effect, or WBA-unrelated catching up through addressing ‘low-hanging fruit’.

Table 9  Pressure on the laggards statistical analysis

<table>
<thead>
<tr>
<th></th>
<th>Engagement 2021 benchmark</th>
<th>Engagement 2023 benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-engaged</td>
<td>Engaged</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>-3.04*</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: benchmark data 2021 and 2023. *** indicates p < 0.01, ** indicates p < 0.05, and * indicates p < 0.10. Values indicate whether a relative low rank of the element in the 2021 benchmark (a score which is lower than the overall rank of the company), correlates with an improvement of the ranking of that same element in the 2023 benchmark. A negative value in above table means that firms got a better ranking on areas in which they underperformed in the 2021 benchmark.
<table>
<thead>
<tr>
<th></th>
<th>Engagement 2021 benchmark</th>
<th>Engagement 2023 benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-engaged</td>
<td>Engaged</td>
</tr>
<tr>
<td>Food</td>
<td>2.45***</td>
<td>3.47**</td>
</tr>
<tr>
<td>Digital</td>
<td>3.75***</td>
<td>2.69</td>
</tr>
</tbody>
</table>

Source: benchmark data 2021 and 2023. *** indicates p < 0.01, ** indicates p < 0.05, and * indicates p < 0.10. Change in score over the timeframe 2021-2023 for companies that scored in 2021 in the last quartile in comparison to companies that scored in 2021 in the 2nd and 3rd quartile.

**Webscraping**

The webscraping analysis was aimed at gathering a broad picture about references to WBA by allies, SDG2000 and other NGOs. For this purpose we scraped with our internally develop scraper the first 1000 pages of the websites of the SDG2000, Allies and the SGO200. The scraper followed scraping best practices to prevent unnecessary strain on websites. For less than 10% of the websites we were able to scrape none or less than 10 pages. In some cases this is explained by the restrictions put in place by the website or related to the design of the website.

In the scraping we considered only pages in html format (which is most of the web) and pages hosting pdf-documents. From these pages we extracted the textual content and stored it in a database for further analyses.

The quantitative analyses were aimed at providing a descriptive overview of the extent to which the various stakeholder groups reference the various benchmarks. In addition, we conducted a qualitative review of the textual contexts in which the WBA or its benchmarks were mentioned.