



Management response independent evaluation  
World Benchmarking Alliance 2023

April 2024

# Management response

We commissioned a second independent evaluation of the World Benchmarking Alliance (WBA) to assess our first five years of operation and identify lessons learned and ways to enhance our influence and impact. The 2023 evaluation was carried out by Technopolis Group and was a follow up to WBA's [first independent evaluation](#) completed in 2020.

A theory of change covering four impact pathways guided the evaluation, focusing on the mechanisms towards outcomes and impacts of the benchmarks. They include:

- *Race to the top*: benchmarks instil competitive behaviour among companies that want to be among the top ranked firms in relation to sustainable and social practices.
- *Learning*: benchmarks provide a structured form of learning for all willing and able companies in the ranking of why their performance is suboptimal, and provides directions regarding improvement.
- *Pressure on the laggards*: benchmarks are often used by other actors (investors, civil society, governments, citizens) to pressure lagging firms into improving their outcomes.
- *Policy change*: benchmarks and the wider movements around them may inform and induce policy and regulatory change, in particular for supranational frameworks (EU regulations, UN standards, etc.).

The evaluation was guided by the OECD-DAC evaluation criteria of relevance, coherence, effectiveness, efficiency, and impact. It is based on a synthesis of evidence from stakeholder interviews, desk research, case studies, benchmark data analysis and web scraping. The evaluation report provides an understanding of the extent to which methodologies, insights and benchmarks and results are used to hold companies accountable and how benchmarks and stakeholder actions based on WBA benchmark results lead to changes in company behaviour and the added value of the Alliance. Furthermore it seeks to understand whether impact on the ground can be measured.

## Evaluation findings

The evaluation confirmed several key achievements and finds that WBA has established itself quickly as a leading independent benchmarking organisation. The evaluation found evidence that WBA is an important contributor and enabler to improving corporate accountability across transformations and that benchmarks are used by an increasing number of stakeholders to influence companies to improve. The evaluation found that the benchmarks and engagement with WBA have important learning effects for companies. In addition, the impact pathway of pressure by external stakeholders such as investors, NGOs, civil society, media and the broader Alliance has clear potential. Although investors are already using benchmarks as a tool to engage with (potential) investees and use WBA assessments in their investment decisions, there is limited evidence that NGOs and civil society organisations are actively using the benchmark results to push companies to change their policies and practices. Lastly, the evaluation finds that informing and supporting public policy changes based on benchmarks has strong potential but is a process that requires more time.

In general, the evaluation finds that WBA has contributed to improving transparency and strengthening corporate accountability globally. This is important as it allows companies to be held to account when their policies, strategies and standards are considered below standard or when their practices are not in line with their own policies/strategies and standards. Therefore, WBA and its benchmarks can serve as an important enabler for true corporate accountability, though not sufficient on their own. Other key requirements are the need to increase corporate engagement, and the willingness and ability of other players such as investors, civil society, and governments to use the



results to hold companies to account. The evaluation shows the Alliance is a valuable tool for Allies, although more so for an active minority. Focused engagement through the Collective Impact Coalitions (CICs) seems particularly effective.

The evaluation also confirms that measuring the actual impacts of our work on societies and the environment is notoriously difficult, even for companies themselves, let alone WBA's contribution to positive company impact. Although there are some positive signs of impact and changes in behaviour across corporate supply chains, the evaluators could not independently verify specific examples of changes in companies' actual practices as a direct result of WBA benchmarks.

## **WBA's view on the findings**

WBA is reassured to see that through the strategic direction we have embarked upon, we have already taken some steps to move in the direction that the evaluation recommends. We are proud of the notable progress that has been made in the relatively short time of our existence and that we are recognised as a leading independent benchmarking organisation on many key transformation challenges. The four central impact pathways (race to the top, learning, pressure on the laggards and policy change) have been very helpful and provided us with valuable insights on the most effective and promising levers for change. Over the years we have sensed and learned that 'the race to the top' pathway is the least effective pathway for inducing change despite its importance to our narrative, particularly in the first years of WBA. Since our establishment, we have slowly begun to move away from this to focus more on the importance of pressure by stakeholders and more recently on the need of strengthening corporate accountability. In addition, we know that the focus on benchmarking has its limitations and our new research strategy focuses on going beyond ranks and scores, to produce actionable insights backed by scientific and contextualised analysis of business contributions to a range of sustainable development challenges. The vision is for WBA research to become the centre of excellence on corporate accountability for sustainable development, providing comprehensive and credible data and insights on 2,000 of the world's most influential companies for sustainable development. Yet, we do find that the rankings provide a conversation starter and are a useful communication and engagement tool, for example, to show where leading companies still have some way to go towards full business transformation. So even though it is not the most effective pathway for inducing change, rankings provide value and allow for easy comparison of strengths and weaknesses.

The evaluation shows that intensified engagement with investors, following recommendations of our previous independent evaluation and previous strategic decision making a few years ago to focus on investors, have resulted in the increasing uptake of WBA materials to put pressure on corporates by investors. Yet, the use of WBA outputs are not so evident and effective for NGOs, civil society and media despite the fact that there is clear potential. This signals that WBA can do more to add value to the work of civil society organisations and more broadly, we realise that we need to move to the next phase for the Alliance, focusing on impact of the Alliance rather than growing the Alliance. Whereas we directed our focus to growing the movement and action as one Alliance in the first years of our existence, we have experienced that the exponential growth in the number of Allies requires us to explore different ways to work together to add value for different types of Allies and intensify our collaboration with those who have the capacity and willingness to put our research' findings into action.

The evaluation finds that WBA is playing a relevant contributory role in increasing transparency on corporate policies and strategies and some companies indicate positive effects on supply chain stakeholders in developing countries and the environment, the evaluation did not independently verify specific examples of companies changing their practices due to WBA benchmarks. Whereas we



would have hoped to see greater impact on actual practices, increasing transparency is important. Research finds that developing a sustainability reporting framework results in organisational change, most notably the integration of sustainability issues into the strategic planning processes and decision making<sup>1</sup>. We acknowledge that more transparent firms tend to score higher in our benchmarks and the evaluation points out that company improvements are biased towards disclosure rather than true transformation. Although companies need to be transparent to obtain scores in our benchmark, our benchmarks are designed in such a way that companies can never score high by just being transparent about policies and commitments. Indicators in our methodologies focus on policies, commitments, strategies but also on actual practices and (quantitative) performance data.

While the evaluation provides helpful insights into how companies incorporate feedback and learnings from the benchmarks into their disclosures, policies and strategies, more in depth research could have been done in this evaluation on the link between improvements in disclosure and what happens 'below the waterline' in companies, i.e. what leads to behavioural change? It is often argued that sustainability reporting is just 'the tip of the iceberg' and that what happens below is much more important than the reporting itself. In addition, we believe that our benchmarks, building on stakeholder expectations, making corporate sustainability measurable and comparable, have significant added value. As academic research shows, benchmarks like the Corporate Human Rights Benchmark can "provide another avenue of pressure on corporations to prevent selective disclosure of information and avoid treating disclosure as an end in itself without leading to meaningful organisational change"<sup>2</sup>. In addition, engagement with companies helps to move transparency initiatives away from 'ex post accountability' (where a company is held accountable for harm it has caused) to the implementation of compliance programs and establishing a corporate culture that will help to avoid causing harm in the first place<sup>3</sup>. In that sense, we are also less concerned about the risk of 'ESG-washing' as our scorecards clearly outline where companies perform well and where they underperform and how they rank on specific themes and they are publicly available and accessible to all stakeholders.

## Going forward

The evaluation makes a number of important and valuable recommendations. Overall, WBA agrees with the proposed recommendations and initial steps have already been taken to address some of the recommendations.

*Update our Theory of Change to reflect the focus on corporate accountability and impact pathways*  
WBA acknowledges the need to update our Theory of Change to better reflect the different pathways of impact and our focus on closing the corporate accountability gap that exists in the context of sustainable development. The focus of the Engagement and Communication function in 2024 is to further socialise WBA's corporate accountability [white paper](#). This will support stakeholders acknowledging the need for corporate accountability in pursuit of sustainable development, emphasising it as a process that includes each and every one of us, at the same time enabling them to better understand their own role in closing the corporate accountability gap.

*Changing the structure and rhythm of our research and publications to be more efficient and impactful*  
Important steps have already been taken to improve and streamline our ways of working by assessing all 2,000 companies during 2025 and release the benchmarks, scorecards and datasets simultaneously in January 2026 (and biennially thereafter). Working in this way, we can dedicate our research team's

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<sup>1</sup> Adams and McNicholas (2007). Making a difference – Sustainability reporting, accountability and organisational change. *Accounting, Auditing & Accountability Journal*, 20 (3): 382 – 402.

<sup>2</sup> Hess (2019). The Transparency Trap. *American Business Law Journal*, 56 (1): 5 – 53.

<sup>3</sup> See 2



time in the year after publication to activities that help drive impact, such as conducting policy research that builds on benchmark data and other research to inform policy engagement and advocacy, and do research that can support more targeted engagement with stakeholders. In addition, this approach also contributes to creating more space to work more effectively and closely with the Alliance. Working towards one key launch every two years will also make us more predictable for companies and the media. To facilitate this organisational change, four “Transition Working Groups” have been created to provide structure and guide decision making. These four groups are:

1. Delivering our core products, to ensure we have the workflow, people, products and tools in place to implement the new way of organising our work to maximise impact against limited resources.
2. Preparing for the big launch, to maximise the opportunity from the SDG2000 results while maintaining a seven system transformation approach. This is to ensure we reach and create impact in a larger audience that can hold companies to account and which sets the basis for:
3. Driving impact through our fundamentals, to ensure we drive positive impact for those people most directly impacted by companies as this is in the basis of our mission and what the SDGs are meant for.
4. Strengthening internal growth and learning, to ensure that people have clarity and are comfortable with the new scale and rhythm and through which we can maximise impact against limited resources.

We believe these working groups will play a pivotal role in ensuring a strong impact focus in everything we do, will contribute to building capacity and facilitating learning both internally as well as through and within the Alliance, and will ensure the benchmarking and engagement process will be streamlined for companies.

*Deepen the way we work with our Allies and policymakers to make benchmarks consequential for companies*

In addition, we acknowledge the fact that the Alliance needs to work much more as a community, or a set of communities, in order to really unleash the potential and power of the Alliance, particularly for NGOs and civil society organisations. The Alliance has grown rapidly over the past five years to include more than 380 globally diverse organisations, ranging from grassroots organisations to multilateral institutions from across the globe. The evaluation shows that the Alliance is a valuable tool for Allies, although in particular so for an active minority and to add value for a larger proportion of the Alliance we believe a more tailored approach is needed. CICs seem to be one way in which Allies can contribute through a more tailored approach – they have proved to be an effective way to enable Allies to step in according to their expertise and experience, using benchmark findings as a hook for a more targeted engagement approach. There is opportunity to explore these further. Whereas the evaluation finds that investors are increasingly using WBA benchmarks, particularly those that have gone through multiple iterations, to pressure companies, more emphasis can be placed on WBA’s engagement with NGOs and civil society organisations. We have learned that having a dedicated engagement lead focusing on the needs and interests of a particular stakeholder group has significantly developed and increased engagement with and use of our research (e.g. in the case of investors), we are exploring a similar approach for civil society organisations. In addition, the evaluation also recommends working with specific partners more closely, whereby WBA focuses on its ‘data and knowledge’ role and other partners focus more convening and scaling. As the evaluation findings and recommendations are challenging us to think about engaging with the Alliance in different ways, this will be a key consideration to take into account when thinking about the role and WBA’s role in the Alliance moving forward.



The evaluation also recommends that WBA strengthens its presence and position in specific geographic regions such as Asia. We have used our Allies Assembly in the past to build our networks in particular regions but in between these annual Assemblies we can do more to keep this network engaged and alive through more targeted or regionalised engagement. We will also work on the community building element of the Alliance that will contribute to more effective engagement and collaboration with and within the Alliance.

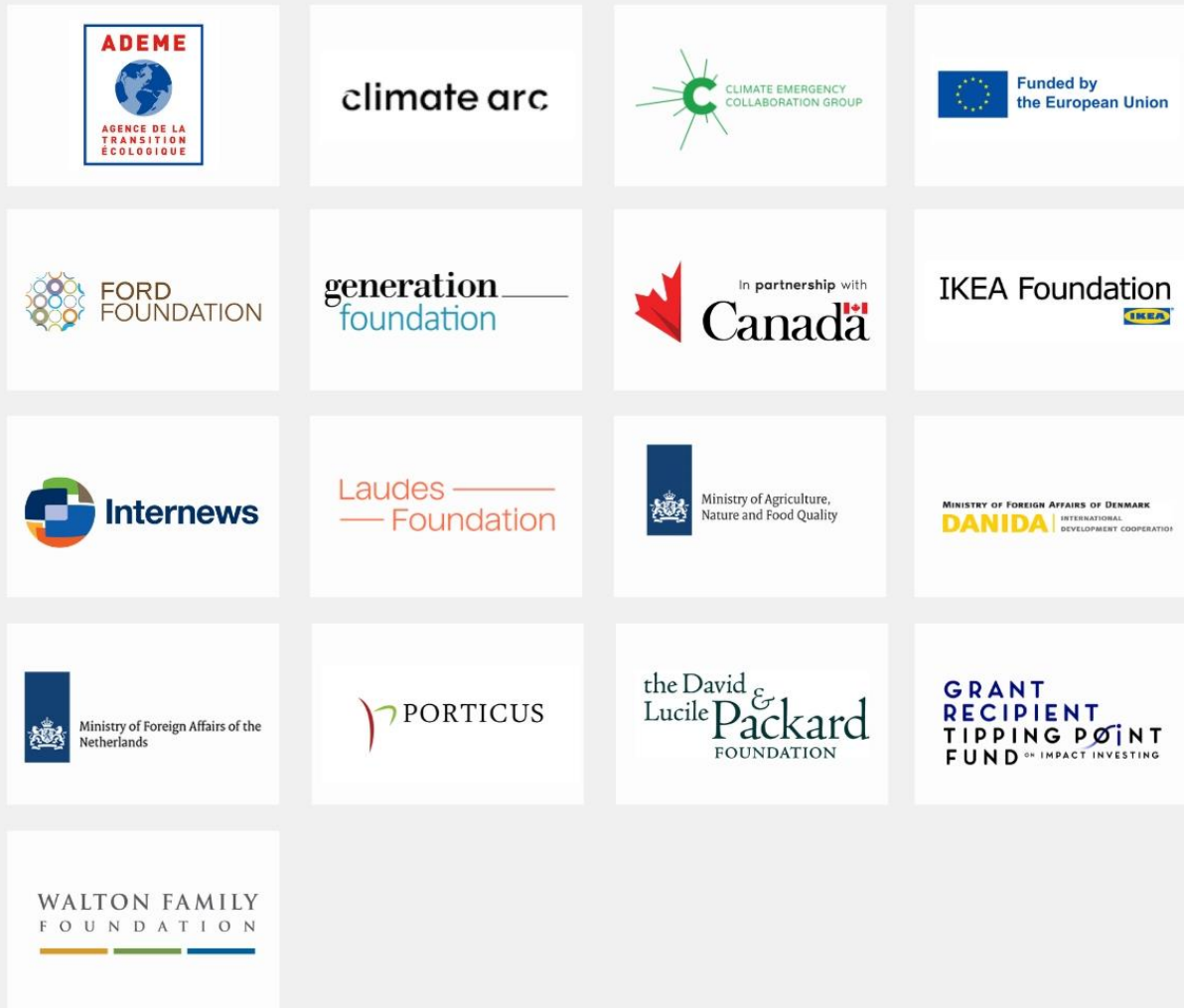
*Driving the global movement on corporate accountability*

According to the evaluation, the longest impact route involves informing and supporting policy change based on the insights from the benchmarks. It found some early success in contributing to policy change and notes that this impact route has clear potential, in particular for new/emerging areas. WBA's policy team has been building feedback loops from our benchmark insights to land research-driven insights and evidence with policymakers. These insights span the seven systems transformations, and further drive the accountability of the private sector in their contribution to the SDGs. We have also been using our thought leadership to provide input for regulations (soft and hard) that drive businesses to be accountable for the SDGs in key intergovernmental and national policy processes, building on data driven insights.

In parallel to developing the feedback loops from its benchmarks on policy action, WBA has started to explore how policymakers can, by providing clarity of the responsibility of business in meeting global agendas, support the closing of the corporate accountability gap. The UN and its member states must play a leading role, this cannot be left to markets and society alone to tackle, yet it needs to involve societal and market actors at every step of the process. To make more of the potential of policy change in transforming companies, WBA is considering how to input into UN processes to embed corporate accountability in the intergovernmental system so that the role of the multilateral system in strengthening corporate accountability in support of sustainable development becomes the accepted norm. As per our white paper on corporate accountability, achieving corporate accountability is a collective process and WBA is well placed to explore this pathway through its Alliance.



## Our funding partners:



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