World Benchmarking Alliance

Social Benchmark 2024

Insights Report: Executive Summary

July 2024

At a time when many people are experiencing a cost-of-living crisis as well as system-level inequalities such as growing wealth disparities, the 2024 Social Benchmark examines whether the world's 2,000 most influential companies are fulfilling societal expectations to foster a more equal and inclusive world.

The Social Benchmark Framework outlines these high-level expectations in the form of 18 indicators which assess companies' contribution to a systemic transformation that leaves no one behind. Achieving the Sustainable Development Goals requires companies to engage in socially responsible business conduct, including respecting human rights, providing decent work with a living wage, and acting ethically by paying their fair share of taxes and lobbying responsibly.

However, the Social Benchmark reveals that companies are leaving too many people behind, with 90% of the 2,000 companies assessed not even being halfway to meeting fundamental societal expectations on human rights, decent work and ethical conduct. Among the top 10% of companies that surpass the halfway mark, a concerted effort to respect human rights is evident, demonstrating that respecting human rights and understanding their impact on people is crucial for socially responsible business practices.

Despite this, only 9% of companies in the benchmark communicate examples of how they engage with affected stakeholders. Companies that engage with affected stakeholders perform better across all benchmark indicators, particularly in human rights, including commitments to respect human rights and human rights due diligence. Similarly, those consulting affected stakeholders are more likely to provide decent work, especially with regard to honouring worker health and safety and advocating gender equality and women's empowerment.

Better understanding the risks faced by affected stakeholders is essential for translating companies' responsibility to respect human rights into practice. Nevertheless, 80% of companies score zero on the initial steps of human rights due diligence, wh ich include identifying, assessing and taking action on human rights risks and impact.

Companies based in countries with human rights regulations score nearly 60% higher on average than those in countries without such regulations.

Moreover, those in high-impact sectors score over 80% higher than those in other sectors. A combination of regulatory frameworks, voluntary guidance and collective stakeholder efforts is essential for driving improved human rights due diligence practices and minimising potential negative impact on people.

Most companies in the benchmark perform poorly on fundamental aspects of decent work, particularly in areas like living wages and working hours. Only 4% of the 2,000 companies pay their direct employees a living wage, with less than 1% setting a target to do so. Just 3% of companies support the payment of a living wage in their supply chain. Additionally, only 3% of companies meet the International Labour Organization's (ILO) minimum standards on working hours.

Finally, the 2,000 most influential companies, with revenue amounting to almost half of global gross domestic product (GDP), lack transparency in their political engagement strategies and spending. This opacity makes companies susceptible to potential misalignment between their political activities and their human rights and decent work commitments, as well as with broader expectations of responsible business conduct. Only 11% of companies have established a policy that publicly sets out their approach to lobbying and political engagement, and a mere 5% disclose their lobbying expenditures.

Given the spread of these 2,000 companies, this report also explores sectoral and regional trends. We found that consumer-facing companies, such as those operating in the apparel and footwear, ICT and retail sectors, perform better than other sectors where the costs of failing to live up to stakeholder expectations may not be felt as strongly. In terms of location, we found that all regions, except for Central Asia, are represented in the top scoring 10% of companies, demonstrating there are examples of good practice all across the globe. However, average performance varies widely among regions, from 35% among companies based in the Pacific to an 11% average for companies headquartered in the Middle East and North Africa.

Additionally, when looking at intergovernmental forums, we found that companies based in the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD) perform better than the overall benchmark average, while companies based in countries that comprise the Group of Twenty (G20) perform slightly below the overall average.

Finally, the report lays out WBA's next steps to advance socially responsible business conduct and help close the corporate accountability gap. Some of our existing and upcoming initiatives include Collective Impact Coalitions (CICs), Communities of Practice (CoPs) and the next iteration of the Social Benchmark in 2026.

Overall, this Social Benchmark underscores the significant gap between current corporate practices and societal expectations for building a more equitable, inclusive and just world. While a small number of companies show that good performance is possible in all areas of human rights, decent work and ethical conduct, the majority of companies fall short. Without substantial improvements in corporate conduct, achieving the Sustainable Development Goals will remain elusive.