World Benchmarking Alliance

Methodology for the 2026 Urban Benchmark

February 2025

Table of contents

Note to readers

Background for developing the Urban Benchmark

Despite covering only 2-3% of the world's land area (Shi et al., 2023), urban areas are home to more than half of the world's population and generate more than 80% of the world's GDP ((The World Bank, 2023)). This makes cities central to achieving the Sustainable Development Goals (SDGs) set by the United Nations (UN) in 2015. However, cities are failing millions around the world in unmistakable ways. Take for example the vast gap between incomes and housing prices worldwide, or the growing disaster risks increasingly affecting cities in both the global south and north.

Together with local governments, companies are a major stakeholder in contributing to how cities are shaped and operated. They hold a key role in addressing many of the issues that urban areas face globally and should be accountable to their impact on our shared ambition for inclusive, safe, resilient and environmentally sustainable cities as envisioned in the New Urban Agenda (NUA, 2016). Discussions within the recently convened twelfth session of the World Urban Forum (WUF12) re-emphasised the role that businesses can play in creating sustainable urban environments (IISD, 2024).

Following up on and contributing to these global agendas and conversations, the World Benchmarking Alliance's (WBA's) Urban Benchmark assesses the performance of 300 of the world's most influential companies that contribute to shaping many of today's major urban areas. Together, these 300 companies serve an estimated 2.5 billion people and operate in 171 countries and 43 megacities globally.

Regardless of their significance, most of the 300 companies scored alarmingly low on the first iteration of the Urban Benchmark in 2024, with an overall average score of 11.3%, with just 11 companies scoring above 30%. It is clear from these results that despite the looming 2030 deadline for the SDGs and the urgency of urban challenges, companies have yet to take significant action that positively contributes to people and planet, and to thriving urban areas.

The Urban Benchmark methodology objectives

The Urban Benchmark seeks to build a comprehensive accountability framework for large companies providing key services in urban environments, by consolidating global agendas, societal expectations and existing technical standards and frameworks (WBA, 2023). A big component of this work is to first understand how companies are currently performing. The first iteration of the Urban Benchmark aimed to understand the state of play in what urban sector companies are doing, both in relation to topics that are widely accepted as private sector accountabilities and topics that are mandated in the SDGs, NUA, as well as the UN-Habitat's Global Urban Monitoring Framework (UMF), but are not yet found in common corporate reporting standards. These include, for example, topics pertaining to cultural heritage, public open spaces and universal accessibility of infrastructures.

By including these less commonly assessed topics, the first iteration of the Urban Benchmark sought to raise stakeholders' awareness and contribute reliable data on company contributions to these topics. It also met the larger overall objective of establishing a baseline set of expectations and translating them into measurable indicators, which can then be used as a roadmap by companies to transition their practices and measure their progress.

Building on the results of the first iteration, the second iteration of the Urban Benchmark aims to measure how companies have been progressing across the various indicators. Additionally, it aims to integrate the team's learnings from the company engagement process and stakeholder feedback. The subsequent changes to the 2025 Urban Benchmark methodology help ensure it is better aligned, both with WBA's methodology review principles and with different stakeholders' expectations, current company practices and global agendas.

WBA and the seven system transformations

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

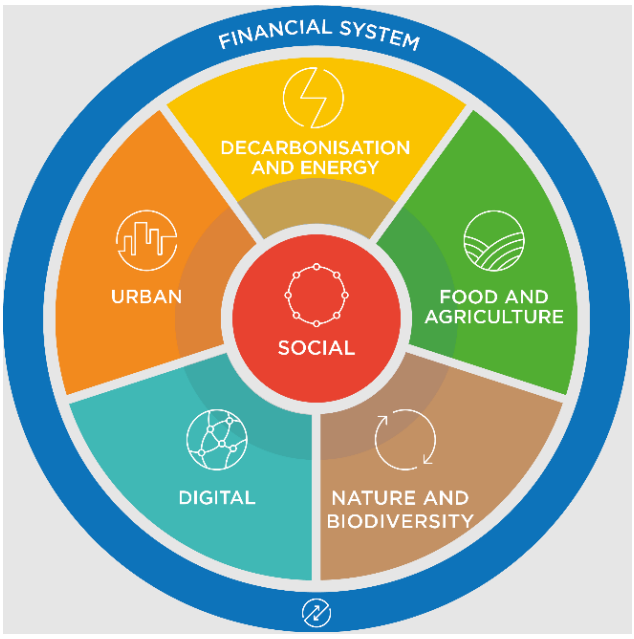
In 2015, the UN set out an enormously ambitious and transformational plan of action for people, the planet and prosperity. The 17 SDGs demonstrate the scale and ambition of this agenda, stimulating action in areas of critical importance to humanity and the planet.

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

Seven system transformations

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

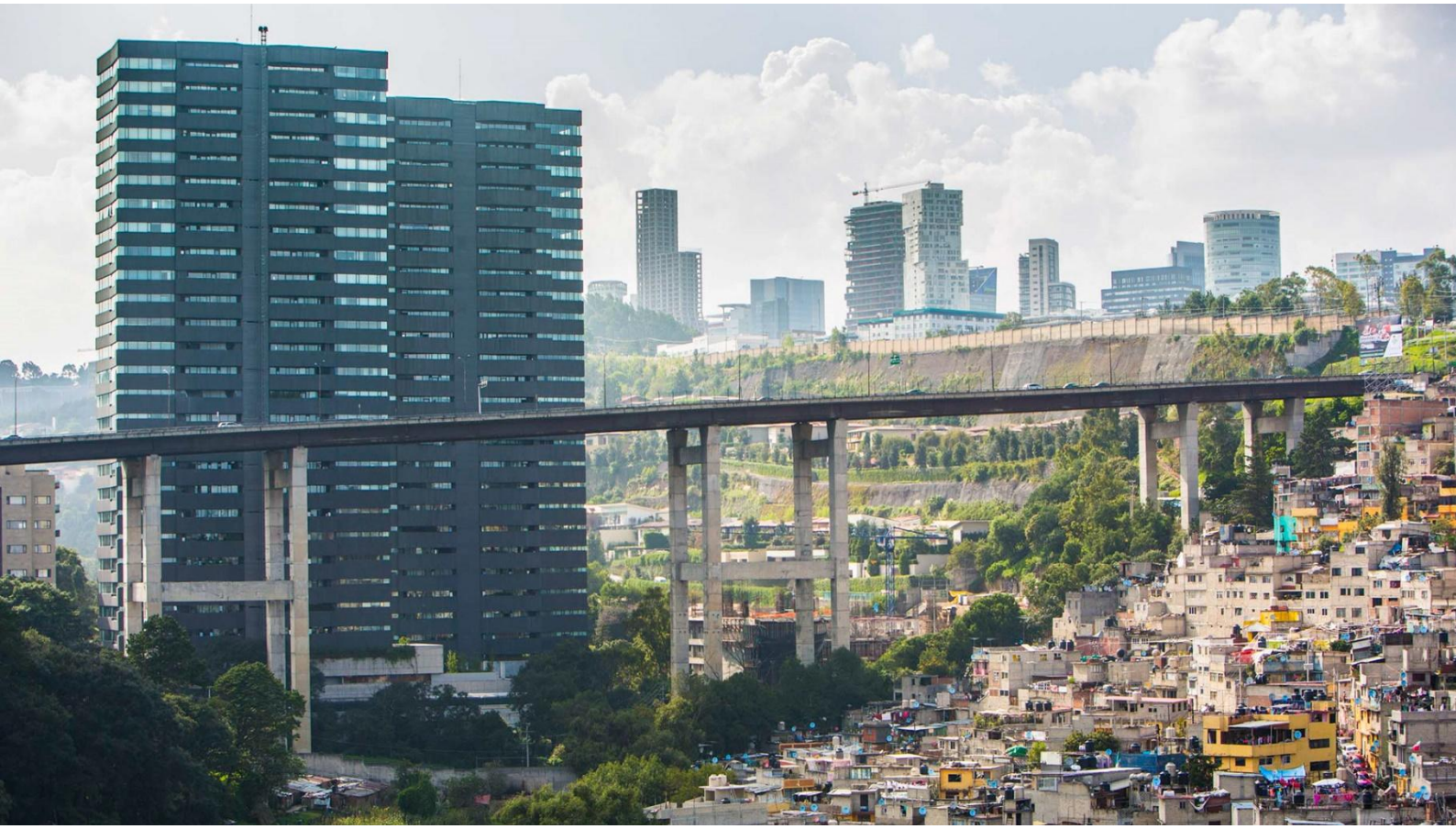
FIGURE 1: WBA'S SEVEN SYSTEM TRANSFORMATIONS



Benchmarking for a better world

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

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



The Urban Benchmark

Rapid urbanisation has been one of the most defining and transformative demographic trends of the 21st century. Approximately 55% of the world's population now lives in urban areas – a figure that is expected to increase rapidly (UN, 2019). This trend is particularly evident in East Asia, South Asia and Sub-Saharan Africa, regions with the highest concentration of people living below the poverty line (Sustainable Development Solutions Network, 2013). If we are to achieve the global goals, urban sustainability must be prioritised.

Urban Benchmark framework

Urban transformation trends

Well-planned and well-managed urbanisation can accelerate poverty reduction by providing more opportunities for employment, better services and amenities, and thus a higher quality of life (UNDESA, 2020). However, without proper planning and management, urbanisation could easily lead to overcrowding, poor health, deepened inequalities and depleted natural environments. It is critical that urbanisation is carried out in ways that are effective, efficient, legitimate and socially just (Hartmann & Spit, 2015), while creating economic and social opportunities for all.

Since 2007, more than half of the world's population has been living in urban areas, and by 2050 urban population is projected to reach 6.68 billion (UN, 2019). These patterns of rapid urbanisation emphasise the importance of planning for and managing urban sustainability both now and in the future. Broadly, urban sustainability involves ensuring that all individuals have access to essential services and resources while observing the ecological limits of the planet and local environments. This is key to long-term human and planetary wellbeing. It is also important to consider the rapid urbanisation rates alongside accompanying and unavoidable global trends, such as demographic transitions, a rapidly digitising society and climate change (Das, Yuko, Chapman, & Jain, 2022)[1].

Digitisation, smart cities and employment

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

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

While digitisation presents many opportunities, digital technologies, including automation and artificial intelligence, can lead to a transformation of the employment landscape. It is estimated that 14% of jobs across all countries, and 10% of jobs in the US are at high risk of automation. Workers with a lower level of education are concentrated in occupations at high risk of automation, such as refuse workers or labourers in construction and transport (Georgieff & Milanez, 2021) and those working in industries closely linked to urban development.

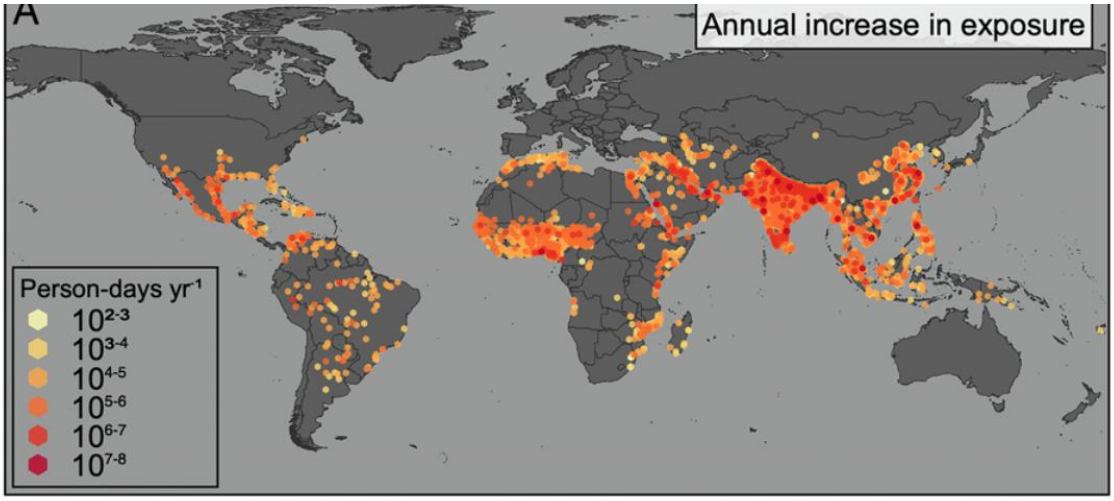
Further, digitisation has facilitated remote work arrangements, allowing people to work from anywhere. This trend has a direct impact on commuting patterns and the demand for office spaces in urban areas. It also affects urban environments through the emergence of innovation hubs and reimagining of entire urban districts. These changes present both opportunities and responsibilities for the private sector in ensuring their use of technology is inclusive and contributes to reducing inequality, while being transparent in data practices and mindful of the social impacts of automation and job displacement.

Climate change, natural disaster risk and resilience

Despite their comparatively small physical footprint, cities have been by far the biggest contributors to climate change, responsible for approximately 75% of global carbon dioxide (CO_2) emissions, with transport and construction industries listed among the top contributors (UNEP, n.d.). Cities also bear the brunt of climate change impacts more pronouncedly. The increasing loss of urban biodiversity, accelerated by climate change, is resulting in a growing proportion of the world's population being cut off from daily contact with nature. Furthermore, disaster risk, being a function of hazard and exposure vulnerability, is higher in urban areas. This is due to higher population densities being exposed to climate change related risks, such as heat waves and floods.

The total urban population facing droughts and water scarcity due to climate change is projected to increase to 350 million at 1.5°C and up to 410 million at 2°C of warming (Castillon, 2022). Moreover, this effect will be disproportionately concentrated in equatorial regions

FIGURE 2: MUNICIPALITY-LEVEL INCREASE IN THE RATE OF URBAN POPULATION EXPOSURE TO EXTREME HEAT FROM 1983 – 2016 (TUHOLSKE ET AL., 2021)



Climate change induced disasters disproportionately impact the poor, women, people with lower education and ability, and racial and ethnic minorities. The highest climate change vulnerability is observed in informal settlements with low adaptive capacities, and the same is true for natural disaster risks. Therefore, it is imperative that urban companies integrate sustainability into their practices, ensure that their projects contribute to climate mitigation, enhance resilience against climate-related disasters and actively support vulnerable communities through adaptive solutions.

Affordability and informality

Generating more than 80% of the global GDP (The World Bank, 2023), cities are also responsible for much of the increase in global prosperity and economic growth. Nevertheless, studies indicate that housing in more productive and populated cities tends to be less affordable (Kallergis et al., 2018). Growing urban population densities have led to soaring demand for housing and essential services. Unfortunately, this surge in demand has often outpaced the supply of affordable housing, contributing to a widening gap between incomes and housing costs. This mismatch between supply and demand is complex and can result from various factors, including underinvestment in certain segments of housing, overregulation or speculative holding of land and real estate. Housing price growth has outpaced income growth by 35% and 38% in North America and Canada respectively, and by up to 50% in some European countries (Statista, 2023).

Often, informal housing emerges as a solution to housing unaffordability. Around 40%, sometimes up to 75%, of the population of fast-growing cities in developing countries is housed in informal settlements, amounting to 881 million people globally (Habitat for Humanity, 2023). Often, informal developments produce overpopulated and unhealthy living conditions. As a result, cities are also responsible for much of the deprivation and environmental degradation, such as increasing volumes of untreated wastewater discharges, unplanned land conversion due to sprawling, sometimes affecting environmentally sensitive areas, and increased consumption of natural resources (Sustainable Development Solutions Network, 2013). This situation presents a significant responsibility for the private sector to invest in affordable, sustainable housing solutions and develop innovative business models that address both supply and demand imbalances.

Health and public spaces

Accessible green or recreational areas contribute to public health by offering opportunities for exercise, which helps prevent obesity, cardiovascular and other chronic diseases (Sugiyama, Carver, Koohsari, & Veitch, 2018). Additionally, these spaces foster social connections, reducing feelings of isolation and enhancing mental health. Importantly, green spaces improve urban air quality and provide a cooling effect, providing healthier and more comfortable urban environments (Zupancic, Westmacott, & Bulthuis, 2015).

The Covid-19 pandemic ushered in a shift in perceptions about the importance of public spaces and prompted a re-evaluation of urban planning priorities. More sustainable mobility options gained popularity as people sought alternatives to crowded public transportation (Institute for Transportation and Development Policy, 2021). Cities began to reconfigure their infrastructure to accommodate these changes, creating more bike lanes and pedestrian-friendly zones (Rérat, Haldimann, & Widmer, 2022). The pandemic reinforced the interconnected relationship between the built environment and the wellbeing of individuals and communities, making it clear that the private sector needs to play a crucial role in shaping healthier urban environments by integrating open spaces into developments and using design and technology to enhance the quality and maintenance of these spaces.

Closing the corporate accountability gap

In view of the aforementioned trends, countries and stakeholders, especially local governments, need to change their practices to adapt to new realities and shape cities to meet these challenges. A growing body of research shows how companies are also becoming crucial players in this arena, involved in shaping cities together with local stakeholders (Satterthwaite & Dodman, 2018). At the same time, the growing role of urban sector companies presents several social and environmental risks (Li & Rama, 2023; Moser, 2020).

The recently convened twelfth session of the World Urban Forum (WUF12) re-emphasised the pivotal role of companies in sustainable urban development, calling on private sector investments, innovations and contribution to skills development (IISD, 2024). Regardless, there is as yet no clear framework for corporate accountability towards the SDGs, beyond stimulating companies to get involved in public-private financing of projects. Without an effective accountability framework to drive business action, it is unlikely that we will see the required change.

The Urban Benchmark methodology serves as a roadmap to begin clarifying corporate accountability, based on global agendas, societal expectations and latest standards and frameworks. WBA's review process for updates ensures continued relevance and coherence between its benchmark methodologies and other frameworks. As we better define company expectations with subsequent methodology updates and benchmark iterations, the Urban Benchmark will contribute to a greater understanding of corporate accountability towards shaping sustainable urban environments.

Urban sustainability within the 'doughnut'

To translate the SDGs into actionable and measurable indicators for assessing company performance, we took stock of leading sustainability frameworks, including planetary boundaries and doughnut economics. The 'doughnut economy' framework, outlined by the British economist Kate Raworth (2018a), is a development model that promotes the fulfilment of society's essential needs while staying within Rockström's (2009) planetary boundaries (Figure 4). Raworth presents this model as a response to the traditional view of "*economies that need to grow whether or not they make us thrive, when what we need… is economies that make us thrive whether or not they grow,*" (Raworth, 2018b).

The Urban Benchmark methodology looks at sustainable urban development, in line with the doughnut economics model, as the practice of delivering essential needs and services to all urban dwellers across twelve dimensions which set the social foundation, while observing the ecological ceiling (Figure 5).

Within this overall framework, we have identified four measurement areas:

A) **Sustainable governance**, which benchmarks companies' impact materiality assessments, sustainability objectives and targets, alignment with the SDGs and local development goals, as well as engagement with local authorities and key stakeholders.

B) **Inclusive cities**, which benchmarks companies' performance on delivering adequate, affordable and accessible housing and services, and companies' contribution to the local economy.

C) **Healthy cities**, which benchmarks companies' contribution to public and green space provision, reduction of air pollution, water use efficiency and quality, and waste reduction.

D) **Climate change and resilient cities**, which benchmarks companies' contribution to greenhouse gas emissions reduction, energy efficiency, ecosystem protection, natural disaster risk reduction and resilience.

Along with these four urban-specific measurement areas, we use **WBA's core social indicators (CSIs)**, embedded across all our benchmarks, as a fifth measurement area. Using these five measurement areas, the Urban Benchmark will assess 300 leading urban companies for their contribution to establishing a strong social foundation in urban spaces and their commitment to staying within the planetary boundaries.

FIGURE 3: THE SOCIAL FOUNDATION AND ECOLOGICAL CEILING OF DOUGHNUT ECONOMICS (RAWORTH, 2018A)

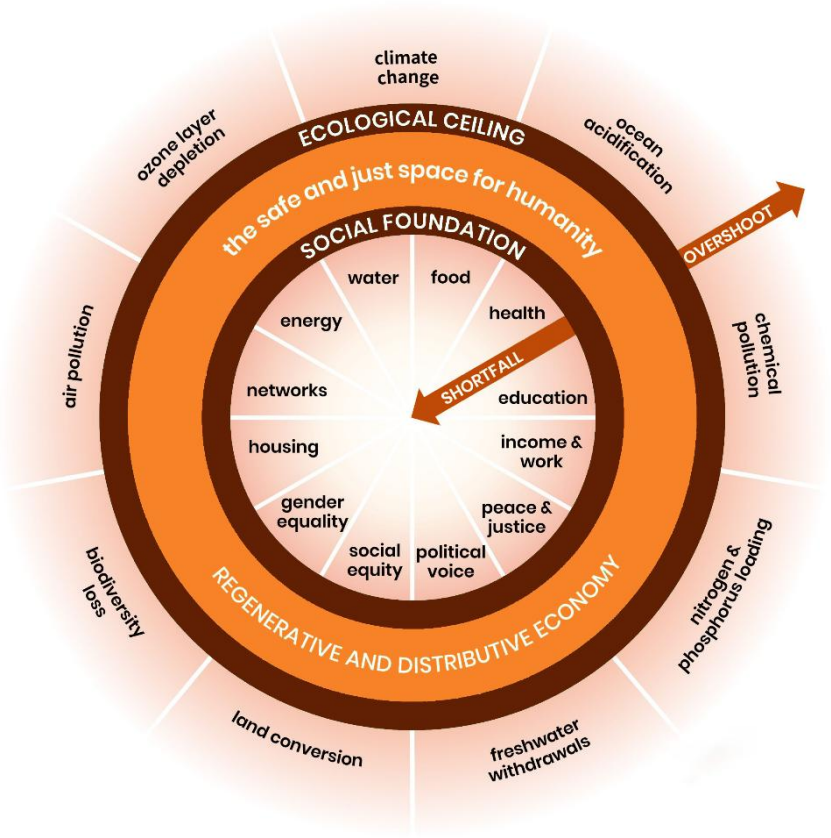
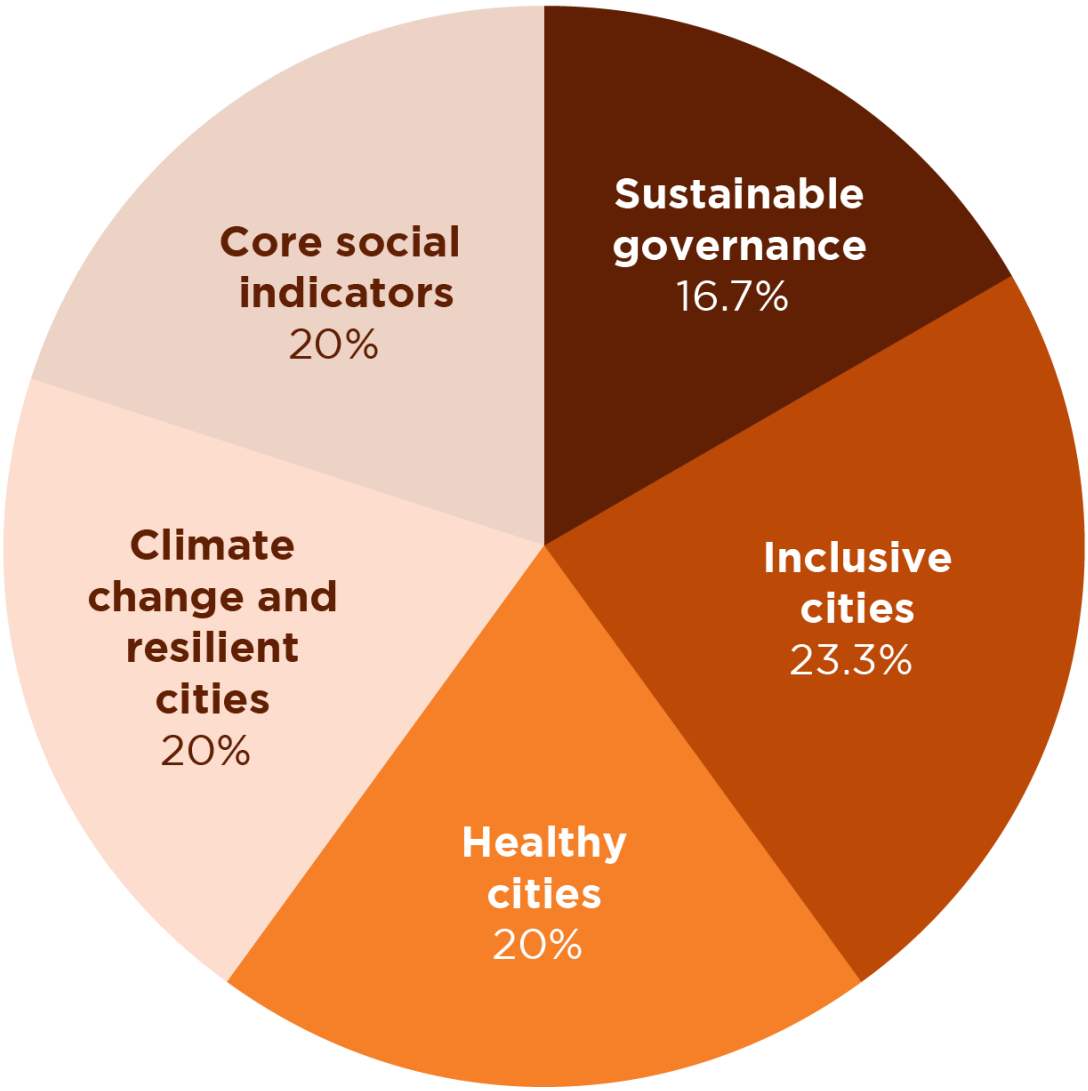


FIGURE 4: THE FIVE MEASUREMENT AREAS OF THE URBAN BENCHMARK



While the four urban-specific measurement areas and the 24 indicator topics within them are derived from the SDGs (in particular SDG 11), the New Urban Agenda and the doughnut economy model, the elements required under each indicator are underpinned by existing corporate sustainability reporting standards and frameworks. This ensures that the bar we set matches global stakeholder expectations on a given topic, and it minimises the reporting burden on companies by aligning with how they report certain information. We can categorise the standards that back our methodology under:

1. **Global/regional reporting mandates and frameworks,** such as the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD) and the Task Force on Climate-Related Financial Disclosures (TCFD)
2. **Global corporate sustainability reporting standards,** including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and International Organization for Standardization (ISO)

3. **Industry-specific frameworks**, such as the United Nations Disaster Risk Reduction (UNDRR) Sendai Framework for disaster resilience

Additionally, there are some elements in the methodology with requirements that go beyond these standards, pointing towards an ideal scenario in relation to sustainability and corporate accountability.

Public and bilateral consultations: A multistakeholder iterative process

The team decided to approach this year's methodology revision process in alignment with the ongoing shift in WBA's research cycle. To this end, we incorporated the consultation process into discussions at our events (Figure 7) in addition to carrying out bilateral discussions. Maintaining our multistakeholder approach, we shared the findings from the first iteration of the Urban Benchmark with our Expert Review Committee (ERC) members, Allies and other key stakeholder groups, and requested their feedback, particularly on select indicators of interests.

The ERC members were consulted during three rounds throughout 2024, and the team will continue to correspond with the ERC throughout the benchmark's research phase. The latest round of discussion, where the team presented the key benchmark findings, was in early November 2024 at the WUF12 held in Cairo, Egypt.

These consultations highlighted that urban transformation is a novel field relative to biodiversity, climate or human rights. Company contributions to shaping the urban environment will, more likely than not, depend on the context in which they operate, and will be determined by prevailing regulations, legal requirements, local governance, industry sectors and other context-dependent socio-cultural factors.

Members of the Urban Benchmark ERC

The Urban Benchmark team recruited a number of independent Expert Review Committee (ERC) members to help guide and oversee the benchmark development and consultation process. To help ensure the benchmark's relevance across different stakeholders and geographies, members from different backgrounds, organisations and regions were recruited. Throughout 2024, the ERC continued to provide guidance on moving discussions forward, while also reviewing key benchmark findings and contributing to the methodology revision.

As of January 2025, the Urban Benchmark ERC included:

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

To have a balanced representation of voices across regions and backgrounds, the team will continue to grow its ERC representation from Africa, Latin America and the Middle East.

FIGURE 5: URBAN BENCHMARK PRESENTATION AT ASIA PACIFIC URBAN FORUM ‘23, UF24 ROTTERDAM (TOP), URBAN BENCHMARK LAUNCH AT WUF12, CAIRO (BOTTOM).

Review principles

In 2024, WBA completed the assessment of all 2,000 of the SDG2000 companies at least once. This milestone serves as an important moment for us to reflect on our workflow and impact. Based on feedback from a variety of stakeholders, including the WBA Allies and assessed companies, we have been working to streamline our research. From Q4 2024 onwards, WBA has entered a new cycle, which will make our work more efficient and impactful going forward.

To this end, we have gone through a range of **alignment and harmonisation** efforts within and across benchmarks, not just for the methodology review, but also to synchronise key processes, from data collection and storage all the way to a unified scoring approach. These efforts will increase efficiency in data collection and enhance insights.

Methodology review guiding principles:

1. **Relevance**. Methodology is up to date and relevant and reflects changes in the landscape and role of companies.
2. **Robustness**. Metrics are robust and can fairly compare companies against each other.

   Indicators are streamlined to focus on tangible outcomes and impact-driven metrics. Most qualitative evidence and commitments are excluded, with qualitative assessments now limited to activity-based evidence and areas lacking established quantitative metrics.
3. **Consistency**. Capacity for time-series analysis and performance tracking between successive benchmarks is maintained.
4. **Feasibility.** Data can be collected practically by WBA and companies.
5. **Impact**. Revisions focus on what is needed most and aim to achieve maximum *impact*, i.e. transformed systems and improved business impact on people, workers, communities and the environment, particularly in developing countries.
6. **Alignment**. Methodology aligns with international instruments, relevant initiatives and other WBA benchmarks. Methodology is complementary to what exists rather than duplicating.

Indicator structure, language and definitions are consistent within and across WBA benchmarks. Indicators generally follow a consistent structure: regular reporting, time-bound target and reporting on progress.

Key adjustments to the methodology

The key drivers behind the Urban Benchmark methodology revision have been assessment accuracy and alignment with other WBA system transformations with topic overlaps, such as the Nature and Food and Agriculture benchmarks. The changes resulting from this process are summarised below.

First, two measurement areas have been renamed: 'Governance & Strategy' is now 'Sustainable governance' and 'Climate proof and resilient cities' is now 'Climate change and resilient cities'. The first revised name better reflects the comprehensive evaluation of corporate governance, which goes beyond strategy to include impact materiality, sustainability commitment through clear and transparent accountability at the highest decision-making level and engagement of key stakeholders in the process. The second revised name aims to better reflect the two aspects that this measurement area looks into: reducing the carbon footprint of cities and climate change resilience and adaptation.

Second, two indicators previously in measurement area A (Security of tenure, land & property rights and Cultural heritage preservation) have been moved to measurement area B: 'Inclusive cities'. These two topics directly affect urban inclusivity by ensuring stable living conditions and respect for diverse cultural identities. Security of tenure is also closely linked to affordability, another indicator covered in measurement area B.

The key changes at an indicator level include:

- Indicator splitting: The 'Sustainability strategy' indicator is now covered under 'Impact materiality and sustainability strategy' and 'Sustainability targets and plans' to allow for a more accurate assessment of the process, implementation and result of the sustainability strategy.
- Indicator merging: The 'Scope 1 & 2 greenhouse gas (GHG) emissions' and 'Scope 3 greenhouse gas (GHG) emissions' indicators have been merged into one indicator named 'Greenhouse gas emissions', which will focus on the most material emissions relevant for each industry assessed.
- New indicator: A new 'Climate change adaptation' indicator is included, which looks into actions taken by companies to integrate adaptive strategies into their operations and contribute to building urban environments resilient to climate change.
- Removed indicator: The 'Discrimination' indicator has been removed due to considerable overlap with the core social indicators (CSIs). The CSIs assess companies' human rights policies and commitment to the United Nations Guiding Principles (UNGPs), which include discrimination, as well as grievance channels for reporting and handling complaints from workers and communities.

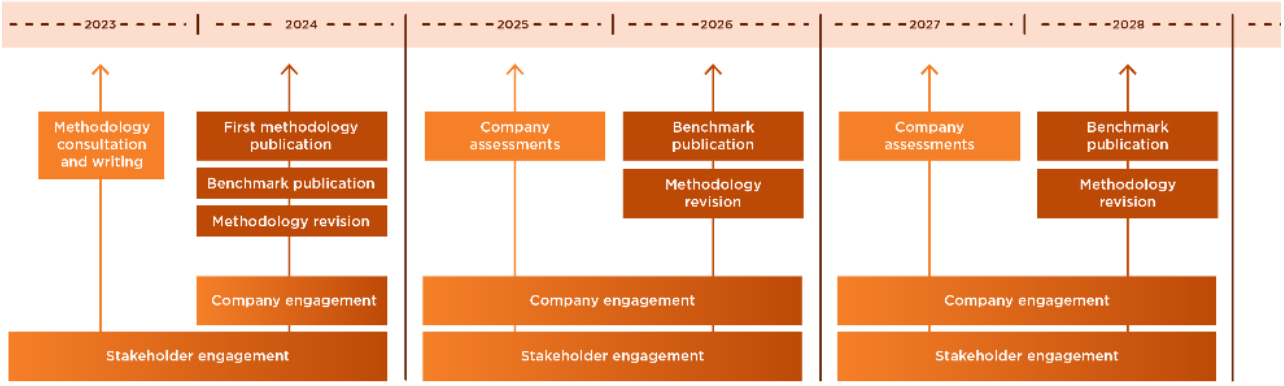
See Appendix 2. Updates from the previous methodology, for a more detailed overview of the changes.

Process and timelines

The results from the first iteration of the Urban Benchmark were published in November 2024. Going forward, all of WBA's benchmarks will follow a similar assessment and publication cycle. Starting Q4 2024, all SDG2000 companies will be assessed on a rolling basis following the publication of their key reports (i.e. annual and sustainability reports), against all relevant WBA benchmarks. In early 2026,

WBA will publish the results of all the benchmarks at the same time, and thereafter every two years. Publishing all SDG2000 data at once allows for more comparable data and richer analyses and insights by including data across transformations, sectors and geographies.

FIGURE 6: TIMELINE



During the assessment period, WBA will work with a third-party research provider that will conduct the initial review of companies' publicly available data following the benchmark methodology. Following the initial assessment by the research provider, WBA analysts will quality-check the data and assessment to ensure accuracy. During this process, the scoring guidelines used to assess companies will be improved, if necessary, in consultation with our experts and the ERC. The scoring guidelines will be published with the benchmark results. This will provide additional insights to stakeholders regarding how to apply WBA's methodologies.

After each company is assessed, WBA will continue its practice to share a draft assessment with the company to provide an opportunity for feedback. Companies will be sent reminders to encourage them to review the assessment and provide any additional information they wish to share. Companies that do not respond or decline to participate in the engagement process cannot appeal their results and will have to wait for the next benchmark cycle to input new information.

Scoring approach

All indicators in the Urban Benchmark methodology are equally weighted, since the topics are of equal relevance to sustainable urban development. Two indicators from measurement area A have been moved to measurement area B, resulting in measurement area B being weighted slightly higher in 2025 (23.3%) compared to 2024, and measurement area A slightly lower (16.7%). Measurement areas C and D carry the same weight as last year (20%). Despite these changes, the Urban Benchmark's thematic focus remains the same, equally emphasising the urban-specific aspects of inclusion and governance, as well as health and the environment. Additionally, 20% of the score still comprises the core social indicators.

The scoring for 2025 will follow a similar logic to 2024:

- Element score = 1 (met) or 0 (unmet)
- Indicator score = sum of element scores / number of elements in that indicator
- Measurement area score = sum of indicator scores / number of indicators in that measurement area

- Total score = weighted average of measurement area scores

Most of the indicators in the benchmark are industry agnostic, meaning the same criteria and expectations apply to all industries. However, some indicators are adapted to different industries, or considered not applicable, to reflect the varying scope of activities and business models. These instances are noted under the Applicability subheading within each indicator description.

All elements are scored independently, so, although some topics are connected, there are no pre-requisites for meeting a certain element. Furthermore, there is no partial scoring – either the company fully meets the reporting requirements, or it does not – though relevant evidence will be captured to indicate how far along a company is in its journey towards meeting each element.

Assessments are based on information that is publicly available in English, disclosed in the last three years and reported at group level. Subsidiary level reporting will be reflected in the assessments, but in most cases, will not be sufficient to meet the requirements, unless otherwise specified.

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

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

Industry and company selection

Industry selection and distribution

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

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

- **Real estate companies** – property owners and property developers
- **Construction and engineering companies** – companies involved in the construction of buildings and urban infrastructure
- **Transportation companies** – intra-urban passenger transport companies, including major ride-hailing companies
- **Utilities** – companies involved in energy distribution, drinking water and sanitation services, and urban waste management

Half of the 300 companies in the benchmark impact housing and buildings (150 real estate and construction companies) and the other half impact urban services (150 transport and utility companies). In 2025, we removed 24 architecture, urban design and consulting companies from the benchmark due to the small size of this sample, the scope of the methodology and the non-applicability of many indicators, and replaced them with real estate and construction companies. Nevertheless, we maintain that architecture, urban design and consulting companies can be very influential in making urban environments more sustainable and seek to tailor an assessment with this focus in the future.

Keystone company selection

The selection of companies is based on WBA's methodology for identifying SDG2000 'keystone companies'. First, companies are screened against the Industrial Classification of All Economic Activities (ISIC) methodology to identify those with activities relevant to the four selected industries listed above. Companies are then selected based on a number of keystone criteria. Given the local nature of urban development, some criteria were adjusted to consider local footprint, size and impact, and an additional criterion was added to cover companies operating in megacities:

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

[2] Data on revenues, total assets owned and market capitalisation was sourced from companies' own financial reports as well as lists such as the Fortune 500.

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

The goal is to identify companies with the highest impact on urban populations. So, while we aim to select companies that fulfil multiple criteria, we prioritise specific criteria for different industries. For real estate and construction companies, we prioritise criteria 1 (revenue/assets under management) and criteria 2 (market dominance, e.g. the biggest homebuilder in Korea or largest developer in the USA). For transport and utility companies we prioritise criteria 5 (footprint, e.g. ridership or number of people served) and criteria 6 (megacity presence).

In 2025, we replaced 12 companies whose core activities/ISIC codes were out of scope (for example, if the distribution arm for energy is relatively small, or they focus on logistical real estate instead of residential or commercial), or who went into liquidation in the last 12 months, or where a larger or more impactful company from the same industry and region was recognised.

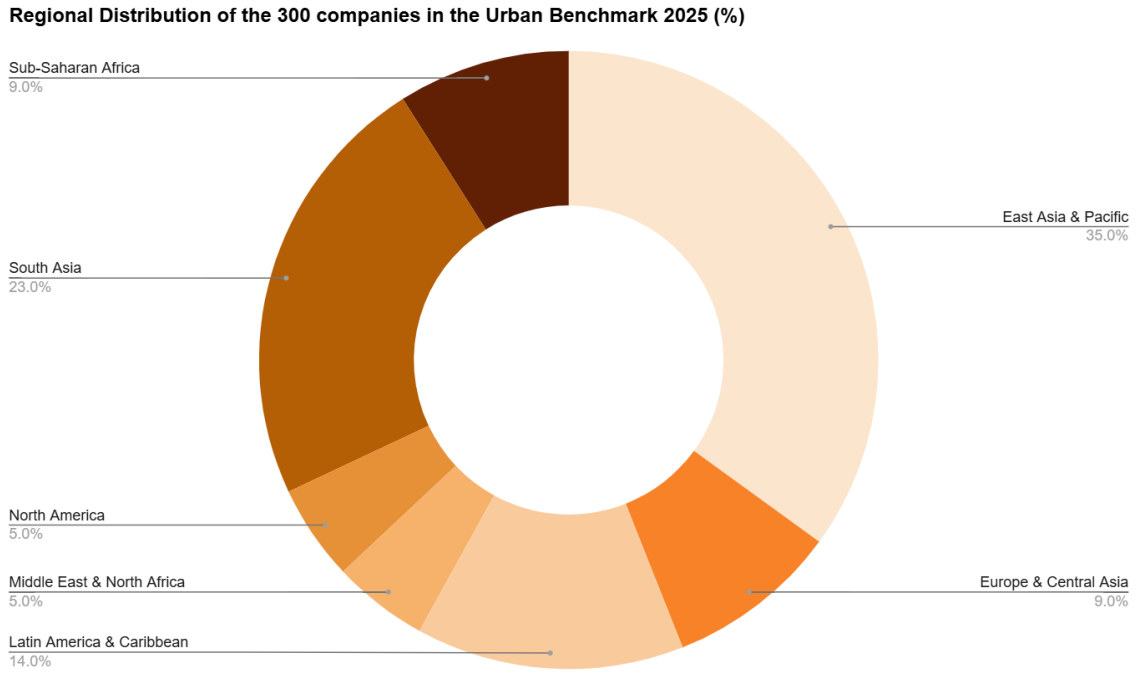
Geographic distribution of companies: megacities and regional representation

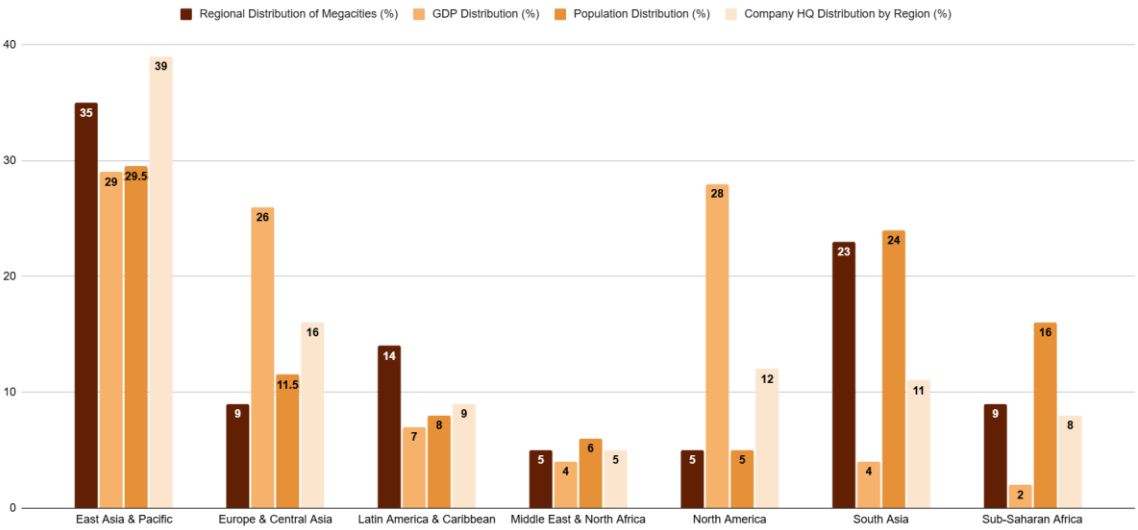
Megacities, defined as cities with over 10 million people, have been driving global urbanisation trends. In 1970, there were just a handful of megacities worldwide. In 2022, their number grew to around 30, and by 2030, this number is expected to reach almost 50 (UN, 2019). The growth and expansion of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

While megacities are often hubs of economic opportunity, technological advancement and cultural shifts, they also present complex challenges related to infrastructure development, adequate housing, environmental sustainability, public health and social equity. This requires us to look at the role of the private sector in ensuring the continued viability and resilience of these population centres. We therefore focus company selection on companies that serve or operate in a megacity, rather than simply focusing on headquarter locations. We have further selected clusters of companies within certain megacities to build a picture of how the private sector contributes to the development of those cities.

In terms of regions, the 300 companies are distributed in a way that reflects the global distribution of population, GDP and megacities (Figure 9). This means we see a relatively high number of companies in the benchmark from China, India and the USA compared to other countries. We have also lowered the threshold for revenues and assets under management for real estate and construction companies, to ensure we capture impactful companies operating in Asia, Africa and Latin America.

FIGURE 7: REGIONAL DISTRIBUTION OF THE 300 COMPANIES SELECTED FOR THE 2024 URBAN BENCHMARK (TOP); COMPARISON OF COMPANIES' REGIONAL DISTRIBUTION, REGIONAL DISTRIBUTION OF MEGACITIES, GDP AND POPULATION (BOTTOM). (SOURCE: HTTPS://DATA.WORLDBANK.ORG/, 2024; WORLD URBANIZATION PROSPECTS: THE 2018 REVISION, 2018)

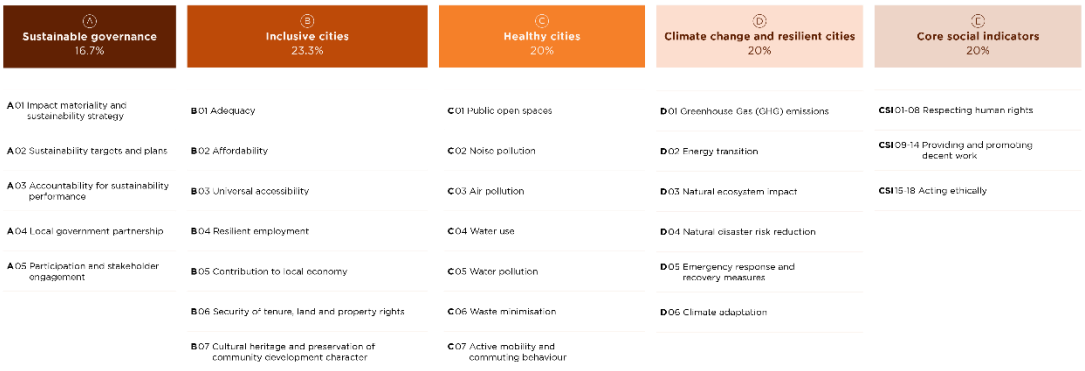




Measurement areas and indicator overview

In addition to the core social indicators (CSIs) which span all of WBA's benchmarks, the assessment will look at 24 indicators specific to the Urban Benchmark, spread over four different measurement areas. The four measurement areas are: **Sustainable governance; Inclusive cities; Healthy cities**; and **Climate change and resilient cities**. Each of these measurement areas contain 5-7 indicators, as summarised in Figure 10.

FIGURE 8: OVERVIEW OF MEASUREMENT AREAS AND INDICATORS IN THE URBAN BENCHMARK



Measurement area A: Sustainable governance

A01. Impact materiality and sustainability strategy

Indicator: The company transparently identifies and prioritises its material sustainability impacts and has a sustainability strategy addressing these impacts.

Applicability: All industries – Industry agnostic

Rationale: Impact materiality assessments allow companies to identify and prioritise their most significant environmental, social and governance impacts. Embedding the results into their sustainability strategy ensures that companies address these critical areas effectively, enhancing their long-term resilience and aligning the company's operations with the SDGs.

Contributes to: SDGs 12.6, 16, 17.16, 17.17

Elements:

a) The company identifies material sustainability impacts across its operations and value chain.
b) The company identifies and prioritises its most material impacts.
c) The company discloses the stakeholders and experts consulted in determining its material impacts.
d) The company discloses a sustainability strategy covering its material impacts.

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

A02. Sustainability targets and plans

Indicator: The company uses targets and plans to drive measurable improvements in sustainability performance across its operations and value chain.

Applicability: All industries – Industry agnostic

Rationale: Having concrete targets and plans allows companies to track progress and demonstrate accountability towards their most material sustainability issues. Transparency in relation to targets and plans ensures that the improvements companies make are measurable and impactful.

Contributes to: SDGs 12.6, 16, 17.16, 17.17

Elements:

a) The company sets targets covering all its priority material impacts.
b) The company reports against all the targets covering its priority material impacts.
c) The company discloses action plans for implementing its sustainability strategy and targets.
d) The company allocates resources to implement its sustainability strategy.

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

A03. Accountability for sustainability strategy

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

Applicability: All industries – Industry agnostic

Rationale: Assigning responsibility for sustainability decision-making and oversight to the highest governance body ensures strategic alignment and accountability at the top level. Additionally, having dedicated sustainability functions, teams or committees can drive effective implementation of the sustainability strategy across the organisation. Linking senior executives' remuneration to sustainability targets and having a supervisory board with relevant expertise incentivises leadership to prioritise and achieve meaningful progress on the company's most material sustainability issues.

Contributes to: SDGs 16, 17.16, 17.17

Elements:

a) The company assigns responsibility for its sustainability strategy to its highest governance body.
b) The company discloses the functions, teams or committees that are responsible for the implementation of its sustainability plans.
c) The company links senior executive remuneration to its sustainability targets.
d) The company's highest governance body has expertise with respect to its material sustainability topics.

Sources: CDSB (2021); GRI 2-12, 2-13, 2-14, 2-17, 3-3 (2021); UNDP (2021); WEF (2020)

A04. Local government partnerships

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

Applicability: All industries – Industry agnostic

Rationale: Translating the SDGs into actionable local development goals requires a thorough understanding of the local context. Additionally, implementation of these goals in an urban environment requires multistakeholder partnerships. Local governments can be the best government bodies to facilitate this partnership (Masuda, Kawakubo, Okitasari, & Morita, 2022) given their responsibilities and interests across all sectors, and their mandates, legitimacy, existing networks and knowledge of local experiences (Gustafsson & Mignon, 2020). Companies should actively engage with local governments, which play a vital role in enabling interventions and investments at the local level, throughout the implementation, maintenance and operation of services and infrastructures.

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

Elements:

a) The company discloses all the locations where it operates.
b) The company commits to collaborate with local government(s) by explicitly listing them as one of the stakeholder engagement groups.
c) The company discloses its engagement process with local government(s).
d) The company describes how it responds to key issues raised by local government(s).

Sources: AA1000SES (2015); GRI 2-29, 415 (2022); Habitat III (2016); UNDP (2021)

A05. Participation and stakeholder engagement

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

Applicability: All industries – Industry agnostic

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

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

Elements:

a) The company discloses the categories of stakeholders it engages with and how they are identified.
b) The company discloses its engagement process with stakeholders.
c) The company describes how it responds to key issues raised by its stakeholders.
d) The company describes how it engages with at-risk or vulnerable affected stakeholders.

Sources: AA1000SES (2015); GRI 2-29, 411, 413-1 (2022); UNDP (2021)

Measurement area B: Inclusive cities

B01. Adequacy

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

Applicability: All industries – Adaptable

Rationale: Globally, 2.8 billion people experience some form of housing inadequacy (UN Habitat, 2023)) and only half of urban residents have convenient access to public transport systems (UN, SDG11). The growing number of informal settlement dwellers, particularly in East Asia, South Asia and Sub-Saharan Africa, has resulted in inadequate and overburdened infrastructure systems for waste management, water and sanitation, with negative impacts on public health and livelihoods. Addressing these challenges requires companies to comply with international quality standards and take concrete actions to improve the quality and reliability of their products and services, including minimising gaps and outages, ensuring regular monitoring and maintenance, and implementing changes to designs and building methods.

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

Elements:

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

Sources: ISO 9001 (2015), 14001 (2015), 24510 (2024), 24511 (2024), 24512 (2024), 27001 (2022), 45001 (2018), 50001, (2018), 55001 (2024)

B02. Affordability

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

Applicability: All industries – Adaptable

Rationale: Out of the 92 major metropolitan housing markets globally, 79 have become severely unaffordable (Urban Reform Institute & Frontier Centre for Public Policy, 2022). With basic services being privatised in many cities, and large real estate companies dominating local property markets, the private sector has a crucial role to play in addressing the global cost-of-living crisis. Transport and utility companies can offer tiered pricing systems, delayed payment options or subsidised rates to make their services more affordable to low-income users, while real estate and construction companies can allocate a portion of their portfolio to affordable housing through mixed-use developments or dedicated projects. Such initiatives can complement the efforts that governments are making through subsidy programmes and regulations.

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

Elements:

a) The company reports regularly on the affordability of its products/services.
b) The company sets targets for the affordability of its products/services, including a description of how it determines affordability.
c) The company reports progress on the affordability of its products/services over time.
d) The company takes systematic actions to improve the affordability of its products/services.
e) The company assesses and discloses the impact of external factors on the affordability of its products/services for its customers.

Sources: OECD HC.1.5 (2021); SABS Standards SICS IF-EU 240a, SICS IF-GU 240a, SICS IF-WU 240a (2023)

B03. Universal access

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

Applicability: Industry specific. This indicator has three sets of elements. Elements a), b) and c) are applicable to real estate, construction and transport industries, element d) is applicable to the utilities industry and elements e) and f) are applicable to all industries.

Rationale: Cities across the world are often difficult to navigate, especially for children, elderly and people with disabilities, since many buildings, transport infrastructures and facilities are not designed with these groups in mind. In addition, access to essential information can create more barriers for people with disabilities to be able to enjoy and take advantage of the urban environment. Ensuring websites and apps comply with digital accessibility standards, offering support programmes and adopting strategies for universal access are critical steps towards inclusion. Moreover, engagement with users with disabilities is crucial to ensure that their needs are correctly considered and that accessibility initiatives are effectively communicated.

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

Elements:

a) The company reports regularly on the accessibility of its products/services.
b) The company sets targets for universal accessibility of its products/services.
c) The company reports progress in improving the accessibility of its products/services.
d) The company ensures compliance with international digital accessibility standards to support users with disabilities.
e) The company takes systematic actions to improve the accessibility of its products/services.
f) The company communicates and engages with affected stakeholders on the accessibility of its products/services.

Sources: ADA Accessibility Standards; ADA Standards for Accessible Design (2010); ISO 21542:2021 (physical accessibility); ISO/IEC Guide 71:2014; ISO/IEC 40500:2012 (technology and website accessibility); UN-OHCHR (2014); W3C Accessibility Standards

B04. Resilient employment

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

Applicability: All industries – Industry agnostic

Rationale: The transition to net zero and developments in artificial intelligence are driving huge sectoral shifts in the global economy and changing the demand for workers' skills and knowledge, leading to corporate restructuring, skills gaps and layoffs, with stronger effects in certain industries. Large companies, often at the forefront of technological innovations and smart city developments, must consider the impacts of these transitions on their workers in terms of income and employment. They should develop programmes for upskilling to ensure that future skills needs are met and retention and redeployment outweigh redundancy.

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

Elements:

a) The company assesses and discloses the impacts of its sustainability transition plan on workers.
b) The company provides or supports access to programmes for upskilling its employees.
c) The company reports statistics on the outcomes of its upskilling programmes.
d) The company reports the proportion of its workforce that is made redundant annually.

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

B05. Contribution to local economy

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

Applicability: All industries – Industry agnostic

Rationale: Large companies can contribute positively to local economies by creating jobs and income opportunities, procuring inputs locally from small and medium enterprises and injecting capital through investments, all of which stimulate local demand and help other businesses grow. Conversely, companies can hinder local economic development by outsourcing labour, procuring inputs abroad and creating monopolies over local businesses. Capturing data on the value created versus extracted from local economies helps understand the direct and indirect impacts that large enterprises have on local growth and productivity rates, wage and employment trends, poverty reduction and inequality.

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

Elements:

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

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

B06. Security of tenure, land and property rights

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

Applicability: All industries – Adaptable

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

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

Elements:

a) The company commits to recognising and respecting legitimate tenure rights of thoseaffected by its operations.
b) The company describes how it identifies legitimate tenure rights holders when acquiring, leasing or making other arrangements to use properties, with particular attention to vulnerable tenure rights holders.
c) The company describes cases where it has obtained free, prior and informed consent (FPIC) when dealing with tenure rights holders it affects.
d) The company has mechanisms in place for resolving conflicts that may arise while dealing with tenure rights holders.

Sources: ILC Toolkit 9 ; ILMS Coalition;; UN OHCHR (2014, 2015)

B07. Cultural heritage and preservation of community development character

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

Applicability: All industries – Adaptable

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

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

Elements:

a) The company discloses risk assessments related to its activities on heritage sites.
b) The company reports on the operational sites owned, leased or managed near or within the buffer zone of heritage sites.
c) The company discloses its stakeholder consultation process when operating near or within the buffer zone of heritage sites.
d) The company mitigates its impact in protected areas near or within the buffer zone of heritage sites.

Sources: IFC (2018); UNESCO (2022, 2023)

Measurement area C: Healthy cities

C01. Public open space

Applicability: Real estate and utilities industries

Indicator: The company contributes to creating high-quality open spaces.

Rationale: Public open spaces play a pivotal role in the health of urban communities, offering spaces for recreation, relaxation and social interaction. In doing so, they promote physical activity, reduce stress and enhance mental wellbeing (UN-Habitat, 2018). These spaces also contribute to environmental sustainability, acting as green lungs that improve air quality and mitigate the urban heat island effect (Aram, García, Solgi, & Mansourniac, 2019). Through investments in well-designed, accessible public spaces, real estate and utility companies can play a pivotal role in enriching the quality of life for residents and contributing to the long-term appeal and sustainability of urban areas.

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

Elements:

a) The company provides systematic evidence of supporting the quality of open spaces through nature-based solutions.
b) The company provides systematic evidence of supporting the safety of open spaces.
c) The company reports the amount of public open space it provides and/or maintains.
d) The company reports progress on the amount of public open space it provides and/or maintains.

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

C02. Noise pollution

Applicability: Transport and construction industries

Indicator: The company reduces its noise pollution and vibration

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

Contributes to: SDG 11; NUA 67

Elements:

a) The company identifies and reports on noise and vibration sources for all its operational sites.
b) The company reports on its adherence to local, national and/or international noise and vibration regulations and standards.
c) The company conducts regular monitoring of noise pollution and vibration and reports on its outcomes.
d) The company implements noise and vibration mitigation measures.

Sources: European Noise Directive (2002); ISO 11204:2010; WHO (2022)

C03. Air pollution

Indicator: The company reduces its production of air pollutants.

Applicability: All industries – Adaptable

Rationale: Over 99% of the global population lives in areas where air pollution is above air quality guidelines, resulting in 4.2 million deaths every year (World Health Organization, 2022). Air pollutants produced through companies' operations and business activities have adverse effects on air quality, agriculture, biodiversity, climate, habitats and the health of both animals and humans. This becomes especially important in urban areas, where high concentrations of air pollutants, such as carbon monoxide (CO), nitrogen dioxide (NO_2), particulate matter (PM) and sulphur dioxide (SO_2), are strongly associated with human health concerns. This indicator measures companies' approaches to measuring and reducing harmful air pollutants.

Contributes to: SDG 11.6; NUA 54, 65, 118

Elements:

a) The company reports on air quality parameters.
b) The company sets a target to reduce its air pollutants.
c) The company reports progress in reducing its most material air pollutants.
d) The company identifies societal impacts in its air pollution risk assessment.

Sources: Clean Air Fund (n.d.); GRI 305-6 (2016); ESRS E2 (2022); SASB Electric Utilities & Power Generation, SASB Rail Transportation, SASB Road Transportation, SASB Waste Management; TNFD C2.4; WHO (2022)

C04. Water use

Indicator: The company reduces its water use.

Applicability: All industries – Adaptable

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

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

Elements:

a) The company reports on its water use.
b) The company sets a target to reduce its water use.
c) The company reports progress on reducing its water use.
d) The company assesses water risk at site level.

Sources: B Corp ESC1.3, ESC1.4; CDP W1.2b, W1.2d, W8 (2023); Ceres 1.2A, Ceres VWFI 1.2X (2023); ESRS E3 (2022); GRI 303-3-a, 303-3-b, 303-5 (2022); SBTN 3.3.2 (technical guidance) (2024), SBTN Freshwater; TNFD C3.0 (2024); UN Water (2021); WRI Water Risk Atlas (2021)

C05. Water pollution

Indicator: The company reduces its water pollution.

Applicability: All industries – Adaptable

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

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

Elements:

a) The company reports on its water pollutants.
b) The company sets a target to reduce its water pollutants.
c) The company reports progress on reducing its water pollutants.
d) The company identifies societal impacts in its water pollution risk assessment.

Sources: AWS 1.3.4 (2019); CDP W1.2k, W8 (2023); Ceres 2.1, 2.2 (2023); ESRS E2 (2022); GRI 303-2, 4 (2022); IUCN (2017); SBTN 3.4 (2024); TNFD C.2.1 (2024)

C06. Waste minimisation

Indicator: The company reduces its production of waste.

Applicability: All industries – Adaptable

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

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

Elements:

a) The company reports on its waste generation.
b) The company sets a target to reduce its waste generation.
c) The company reports progress on reducing its waste generation.
d) The company reports the amount of waste recovered and recycled.

Sources: ESRS E5 (2022); GRI 306-1, 306-3, 306-4, 306-5 (2022); TNFD C2.2 (2024); World Bank Group (2021)

C07. Active mobility and commuting behaviour

Indicator: The company promotes active and public forms of transport among its employees.

Applicability: All industries – Industry agnostic

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

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

Elements:

a) The company contributes to enhancing active and/or public transport systems in urban areas.
b) The company locates offices near public transport hubs.
c) The company provides travel or commuter incentives to employees to promote active and/or public transport modes.
d) The company tracks the use of active and/or public transport modes by its employees.

Sources: ILO (2020); OECD (2020)

Measurement area D: Climate change and resilient cities

D01. Greenhouse gas emissions

Indicator: The company reduces its scope 1, 2 and 3 greenhouse gas (GHG) emissions in line with a 1.5°C pathway.

Applicability: All industries – Adaptable

Rationale: Cities and urban areas account for over 70% of the world's CO_2 emissions (Dasgupta, Lall, & Wheeler, 2022; UNEP, n.d.). Many of these emissions come from motor vehicles, industrial activities, and the heating and cooling of buildings that rely on fossil fuels. This indicator assesses companies' reporting and activities related to reduction of GHG emissions. Scope 1 emissions are direct emissions from sources owned by the company, while scope 2 emissions are indirect emissions from purchased electricity, steam, heating or cooling. Scope 3 emissions result from activities associated with assets not owned or controlled by the company but indirectly influenced by the company's value chain. (US EPA, 2023).

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

Elements:

a) The company reports on its greenhouse gas emissions.
b) The company sets targets to reduce its greenhouse gas emissions.
c) The company reports progress on reducing its greenhouse gas emissions.
d) The company's targets are aligned with a 1.5ºC pathway.

Sources: ACT-D Commit, Transform, Disclose (2022); CDP 5.5, 7.5, 7.6, 7.7, 7.8, 7.10, 7.11 (2024b); ESRS E1 (2023); GRI 305-1, 305-2, 305-3 (2024); SBTi (n.d.); SBTN (2024)

D02. Energy transition

Indicator: The company demonstrates a transition towards more sustainable and resilient energy use.

Applicability: All industries – Adaptable

Rationale: As contributors to 80% of the world's GDP (The World Bank, 2023), urban areas require an uninterrupted supply of energy to function. The high concentration of economic activities in urban areas means they are also a major consumer of the global energy supply, consuming up to 75% of global primary energy (UN-Habitat, 2023). Achieving sustainable urban development requires prioritising energy efficiency across all urban assets, transport infrastructures and service provision, while also embracing the broader energy transition towards cleaner, renewable energy sources. Urban companies should align their strategies with global decarbonisation goals and foster the adoption of renewable energy and technologies contributing to both energy efficiency and the energy transition.

Contributes to: SDGs 7.a, 7.b, 7.2, 7.3; NUA 121

Elements:

a) The company reports regularly on its energy consumption.
b) The company sets a target to increase its energy efficiency.
c) The company reports progress on reducing its non-renewable energy consumption.
d) The company reports progress on transitioning to a secure and resilient energy system.

Sources: B Corp ESC1.2 (n.d.); ESRS E1 (2022); European Commission (2024); GRI 302 (2016); IEA (2023); IPCC AR6 (2023)

D03. Impact on natural ecosystems

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

Applicability: All industries – Adaptable

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

Contributes to: SDGs 15.a, 15.1, 15.5

Elements:

a) The company reports on the operational sites owned, leased, managed in or adjacent to protected areas.
b) The company sets a target to reduce its impact on ecosystems.
c) The company reports progress on reducing its impact on ecosystems.
d) The company mitigates its impact on protected areas.

Sources: B Corp ESC1.5; ESRS E4 (2022); GRI 304 (2016); SBTN (2020)

D04. Natural disaster risk reduction

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

Applicability: All industries – Adaptable

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

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

Elements:

a) The company conducts risk assessments for all types of natural disasters relevant to its operations.
b) The company has a policy for sharing disaster risk data with stakeholders.
c) The company reduces disaster risk vulnerability by implementing disaster proofing measures.
d) The company insures all of its critical assets and portfolio to reduce the financial impact of disasters.

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

D05. Emergency response and recovery measures

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

Applicability: All industries – Adaptable

Rationale: Designers, builders and operators of built environments must be prepared for the possibility of emergencies and be able to provide an appropriate response to guarantee the safety and survival of everyone exposed to risks. This translates to installing early warning systems and implementing emergency response systems that are regularly tested and communicated to all users. Companies must also ensure that their buildings and infrastructures have adequate evacuation plans, are equipped with emergency supplies, are connected to first responders and have adequate maintenance measures planned to reduce the impact of hazards and increase systemic resilience. Additionally, companies should have backup or reserve capacities to ensure that basic services are not affected for extended periods after an emergency.

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

Elements:

a) The company has a business continuity plan against any risks related to natural disasters.
b) The company has an emergency response plan for natural disasters.
c) The company embeds emergency management systems into its operations infrastructure.
d) The company maintains its emergency management systems to ensure ongoing effectiveness and relevance.

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

D06. Climate adaptation

Indicator: The company enhances resilience of built environments against climate impacts to ensure long-term sustainability.

Applicability: All industries – Adaptable

Rationale: Urban areas are increasingly vulnerable to the impacts of climate change, such as extreme weather events, rising temperatures and altered precipitation patterns (IPCC, 2022). Climate adaptation is crucial to reduce vulnerabilities, protect assets and enhance resilience against these risks. Companies can strengthen their focus on proactive adaptation by aligning their efforts with frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), the Business Leaders Guide to Climate Adaptation & Resilience (WBCSD), ISO 14090:2019 (Adaptation to Climate Change) and the CDP Climate Change Questionnaire. These guidelines can help companies systematically assess climate-related risks, integrate adaptation plans into strategies and implement solutions, such as resilient infrastructure and operational changes (UNDRR, 2015). Strategic investments in adaptation not only ensure long-term sustainability of urban environments and inhabitants but also safeguard business operations. Moreover, collaboration with stakeholders and ongoing innovation are essential for addressing these challenges and ensuring urban resilience.

Contributes to: SDGs 9.1, 11.b, 13.1; Sendai Framework Priority 1 and 3.

Elements:

a) The company identifies and quantifies its climate-related risks.
b) The company integrates climate adaptation into its business strategy.
c) The company implements actions for climate risk adaptation.
d) The company tracks and reports progress on its climate adaptation plan.

Sources: Business Leaders Guide to Climate Adaptation & Resilience (WBCSD, 2024); TCFD Recommendations (2017)

Core social indicators

The core social indicators reflect society's expectations for socially responsible business practices. They assess whether companies are on track to meet these expectations by evaluating how well they respect human rights, provide and promote decent work, and act ethically. Companies that fall short of these indicators fail to demonstrate sufficient commitment to socially responsible conduct.

WBA integrates a common set of core social indicators (CSIs) into all system transformation methodologies to assess whether companies demonstrate a sufficient commitment to socially responsible business conduct. These indicators are used to assess companies, regardless of the sector in which they operate, based on publicly available information. The 18 CSIs represent 20% of the total Benchmark score.

Respecting human rights

CSI 01 Commitment to respect human rights

Indicator: The company publicly commits to respect all internationally recognised human rights across its activities.

Rationale: A company's human rights commitment signals that respect for human rights is a core value and sets clear expectations for employees and business partners. It also signals that top management views respect for human rights as fundamental, guiding internal practices and shaping the company's culture. It sets out management's expectations of how staff and business relationships should act as well as what others can expect of the company. It should trigger a range of other internal actions that are necessary to meet the commitment in practice.

Elements:

a. The company has a publicly available policy statement committing it to respect human rights.

Sources: UNGP 11 and 12; UNGPRF A1; GRI 103-2; CHRB A01

CSI 02 Commitment to respect the human rights of workers

Indicator: The company publicly commits to respect the principles concerning fundamental rights at work in the 11 International Labour Organization (ILO) core conventions as set out in the Declaration on Fundamental Principles and Rights at Work (see box below). It also has a publicly available statement of policy committing it to respect the human rights of workers in its business relationships.

Rationale: A commitment to the ILO core conventions demonstrates a company's dedication to fundamental labour rights. It sets clear expectations for fair treatment of workers, guiding the organisation and its business relationships to uphold international labour standards.

Elements:

a. The company has a publicly available policy statement committing it to respect the human rights that the ILO has declared to be fundamental rights at work.

b. The company has a publicly available policy statement that expects its business relationships to commit to respecting the human rights that the ILO has declared to be fundamental rights at work.

Sources: UNGP 12 and 16(c), UNGPRF, A1; FLA Code of Conduct; GRI 103-2; CHRB A02

The fundamental principles and rights at work

The ILO Declaration on Fundamental Principles and Rights at Work covers the following fundamental principles and rights at work, laid out in 11 conventions:

• Freedom of Association and the Effective recognition of the Right to Collective Bargaining (Convention No. 87 and No. 98)

• Health and Safety of Workers (Convention No. 155)

• Elimination of all Forms of Forced or Compulsory Labour (Convention No. 29 and No. 105)

• Effective Abolition of Child Labour (Convention No. 138 and No. 182)

• Elimination of Discrimination in Respect of Employment and Occupation (Convention No. 100 and No. 111)

• Safe and Healthy Working Environment (Convention No. 187)

Additional ILO labour standard

• Working Hours (Convention No. 1, No. 14, No. 30 and No. 106)

CSI 03 Commitment to remedy

Indicator: The company publicly commits to provide or cooperate in remediation for affected individuals, workers and communities through legitimate processes (including judicial and non-judicial mechanisms, as appropriate), where it identifies that it has caused or contributed to adverse impacts.

Rationale: A commitment to remedy ensures the company provides effective solutions for addressing human rights impacts and grievances. It sets clear expectations for addressing harm, offering redress and improving practices, thereby reinforcing the company's dedication to accountability and continuous improvement.

Elements:

a. The company has a publicly available policy statement committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to.

b. The company expects its business relationships to commit to the right to remedy.

Sources: UNGP 22; UNGPRF C6; CHRB A08

CSI 04 Identifying human rights risks and impacts

Indicator: The company proactively identifies its human rights risks and impacts on an on-going basis. This includes engaging with stakeholders and vulnerable groups as part of the identification process.

Rationale: Identifying human rights risks and impacts helps the company understand the key human rights risks and impacts in their operations and supply chains, understanding which risks are most

prevalent for relevant (affected) stakeholders and which risks and impacts need to be understood more closely. It is the starting point for the company to understand how to translate its human rights policy commitment into practice. Therefore, involving different parts of the company in the assessment process helps to build shared responsibility for addressing the actual and potential impacts identified.

Elements:

a. The company describes the process(es) it has in place to identify its human rights risks and impacts in specific locations or activities, covering its own operations.

b. The company describes the process(es) it has in place to identify its human rights risks and impacts through relevant business relationships, including its supply chain.

c. The company describes how it involves affected stakeholders and internal or independent external human rights experts in its human rights risks and impacts identification process(es).

Sources: UNGP 17 and 18; UNGPRF B2 and C3; HRIB, 1.2.1; GRI 412-1 and 414-2; CHRB D01

CSI 05 Assessing human rights risks and impacts

Indicators: Having identified its human rights risks and impacts, the company assesses them and then prioritises its salient human rights risks and impacts. This includes engaging with stakeholders and vulnerable groups as part of the assessment process.

Rationale: Assessing the key human rights risks and impacts and understanding their saliency for the company's operations and supply chain allows the company to set strategic priorities for managing these risks, and to focus mitigation and remedy efforts where the (potential) harm to people is greatest.

Elements:

a. The company describes the process(es) it has in place to assess its human rights risks and impacts and discloses what it considers to be its salient human rights issues, covering its own operations.

b. The company describes the process(es) it has in place to assess its human rights risks and impacts in its supply chain.

c. The company publicly discloses the results of its human rights risks and impact assessments, which may be aggregated across its operations and locations.

d. The company describes how it involves affected stakeholders in its human rights risks and impacts assessment process(es).

Sources: UNGP 17, 18 and 24; UNGPRF B1, B2 and C3; HRIB 1.2.1; GRI 412-1 and 414-2; CHRB D02

CSI 06 Integrating and acting on human rights risks and impact assessments

Indicator: The company integrates the findings of its assessments of human rights risks and impacts into relevant internal functions and processes in order to take appropriate actions to prevent, mitigate

or remediate its salient human rights risks and impacts. This includes engaging with stakeholders and vulnerable groups on any action taken or to be taken.

Rationale: Integrating and acting on human rights risks and impact assessments allows the company to comprehensively prevent, mitigate and remediate its (potential) risks and impacts, reducing or eliminating negative impacts on affected people and communities.

Elements:

a. The company describes the process(es) it has in place to prevent, mitigate or remediate its salient human rights issues in its own operations.

b. The company describes the process(es) it has in place to prevent, mitigate or remediate its salient human rights issues in its supply chain.

c. The company provides an example of the specific actions taken or to be taken on at least one of its salient human rights issues as a result of assessment process(es) in at least one of its activities/operations in the last three years.

d. The company describes how it involves affected stakeholders in decisions about the actions to take in response to its salient human rights issues.

Sources: UNGP 17, 19 and 24; UNGPRF C4; GRI 103-2; CHRB D03

CSI 07 Grievance mechanism(s) for workers

Indicator: The company has one or more mechanisms (its own, third-party or shared) through which workers can raise complaints or concerns, including in relation to human rights issues. The mechanism(s) is available to all workers and takes into account accessibility by marginalised groups.

Rationale: Providing accessible mechanisms for workers to raise concerns is essential for addressing actual and potential human rights impacts. By ensuring mechanisms are available in languages workers understand and that workers are aware of them, the company enhances the mechanisms' effectiveness. Through ensuring its own workers have access to grievance mechanisms, companies help empower all workers to report negative impacts and seek access to remedy.

Elements:

a. The company indicates that it has one or more mechanism(s), or participates in a third-party or shared mechanism, accessible to all workers to raise complaints or concerns related to the company without fear of reprisals.

Sources: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2: ARP 7.1, 8.1 and 8.8; CHRB E01

CSI 08 Grievance mechanism(s) for external individuals and communities

Indicator: The company has one or more mechanisms (its own, third party or shared) through which individuals and communities who may be adversely impacted by the company can raise complaints or concerns, including in relation to human rights issues.

Rationale: Providing accessible mechanisms for external individuals and communities to raise concerns is essential for addressing actual and potential human rights impacts. By ensuring the

mechanism is available in appropriate languages and that stakeholders are aware of it, the company enhances the mechanism's effectiveness. Through ensuring its own workers have access to grievance mechanisms, companies help empower all workers to report negative impacts and seek access to remedy.

Elements:

a. The company indicates that it has one or more mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the company, or those acting on their behalf, to raise complaints or concerns without fear of reprisals.

Sources: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2; ARP 7.1, 8.1 and 8.8; CHRB E02

Providing and promoting decent work

CSI 09 Health and safety fundamentals

Indicator: The company publicly discloses relevant data on health and safety for its workers and monitors the health and safety performance of its business relationships.

Rationale: A safe and healthy working environment is a fundamental right at work as defined by the ILO and is critical to protecting workers and sustaining business operations. Companies are expected to provide healthy and safe workplaces for all workers and support efforts to ensure healthy and safe workplaces in their value chains (encompassing physical and mental health and well-being as well as freedom from violence, harassment or threats, both physical and non-physical). Despite progress, work-related accidents, injuries and diseases still occur too often, causing severe impacts on workers and communities. By identifying health and safety risks, disclosing key safety metrics and monitoring health and safety in the supply chain, companies contribute to SDG 3 (good health) and SDG 8 (decent work and economic growth).

Elements:

a. The company discloses quantitative information on health and safety for its workers.

b. The company discloses how it monitors the health and safety performance of its business relationships.

Sources: GRI 403-9; ICESCR Art. 7; HRIB 3 and 8.2.1; FLA VII.HSE.3; SA8000 IV.3.5 and IV.3.7; CHRB F09

CSI 10 Living wage fundamentals

Indicator: The company is committed to paying its workers a living wage and supports the payment of a living wage by its business relationships.

Rationale: Companies are expected to ensure workers are paid a living wage and should support efforts to ensure workers in their value chains are paid a living wage. This is crucial for meeting basic needs and achieving a decent standard of living. It not only supports the well-being of workers and

their families but also contributes to ending poverty and fostering sustainable development. By paying a living wage, companies play a vital role in meeting several SDGs including on decent work (SDG 8), reducing inequalities (SDGs 5 and 10), ending poverty (SDG 1), and supporting good health and well-being (SDG 3). It may also prevent children from having to work, supporting quality education (SDG 4), and decrease the prevalence of hunger (SDG 2) by enabling adequate access to quality food and nutrition.

Elements:

a. The company describes how it determines a living wage for the regions where it operates.

b. The company has measured the gap between current wages and living wages for all workers.

c. The company discloses a time-bound target for paying all workers a living wage or that it has achieved paying all workers a living wage.

d. The company discloses evidence of activities to further the payment of living wages by its business relationships.

Sources: ICESCR Art. 7; HRIB 2.4.1 and 8.2.3; ETI 5; SA8000 IV.8.1; GLWC; CHRB F01and F02F01 and F02; UNGC Forward Faster Initiative

CSI 11 Working hours fundamentals

Indicator: The company respects applicable international standards concerning maximum working hours and minimum breaks and rest periods.

Rationale: Companies are expected to prevent excessive working hours for all workers in their operations and value chains. A commitment to working hours that are aligned with ILO conventions ensures that a company upholds international norms of fair labour practices. It sets clear expectations for companies' workers as well as those in their business relationships on reasonable working hours, to safeguard well-being and prevent unsafe working conditions. Key SDGs related to working hours include SDG 3 (good health) and SDG 8 (decent work and economic growth).

Elements:

a. The company has a publicly available policy statement committing it to respect the ILO conventions on working hours or stating that workers shall not be required to work more than 48 hours in a regular work week or 60 hours including overtime.

b. The company has a publicly available policy statement stating that all overtime work must be consensual and paid at a premium rate.

c. The company has a publicly available policy statement that expects its business relationships to commit to respecting the ILO conventions on working hours or not require workers to work more than 48 hours in a regular work week or 60 hours including overtime.

Sources: ETI 6; ILO No. 1, 14 and 106; FLA VIII; CHRB F13 and F14

CSI 12 Collective bargaining fundamentals

Indicator: The company discloses information about collective bargaining agreements covering its workforce and its approach to supporting the practices of its business relationships in relation to freedom of association and collective bargaining.

Rationale: Companies are expected to enable the empowerment of all workers so that they, or their representatives, can represent their interests and influence matters that affect them at work. Respecting the rights to freedom of association and collective bargaining is fundamental to ensuring fair and just working conditions. These rights, recognised in the International Bill of Human Rights and ILO Conventions 87 and 98, empower workers to collectively negotiate better terms and conditions. Without workers' associations, incorporating workers' voices into business decisions becomes less likely. In global supply chains, workers often fear dismissal or retaliation when trying to organise or raise concerns. Requiring suppliers to uphold the rights to freedom of association and collective bargaining and refrain from intimidation practices helps ensure that workers can form unions and negotiate collectively without fear, balancing the inherent power dynamics in employment relationships. By respecting these rights, companies can help to enhance workplace dialogue, which supports decent work (SDG 8) and reduces inequalities (SDG 10).

Elements:

a. The company discloses the proportion of its total direct operations workforce covered by collective bargaining agreements.

b. The company describes how it works to support the practices of its business relationships in relation to freedom of association and collective bargaining.

Sources: WDI 9.2 and 9.5; WEF Core Dignity & Equality; CHRB F07 and F08

CSI 13 Workforce diversity disclosure fundamentals

Indicator: The company discloses the percentage of employees for each employee category by at least three indicators of diversity.

Rationale: Companies should achieve 'balance' across all levels of management, representative of their operating context, for all relevant diversity categories and should support efforts to achieve balanced representation in their value chains. The expectation regarding diversity and balance is linked to multiple SDGs, notably SDG 5 (achieve gender equality and empower all women and girls), SDG 10 (reduce inequality) and target 10.2 (empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status), SDG 8 (decent work) and target 8.5 (achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value).

Elements:

a. The company discloses the proportion of its total direct operations workforce for each employee category by age group.

b. The company discloses the proportion of its total direct operations workforce for each employee category by gender.

c. The company discloses the proportion of its total direct operations workforce for each employee category by one or more additional indicators of diversity (e.g., race and ethnicity, disability).

Sources: WDI 4.3 and 4.5; GRI 405-1; WEF Core Dignity & Equality

CSI 14 Gender equality and women's empowerment fundamentals

Indicator: The company publicly commits to gender equality and women's empowerment and discloses quantitative information on gender equality and women's empowerment.

Rationale: Gender equality and women's empowerment are the explicit focus of SDG 5, but they are integral to all dimensions of inclusive and sustainable development, with 54 gender-specific targets included in the other 16 SDGs. Accordingly, action taken to drive gender equality and women's empowerment does not only advance one SDG but advances all the SDGs and therefore sustainable development as a whole. In the workplace, gender inequality manifests itself in a variety of ways, such as low representation of women in leadership positions or a persistent gender pay gap. As employers, companies are uniquely positioned to drive gender equality and women's empowerment across their operations as well as in their value chains.

Elements:

a. The company has a publicly available policy statement committing it to gender equality and women's empowerment.

b. The company discloses one or more time-bound target(s) on gender equality and women's empowerment.

c. The company maintains a gender balance (between 40-60%) at the highest governance body.

d. The company discloses the ratio of basic salary and remuneration of women to men in its total direct operations workforce for each employee category, by all locations of operation.

Sources: GB 1 and 11; GRI 405-1 and 405-2

Acting ethically

CSI 15 Personal data protection fundamentals

Indicator: The company publicly commits to protecting personal data and has a global approach to data privacy.

Rationale: Privacy is a human right (enshrined in Article 12 of the Universal Declaration of Human Rights and Article 17 of the International Covenant on Civil and Political Rights) and is a guarantor of human dignity. Privacy is important for maintaining personal security, protecting identity and promoting freedom of expression, particularly in the digital age where data plays an increasingly important role. Companies collect, use, sell and/or provide growing amounts of personal data pertaining to their staff, customers, clients and other stakeholders. They also facilitate the collection, use and sharing of personal data for other companies and governments. Companies are expected to

respect the right to privacy of employees, workers, users, customers, clients and any individuals who may be affected by company activities.

Elements:

a. The company has a public commitment to protecting personal data.

b. The company has a global publicly available privacy statement in relation to the collection, sharing and access to personal data.

Sources: RDR P3, P4 and P8; GDPR Art. 1

CSI 16 Responsible tax fundamentals

Indicator: The company has a public global tax approach and discloses its corporate income tax payments on a country-by-country basis.

Rationale: Tax revenues provide the fundamental resources that enable legitimate (state) actors to support the protection, well-being and development of their people, and are therefore vital to the achievement of the SDGs. Companies' involvement in or connection with tax evasion and avoidance practices deprives states of critical resources and directly impacts a state's ability to deliver on the 2030 Agenda and the SDGs that are dependent on government funding. Companies are expected to have a socially responsible approach to corporate taxation that is overseen by the highest governing body and supported by appropriate controls and transparency which complies with both the letter and spirit of the law in the countries where it operates as well as ensures the right amount of tax is paid at the right time in the countries where companies create value.

Elements:

a. The company has a publicly available global tax strategy approved by its highest governance body.

b. A governance body or executive-level position is tasked with accountability for compliance with the company's global tax strategy.

c. The company clearly discloses the amount of corporate income tax paid for each tax jurisdiction where it is a resident for tax purposes.

Sources: GRI 207-1, 207-2 and 207-4; B Team Responsible Tax Principles 1 and 7

CSI 17 Anti-bribery and anti-corruption fundamentals

Indicator: The company publicly prohibits bribery and corruption and takes steps to identify and address bribery and corruption risks and incidents.

Rationale: As with tax evasion and avoidance, corruption is a key obstacle to sustainable economic, political and social development in countries where these sums represent money that may be used to directly undermine the realisation of the SDGs instead of supporting them. Companies are expected to eliminate bribery and corruption in all its forms (target 16.5) in relation to their activities, including in their value chains. They are expected to have a systemic approach to anti-bribery and anti-

corruption that is overseen by the highest governing body and supported by appropriate controls and public disclosures.

Elements:

a. The company has a publicly available policy statement prohibiting bribery and corruption.

b. The company describes the process(es) to identify its bribery and corruption risks and impacts in specific locations or activities that are part of its own operations.

c. The company includes anti-bribery and anti-corruption clauses in its contracts with business relationships.

d. The company indicates that it has a confidential and anonymous channel/mechanism accessible to all stakeholders to raise bribery and corruption concerns and complaints without fear of reprisals.

Sources: GRI 205-3; TI Anti-Corruption Principles 1.1, 1.2, 1.3, 1.11, 1.12 and 1.13

CSI 18 Responsible lobbying and political engagement fundamentals

Indicator: The company discloses its approach to lobbying and political engagement and its political expenditure.

Rationale: Companies can use a range of tools to influence the political process such as advertising, public relations, mobilising advocacy groups and trade associations, and political donations and engagement. Depending on the company's intentions, efforts and influence, the outcomes of lobbying and corporate political engagement may have positive or negative impacts on society and on the SDGs and the 2030 Agenda. Lobbying and political engagement activities themselves, by their very nature, carry risks of bribery, corruption, conflicts of interest and financial and reputational damage. The SDGs explicitly include targets with clear links to corporate political influence, such as to substantially reduce bribery and corruption in all forms (target 16.5); develop effective, accountable and transparent institutions at all levels (target 16.6); and ensure responsive, inclusive, participatory and representative decision making at all levels (target 16.7). In line with this, companies are expected to have a socially responsible approach to direct and indirect lobbying and political engagement, overseen by the highest governance body and supported by appropriate controls and transparency, which at a minimum does not undermine either the 2030 Agenda or international human rights frameworks.

Elements

a. The company has a publicly available policy statement(s) or policy(ies) setting out its lobbying and political engagement approach.

b. The company discloses the total monetary value of financial and in-kind political contributions made directly by the organisation by country and by recipient/beneficiary.

c. The company discloses the total monetary value of financial and in-kind political contributions made indirectly by the organisation by country and by recipient/beneficiary, including its lobbying expenses.

d. The company requires third-party lobbyists to comply with its lobbying and political engagement policy (or policies).

Sources: EFRAG 2022; Draft ESRS G1; GRI 415; TI Political Engagement Principles

Acknowledgments

WBA is grateful for all the support and cooperation we have received at all stages of the Urban Benchmark research, including facilitation of contacts, opportunities to present our preliminary and final results, as well as for the time people have given us to discuss our key findings – all of which have contributed to shaping our revised methodology.

We thank all our partners, Allies and other organisations for their feedback and contribution to discussions throughout the process leading to the publication of this methodology. These include ICLEI – Local Governments for Sustainability Secretariat, the UN Office for Disaster Risk Reduction (UNDRR), the Asian Disaster Preparedness Center (ADPC), the Global Disability Innovation-Hub and the Institute for Human Rights and Business, among the other stakeholders that contributed their expertise and experiences during our revision of select indicators in the methodology.

Further, we would like to thank companies that engaged closely with us throughout the company engagement process during the first iteration of the Urban Benchmark. Their feedback has helped us shape our thinking and enabled us to tailor our indicators to better reflect how companies are thinking about sustainability.

Finally, we are grateful to our Expert Review Committee (ERC) for their ongoing guidance and for the overall support they have provided in our endeavour.

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

References

1. AccountAbility. (2015). *AccountAbility 1000 Stakeholder Engagement Standard.* Available at: https://www.accountability.org/standards/aa1000-stakeholder-engagement [Accessed Dec 2024]
2. Antunes, M., Barroca, J. & Oliveira, D. (2021). *Urban future with a purpose*. Available at: https://www2.deloitte.com/us/en/insights/industry/public-sector/future-of-cities.html [Accessed Dec 2023]
3. Aram, F., García, E., Solgi, E. & Mansourniac, S. (2019). *Urban green space cooling effect in cities*. *PMC: Helion*. Available at https://pubmed.ncbi.nlm.nih.gov/31008380/ [Accessed Dec 2023]
4. Barron, P., Cord, L., Cuesta, J., Espinoza, S., Larson, G. & Woolcock, M. (2023). *Social sustainability in development: Meeting the challenges of the 21st century*. World Bank Group.
5. Castillon, J. (2022). *Discussing climate change impacts and risks to cities, settlements, and infrastructure*. Available at: https://www.preventionweb.net/news/discussing-climate-change-impacts-and-risks-cities-settlements-and-infrastructure [Accessed Dec 2023]
6. Das, M., Yuko, A., Chapman, T. & Jain, V. (2022). *Silver Hues: Building Age-Ready Cities*. World Bank Group, Washington DC. Available at: http://hdl.handle.net/10986/37259 [Accessed Dec 2023]
7. Dasgupta, S., Lall, S. & Wheeler, D. (2022). *Cutting global carbon emissions: where do cities stand?* Available at World Bank Blogs: https://blogs.worldbank.org/sustainablecities/cutting-global-carbon-emissions-where-do-cities-stand [Accessed Dec 2023]
8. Deininger, K. (2003). *Land Policies for Growth and Poverty Reduction.* Available at: https://documents1.worldbank.org/curated/en/485171468309336484/310436360_20050007001644/additional/multi0page.pdf [Accessed Dec 2023]
9. EU. (2002). *Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise.* Available at: https://faolex.fao.org/docs/pdf/eur38002.pdf
10. Eurostat. (2022). *Database - Cities (Urban Audit) - Eurostat.* Available at: https://ec.europa.eu/eurostat/web/cities/data/database
11. Georgieff, A., & Milanez, A. (2021). *What happened to jobs at high risk of automation?* (OECD Social, Employment and Migration Working Papers 255; OECD Social, Employment and Migration Working Papers, Vol. 255). https://doi.org/10.1787/10bc97f4-en
12. GRESB. (2022). *Real Estate Assessments and Infrastructure Assessments*. Available at: https://www.gresb.com/nl-en/
13. GRI. (2022). *Consolidated Set of the GRI Standards.* Available at: https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/ [Accessed Dec 2023]

14. Gustafsson, S. & Mignon, I. (2020). 'Municipalities as intermediaries for the design and local implementation of climate visions'. *European Planning Studies, 28*(6).

15. Habitat for Humanity. (2023). *Affordable housing in developing countries.* Available at Habitat for Humanity: https://www.habitat.org/emea/about/what-we-do/affordable-housing [Accessed Dec 2023]

16. Habitat III. (2016). *Partnerships for the New Urban Agenda*. Available at: https://habitat3.org/wp-content/uploads/20160503-GAP_Partnerships-for-the-New-Urban-Agenda-2.pdf [Accessed Dec 2024]

17. Hartmann, T. & Spit, T. (2015). 'Dilemmas of involvement in land management – Comparing an active (Dutch) and passive (German) approach'. *Land Use Policy*, 729-737.

18. HUD USER. (2017). *Defining Housing Affordability*. Available at: https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-081417.html [Accessed Dec 2023]

19. Hudson, T. (2017). *Tenure Security, Land & Property Rights in an Urban Context.* Available at Habitat for Humanity: https://www.habitat.org/sites/default/files/Tenure_Security_Land%26Property_Rights_in_an%20Urban_Context_emea_2017.pdf [Accessed Dec 2023]

20. IHRB. (2018). *Framework for Dignity in the Built Environment.* Available at: https://www.ihrb.org/focus-areas/built-environment/framework-for-dignity-built-environment [Accessed Dec 2023]

21. ILO. (2020). *Spotlight on Work Statistics.* Available at: https://ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_757960.pdf [Accessed Dec 2023]

22. Institute for Transportation and Development Policy. (2021). *Walking and Cycling in COVID Times.* Available at: https://www.itdp.org/wp-content/uploads/2021/06/ITDP_S32_Walking_and_Cycling_in_COVID_Times.pdf [Accessed Dec 2023]

23. ISO. (2018). *Standards*. Available at: https://www.iso.org/standards.html [Accessed Dec 2023]

24. IUCN. (2017). *Waste not, want not - Wastewater focus of World Water Week.* Available at: https://www.iucn.org/news/water/201708/waste-not-want-not-wastewater-focus-world-water-week [Accessed Dec 2023]

25. Jones, J. S. (2023). *Portland General Electric to pilot smart grid chip*. Available at: https://www.smart-energy.com/industry-sectors/smart-grid/portland-general-electric-to-pilot-smart-grid-chip/ [Accessed Dec 2023]

26. Kallergis, A., Angel, S., Liu, Y., Blei, A. M., Sanchez, N. G. & Lamson-Hall, P. (2018). 'Housing Affordability in a Global Perspective'. *Lincoln Institute of Land Policy*.

27. Labutong, N. (2018). *How can companies address their scope 3 greenhouse gas emissions?* Available at CDP: https://www.cdp.net/en/articles/companies/how-can-companies-address-their-scope-3-greenhouse-gas-emissions [Accessed Dec 2023]

28. Li, Y. & Rama, M. (2023). *Private Cities: Outstanding Examples from Developing Countries and Their Implications for Urban Policy.* World Bank Group.

29. Masuda, H., Kawakubo, S., Okitasari, M. & Morita, K. (2022). 'Exploring the role of local governments as intermediaries to facilitate partnerships for the Sustainable Development Goals'. *Sustainable Cities and Society, 82*.

30. Mouraditis, K. & Yiannakou, A. (2022). 'What makes cities livable? Determinants of neighborhood satisfaction and neighborhood happiness in different contexts'. *Land Use Policy, 112*.

31. NYC Mayor's Office for Environmental Coordination. (2020). *City Environmental Quality (CEQR) Technical Manual.* Available at: https://www.nyc.gov/assets/oec/technical-manual/2020_ceqr_technical_manual.pdf [Accessed Dec 2023]

32. O'Connor, B. (2022). *The ESG Investing Handbook: Insights and Developments in Environmental, Social and Governance Investment.* Harriman House.

33. OECD. (2020). *Decarbonising Urban Mobility with Land Use and Transport Policies: The Case of Auckland.* Available at: https://www.oecd.org/env/Decarbonising-Urban-Mobility-with-Land-Use-and-Transport-Policies--The-Case-of-Auckland.pdf [Accessed Dec 2023]

34. Raworth, K. (2018a). *Donut Economics: Seven Ways to Think Like a 21st Century Economist.* Random House UK.

35. Raworth, K. (2018b). *A healthy economy should be designed to thrive, not grow*. Ted Talks.

36. Rérat, P., Haldimann, L. & Widmer, H. (2022). 'Cycling in the era of Covid-19: The effects of the pandemic and pop-up cycle lanes on cycling practices'. *Transportation Research Interdisciplinary Perspectives*.

37. Rockström, J., Steffen, W., Noone, K., Persson, Å., Chapin, F., Lambin, E. F., . . . Schellnhuber, H. (2009). 'A safe operating space for humanity'. *Nature*, 472–475.

38. Satterthwaite, D., & Dodman, D. (2018). *The Urban Dimension of Six Global Agreements: A Critical Reflection.* International Institute for Environment and Development. Available at: https://www.citiesalliance.org/resources/publications/cities-alliance-knowledge/urban-dimension-six-global-agreements-critical [Accessed Dec 2023]

39. Sharif, M. M. (2023). *It's All About Cities: We Mustn't Flip The Coin On Sustainable Investment* Available at UN-Habitat: https://unhabitat.org/news/14-nov-2023/its-all-about-cities-we-mustnt-flip-the-coin-on-sustainable-investment [Accessed Dec 2023]

40. Statista. (2023). *House-price-to-income ratio in selected countries worldwide in 4th quarter 2022, by country*. Available at: https://www.statista.com/statistics/237529/price-to-income-ratio-of-housing-worldwide/ [Accessed Dec 2023]

41. Sugiyama, T., Carver, A., Koohsari, M. J. & Veitch, J. (2018). 'Advantages of public green spaces in enhancing population health.' *Landscape and Urban Planning, 178*, 12-17.

42. Sustainable Development Solutions Network. (2013). *Why the World Needs an Urban Sustainable Development Goal.* New York City: United Nations. Available at:https://sdgs.un.org/sites/default/files/documents/2569130918-SDSN-Why-the-World-Needs-an-Urban-SDG.pdf [Accessed Dec, 2023]

43. The World Bank. (2023). *Urban Development.* Available at: https://www.worldbank.org/en/topic/urbandevelopment/overview [Accessed Dec 2023]

44. Tuholske, C., Caylor, K., Funk, C., Verdin, A., Sweeney, S., Grace, K., . . . Evans, T. (2021).'Global urban population exposure to extreme heat.' *Sustainability Science*.

45. Tweed, C. & Sutherland, M. (2007). 'Built cultural heritage and sustainable urban development.' *Landscape and Urban Planning, 83*, 62-69. doi: 10.1016/j.landurbplan.2007.05.008

46. UN. (2019). *World Urbanization Prospects: the 2018 Revision.* United Nations, Department of Economic and Social Affairs. New York City: United Nations. Available at:https://population.un.org/wup/publications/Files/WUP2018-Report.pdf [Accessed Dec 2023]

47. UN OHCHR. (2014). *Convention on the rights of persons with disabilities.* Available at: https://www.ohchr.org/sites/default/files/Documents/Publications/CRPD_TrainingGuide_PTS19_EN_Accessible.pdf [Accessed Dec 2023]

48. UN OHCHR. (2015). *Land and human rights - Standards and applications.* Available at: https://www.ohchr.org/sites/default/files/Documents/Publications/Land_HR-StandardsApplications.pdf [Accessed Dec 2023]

49. UN Water. (2021). *Progress on Freshwater Ecosystems: SDG 6 Indicator Report*. Available at: https://www.unwater.org/sites/default/files/app/uploads/2021/09/SDG6_Indicator_Report_661_Progress-on-Water-related-Ecosystems_2021_Executive-Summary_EN.pdf [Accessed Dec 2023]

50. UNDESA. (2020). *World Social Report 2020: Inequality in a Rapidly Changing World.* New York.

51. UNDP. (2021). *SDG Impact Standards for Enterprises version 1.0.* Available at: https://sdgimpact.undp.org/assets/SDG-Impact-Standards-for-Enterprises-Version1-EN.pdf [Accessed Dec 2023]

52. UNDRR. (2015). *Sendai Framework*. Available at: https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030 [Accessed Dec 2023]

53. UNDRR. (2023). *How to make infrastructure resilient: The Handbook for Implementing the Principles for Resilient Infrastructure.* Available at: https://www.undrr.org/media/87213/download?startDownload=true [Accessed Dec 2023]

54. UNDRR. (n.d.). *Our Impact*. Available at: https://www.undrr.org/our-work/our-impact#:~:text=Investing%20in%20resilience&text=Every%20US%241%20invested%20in%20making%20infrastructure%20disaster,saves%20US%244%20in%20reconstruction [Accessed Dec 2023]

55. UNEP. (n.d.). *Cities and Climate Change*. Available at: https://www.unep.org/explore-topics/resource-efficiency/what-we-do/cities/cities-and-climate-change [Accessed Dec 2023]

56. UNESCO. (2023). *The Operational Guidelines for the Implementation of the World Heritage Convention*. Available at: https://whc.unesco.org/en/guidelines/ [Accessed Dec 2023]

57. UN-Habitat. (2018). *SDG Indicator 11.7.1 Training Module: Public Space. Nairobi: United Nations Human Settlements*. Available at: https://unhabitat.org/sites/default/files/2020/07/indicator_11.7.1_training_module_public_space.pdf [Accessed Dec 2023]

58. UN-Habitat. (2022). *The Global Urban Monitoring Framework*. Available at: https://data.unhabitat.org/pages/urban-monitoring-framework [Accessed Dec 2023]

59. UN-Habitat. (2023). 'Summary of the Second Session of the UN-Habitat Assembly June 2023'. *Earth Negotiations Bulletin (IISD), 11*(59), 1-11. Available at: https://enb.iisd.org/sites/default/files/2023-06/enb1159e_0.pdf [Accessed Dec 2023]

60. UN-Habitat. (2023). *Urban Energy*. Available at: https://unhabitat.org/topic/urban-energy#:~:text=Urban%20areas%20require%20an%20uninterrupted,fair%20to%20foster%20universal%20development [Accessed Dec 2023]

61. UN-Habitat, UCLG, Cities Alliance & ICLEI. (2013). *Why the World Needs an Urban SDG. SDSN Thematic Group on Sustainable Cities.* Available at: https://sustainabledevelopment.un.org/content/documents/2569130918-SDSN-Why-the-World-Needs-an-Urban-SDG.pdf [Accessed Dec 2023]

62. Urban Reform Institute & Frontier Centre for Public Policy. (2022). *Demographia International Housing Affordability*.

63. US EPA. (2023). *Scope 1 and Scope 2 Inventory Guidance*. Available at: https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance [Accessed Dec 2023]

64. US EPA. (2023). *Scope 3 Inventory Guidance*. Available at: https://www.epa.gov/climateleadership/scope-3-inventory-guidance [Accessed Dec 2023]

65. US Green Building Council. (2021). *Framework*. Available at: https://www.usgbc.org/leed [Accessed Dec 2023]

66. World Bank Group. (2021). *More Growth, Less Garbage*. Available at: https://documents1.worldbank.org/curated/en/152661626328620526/pdf/More-Growth-Less-Garbage.pdf [Accessed Dec 2023]

67. World Benchmarking Alliance. (2023). *Corporate accountability: Closing the gap in pursuit of sustainable development*. Available at: https://assets.worldbenchmarkingalliance.org/app/uploads/2023/09/WBA2023_whitepaper_corporate_accountability_lr.pdf [Accessed Dec 2023]

68. World Economic Forum. (2023). *Data for the City of Tomorrow: Developing the Capabilities and Capacity to Guide Better Urban Futures*. Cologny/ Geneva.

69. World Health Organization. (2011). *Burden of disease from environmental noise - Quantification of healthy life years lost in Europe*. Available at: https://www.who.int/publications-detail-redirect/9789289002295 [Accessed Dec 2023]

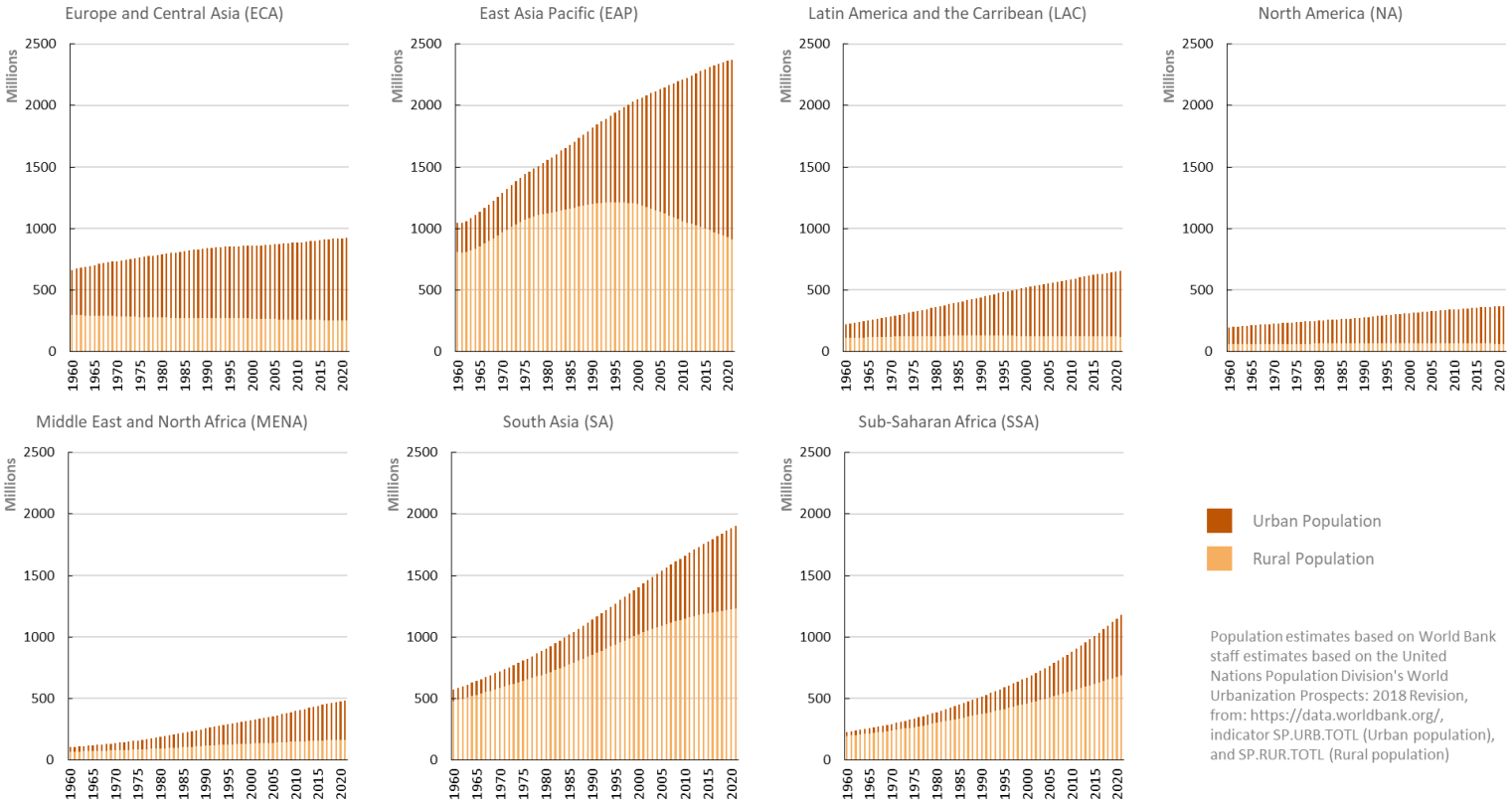
70. World Health Organization. (2022). *Air pollution is responsible for 6.7 million premature deaths every year*. Available at: https://www.who.int/teams/environment-climate-change-and-health/air-quality-and-health/health-impacts/types-of-pollutants [Accessed Dec 2023]

71. Zupancic, T., Westmacott, C. & Bulthuis, M. (2015). *The impact of green space on heat and air pollution in urban communities: A meta-narrative systematic review*. The David Suzuki Foundation.

List of figures

Appendix 1. Urban and rural population distribution

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



Urbanisation trends across global regions

Appendix 2. Updates from the previous methodology

All indicators were revised in accordance with WBA's methodology review principles. The table below outlines the most notable content changes by indicator.

2024 indicator	2025 indicator	Key changes
GS1 Sustainability strategy	A01 Impact materiality and sustainability strategy & A02 Sustainability targets and plans	Materiality assessment has been split into three elements: identification, prioritisation and stakeholder consultation on the most material impacts. Two elements have been added, one on action plan disclosure and the other on resource allocation for sustainability strategy.
GS2 Accountability for sustainability strategy	A03 Accountability for sustainability performance	-
GS3 Local government partnership	A04 Local government partnership	Element requiring disclosure of all city locations has been added. The commitment to collaborate with local governments has been merged with the element on listing local governments as a stakeholder group. Element on disclosing the purpose and frequency of engagement has been revised to disclosing the engagement process.
GS4 Participation and stakeholder engagement	A05 Participation and stakeholder engagement	Engagement process has been split into two elements: stakeholder identification and categorisation, and engagement channels and frequency. The overview of stakeholder engagement issues has been removed. Identifying and addressing obstacles to engagement has been incorporated into the element regarding responses to stakeholders.
GS5 Security of tenure, land and property rights	B06 Security of tenure, land and property rights	Element on due diligence for identifying vulnerable tenure right holders has been merged with the process for identifying legitimate tenure holders. Criteria have been added to assess the steps undertaken for obtaining free, prior and informed consent (FPIC) when dealing with affected tenure rights holders.

GS6 Cultural heritage and preservation of community development character	B07 Cultural heritage and preservation of community development character	Company commitment and adherence to urban design guidelines has been replaced with an element regarding the risk assessment and mitigation plan. A list of international guidance to follow for risk assessment has been included. The types of stakeholders to be engaged in the consultation process have been detailed.
IC1 Adequacy	B01 Adequacy	ISO 9001 is now accepted as a standalone certification, and real-time updates on service reliability are no longer accepted as instances of regular reporting.
IC2 Affordability	B02 Affordability	Element on meeting past targets has been replaced with a risk assessment element on identifying the scope and degree of the affordability crisis.
IC3 Universal access	B03 Universal Accessibility	A digital standard element has been added for the utilities industry and an element has been added on whether the company communicates and engages with affected stakeholders on accessibility.
IC4 Discrimination	-	Indicator removed due to significant overlap with Core Social Indicators on human rights.
IC5 Resilient employment	B04 Resilient employment	Element on academic partnerships has been removed and element a) has been adapted to make it more measurable (covering impact assessment rather than simply acknowledging impacts).
IC6 Contribution to local economy	B05 Contribution to local economy	Minimal change – direct economic value needs to be explicitly reported by companies instead of calculated by the assessors (to aid transparency).
HC1A Public open spaces	C01 Public open spaces (Real Estate & Utilities)	Elements a) and b) now assess the quality and safety of open spaces rather than 'public' open spaces specifically.
HC1B Noise pollution	C02 Noise pollution (Transport & Construction)	Element on identifying noise and vibration sources across operational sites has been added. Element on the noise/vibration mitigation plan has been removed.
HC2 Air pollution	C03 Air pollution	Elements on disclosing the management and monitoring processes and past targets for air pollution reduction have been removed. Industry-

		specific requirements to disclose material air pollutants have been added.
HC3 Water withdrawal	C04 Water use	Element on assessing water risk at site level has been added. Elements on disclosing management and monitoring processes to measure and reduce water withdrawal have been removed, the proportion of withdrawals from water-stressed areas as well as past targets for water withdrawal reduction have been excluded.
HC4 Water quality	C05 Water pollution	Element on progress against water quality targets has been replaced with element on reducing water pollutants. Process for managing and monitoring water quality discharge has been excluded and identification of societal impacts in water pollution risk assessment has been included. Element on the company achieving past targets for reducing water quality pressures has been added and element on achieving past targets for reducing water quality pressures has been removed.
HC5 Waste minimisation	C06 Waste minimisation	A breakdown of waste categories per industry has been included. Element on the amount of waste recovered and recycled by the company has been added.
HC6 Active mobility and commuting behaviour	C07 Active mobility and commuting behaviour	Elements on the company's contribution to enhancing public and/or active transport systems and locating offices near public transport hubs have been added. Elements on mobility strategy and opportunity for hybrid working or remote working for non-field employees have been removed.
CC1 Scope 1 and 2 greenhouse gas emissions	D01 Greenhouse gas (GHG) emissions	Previous indicators CC1 and CC2 have been integrated into a single GHG emissions indicator, aligning with the ACT Core methodology.
CC2 Scope 3 greenhouse gas emissions	D01 Greenhouse gas (GHG) emissions	Previous indicators CC1 and CC2 have been integrated into a single GHG emissions indicator, aligning with the ACT Core methodology.
CC3 Energy efficiency	D02 Energy transition	Elements have been added on disclosing management and monitoring processes, past targets for reducing energy consumption and assessing progress towards energy transition.

		Targets to reduce energy consumption, increase renewable energy or improve energy efficiency will now be accepted.
CC4 Natural ecosystems protection	D03 Natural ecosystem impact	Elements on company commitment and past targets have been removed. Element on assessing the mitigation of impact on protected areas has been added.
CC5 Natural disaster risk reduction	D04 Natural disaster risk reduction	Element on disaster risk data sharing now requires sharing data with affected stakeholders rather than on an open platform. Element on the percentage of assets and portfolio insured against disasters has been removed. Element on insurance coverage against natural disasters now requires evidence related only to all critical assets and portfolio, not all assets and portfolio.
CC6 Emergency response and recovery measures	D05 Emergency response and recovery measures	Element on the emergency response and recovery strategy has been replaced with an element focusing on the company's reporting of its emergency response plan.
	D06 Climate adaptation	This indicator is a new addition.

Appendix 3. Glossary

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

Local urban policy instruments	Land use plans, zoning plans and – when local instruments are not present – regional planning instruments.
Materiality assessment	Description of how a company prioritises its most relevant sustainability impacts and the outcome of its process to include a description of the SDGs, NUA points or local development objectives that are relevant.
Meaningful engagement	Characterised by two-way communication and depends on the good faith of participants on both sides. It is also responsive and ongoing and includes, in many cases, engaging with relevant stakeholders before decisions are made.
Neighbourhood character	Combination of various elements that give neighbourhoods their distinct 'personality'. These elements may include a neighbourhood's land use, urban design, visual resources, historic resources, socioeconomics, traffic and/or noise.
Open data standards	Standards that are implemented to make data openly accessible and usable by anyone. Often visualised spatially, an example of open data standards for showing disaster risks are the Open Geospatial Consortium (OGC) standards. Another example of data standards that may be pertinent for recording and publishing building information, and thus help in documentation of post-disaster damages and risk simulation, are the open Building Information Modelling (BIM) standards.
Property rights	In this benchmark, refers specifically to formal property rights to land that are explicitly acknowledged by the state and may be protected using legal means. This is applicable to both statutory rights and customary rights, depending on the context.
Protected area	Area protected from any harm during operational activities, where existing ecosystems are to be maintained in their original condition (GRI 304-4).
Public open space	Undeveloped land or land with no buildings (or other built structures) that is accessible to the public, and that provides recreational areas for residents and helps to enhance the beauty and environmental quality of neighbourhoods. These spaces are also available to all without charge and are normally publicly owned and maintained (UN-Habitat, 2018).
Public transport	System of transportation available for use by the general public, typically consisting of vehicles and infrastructure operated by government or private entities. It is designed to provide efficient and affordable transportation services to individuals who do not use private vehicles or prefer shared transportation options.
Resilient employment	Resilient employment in this context refers to measures ensuring that workers have the skills and knowledge to adapt to changing working conditions and job markets, particularly in the face of increased competition, digitalisation and industrial development, in order to sustain their employment/career/earnings.

Risk assessment	Overall process of risk identification, risk analysis and risk evaluation. Risk assessment should be conducted systematically, iteratively and collaboratively, drawing on the knowledge and views of stakeholders. It should use the best available information, supplemented by further enquiry as necessary (ISO 31000).
Security of tenure	An agreement between an individual or group to land and residential property, which is governed and regulated by a legal and administrative framework (the legal framework includes both customary and statutory systems) (UN-Habitat, 2004).
Stakeholder	Individual or group with interests that are affected or could be affected by an organisation's activities. Examples include business partners, civil society organisations, consumers, customers, employees and other workers, governments, local communities, non-governmental organisations, shareholders and other investors, suppliers, trade unions and vulnerable groups (GRI, 2021).
Universal accessibility	The character of a product, process, service, information or environment that, with equity and inclusiveness in mind, enables any person to perform activities independently and achieve equivalent results.
Urban heritage	Encompasses either cultural and natural heritage, mixed cultural and natural heritage, cultural landscapes or movable heritage. Heritage sites may come in the form of landscapes, groups of buildings, individual monuments or other works of outstanding universal value. See UNESCO's full list of World Heritage Sites here: https://whc.unesco.org/en/list/.
Value chain	Range of activities carried out by an organisation, and by entities upstream and downstream from the organisation, to bring the organisation's products or services from their conception to their end use. Entities upstream from the organisation (e.g. suppliers) provide products or services that are used in the development of the organisation's own products or services. Entities downstream from the organisation (e.g. distributors, customers) receive products or services from the organisation. The value chain includes the supply chain (GRI, 2021).
Waste	Anything that the holder discards, intends to discard or is required to discard (GRI 306). Can include residuals and by-products, excluding recovered materials, and may be solid, liquid or gaseous, and hazardous or non-hazardous.
Wastewater	Water that has been used in various human activities and has become contaminated with pollutants, impurities or other substances as a result. This water may originate from agricultural, commercial, domestic or industrial activities and typically contains a mixture of liquid and solid waste.
Water pollutants	Include, but are not limited to, biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), heavy

	metals (e.g. mercury, lead, zinc) and volatile organic chemicals (VOCs) (e.g. solvents, pesticides, synthetics).
Water stressed areas	Territory that withdraws 25% or more of its renewable freshwater resources (UN Water: https://www.unwater.org/water-facts/water-scarcity).
Water withdrawal	Also known as water abstractions, refers to freshwater taken from ground or surface water sources, either permanently or temporarily, and conveyed to a place of use (OECD, 2023).
Zero conversion	In this benchmark, refers to 'net-zero' conversion, meaning that companies may still develop new areas to accommodate urban growth, provided that they compensate for the area that was developed.

Our funding partners:

WORLD BENCHMARKING ALLIANCE
Prins Hendrikkade 25, 1021 TM Amsterdam, The Netherlands. www.worldbenchmarkingalliance.org