reporting 3.0

context for thriveable transformation

The new era of Reporting – building momentum for economic transformation

*Reporting 3.0 is a **global work-ecosystem** to scout out and accelerate reporting innovations that help bringing global capitalism onto a sustainable path and **make a regenerative and inclusive economy reality.***

I think the Reporting 3.0 Blueprints reveal what still must be done in order for standardized sustainability data to really become the nuts and bolts for a sustainable global economy.

Alyson Slater,
Director,
Knowledge and Emerging Markets,
Global Reporting Initiative

Sustainability requires contextualization within thresholds; that's what sustainability is all about.

Allen White,
Co-Founder,
Global Reporting Initiative

If we are to create 21st century economies and businesses that can meet the needs of all within the means of the planet, then the Global Thresholds & Allocations Council (GTAC) is just the kind of initiative that can start making it happen.

Kate Raworth,
Author,
Doughnut Economics

This is about much more than reporting standards... A much bigger discussion needs to be held on corporate culture, behaviours that are incentivised by corporates, ethical leadership, morality and personal values.

Zimkita Mabindla,
Senior Executive,
South African Institute of
Chartered Accountants

What Reporting 3.0 does, I think very strongly, is advocate for contextualizing your impact into the bigger system you operate in.

Richard Marsh,
Chief Sustainability Officer,
BT

1. UNDERSTANDING THE ROLE AND IMPORTANCE OF REPORTING

The Stakes

Our current capitalist economy has produced great wealth - at enormous costs. The underlying corporate behavior is a predominant cause for global challenges such as climate change, social injustice and an increasing worldwide economic disparity. To effectively approach the roots of those challenges, a transformation of our processes and accounting responsibilities is needed and can only be achieved through greater transparency. The main tool to achieve this transition is disclosure on all levels of an economic system. Hence, the invisible can be made visible and generate a new momentum for tackling the challenges at hand.

Why reporting?

Reporting plays an essential role in transforming the economy by illumination: "Sunlight is the best disinfectant," said US Supreme Court Justice Louis Brandeis. Reporting enables the transformation that is needed by creating **transparency and accountability for better informed decision-making**. It provides information on company performance metrics and values, its impacts on the different capitals, compensation and incentives, risk and innovation, strategy and governance, and business models for current and future value creation. A holistic and long-term view on value created for the company and its owners and other rights-holders also creates value for the broader systems the company operates within. In order to fully activate its potential and accelerate transformation, reporting itself needs to evolve.

The co-founder of the Global Reporting Initiative Allen White describes a three-phase journey of reporting:

Reporting 1.0

First steps on reporting non-financial issues like social and ecological. However, those additionally reported information remained extraordinary and simply provided some information, painting a very **fragmented picture** of business organizations.

Reporting 2.0

With the introduction of the term "Triple-Bottom-Line" in the early 1990s, first holistic attempts to report on all three sustainability dimensions got established and brought **incremental improvement**. Yet, the question about when a business is sustainable can only be answered by taking its context into account. Hence, current reports lack to discuss their performance in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, or global level. We call this the **Sustainability Context Gap**.

Reporting 3.0

The currently emerging generation of reporting aims at setting data and information in the proper context of various capitals' limits and therewith closing the Sustainability Context Gap. Thus, it is set up to trigger **transformation** at the **micro** level of the individual company, but also at the **meso** level of industry sectors, investment portfolios, and regional habitats, and finally at the **macro** level of economic, social, and ecological global systems. Yet, the transition is by no means guaranteed. The work of *Reporting 3.0* is therefore of vital importance to spur this necessary transformation.

2. THE FUNDAMENTALS OF REPORTING 3.0

Vision: We envision a world of universal well-being, fueled by a regenerative and distributive economy that supports all humans' potential to thrive individually and collectively, and society's potential to prosper from wise stewardship of earth's bounty.

Theory of Change: We believe that reporting has the potential to leverage necessary transformation of the global economy. We believe that transparency drives accountability, both reactively to amend degenerative practices, and proactively to activate regenerative practices in better informed markets.

Mission: We create knowledge and networks to liberate the transformative power of reporting. We collaboratively draft Blueprints for the next generation of reporting to redesign the primary elements of the economy. We promote the implementation of recommendations by influential constituencies in ways that lead to regeneration and equitable sharing of vital resources that support the well-being of the planet and its inhabitants.

3. REPORTING 3.0

What we are

Reporting 3.0 fulfills an R&D function for the broader reporting field. It catalyzes extensive collaborative research and innovation into the next generation of reporting. We focus on the triggers transforming economic and business ecosystems. It is an answer to the need for consolidation, convergence, innovation and acceleration in a fragmented reporting market. Hence, Reporting 3.0 serves as a neutral, pre-competitive and market-making actor and delivers research, recommendations and tools for the public good.

What we do

Reporting 3.0 catalyzes the transformation to a regenerative and inclusive global economy by:
1. Crowd-sourcing expert inputs on Blueprints with recommendations on their redesign for next generation practices in the fields of 1) reporting, 2) accounting, 3) data and 4) new business models;
2. Supporting the piloting of these recommendations to prove their viability; and,
3. Scaling up these new practices through Dissemination Programs and Solutions building.
Our different activities are bundled in a work-ecosystem to enable a continuous exchange of feedback and cross-pollination.

Why us

Reporting 3.0 aligns its level of ambition not to ideology, but to the transformation needs dictated by science and ethics. Reporting 3.0 is a non-profit initiative, independent from standard setters and regulators and focused on a holistic view to system change. We achieve our objectives through a global network of 6,000+ individuals who pursue constructive engagement with influential actors as a means of activating the necessary shifts.
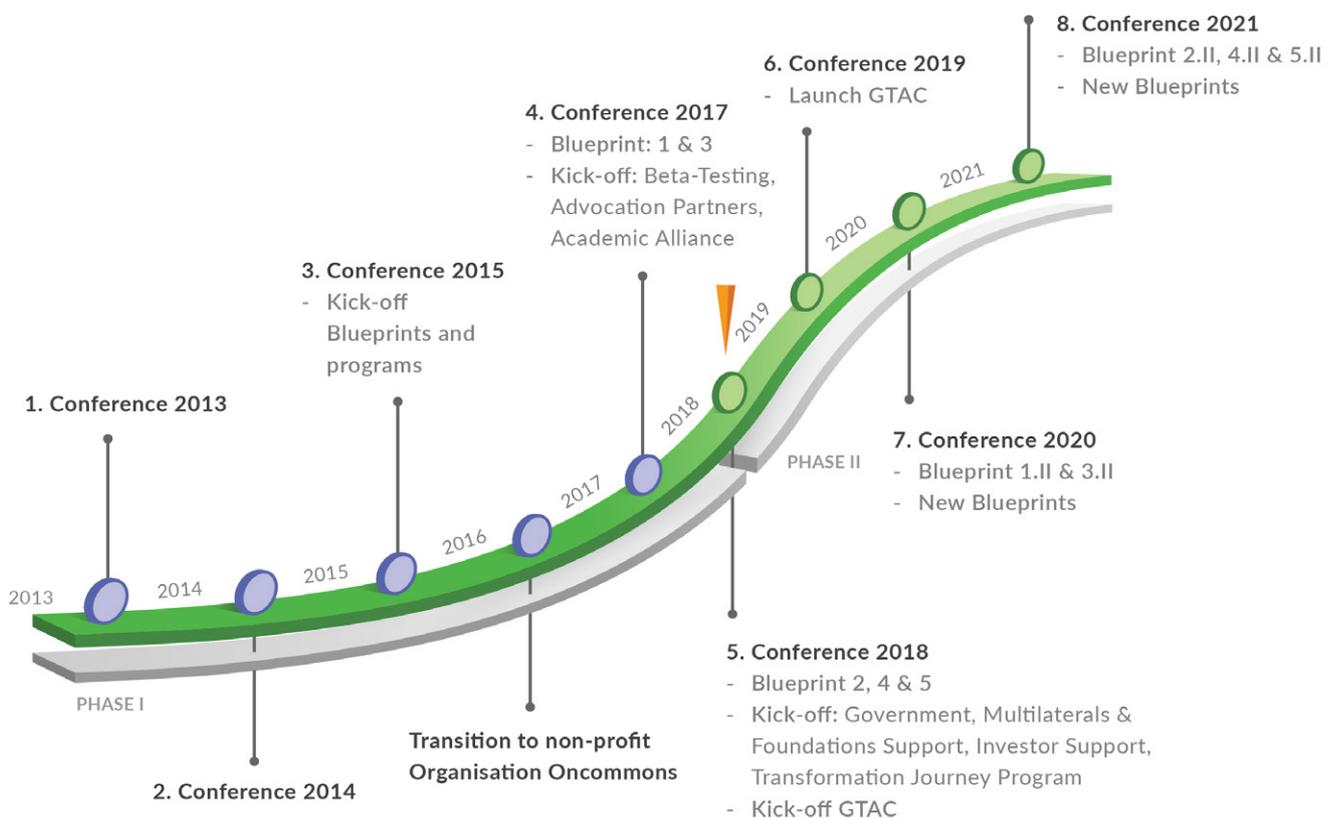
What we have achieved so far

Starting in 2013 with our first phase of development, Reporting 3.0 initiated its inquiry into the adequacy of current reporting to achieve a transformed economy. Through convening five international conferences, two Transition Labs, four Regional Roundtables, six Blueprint Working Group Meetings, and 12 virtual dialogues, we engaged more than 1,500 experts to confirm the inadequacy of current reporting for spurring the changes required, thus positioning Reporting 3.0 to fill this void. As a result, we initiated our Blueprint work-ecosystem, including processes to promptly incorporate

feedback of various constituencies, and launched a set of Dissemination Programs to pilot proof-of-concept projects that can then swiftly scale up next-generation reporting practices

Where we are headed

Reporting 3.0 will use the year **2018** to consolidate what has been achieved to date, finalize the first iteration of the Blueprints and launch Dissemination Programs to end *Phase I after the* 5th Conference. The subsequent start of *Phase II* will begin with a second round of Blueprint content creation and extension of piloting, along with setting the foundation for a multi-stakeholder Global Thresholds & Allocations Council (GTAC) and developing the necessary training materials. This will set the ground for **2019 – 2021**, during which dissemination, further content development and solution building will be the focus. Reporting 3.0 will strengthen the implementation of recommended solutions and tools through its Transformations Journey Program. Successful content development practices will be replicated during the second iteration round for the Blueprint developments. The results thereof will be presented at the Annual Conferences in 2019, 2020, and 2021.

8. Conference 2021
- Blueprint 2.II, 4.II & 5.II
- New Blueprints

6. Conference 2019
- Launch GTAC

4. Conference 2017
- Blueprint: 1 & 3
- Kick-off: Beta-Testing, Advocation Partners, Academic Alliance

3. Conference 2015
- Kick-off Blueprints and programs

1. Conference 2013

PHASE II

7. Conference 2020
- Blueprint 1.II & 3.II
- New Blueprints

PHASE I

Transition to non-profit Organisation Oncommons

2. Conference 2014

5. Conference 2018
- Blueprint 2, 4 & 5
- Kick-off: Government, Multilaterals & Foundations Support, Investor Support, Transformation Journey Program
- Kick-off GTAC

4. THE REPORTING 3.0 WORK-ECOSYSTEM

The work-ecosystem **consists of three main lines of work: content development, content dissemination and solutions building.**

Content development

The work on Blueprints represents the core of the **Reporting 3.0 content development**. It is divided into five main topics as described below. The Blueprints build the "engine" of Reporting 3.0's work-ecosystem, generating the content needed and defining recommended solutions in an iterative manner to fuel innovation and systemic change. Blueprint Lead Authors convene Working Groups of 20+ international experts in a 12-18 month process gathering state-of-the-art research, best practices, innovative approaches and co-created recommendations that feed into two *Exposure Drafts* of the Blueprint. Each *Exposure Draft* is reviewed during in-person Working Group Meetings and a Virtual Dialogue, after which each Blueprint is revised into a Final Report. In a dynamic process of content dissemination and feedback gathering, the different Blueprints are iteratively updated in 2 year cycles.

As of spring 2018, the five topics of the Blueprints (BPs) are:

BP1: Reporting – A principles-based approach to reporting serving a regenerative and inclusive economy

BP2: Accounting – Laying the foundations for future-fit reporting

BP3: Data – Data integration, contextualization & activation for multicapital accounting

BP4: New Business Models – Integral business model design for catalyzing regenerative and distributive economies

BP5: Transformation Journey Program – A step-by-step approach to organizational thrive-ability and system value creation
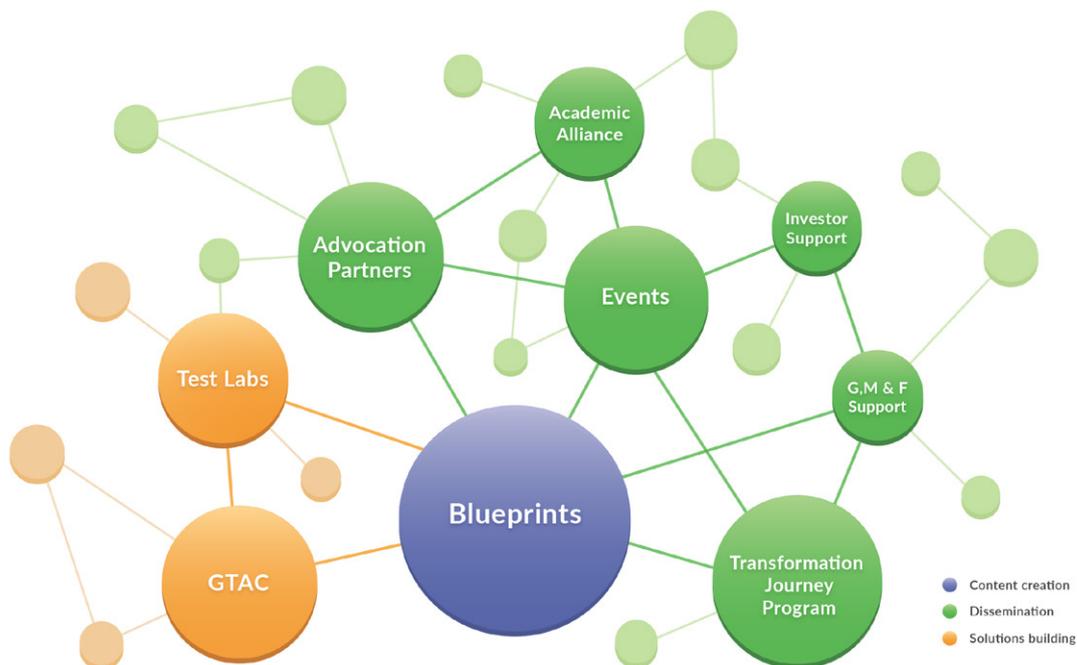
G,M & F Support = Government, Multilaterals and Foundations Support

Content dissemination

The **dissemination** and subsequent implementation of the content from the Blueprints takes place in different programs. Each program involves a different group of stakeholders, described in detail below. During the program's duration, the developed content will be tested, discussed and the conclusions fed back into other programs as well as into the next generation of Blueprint development. Hence, the whole system is an ongoing process, interconnected in an ecosystem:

Transformation Journey Program: A modularized implementation journey for all constituencies, all sizes and all parts of the world, helping to start transforming organizations step-by-step, and aiming at organizational thriveability and system value creation. It addresses individuals and organizations on nano, micro, meso and macro level. The Journey Program allows flexible application with partners. Joint learning is possible in webinars and generic workshops. Individual implementation can be achieved with r3.0 Advocation Partners.

Advocation Partners: The opportunity for subject matter experts in consultancies and advisory organizations to support the dissemination and testing of the Blueprint recommendations. Advocation Partners work with their clients in helping them integrate the Blueprint recommendations and tools, scaling implementation worldwide.

Academic Alliance: Fostering the exchange between academics and practitioners in order to accelerate the application of gained knowledge. The four main areas of collaboration are supporting Blueprint development, joint research projects, program alignment and curriculum development.

Government, Multilaterals and Foundations Support: We provide support for e.g. governments in their development of regulations, legislation and incentives through our deeper insights into next-generation approaches to disclosure.

Investor Support: With our new insights, we support investors to better validate their decision making on responsible and sustainable investments for a more resilient future.

Events: Throughout the year, we maintain the momentum of Reporting 3.0 with different events, from the annual Reporting 3.0 Conference as flagship event to regional roundtables and virtual dialogues.

Solutions Building

The third part of the work-ecosystem, the **solutions building**, develops concrete measures to close reporting gaps. The solutions being built and activated are intended to function as spin-offs and further development of solutions recommended in the Blueprints. Currently, one such venture is curated by Reporting 3.0, whereas the Test Labs are ongoing:

Global Thresholds & Allocations Council: Reporting 3.0 proposes the formation of a multi-stakeholder Global Thresholds & Allocations Council (GTAC), to establish an authoritative approach to reporting economic, environmental and social performance in relation to generally accepted boundaries and limits. GTAC will identify thresholds and norms, design and validate allocation methodologies and disseminate the agreed upon solutions.

Test Labs: r3.0 is constantly challenging its thinking based on feedback we receive through the above mentioned programs. New ideas arise and those will be tested as pilot projects, and experience will be gathered. If vetted positively, outcomes of the Test Lab will lead to inclusion in future Blueprints.

5. GOVERNANCE

The Reporting 3.0 Platform originated as a series of projects hosted by leading sustainability consultancy BSD Consulting, who served as an incubator for Reporting 3.0 during its initial years. After gaining momentum and with the aim to better serve a public good, an international multi-stakeholder **steering board** was established in 2016. Reporting 3.0 was transferred to OnCommons gGmbH, an independent non-profit organization governed by German Law, that same year.

Reporting 3.0 Steering Board

Peter Teuscher
Managing Partner
BSD Consulting

Sarah Grey
Markets Director
International Integrated
Reporting Council

Claudine Blamey
Head of Sustainability & Stewardship
The Crown Estate

Stephen Russell
Senior Associate
World Resource Institute

Mairead Keighter
Advisor
Shift

Paul F.M. Hurks RA
Director International Affairs
NBA

Brendan LeBlanc
*Partner Climate Change &
Sustainability Services*
EY

The **operations team** consists of a group of internationally recognized experts. It is responsible for the coordination of content creation, dissemination and solutions, as well as for event organisation.
The **working groups** for Blueprints are also managed by the operations team. The individual working group members are displayed on the home page of the respective Blueprint.

Reporting 3.0 Operations Team

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