Statement to GRI on G4 GHG Emissions Guidance Integrating the Sustainability Context Principle

Submitted by Members of the Sustainability Context Group
November 12, 2012

We the undersigned members of the Sustainability Context Group, an international community of corporate sustainability managers, academics, analysts and advisors, hereby call upon the Global Reporting Initiative to enhance the GHG Emissions guidance in G4 by integrating GRI’s Sustainability Context Principle as set forth below.

Q: 1. Do you consider the disclosures proposed by the GHG Emissions Working Group appropriate and/or complete?

No: The proposed disclosures are appropriate, but incomplete, in our judgment. Specifically, the proposed disclosures lack the GRI Principle of Sustainability Context. Luckily, this oversight is relatively easily remedied—by adding discussion of "the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sectoral, local, regional, or global level." For more on specific suggestions, see the Document Review section below.

Q: 2. Do you have other general comments related to the disclosures proposed by the GHG Emissions Working Group? (Note: comment on specific words, sentences and paragraphs in the text belong in the Document Review section)

We believe that the marketplace is moving inexorably toward integrating sustainability context into measurement, management, and reporting, leading with GHG emissions but ultimately extending across all sustainability impacts. This trend dates back at least a half-dozen years, to Ben & Jerry’s 2006 Social and Environmental Assessment Report (SEAR), the first significant appearance of a context-based approach to GHG emissions. Ben & Jerry’s targeted reductions against the threshold set by the WRE 350 climate
stabilization model, which seeks to reduce GHG emissions back to the relatively safe level of 350 ppm that shows promise of avoiding cataclysmic climate change.

Three years later, BT introduced a similar methodology, Climate Stabilization Intensity (CSI), which uses IPCC GHG emission reduction targets through 2050 as its threshold. That year, BT also sponsored the Carbon Disclosure Project (CDP) report *The Carbon Chasm*, which found that "Company target setting is motivated by market forces, not scientific requirements," and recommended that "Company targets should reflect the IPCC scientific recommendations." (Ironically, to this day, the CDP questionnaire does not ask companies to identify the scientific targets upon which they base their targets, despite the fact that CDP recommends that companies do so. CDP does score its Climate Performance Leadership Index according to alignment with IPCC targets, but this is not explicitly or proactively communicated to companies.)

Also in 2009, taking its cue from BT, Autodesk created a methodology based on CSI (called C-FACT, or "A Corporate Finance Approach to Climate-Stabilizing Targets") for its own science-based target-setting, and made the methodology freely available (more than 100 companies have inquired about the method.) EMC has implemented a modified version of C-FACT that improves on this methodology.

In 2012, the Center for Sustainable Organizations conducted a study of the GHG emissions from Cabot Creamery Cooperative production operations comparing context-based measurements of carbon emissions (using WRE 350 as the threshold) to conventional metrics (absolute and intensity). The study found that conventional metrics can send mixed signals that sometimes contradict each other; it also found context-based metrics to be a more reliable gauge of sustainability performance. CSO has subsequently made its methodology and spreadsheets freely available on its website.

Looking forward, the World Business Council for Sustainable Development has partnered with the Stockholm Resilience Centre, with the goal of integrating SRC's "9 Planetary Boundaries" work into WBCSD's Vision 2050 work. The Planetary Boundaries concept was introduced in the "Safe Operating Space" paper in *Nature* in 2009. With this, we believe the writing is on the wall that major global companies will continue to move toward integrating thresholds into their sustainability work, specifically in their target-setting.

As well, the Global Initiative on Sustainability Ratings (GISR) has enshrined *Sustainability Context* as one of its core Principles, setting an expectation for all third-party raters to take a context-based approach to sustainability assessments. Climate Counts has already announced a pilot project for 2013 to rate company GHG emissions performance using a context-based approach to sustainability.

In conclusion, let us return to first principles. What is the purpose of GHG emissions
reductions? Clearly, they are a response to scientific research linking increased emissions with climate destabilization (and emissions reductions with climate stabilization). So all organizational decisions to reduce GHG emissions inherently affirm the science. All we are asking is to maintain consistency—by seeking target-setting that aligns with the science. We therefore respectfully request that GRI add guidance for organizations to identify the science-based threshold and/or climate stabilization model by which they set their own emissions reduction targets. We see this as entirely consistent with GRI’s Sustainability Context Principle (for more on this, please see the Sustainability Context Group’s September 24, 2012 letter to GRI, submitted during the Second Public Comment Period for G4).

Q: 3. External References

GRI invites suggestions for the names of recent and useful documents that can assist organizations in either understanding more about these topics' presence in the Guidelines, or help them to manage and report on these topics.

GRI has strict criteria for assessing if a reference should be listed in its Guidelines. Please refer to these before suggesting a document. Please include a hyperlink to the document if publicly available.

- The organization provides publicly-available information about the development process of this reference
- The reference was developed using a collaborative, representative, robust, and transparent process; or developed in an inter-governmental setting
- The reference is generally applicable
- The reference is applicable to all organizations regardless of size or sector
- The reference is available in English
- The reference is available free of charge
- The reference is current and in use

  http://www.lickglobalwarming.org/company/sear/2006/sear06_6.2.6.cfm

- University Corporation for Atmospheric Research, “Climate change and ice cream” (Feb 2008)
  http://www.ucar.edu/communications/staffnotes/0802/shorttakes.shtml

- Chris Tuppen, Chief Sustainability Officer, BT, Climate Stabilisation Intensity Targets: A new approach to setting corporate climate change targets (2009)


• Peter Bakker and Johan Rockström, "Business solutions based on scientific analysis" Guardian Sustainable Business (7 September 2012) 
http://www.guardian.co.uk/sustainable-business/business-solutions-based-scientific-analysis


• Global Initiative for Sustainability Ratings, "About the GISR Standard: Principles" http://ratesustainability.org/standard/

• Mike Bellamente, "Adding Perspective: Climate Counts To Pilot Context-Based Sustainability Approach" Sustainable Brands (September 25, 2012) 

• Sustainability Context Group, "Statement to GRI on the Need to Enhance Treatment Of the Sustainability Context Principle in G4" (September 24, 2012) http://www.sustainableorganizations.org/SCG-GRI-G4-Comment-Submitted-9-24-12.pdf


Document Review

Proposed Revisions

Page 4, Line 23, add italicized text: “Report the reference target (i.e. science-based threshold or climate stabilization model) upon which the organization bases its own target.”

Page 4, Line 35, add italicized text:
• The reference target (science-based threshold or climate stabilization model)
• The target type (absolute/intensity/context-based)

Sincerely,

[Note: All signatories are signing in their personal capacity; organizational affiliations are included for identification purposes only; asterisked (*) signatories represent organizational endorsements as well as personal ones.]
Signatories to November 12, 2012 Public Comment by Sustainability Context Group to GRI

re: G4 Thematic Revision on GHG Emissions

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26. Mark Tulay, Global Initiative for Sustainability Ratings
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