



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
-
- Ben & Jerry's, "Global Warming Social Footprint" *Social and Environmental Assessment Report* (2006)
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)
<http://www.btplc.com/responsiblebusiness/ourstory/literatureandazines/publicationsandreports/pdf/csimethodology.pdf>

- Carbon Disclosure Project, *The Carbon Chasm* (2009)
https://www.cdproject.net/CDPResults/65_329_219_CDP-The-Carbon-Chasm-Final.pdf
- Jorgen Randers, Norwegian Business School, "Greenhouse gas emissions per unit of value added ("GEVA") — A corporate guide to voluntary climate action," *Energy Policy* (Sept 2012) <http://www.sciencedirect.com/science/article/pii/S0301421512003461>
- Bill Baue, interview with Kevin Moss of BT, "Threading the Needle: How BT Integrates Climate Stabilization with Economic Prosperity" *Sustainable Brands* (September 12, 2012) http://www.sustainablebrands.com/news_and_views/new-metrics/bt-climate-stabilization-economic-prosperity
- Emma Stewart and Aniruddha Deodhar, Autodesk, *A Corporate Finance Approach to Climate-Stabilizing Targets (C-FACT)* (November 2009)
http://images.autodesk.com/adsk/files/greenhouse_gas_white_paper000.pdf
- Bill Baue, interview with Ben Thompson, Autodesk "Open-Source Sustainability: Autodesk Frees Its Climate Stabilization Method" *Sustainable Brands* (September 13, 2012) http://www.sustainablebrands.com/news_and_views/new-metrics/open-source-sustainability-autodesk-frees-climate-stabilizing-method
- EMC, "Climate Change and Energy Strategy"
<http://www.emc.com/corporate/sustainability/environment/energy-climate-change/energy-climate-change-strategy.htm>
- Bill Baue, interview with Kathrin Winkler, CSO, EMC, "Accelerating Reduction: EMC Advances Practice on Climate-Stabilizing Targets" *Sustainable Brands* (September 21, 2012) http://www.sustainablebrands.com/news_and_views/new-metrics/accelerating-reduction-emc-advances-practice-climate-stabilizing-targets
- Bill Baue, interview with Carbon Disclosure Project Technical Director Pedro Faria and Director of Technical Reporting Michelle O'Keeffe, "Carbon Disclosure Project Leadership Indexes: The Role of Scientific Targets" *Sustainable Brands* (September 24, 2012) http://www.sustainablebrands.com/news_and_views/new-metrics/CDP-leadership-indexes-role-scientific-targets
- Mark McElroy, "Groundbreaking Study Reveals Shortcomings of Conventional Sustainability Metrics" *Sustainable Brands* (September 26, 2012)
http://www.sustainablebrands.com/news_and_views/new-metrics/groundbreaking-study-reveals-shortcomings-conventional-sustainability
- Center for Sustainable Organizations, "Context-based metrics now in public domain" <http://www.sustainableorganizations.org/context-based-metrics-in-public-domain.html> and <http://www.sustainableorganizations.org/CSO-Carbon-Metric.xls>

- 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>
- Rockström et al, "A Safe Operating Space for Humanity" *Nature* (24 September 2009) <http://www.nature.com/nature/journal/v461/n7263/full/461472a.html>
- 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) http://www.sustainablebrands.com/news_and_views/new-metrics/adding-perspective-climate-counts-pilot-context-based-sustainability
- 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>
- Mark McElroy and Jo van Engelen, *Corporate Sustainability Management: The Art and Science of Managing Non-Financial Performance* (Earthscan 2012) <http://www.sustainableorganizations.org/corporate-sustainability-management.html>

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**

1. Michele Andreaus, University of Trento
2. Andy Barker, Ben & Jerry's Homemade, Inc.
3. Bill Baue, Corporate Sustainability Architect
4. Stephanie Bertels, Simon Fraser University
5. John Byrd, University of Colorado at Denver
6. Charles Cho, ESSEC Business School
7. Jed Davis, Cabot Creamery Cooperative
8. Neva Goodwin, Global Development And Environment Institute, Tufts University
9. Nick Gower, HIP Investor
10. Henk Hadders, University of Groningen
11. Barbara Heinzen, www.barbaraheinzen.com
12. Adrian Henriques, Middlesex University
13. Valéry Kalemba, Independent Research Analyst
14. Laurie Lane-Zucker, Hotfrog.org
15. Poonam Madan, Group Head – Sustainability & Inclusion, Financial Technologies
India
16. Jacob Mayne, New Angles
17. Mark McElroy, Center for Sustainable Organizations*
18. Giovanna Michelon, University of Padova, Italy
19. Marcy Murningham, MurninghamPost
20. Dan Olson, Ecova
21. Den Patten, Illinois State University
22. Maryam Sadeghi, University of Sheffield
23. Mohamed Saeudy, Keele University
24. Martin Thomas, call4change*
25. Ralph Thurm, Founder & Managing Director, A|HEAD|ahead
26. Mark Tulay, Global Initiative for Sustainability Ratings
27. Dimitar Vlahov, Sustainable Life Media