



Public Comment to the Global Reporting Initiative re: 2020 GRI Universal Standard Exposure Draft

Submitted by Members of the Sustainability Context Group and r3.0
9 September 2020

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

Allen White, Co-Founder, Global Reporting Initiative, [2013](#)

If you have clear objectives & key performance indicators to keep track of those objectives, you tend to improve performance over time.

Tim Mohin, Chief Executive, Global Reporting Initiative, [2020](#)

[P]lacing performance information in the broader biophysical, social, and economic context lies at the heart of sustainability reporting...

Global Reporting Initiative, Sustainability Reporting Guidelines, [2002](#)

We, the undersigned members of the Sustainability Context Group (SCG), a network of global experts conducting advocacy for Context-Based Sustainability that applies thresholds and allocations, and r3.0 (Redesign for Resilience & Regeneration), a global common good not-for-profit pre-competitive market-making platform of Positive Mavericks that now hosts the SCG, are pleased to submit the following comments to the Global Reporting Initiative (GRI) in response to its June 2020 [Exposure Draft of the GRI Universal Standards](#):

1. First and foremost, we would like to draw GRI's attention to our [Public Comment Submission](#) of 24 September 2012 on "the need to enhance treatment of the Sustainability Context Principle in G4," as we believe this Submission remains relevant today.
 - a. We would like to commence our Public Comment by *praising* GRI for heeding some of this input in its updated definition of the Sustainability Context Principle; specifically, the *GRI Universal Standard Exposure Draft* employs the term "threshold" and explicitly references several prominent threshold-based norms, such as the Paris Agreement and the UN Guiding

Principles on Business & Human Rights. *This is clearly a step in the right direction!*

2. However, this step forward is completely counteracted by a giant leap *backward* that we believe is egregious.
 - a. Specifically, the *GRI Universal Standard Exposure Draft* definition of the Sustainability Context Principle completely erases mention of the term “performance,” which has been a prominent aspect of the Principle since its introduction in the Second Generation (G2) of [Sustainability Reporting Guidelines](#) that GRI released in 2002.¹
 - b. The original definition of the Sustainability Context Principle includes five mentions of the term “performance.”
 - c. Indeed, as the epigraph quote makes clear, **placing “performance information in the broader biophysical, social, and economic context lies at the heart of sustainability reporting.”** (Emphasis added)
 - d. The original definition also states that reporters should consider the “*performance of the organisation in the context of the limits and demands placed on economic, environmental, or social resources at a macro-level.*”
 - e. The term “performance” has continued to play a fundamental role in the definition of Sustainability Context through all successive generations of *GRI Sustainability Reporting Guidelines* (G3, G3.1, and G4) and through to the *GRI Standards* (2016), where the term is mentioned not five but *seven* times in the Sustainability Context Principle definition.
3. GRI demonstrates that it continues to understand the importance of “performance” as a fundamental aspect of sustainability reporting.
 - a. As recently as 31 July 2020, GRI Chief Executive Tim Mohin [stated](#) (as quoted in the epigraph): “If you have clear objectives & key *performance* indicators to keep track of those objectives, you tend to improve *performance* over time.”
 - b. The *Universal Standards Exposure Draft* employs the term “performance” 16 times – but *not once* in the revised Sustainability Context Principle definition!

¹ We would like to take this opportunity to request that GRI enact a best practice of making *all* of its previous Guidelines, and other vitally important elements of its history, available to the public on its Website. We believe it is unacceptable for a not-for-profit organization that promulgates a global standard to fall short on this best practice. Thank you in advance for filling this gap.

- c. This is a striking and frankly scandalous reversal, shifting from *seven* mentions of the term performance (in the 2016 Standards, which currently hold force) to *zero* mentions of the term performance in the *Universal Standards Exposure Draft*.
4. In place of the term “performance,” the *Universal Standards Exposure Draft* employs terms such as “draw on” (“*draw on* objective information and authoritative measures of sustainable development, where available, when reporting on its impacts (e.g., scientific research or consensus on ecological limits, societal expectations)”) and “with reference to” (“report information on its impacts *with reference to* broader sustainable development conditions and goals, as reflected in recognized sector-specific, local, regional, or global instruments (e.g., reporting total GHG emissions as well as reductions in GHG emissions with reference to the Paris Agreement)”). (Emphasis added)
 - a. According to these definitions, a reporting organization would be able, for example, to simply make *reference* to the Paris Agreement (regardless of its *performance* vis-à-vis the Paris Agreement), and still be in full compliance with the Sustainability Context Principle as redefined in the *Universal Standards Exposure Draft*.
 - b. In other words, a reporting organization could be emitting more than its fair share of the carbon budget, as delineated by the Paris Agreement, and therefore be performing unsustainably by definition, yet so long as it merely reports its impacts “with reference to” the Paris Agreement, then it’s fulfilled its reporting obligation on the Sustainability Context Principle according to the *Universal Standards Exposure Draft*.
 - c. The difference between the terms *draw on* / *with reference to* on the one hand, and *performance* on the other, is the difference between sustainability as a metaphor, and sustainability as a literal state of being in the real world.
5. This example also points to another, parallel shortcoming of the *Universal Standards Exposure Draft*’s revision of the Sustainability Context Principle: namely, the removal of the practice of “allocation,” which all previous definitions of the Sustainability Context Principle had required, in calling for organization to report their “performance in the context of the limits and demands placed on economic, environmental or social resources, at the sectoral, local, regional, or global level” (to quote from the most recent instance, the 2016 *Standards*).
 - a. Allocation calls for making this micro-macro link between organizational performance and broader performance “limits and demands” and is required in order to assess sustainability in a literal, real-world fashion.
 - b. We are quite concerned with the misunderstanding of allocation specifically, and Sustainability Context more generally, that GRI’s highest

representatives have demonstrated as of late; specifically, at the 2019 GreenBiz Conference, the [following exchange](#) took place between moderator Heather Clancy of GreenBiz and GRI Chief Executive Tim Mohin:

Heather Clancy: ...a lot of organizations are also working through the science-based targets exercise and in some cases context-based. How can they use that exercise as a way to get more forward on the SDGs [Sustainable Development Goals] — is there a linkage there we can start promoting?

Tim Mohin: So the context based argument is a good one, **but it has its limitations, right**. So as we look at the science-based targets, which is probably the best known of the context-based movement, it applies to climate, and it makes a lot of sense — so you get an allocation as a company, and that's what you should do to reduce climate [change] or keep climate at no more than 2°C. **It kind of breaks down as you go into the human rights**. What's the appropriate allocation for child labor, for work hours and those kinds of things? And the SDGs are quite broad. **So I would caution about overusing it with regard to the SDGs**.

- c. We find it curious that the chief executive of a global standard would turn an opportunity (we believe the technical term for a question like this is a “softball”) to *champion* his standard's foundational principle (Sustainability Context) into an opportunity to *cast doubt* on his own organization's principle – we find it truly confounding and beyond rational explanation.
 - d. We would expect the chief executive of the GRI to understand that the proper allocation of a reporting organization's responsibility for respecting human rights (in keeping with GRI's Sustainability Context Principle as it has been articulated from 2002 until the present) is *100 percent*, and furthermore that the Sustainability Context Principle *must* apply to the SDGs if we are to achieve them in reality, and not just metaphorically.
6. Indeed, this exchange, and the revision of the *Universal Standards Exposure Draft* definition of Sustainability Context, suggests that GRI's solution to the challenge of sustainability is to *shrink* from the challenge by *weakening* its Standards, making it more feasible for reporting organizations *appear as if* they are achieving sustainability.
- a. The other option, of course, is to *rise* to the challenge, and *strengthen* its Standards, making it more likely that reporting organizations will *actually* achieve sustainability.

- b. Other prominent organizations, such as the [United Nations Research Institute for Social Development](#) and the [Global Commons Alliance](#), are rising to this challenge by championing the underlying concepts of threshold and allocations enshrined in the Sustainability Context Principle.
7. We therefore invite and strongly encourage the GRI to *retain* the explicit mentions of thresholds- and norms-based initiatives (such as the Paris Agreement and the UN Guiding Principles) in the *Universal Standards Exposure Draft* while *returning* to the performance-based definition of Sustainability Context that has existed from 2002 until today.
 - a. We furthermore encourage GRI to revisit the 2012 Public Comment Submission from the Sustainability Context Group, which proposes providing a *general specification* for applying Sustainability Context, as a means of creating more granular guidance that still allows for latitude and experimentation by reporting organizations.
 - b. Finally, we encourage GRI to shift from its ambivalent (and possibly even hostile) attitude toward its foundational principle of Sustainability Context, into fully embracing the organization's status as a true pioneer in the necessary conditions for achieving sustainability, as a means of strengthening its role and relevance in the quest for delivering on the Sustainable Development Goals by 2030 and beyond.

Signatories to 9 September 2020 Public Comment by the Sustainability Context Group and r3.0 Partners to the GRI during the Public Comment Period re: its 2020 *Universal Standards Exposure Draft**

1. Bill Baue, Senior Director, r3.0; Co-Founder, Sustainability Context Group
2. Mark McElroy, Founding Director, Center for Sustainable Organizations (CSO); Co-Founder, Sustainability Context Group
3. Ralph Thurm, Managing Director, r3.0

*Note: Unless otherwise indicated, all signatories are signing in their personal capacity; organizational affiliations are included for identification purposes only.