

# reporting 3.0

context for thriveable transformation

## Global Thresholds & Allocations Council

### A Partnership for Next-Generation Sustainability Reporting

#### Summary

The Reporting 3.0 Platform 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 operate as a partnership between leading organizations and individuals from science, business, investment, government, and civil society focused on assessing and validating methodologies for allocating fair shares of responsibility to organizations for their impacts on the stocks and flows of capitals – natural, human, social and other resources – within their carrying capacities. Building on extant efforts to establish science-based targets, GTAC will accelerate progress toward contextualizing company disclosures commensurate with the ecological, social and economic urgencies facing societies and companies alike in the coming decades.

#### Need

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

Allen White, Co-Founder, Global Reporting Initiative

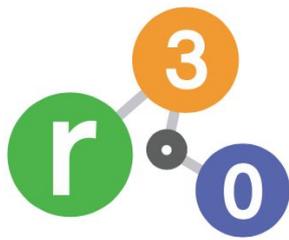
*The part can never be well unless the whole is well.*

Plato, *Charmides*, 380 BCE

The [Great Acceleration](#) datasets of socio-economic and earth system trends unequivocally demonstrate that the “parts” and the “whole” of the Earth system are unwell. The inextricable link between the Earth’s health and activities of business within its sphere lies at the heart of the link established in 2002 in Global Reporting Initiative’s second generation [Sustainability Reporting Guidelines](#) that introduced the *Sustainability Context* Principle:

[P]lacing performance information in the broader biophysical, social, and economic context lies at the heart of sustainability reporting... This will involve discussing the **performance of the organisation in the context of the limits and demands placed on economic, environmental, or social resources at a macro-level** (emphasis added).

However, despite the centrality of Context in sustainability reporting, the Principle remains conspicuously absent from *almost all* sustainability reports produced since then. A comprehensive 2017 Danish [study](#) examined 40,000+ sustainability reports released since 2000, and found only **0.3%** of companies (31 of 9,000) disclosing their environmental impacts in the context of ecological limits — including strategies for meeting these limits. And only **5%** of reports in the study period cited ecological limits at all.



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A 2015 UNEP [report](#) highlights two concepts as instrumental for applying *Sustainability Context*

- **Thresholds** that demarcate the carrying capacities of vital capital resources (natural, social, human, constructed, financial) and therefore divide sustainable from unsustainable performance;
- **Allocations** that apportion to companies fair shares of responsibility and accountability for their positive and negative impacts on common capital resources that are vital to stakeholder wellbeing.

That same year, the United Nations agreed to the [Sustainable Development Goals](#), which identify a series of social, environmental and economic systems in danger, and propose trajectories toward sustainability. For companies to contribute to the fulfillment of the SDGs, they will need to translate them into business-relevant thresholds and set fair, just and proportionate allocations for their responsibilities.

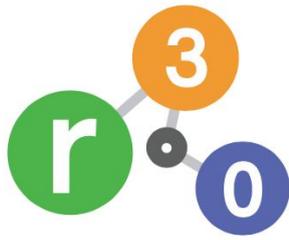
The report contains two key recommendations pertaining to *Sustainability Context*:

- All companies should apply a context-based approach to sustainability reporting, allocating their fair share impacts on common capital resources within the thresholds of their carrying capacities;
- Multilateral organizations should collaborate to create a global governance body of scientists, academics, business practitioners, NGOs and other stakeholders to provide guidance on methodologies for determining ecological (and social) thresholds, as well as guidance on approaches to allocations, all of which are broadly applicable to the business level.

This proposal advances UNEP's second recommendation as a vehicle for fulfilling its first – as well as fulfilling the SDGs.

## Mission

- Identify thresholds & norms for sustaining the carrying capacities of systems-level capital resources in the commons that are vital to stakeholder wellbeing, based on a comprehensive review of research in physical and social sciences and practice in the field.
- Design and validate allocation methodologies that apportion fair share responsibility for jointly preserving and enriching capital resources vital to stakeholder wellbeing.
- Disseminate consensus-based thresholds/norms/allocations with “off-the-shelf” ease-of-use in mind to facilitate global mainstreaming of such practices.



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## Composition

GTAC will comprise a mix of scientists and practitioners with expertise in the fields of physical & social sciences, business, investment, government, civil society, and other relevant areas, attending to diversity of perspective, culture, geography, gender, etc...

## Activities

- Assess the science and ethics of sustainability thresholds to identify and validate threshold levels across social, ecological, and economic impact areas that companies and other organizations can apply to their operations and value chains;
- Assess and validate methodologies for allocating fair shares of Common capitals to organizations with the goal of providing “off-the-shelf” metrics for ease of use.

## Governance

During its incubation, the Council’s governance shall fall under the purview of OnCommons, the non-profit parent of the Reporting 3.0 Platform, with a Steering Board overseeing the integrity of the process. As the incubation matures, the Steering Board will assess expanded governance options, including creation of an independent entity or relocation to suitable host.

## Partners

OnCommons / Reporting 3.0 is actively seeking Partners with an interest in the activities of the Council, such as the Global Reporting Initiative and the United Nations Global Compact. In addition, OnCommons / Reporting 3.0 also seeks alignment with kindred entities such as the Science Based Targets Initiative and the start-up World Benchmarking Alliance. GTAC is committed to maximum collaboration to ensure rigorous, expeditious, and consensus-based progress toward generally accepted thresholds and allocations.

## Funding

GTAC is seeking Phase 1 funding from foundations, governments and other donors with the goal of launch in Q1 2018. Its goal is a balanced portfolio with three years of secured funding based on recurrent revenues streams supplemented by government and foundation support. The Interim Secretariat function of OnCommons provides a German-incorporated, non-profit entity for fundraising purposes.

We encourage you to reach out to discuss collaboration / joint fundraising opportunities.

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