I am deeply honored to accept the Society’s Medal. I do so on behalf of the thousands from the business, civil society, academic, and government sectors worldwide who, since the launch of the Global Reporting Initiative (GRI) in 1997, have contributed to building the leading international standard for sustainability reporting.

From the outset, GRI has been a joint venture not only in defining and measuring an organization’s contribution to societal betterment but, equally so, in innovative, inclusive global institution-building commensurate with a planetary civilization which my Tellus Institute colleagues and I refer to as “Earthland.” At the core of this epochal shift is extreme interdependency—economic, ecological, and social. From global capital markets to climate disruption and biodiversity loss to the refugee crisis and cybersecurity—all these manifestations of interdependency call us to reimagine and redesign our institutions—including our enterprises—to build a thriving future.

GRI is a child of this epochal shift. Conceived as a grand experiment in global governance to elevate corporate accountability, GRI exceeded our expectations from the earliest years of incubation to its formal launch at the United Nations in 2002, onward to its 20th anniversary in 2017. The numbers speak for themselves: 12,000 reporting organizations, including three-quarters of the world’s 250 largest companies; 30,000 GRI reports to date; and, perhaps most
significantly, specific references to GRI in law, policy, and environmental and financial market regulation in over 50 nations spanning all world regions.

I recall well the moment at the 2002 World Summit on Sustainable Development in Johannesburg when I arrived at a small invitation-only meeting with about 25 guests. Moments after arrival, I scanned the room to see UN Secretary General Kofi Annan, President Jacques Chirac, Prime Minister Tony Blair, Prime Minister Abderrahmane Youssoufi of Morocco, and other dignitaries assembled to discuss a range of global sustainability issues. Observing this collection of distinguished participants drove home the extraordinary advancement of an idea conceived over a drink—or was it three?—just a few years earlier. GRI was at the cusp of global recognition that far exceeded even our most optimistic aspirations.

Allow me to briefly share three perspectives on the GRI experience, reflections that I believe are generally applicable to the character and measurement of progress in the 21st century. Here I refer to narrative, shared grievance, and dynamism.

First, the question of **narrative**, a generally accepted story that embodies the values and norms of a society. In 1790, the political philosopher Edmond Burke observed, “Society is indeed a contract. … the state ought not to be considered as nothing better than a partnership agreement in a trade of pepper and coffee, calico or tobacco, or some other such low concern…[but rather] a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection…a partnership not only between those who are living, but between those who are living, those who are dead, and those who are to be born…linking the lower with the higher natures, connecting the visible and invisible world, according to a fixed compact …which holds all physical and all moral natures, each in their appointed place.”

Since the dawn of the Enlightenment in the 18th century, Western political philosophers defined citizens and government as the parties to this social contract, whereby individuals voluntarily delegate responsibilities to government in return for provision of public goods such as the rule of law, security, and protection of private property. While neither the commitment nor the capacity of governments to adhere to this contract has always been flawed—and in the current political
moment, distressingly fragile—the social contract remains a pillar of modernity, a beacon for defining a decent, inclusive society.

The state-centric contract envisioned has demonstrated remarkable durability; it lies at the heart of much of the state-centric, international apparatus that emerged after WWII. Yet with each passing decade, its limitations have been increasingly obvious as existing institutions struggle to keep pace with the realities of a borderless world in which technology, finance, and human capital flow with unprecedented speed and volume.

Since the early 20th century, and especially in the post-WWII era, a third party to the social contract has appeared on the global stage. Here I refer to enterprise writ large, and most importantly, the transnational corporation. The liberal, capitalist world order has given rise to enterprises of such scale and political power that no contractarian philosopher could possibly have envisioned.

Today, we live in a world in which the annual revenue of each of the five largest global corporations exceeds $250 billion, topping the GDP of 75 percent of the world's nations. In the US, the combined revenue of the Fortune 500 companies amounts to two-thirds of GDP, and these companies employ some 28 million worldwide. Apple's market capitalization recently reached a record $900 billion while four other US firms—Alphabet, Microsoft, Amazon and Facebook—exceed $500 billion. Over half of the world's largest economic units are companies. The combined economic and political clout of such organizations has become the signature social phenomenon of the 21st century. By all indications, it is a trend that will continue unabated in both the Global North and South.

This coupling of supranationalism and power calls us to rethink the nature of the social contract. After all, the modern corporation is a creation of the human mind. Shareholder primacy, limited liability, and profit maximization are undergirded by unquestioned allegiance to competitiveness, market domination, and limitless growth. Collectively, these constructs and assumptions have enabled the emergence of a social actor that has achieved parity with citizens and government, in essence, shifting from a bipartite to a tripartite social contract.
For many, the antidote to such corporate power is to redefine the nature of the firm from a competitive, profit-seeking entity to a cooperative, socially oriented agent for advancing societal well-being. As the debates over corporate power continue, we must ensure that all such entities are held accountable for their footprint and stewardship of all forms of capital that contribute to societal well-being. To do so, we must embrace a definition of progress and associated measurement mechanisms that account for stocks and flows of all forms of capital—natural, human, social, intellectual, and financial—in effect, shifting from unsustainable monocapitalism to holistic multi-capitalism.

As the cultural historian and theologian Thomas Berry observed, “We can be sure that whatever fictions exist in Wall Street bookkeeping, the earth is a faithful scribe, a faultless calculator, a superb bookkeeper; we will be held responsible for every bit of our economic folly.”

In this vision of what Peter Corning has termed a “biosocial contract,” the hegemony of finance capital fades and, instead, becomes servant to a higher purpose—building future societies rooted in well-being, justice, and ecological resilience.

This is the essence of the corporation in the 21st-century social contract. It calls on business leaders to think and act long-term, resist quarterly earnings pressures, and direct resources away from, for example, stock buybacks and share-price-based executive compensation in favor of enrichment of employee, community, and ecological well-being. By doing so, it signals that enterprise values dignity, mutuality, and collaboration, all of which are in dangerously short supply in today’s fractured body politic. If this sounds like a stark departure from the ethos of domination, atomism, and competitiveness associated with the modern corporation, that indeed is an accurate conclusion.

As Unilever CEO Paul Polman, well known for his outspoken antipathy toward short-term investing, recently observed, “Running publicly traded companies myopically for shareholders doesn’t make damn sense. Why should the citizens of this world keep companies around whose
sole purpose is the enrichment of a few people?” Defining and measuring progress in alignment with this new suite of core values lies at heart of GRI.

A second lens through which to view the GRI story is shared grievance—striving for a common remedy that resonates across disparate discontents. By the mid-1990s, fueled in part by environmental disasters such as the 1984 Union Carbide Bhopal, India chemical explosion and the 1989 Exxon Valdez oil spill, environmental activists and social investors were aggressively pressing companies to disclose details of their ecological footprints.

In response, escalating but disjointed initiatives sought to define the scope and metrics for so-called “non-financial performance.” Various reporting schemes began to emerge, leading to a rising tide of information requests to companies pertaining to the ecological, social, and governance aspects of the firm. A few governments, meanwhile, began to explore the desirability of policy, regulatory, and legislative actions to encompass such dimensions of performance. Adding energy to the movement was the introduction of social investment products, early evidence (since firmly established) of the association between financial and ESG performance as well a rising tide of green consumerism.

The thread that bound all these initiatives and actors—the shared grievance—was a growing disclosure deficit that hobbled all parties in achieving their goals. The remedy: an independent, trusted, multistakeholder entity to bring rigor, consistency, and efficiency to fill this vacuum. Enter GRI as an instrument for harnessing these shared grievances by providing a platform for bringing order and legitimacy to an increasingly disjointed landscape of sustainability disclosure.

Finally, a third lens for understanding GRI’s rise to worldwide recognition is dynamism, the continuous learning and innovation that lies at the core of any successful enterprise. In GRI’s early years, environmental disclosures—those most amenable to quantification—received most attention. Over time, social, economic, and governance content has achieved parity. During this evolution, novel issues have continuously emerged, including HIV/AIDS mitigation, workplace and governance diversity, and anti-corruption practices. Most recently, bridging GRI disclosures
to the UN Sustainable Development Goals—SDGs—has become a major focus of GRI’s strategy.

Looking ahead, this capacity to evolve will be tested by the rapidly changing global geopolitical, economic, and social landscape. Issues such as the business role in individual privacy, human trafficking, and offshoring financial assets challenge GRI to respond rigorously and rapidly. And even more challenging, but essential to maintaining GRI’s leadership, is innovation in measuring a company’s impact on systemic conditions, wealth disparities, increasing precariousness of job security, and the fragility of the financial system. This signifies an imperative for “context-based reporting.” Here we refer to integrating upper boundaries—or ceilings—for ecological indicators such as carbon emissions and water use as well as lower limits—or minimums—for social and economic indicators such as wages and parental leave. Disclosures of this nature—standards for which require the voice of an independent, trusted adjudicatory body—is critical to answering the fundamental questions of thresholds and allocations that define “how much is too much” and “how little is too little” for an enterprise operating in the 21st century.

In sum, GRI is a story of modernized narrative, a shared grievance, and a capacity for dynamism. This, of course, is the profile of any purposeful enterprise—private or public, for-profit or not-for-profit—that merits the attention of current and future entrepreneurs and leaders committed to a vision of a just and sustainable world.

In navigating the pathway to a livable future, we should recognize that we humans are not the sole proprietors of all wisdom. In Lewis Carroll's Alice's Adventures in Wonderland, a telling encounter between Alice and the Cheshire Cat reminds us of the critical role of vision in the pursuit of a righteous course in a tumultuous world:

"Would you tell me, please, which way I ought to go from here?" asked Alice.
"That depends a good deal on where you want to get to," said the Cat.
"I don't much care where," said Alice.
"Then it doesn't matter which way you go," said the Cat.
"—so long as I get SOMEWHERE," Alice added.

"Oh, you're sure to do that," said the Cat, "if you only walk long enough."

May all of us connected to enterprise—executives, entrepreneurs, students, scholars, activists, regulators, investors—marshal the vision to steward ourselves and our organizations toward a shared destination that honors the virtuous of the past, the just of present, and needs of the unborn.

Thank you.