On 31 January 2018 at the Dutch Federation of Accountants in Amsterdam, Reporting 3.0 convened the kickoff meeting of the Global Thresholds & Allocations Council (GTAC), a governance body tasked with vetting and validating thresholds (the ecological ceilings & social foundations of Kate Raworth’s Doughnut Economics) and allocations (or fair share “slices of the pie” of resources). Neil Stevenson presented the below abstract of his comments delivered in the ‘Rightsholder Contexts: Standards & Government - Perspective from the International Integrated Reporting Councils’ session.

New thinking is essential if we are to change corporate behaviours and align thinking to long-term outcomes centred on financial stability and sustainable development. A study published by the Green Economy Coalition and partners in 2017 argues the case for new economic thinking in the context of sustainable development.

*The erosion of natural capital poses threats to continued national and global prosperity, yet political and economic systems are*
unprepared for responding to that risk for three reasons. First, natural capital is not being accurately measured or valued in the context of ecological tipping points and thresholds. Second, aggregate economic models are ill-equipped for seeing the dependencies between ‘capitals’. Most cost-benefit analyses and economic methodologies used in everyday decisions assume that natural capital can be easily substituted by man-made capital, when in fact it cannot...

The Wealth of Nature, Hepburn et al, the Institute for New Economic Thinking at the Oxford Martin School and the Smith School of Enterprise and the Environment in partnership with the Green Economy Coalition.

Integrated Reporting is playing its role on this agenda, offering a means for organizations to plan, think and report on value creation over time. It also helps to promote a more inclusive view of capitalism that encourages investment decisions based on a broader view of value. We now need to encourage greater thinking about the impact of these factors on organizations’ strategies and business models. Can we transform the capitals to increase positive outcomes, especially in the context of the Sustainable Development Goals?

Before the International <IR> Framework was published, some foundational thinking recognized the connection between value creation and availability of resources. As the Background Paper on Value Creation (led by EY) noted:

> Ultimately value is to be interpreted by reference to thresholds and parameters established through stakeholder engagement and evidence about the carrying capacity and limits of resources on which stakeholders and companies rely for wellbeing and profit, as well as evidence about societal expectations. Interconnections between corporate activity, society and the environment and the purpose of the corporation should therefore be understood in terms of what the corporation,
society and the environment can tolerate and still survive – that will be the main determinant of value.

There is therefore existing thinking within the <IR> canon on thresholds and allocations and the IIRC welcomes new approaches to address global challenges and the role of reporting in catalyzing solutions – initiatives such as the Global Thresholds and Allocations Council. We believe that such developments, as they arise, can be integrated into the value creation process of organizations to enhance long-term success and reputation. They can also be located within the interconnected system of SDGs and strengthen emerging opportunities for collaboration between business, investors and government.

— Abstract of presentation from the Reporting 3.0 Global Thresholds & Allocations Council Meeting at the Royal Dutch Federation of Accountants in Amsterdam on 31 January 2018.