EVOLUTION OF A DESIGN FOR COMMUNICATION:

THE CASE OF THE GLOBAL REPORTING INITIATIVE

SUSTAINABILITY REPORTING GUIDELINES

by

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ABSTRACT OF THE DISSERTATION

Evolution of a Design for Communication:
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This study examines the communication design practice (Aakhus, 2007) of a

third-party expert communication-information service – the Global Reporting Initiative –

by describing the evolutionary path of a design for communication. The object of study

is the change in the design proposal for the reporting move as stipulated in the GRI

Sustainability Reporting Guidelines. GRI's proposal for sustainability reporting is an

intervention into civil regulation made by institutionalizing a way for organizations to

disclose their social, environmental, and economic performance to their stakeholders, and

thus an effort to shape the quality of communication about issues of Corporate Social

Responsibility (CSR) that arise at the intersection of business and society.

The Report Content sections of the Guidelines – G1 (2000), G2 (2002), G3

(2006), and G3.1 (2011) – were used as data in this study. Analysis identified changes

over time between the Guidelines' versions and was guided by the design stance

conceptually (Aakhus & Jackson, 2005), and a modified grounded theory (GT) approach

procedurally (Strauss & Corbin, 1990).

A main finding in this study is that the "success" of the GRI Guidelines has been

puzzling, in light of the documents' increasingly normative and prescriptive approach,

yet increased distancing from the reporting organizations as primary stakeholders alongside emerging orientation toward international standard-setting organizations as main drivers of report content. Findings also showed that the GRI's specifications for the reporting move have changed over time from flexible requests to provide factual information about current activities in G1 to more imperative requests to account for past and present behavior while embracing a global view of expansive civic responsibilities in G3/3.1.

Analysis has shown that the GRI has intervened significantly in the arena of civil regulation, although the promise of substantive company-stakeholder dialogue about CSR matters has not been realized. Instead, the GRI has created a new bureaucracy that seemingly satisfies all the participants yet whose contribution to a more sustainable world is questionable. The study has introduced theory-practice implications for civil regulation, which are grounded in design rationality as explanatory framework.

ACKNOWLEDGEMENTS

Early on in my doctoral program, among a good deal of sage advice from faculty and students across the School, one piece of wisdom dispensed by a professor in a classroom has since found its way to the forefront of my memory more often than others: "Better to live life on the edge, rather than on either side." For me, this saying aptly reflects what I have been striving for during my experience through the program, dissertation, and life over the course of my tenure at Rutgers; it has been variably used as encouragement, excuse, rationalization, and ultimately inspiration and reminder to experience the life of the mind, as inherent part of Life in the social world, with all its crude yet tender, painful yet exhilarating, and always endlessly fascinating complexity.

I have found that living life on the edge is no easy feat, and for me the journey has largely consisted of striving to climb back up on that edge after finding myself on one side or the other. The edge, being a pinnacle of an idea, an unforgettable feeling, a great conversation, or finding the right words, is slippery and at times elusive. I am indebted to many people who have helped me on my many "climbs," but select few have quite literally pushed and pulled me up with their strong, true, consistent, and honest care and support. I have been remarkably fortunate to have had such support, and without it this stage of my life would not have had its meaning, or this project, its completion.

Heartfelt thanks go to my adviser, Mark Aakhus, who has tirelessly and patiently helped shape this dissertation throughout its evolution. His insightful guidance has been invaluable and has helped me grow as a thinker, researcher, and writer. My sincere thanks also extend to my committee: Harty Mokros, Michael Bzdak, and Daniel Kelemen, for engaging with my work and offering thoughtful and constructive feedback.

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Chapter 1

Introduction

"… Any design for communication has taken some evolutionary path that when articulated will tell an important story about communication" (Aakhus, 2007, p. 115). This study tells one such story about the evolution of a *design for communication* intended to foster the communication of Corporate Social Responsibility (CSR) between organizations and their stakeholders. The object of study is the change in the design proposal for the reporting move as stipulated in the four consecutive versions of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. The claim examined in this study is that third-party consultants that provide expert communication and information services, such as the GRI, formalize beliefs about how communication works and ought to work into procedures and prescriptions to manage the multiple demands of stakeholder communication clients face. The GRI as third-party actor thus promulgates practical theory about communicating CSR that shapes the social responsibilities taken up (or not) with stakeholders. The analysis was built on two key assumptions: (1) stakeholder relationships are grounded in a pragmatics of communication that entails multiple, often competing demands for stakeholders to manage and (2) that relationship between business and society is rendered sensible through the practical theories of communicating CSR. The claim examined in this study suggests that the conventions about CSR practice might be effectively explained as responses to the nature of communication. Thus, this study offers an alternative to the

more conventional accounts about CSR prominent in the management and organizational literature that explain CSR practice as arising from economic or altruistic motivations.

The study drew on the insights of a theoretical perspective that treats *communication as design* (Aakhus, 2007; Aakhus & Jackson, 2005). The design stance has guided the description and analysis conducted in this study. While design is natural to everyday communicative conduct (e.g., negotiating turns of talk in conversation, displaying a particular identity, framing the proposition of an utterance), it is also evident in interventions into ongoing interaction (e.g., disputing) to shape it into an activity that achieves some end or purpose (e.g., policy or courtroom deliberations). This *communication design work* involves creating *designs for communication* that can be seen in the multitude of man-made tools, rules, procedures, technologies, and organizations used to structure or discipline the way people interact with one other to achieve particular form and quality of communication. These interventions can be analyzed with the purpose of making explicit the *communication design practice* undertaken to manage the multiple possibilities for meaning, action, and coordination in any circumstance. This study examines the communication design practice of a third-party expert communication-information service – the GRI – by describing the evolutionary path of a design for communication – the changes in GRI's Sustainability Reporting Guidelines. GRI's proposal for sustainability reporting is an intervention into the way organizations interact with their stakeholders and thus an effort to shape the quality of communication about CSR issues that arise at the intersection of business and society. The way the communicative move of reporting is performed is taken to be consequential for the content, direction, and outcomes of stakeholder dialogue.

The context of CSR presents rich ground for investigating theoretical, conceptual, and practical questions of design, communication, and the role of business in society. The intricate domain of civil regulation, within which numerous stakeholder voices emerge that address issues of transparency, accountability, materiality, responsibility, as well as the financial bottom line, is constituted through communication and efforts that shape it. Competing perspectives, accounts, and recounts about CSR abound and are accompanied by demands, commitments and other contributions made liberally by business and society in the management of their symbiotic relationship. Questions about how and what contributions are made, taken up, and institutionalized along the way are the purview of communication design inquiry and are of central interest in this study. CSR as the context of interest is characterized by puzzling features, which can be better understood by taking a design stance toward communication. Thus, the following literature review consists of two main parts: the first part explicates the puzzling aspects that CSR presents, as viewed from a communication perspective, as well as the more conventional views put forth by organizational sciences. This section also outlines a brief history of social reporting, describes the emergence of the GRI, and concludes with a discussion of general questions that frame this study. The second part of the literature review explicates the contribution of *communication as design* as mode of analysis of a communication practice that has developed in response to the multiple exigencies of CSR and civil regulation.

Chapter 2

Review of Literature

CSR: Puzzling Features

One of the puzzling features of CSR is that a growing number of companies are

engaging with issues fundamental to the role of business in society, such as

accountability, transparency, and responsibility, even though, as Vogel (2005) pointed

out, there is no clear financial benefit for doing so. Moreover, a growing number of

organizations are concerned with CSR matters even when their costs and benefits are

hard to measure. Indeed, organizational engagement with CSR has been gaining

momentum worldwide; in spite of the lack of causal evidence to suggest that an active

program of CSR leads to higher profits, a belief has emerged that organizations whose

environmental, social, and governance (ESG) performance is a priority also demonstrate

superior financial results (Porter & Kramer, 2003, 2006; Vogel, 2005). As an aside, the

term ESG has been used in the literature interchangeably with corporate responsibility;

CSR; sustainability; and environmental, social, and economic performance; however, the

term ESG is meant to emphasize the integration of the non-financial and financial

performance aspects under a unified management approach to sustainability. The GRI

had switched from referencing "economic, environmental, and social performance" to

"ESG performance" in early 2011. However, the former terms are still used by the GRI

to categorize its lists of standard disclosures within the reporting content.

The multivocal CSR milieu has engendered controversy as well as practical

responses aimed at enabling companies to manage the burgeoning demands of the

business-society relationship communicatively; civil regulation is one such innovation for

managing organizational accountability (this point and related discussion that follows in this section is drawn from Aakhus and Grushina, 2008). Central to the explication of the CSR puzzle is recognition that civil regulation emerges at the interface among the challenge of communication between business and society and the search for the means to address that gap.

CSR is a form of *civil regulation* which is "an effort to fill the governance gap between the law and the market" with "a 'soft' form of regulation . . . that . . . does not impose legally enforceable standards for corporate conduct" (Vogel, 2005, p. 9). Essentially, civil regulation seeks ways to manage the disagreements and conflicts that arise over business practice through voluntary compliance and through participation in networks of monitoring, consensus formation, and rule-making. Civil regulation is a means for non-business constituencies to participate in business regulation (Vogel, 2005). Civil regulation is at the heart of what Ruggie (2004) has called the *global public domain*, which is "an institutionalized arena of discourse, contestation, and action organized around the production of global public goods . . . It 'exists' in transnational non-territorial spatial formations, and is anchored in norms and expectations as well as institutional networks and circuits within, across, and beyond states" (p. 119). This domain, as Ruggie has pointed out, will continue to emerge as it becomes embedded through the ascendance of multinational firms, the proliferation of global supply chains, and the development of transnational non-governmental organizations. On the other hand, Keohane (2006) has commented that the ideal of global accountability is unrealistic, stipulating that accountability requires active participation of relevant actors in exchanging information about business practices; furthermore, users of the information

must be equipped to process the information intelligently.

The development of CSR can be seen as foundational for an alternative form of global governance, or private transnational governance, defined as schemes that allow for the participation of the public sector but are primarily outlined by private actors (Dingwerth, 2008). CSR has become essentially a social movement, although it is hard to define exactly what it is or where it is going (Djelic & Sahlin-Andersson, 2006). Much discussion about CSR in academic literature has focused on the strength of the business case for CSR and various managerial rationales for engaging in CSR activities (Porter & Kramer, 2003); CSR can also be viewed as a potential problem-solving strategy (Boasson, 2009; Margolis & Walsh, 2001). Organizational engagement in CSR provides management with a means for appearing mindful of stakeholder expectations (Djelic & Sahlin-Andersson, 2006). Sustainability reporting Guidelines were created to engender a particular form of dialogue between the reporting organizations and their stakeholders organized around the ESG performance of organizations. The content of the guidelines indicates a practical theory about how the communicative move of reporting can foster such dialogue.

The communication aspect of the CSR puzzle is generally understood to be that saying nothing about the topic of social responsibility is no longer a viable option if a company is to remain competitive in the modern marketplace. Saying something about CSR performance is taken to be the only option for companies, within which there is considerable variation about what, how, when, and where can be said by companies about their ESG performance. This option, however, entails risks because any discussion of ESG performance invokes commitments and expectations on behalf of the organizations

for how their conduct is to evolve. The specifics of how, where, and what can be said are affected by the expectations that organizational stakeholders have about a company's behavior relative to their stakes. Managing those competing expectations while pursuing the financial bottom line and the interests of the shareholders presents a practical communication problem for which numerous solutions are arising. A number of third-parties such as NGOs and various standard-setting organizations offer solutions for companies to manage exigencies that arise from involvement in the CSR arena.

In the midst of the multitude of solutions to the relationship between business and society, CSR reporting represents a particular kind of solution to the demands of demonstrating accountability, transparency, and responsibility. CSR techniques and strategies presuppose how communication works and ought to work in creating forms of communication at the interface of business and society. Moreover, the technologies and strategies of CSR presuppose which forms of interactivity are effective in managing disagreements embedded in the business-society relationship.

A notable feature of the GRI's communication and information service is how it envisions stakeholder dialogue between companies and other societal actors with an expectation of high levels of disclosure on behalf of the companies and high levels of usable information for the stakeholders. A fundamental premise of the GRI is that dialogue between reporting organizations and stakeholders requires transparency by business organizations that leads to accountability, and that accountability will lead to socially and environmentally desirable business conduct. In addition, the GRI appears to operate on the premise that the democratic principle of inclusivity should yield engaged and successful use of their reporting model. The GRI reporting framework is promoted

as a freely available global public good whose use is voluntary, yet use of the Guidelines satisfies many NGO and governmental requirements for disclosure of ESG performance by organizations. The GRI Guidelines were created and have been continuously revised through a multi-stakeholder participatory process, and the reporting framework represents one attempt to realize civil regulation.

Many companies today recognize that they must manage and attempt to satisfy a complex set of stakeholder expectations. The practical problem faced by CSR practitioners has to do with how to manage the demands of stakeholder expectations for ESG performance vis-à-vis organizational interests in maximizing their bottom line. In order to address this practical problem, various techniques and strategies for managing the communication between companies and stakeholders have been developed, and these attempts are theoretically interesting in terms of understanding how the conduct of civil regulation in the business-society relationship is conceived and materialized.

The technologies, techniques and strategies of CSR have evolved over the decades. A number of currently used techniques and strategies first emerged in the 1960s and 1970s as "voluntary codes of conduct, social audits, public interest proxy resolutions, social investment funds, assessments and rankings of corporate social and environmental performance, and more generally use of corporations as sites for political activity" (Vogel, 2005, p. 6). More recently, innovations have ranged from cause-related marketing and supply chain monitoring to disclosure practices and voluntary sustainability reporting. The practice of CSR has been further advocated through its promotion by international organizations, such as the United Nations, World Bank, Organisation for Economic Co-operation and Development (OECD), and by the

emergence of an array of specialists and consultancy firms in CSR. CSR strategies and techniques generally assume that companies operate in web of global business enterprise for which new methods to achieve accountability, responsibility, and transparency must be developed.

A key assumption of this study is that CSR practice develops in response to the tensions and conflicts that arise at the business-society interface (Aakhus & Grushina, 2008). CSR-related communication work is accomplished across the globe by many different kinds of actors. CSR practitioners come from a wide range of professional backgrounds and work for different types of organizations, which may indicate that CSR is simply comprised of the sum total of those individual and disjointed efforts. However, in this study CSR is conceptualized as a *field of communication practice*, specifically a field of practice where communication is an object of interest to be made into a tool for shaping the company-stakeholder relationship. The field emerges at the interfaces between business and society and addresses differences over how the relationship among people, planet, and profits should be resolved.

CSR work aims to establish reliable structures of relationships among organizations, their multiple stakeholder groups, and other societal actors. Certain forms of interactivity emerge as the preferred ones for the business-society interaction about CSR, and these preferred forms essentially define what will be accepted as socially responsible activity. Work in the field of CSR thus contributes to formulating norms and expectations for accountability, transparency, and responsibility between companies and their stakeholders such as employees, governments, NGOs, and other organizations. In this way, "The work and the field in which it takes place are messy, dynamic, and ill-

defined but the aim is to create organization within what otherwise appears as chaos"
(Aakhus & Grushina, 2008, p. 6). The GRI is a case in point as the organization's activity
and particularly the main product, the sustainability reporting Guidelines, seek to
establish the nature of CSR communication.

The GRI has been developing and continuously revising its reporting framework
since 2000; it is useful to understand the context of social reporting generally in order to
reflect on the GRI's positioning as the unit of observation in this study. The following
section (a) provides a brief overview of social reporting and associated concepts; (b)
discusses the timeline of GRI's development; (c) reviews existing empirical
investigations of the GRI Guidelines and their use, and uses these observations as a
means to reflect on what is different in the approach taken with this study, and (d)
summarizes this section about the puzzling aspects of CSR by framing the questions that
emerge from consideration of these facets.

Context of GRI Emergence: Social Reporting Background

First instances of social reporting in the US were recorded in the 1970s, when a
number of professional accounting organizations such as the American Accounting
Association and the American Institute of Certified Public Accountants began to openly
discuss the need for organizational reports to address the companies' relationships with
the community (Lorsch, Berlowitz, & Zelleke, 2005). Attempts at social reporting have
come to a hiatus during the 1980s but were taken up again in earnest in late 1990s. This
resurgence was prompted by the public's increasingly vocal concern about environmental
and social issues (Lorsch, Berlowitz, & Zelleke, 2005).

The proliferation of business in globalized society has given rise to greater attention to the role of corporations in society. Undoubtedly the impact of corporations on society extends well beyond economic to political, ecological, and social; organizations are primary weavers of the social fabric of communities worldwide. Considering this substantial power and its extending reach, companies are encountering increased pressures for greater transparency and accountability for their social and environmental impacts as well as calls to engage in dialogue over the role of business in society. The push and pull of various stakeholder groups has generated a large-scale debate over CSR, which can be seen in the growing attention to the issue from the academic community (e.g., May, Cheney, & Roper, 2007), as well as civil society and labor groups.

The call toward transparency and new forms of governance is supported by organizations with expansive reach such as the UN Global Compact, UNEP, international NGOs, trade unions, business schools, and (select) businesses themselves. The areas of corporate societal responsibilities have never been uniformly defined but have increased steadily over the past several decades; the nature of the debate over CSR has transformed alongside changes in socio-political climates worldwide (Mark-Ungericht & Weiskopf, 2006). Mark-Ungericht and Weiskopf (2006) argued that in the context of economic globalization, regulatory mechanisms for companies whose reach extends beyond one country's borders are all but absent, which creates an environment where responsibility is diffused. The growth of corporate enterprise, coupled with the limited capacity of nation-states to create and enforce global rules have both contributed to the governance gap (Hirschland, 2006). Mark-Ungericht and Weiskopf (2006) contended that this type of

environment generates greater demand for *self-regulation* on behalf of the corporations. Herein lies another piece of the puzzle of CSR and civil regulation.

Over the past decade, sustainability reporting – as one type of evidence for self-regulation – has become almost as prominent a part of corporate disclosure as the financial reports have been. According to the International Accounting Standards Board (IASB, 2007, par. 1), "The objective of financial statements is to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions." These financial statements are included in companies' annual reports, which are prepared by companies primarily for its shareholders but are also widely used by other stakeholder groups. Compared to financial reporting, governmental regulation of social reporting is rather limited. The lack of mandatory regulation also means that the materiality of issues in social reporting is determined by a compilation of voices such as individual companies themselves, NGOs, organizations that spearhead civil regulation, and other stakeholder groups. Growing economic globalization makes the prospect of direct governmental regulation increasingly improbable, so civil regulation has taken the wheel at building the regulatory discourse of CSR (Campbell, 2006). Several third-parties emerged with the goal of providing companies designs for communication meant to address the regulation in the CSR arena; the GRI has quickly become the *de facto* standard for sustainability reporting. The following section explains some of the background for the organization and proceeds with a discussion of existing academic interests in the GRI.

Design Context: GRI Background

The Netherlands-based Global Reporting Initiative has been developing sustainability reporting Guidelines, in the form of principles and indicators, for companies to report on their ESG performance. One of main initial starting points for creating the GRI stemmed from a desire to integrate the three aspects of performance – economic, social, and environmental – as expressed by the Triple Bottom Line (Elkington, 1997). The GRI has aimed to standardize companies' sustainability reporting worldwide by developing a framework that allows companies to benchmark performance with respect to normative laws and regulations as well as voluntary initiatives. Through standardization of these practices, the GRI has been striving to make it possible for organizational performance to be compared over time as well as between organizations within industry sectors.

GRI has developed rapidly over the course of the past decade. Between 1999 and the present day, the number of competing frameworks has diminished from several dozen to virtually none (Etzion & Ferraro, 2010). The AA1000 could be considered a viable remaining alternative, although it does not claim to be a reporting standard but is rather meant to assist organizations with managing social and ethical accounting, auditing, and reporting process (AA1000 Assurance Standard, 2008). According to the most recent KPMG International Survey of Corporate Responsibility Reporting (2008), almost eighty percent of Global Fortune 250 (G250) companies have released stand-alone corporate responsibility reports, and almost all of those have utilized the GRI Guidelines for this purpose. An additional four percent of G250 integrate sustainability information with the financial report, for a total of 207 companies engaged in sustainability reporting (KPMG, 2008). This increase represents a significant jump from fifty percent of G250 that were

engaged in such reporting in 2005. Specifically in the US, the total number of

companies issuing a sustainability report has risen from 32 percent in 2005 to 74 percent

in 2008. Worldwide, the GRI has grown from ten registered organizations (those that

have officially declared their use of the GRI Guidelines through GRI's website) in 1999

to over 1,850 such organizations in 2010 (Global Reports List, 2011).

The emerging focus on ESG factors worldwide has been evolving alongside

emphases on organizational accountability and transparency within the context of the

discourse on CSR (Levy & Kaplan, 2008; Waddock, 2004; Zadek, 2001). For example,

over the last two decades the European Union has become the worldwide leader in

developing and fostering adherence to environmental regulations (Kelemen & Vogel,

2010). Voluntary ESG reporting has emerged concurrently and has been proliferating

among organizational leaders (Kolk, 2004, 2008; Waddock, 2008). By 2002, the year of

the introduction of their second version of the sustainability reporting framework, the

GRI Guidelines became the most widely used sustainability reporting tool (Szejnwald

Brown, de Jong, & Lessidrenska, 2007). Figure 1 illustrates the timeline of the GRI

development from its inception in 1997 through the last pivotal point in the

organization's development.

The GRI approach to the creation of the reporting Guidelines has been marked

by several features that have made it distinct from other existing formats of ESG

accounting: 1) the Guidelines were to be created using a transparent multi-stakeholder

participatory process; 2) the actors involved, represented by business leaders and

members of various NGOs and nonprofit organizations and termed *organizational*

stakeholders, were seen as an established yet growing network capable of sustaining a

process of successive guideline form revisions; and 3) the organization was supposed to have undertaken the role of caretaker of the continuous revision process and the product, which was introduced as a freely available public good. A number of studies have investigated the GRI in terms of the reporting framework's utility to organizations and stakeholders. The review below discusses a number of such studies. The purpose of the review is to provide some context about conventional approaches to talking about and studying the GRI, to highlight typical directions undertaken, and to illustrate the gaps in existing GRI-related work.
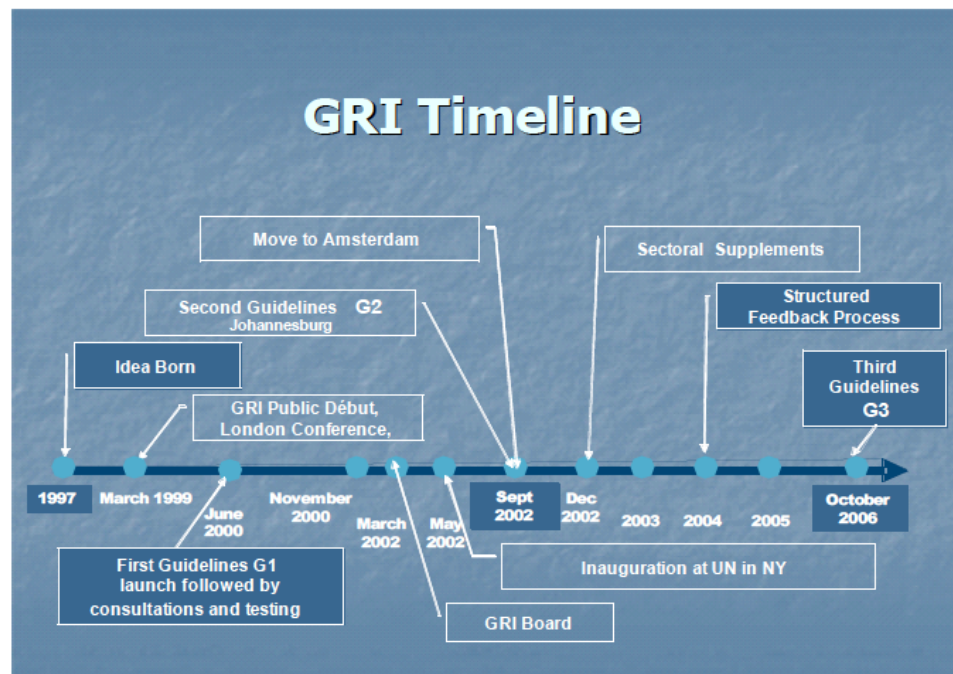
Figure 1. Chronology of the emergence of the GRI. Reprinted from Szejnwald Brown, de Jong, & Lessidrenska, (2007).

GRI's Communication & Information Service in Use

Over the last decade, a number of organizations and industries have chosen to utilize the GRI Guidelines (e.g., Antoni & Hurt [public sector organization], 2006; Boasson, 2009 [oil industry]; Dingwerth, 2008 [various companies in the Southern

hemisphere]; Guenther, Hoppe, & Poser, 2007 [mining, oil and gas industries]; Lozano, 2011 [higher education institutions]; McIntyre-Strasburg, 2008 [U.S. Army]). Antoni and Hurt described the process of adoption of the GRI sector supplement for public organizations for creating the State of the Environment report in Durban, South Africa. The rationale for the choice of the GRI reporting framework was based on its flexibility in allowing the reporting organization to follow a structure that is best-suited for the context of the public sector and its recommendation by governmental agencies as a "reputable and well-regarded sustainability reporting body" (Antoni & Hurt, 2006, p. 253). Additionally, GRI's emphasis on "quality and comparability" (Antoni & Hurt, p. 260), as well as transparency and active stakeholder engagement also suited the South African municipality issuing the report more so than other options.

However, a cited disadvantage in using the report was the lack of examples of the Guidelines use by other public bodies (Antoni & Hurt, 2006). Other challenges to issuing the report included a general resistance to environmental reporting, limited availability of data, and the plethora of inconsistent measurement methods used to collect that data in the first place. Antoni and Hurt cited the "momentum" generated through the reporting process as its "most significant outcome" (2006, p. 262). The municipality capitalized on the newly instituted policies for data collection and reporting and has continued to streamline the practice; furthermore, action has been taken on a number of initiatives proposed in the report. The municipality also intended to contact the GRI and discuss possible avenues for improvement of the sector supplement for public organizations. This example of the application of the GRI showed how the Guidelines affect the environment where they are introduced, beyond the intended outcome in the form of a

report. The GRI Guidelines focus people's attention on certain issues and distract from others. It is a tool whose use is consequential for what is put out by the organization and perceived by the stakeholders, and so the content and substance of the tool are of interest. Internal change in the form of uniform acceptance of reporting practices and associated procedures has to be preceded by consistent adherence to these practices (Ruggie, 2004).

Dingwerth's (2008) analysis contributed to an understanding of the GRI as an organizing tool; a participant in the GRI process commented, "if the GRI secretariat ceased to exist tomorrow, the reality is that GRI has changed the perception of non-financial sustainability reporting forever" (Dingwerth, 2008, pp. 615-616). Dingwerth outlined discursive, regulatory, and structural impacts of GRI. Discursive effects refer to the GRI's influence over the "content" or corporate social responsibility. The GRI does not openly purport an evaluative judgment of organizations based on how/ what they report relative to the criteria and indicators (although, as the results of this study demonstrate, the GRI does in fact evaluate participation), the very act of prioritizing certain indicators and not others is a strategic choice that is consequential for establishing a common reference frame for defining business practices in terms of their sustainability, and companies in terms of their accountability. This style of third party intervention positions the work of the GRI as most similar to that of mediators and facilitators in that the GRI intervenes in business-society relationship on a macro institutional level of practice and prescribes certain ways that communication about ESG performance should take place, much like the mediators whose expertise and interventions take place at a micro level but are likewise aimed at disciplining interactions to achieve desired means

(i.e., Aakhus, 2003; Garcia, 1991; Greatbatch & Dingwall, 1997; Tracy & Spradlin, 1994).

According to Dingwerth (2008), normative effects of the GRI Guidelines are still limited compared to those of financial reporting standards. To date, more than 1,850 organizations worldwide have produced social reports using the GRI Guidelines, yet that number is relatively low compared to the much larger number of companies that engage in financial reporting. GRI formally collaborates with the UN Global Compact, UNEP, the OECD and has received verbal endorsements from all those agencies. Nonetheless, the use of the GRI by government agencies has been limited (Dingwerth, 2008). The trend might be reversing, however: for example, in 2007 the U.S. Army released its first sustainability report, which was prepared with the use of the GRI Guidelines (McIntyre-Strasburg, 2008).

To discuss GRI's structural impacts, Dingwerth (2008) provided the example of the governments of developing countries experiencing pressure to adhere to the standards imposed by the developed world and therefore being resistant to adopting any type of rules concerning social and environmental performance that they might not be able to meet due to prohibitive cost of reporting and/ or lack of resources necessary to implement necessary changes to their practices. On the other hand, adherence to GRI Guidelines increasingly becomes expected for organizations that strive to enter the markets of the developed nations; in this way, the GRI becomes more materially relevant to companies anywhere that wish to be competitive in the global marketplace.

Although the GRI Guidelines have received some coverage in the academic literature, very few studies have addressed the organization's institutionalization effects.

Notable exception is work by Etzion and Ferraro (2010), who have studied GRI's efforts to purposefully institutionalize the practice of sustainability reporting. The authors used discourse and frame analysis to identify three linguistic mechanisms used by the GRI: ambiguity reduction (limiting and explaining the scope and significance of new concepts), discourse bridging (connects more familiar financial discourse with one on sustainability), and robust design (associating a new practice with a familiar one, such as associating social reporting with financial reporting by using analogy). The work of Etzion and Ferraro has been corroborated by the treatments of the GRI as an emerging institutional entrepreneur (e.g., Szejnwald Brown, de Jong, & Lessidrenska, 2009; Szejnwald Brown, de Jong, & Levy, 2009; Levy, Szejnwald Brown, de Jong, 2010). These works have tended to arrive at the conclusion that the GRI has indeed become an institutional entrepreneur, and its success in that capacity has been attributed to its unique approach (outlined earlier).

Although the studies cited have examined the GRI as an important actor in the arena of sustainability reporting (i.e., Etzion & Ferraro, 2006, 2010; Szejnwald Brown and colleagues, 2007, 2009a, 2009b; Waddock, 2004, 2008), a significant research gap remains in that no one has yet paid close attention to the content and substance of the reporting Guidelines. Instead, the following comment was put forth: "We did not constrain ourselves to coding all segments in the document. Certain portions of the text remained uncoded; most of these portions were strictly technical in nature, and *had no meaning* beyond pragmatic instructions regarding application of the standard [emphasis added]" (Etzion & Ferraro, 2006, p. 17). However, as this study shows through utilizing the design stance to examine changes in the guidelines for sustainability reporting over

time, quite a bit of meaning can be seen in these "technical" portions of the Guidelines. In fact, this entire study positions itself quite securely in that gap where "no meaning" has been located by others.

The studies by Szejnwald Brown and colleagues (2007, 2009a, 2009b) have used select GRI documents as well as interview data for their analyses. Under examination, the findings of the authors have focused on the ways the GRI has been successful in securing a certain level of buy-in, and the findings have tended to circulate back to original content from interview data. Contrary to these approaches, the present study is oriented toward describing the design proposal for the communicative move of reporting evident in the Sustainability Reporting Guidelines. A claim that will be commented on in the study is that the resulting built-up environment around CSR is ordered by assumptions about how organization-stakeholder communication works and how it ought to work.

GRI was created, at least in part, to address the proliferation of social reporting standards and practices that were inconsistent and not comparable, which reduced the utility of the reports produced with the help of those Guidelines. The GRI initiative represented an organized, multi-stakeholder effort to develop standards that would be useful to all types of organizations across industries. The transparent goal of creating these Guidelines was to make ESG reporting a common practice via institutionalization of the GRI's prescription for and advocacy of the practice. This study seeks to describe, understand, and explain the ongoing evolution of the design proposal for the reporting move. The main questions discussed below help guide this investigation and also further explicate the facets of the puzzle of CSR.

CSR Puzzle: Guiding Questions

The GRI framework is consequential for defining what is and is not relevant within company-stakeholder interaction relative to ESG aspects of performance. The GRI-consultancy is understood here as a third-party claiming to possess certain expertise about ESG and company-stakeholder interaction. This expertise is formulated most directly in the GRI Guidelines. In terms of the design stance, the GRI consultancy is engaged in a communication design practice where their overall aim is to change the given ways that companies and stakeholders interact about ESG factors through their invention of the GRI Guidelines for CSR reporting. The Guidelines are a design proposal for how companies should make a particular move in interacting with stakeholders. That move, CSR reporting, is intended to be the catalyst for changing the form and quality of communication between companies and their stakeholders so that ESG factors become a focus of communication rather than just economic factors. In a more colloquial sense, the GRI consultancy's intervention attempts to change the conversation in the way business and society interact. A design stance calls for attending to what is proposed and taken up in terms of interventions on communication. Whatever scholarly attention has been given to the GRI consultancy and its Guidelines has not focused on the substance of what is proposed for communication about CSR. Thus, an analytic look at what the Guidelines highlight and hide about CSR communication would address a gap in the literature about social reporting and further understanding of the conduct of civil regulation. The following general questions frame the focus of the proposed investigation [specific research questions are introduced and discussed in the methods section of this proposal]:

What is the nature of communication design practice that shapes communication about the role of business in society?

(a) how does a large-scale interorganizational communication practice develop and become institutionalized;

(b) how can the design stance be used to study the emergence and institutionalization of a global communication practice;

(c) how has the conversation about the role of business in society, embedded in the discourse about CSR, evolved over the past eleven years; and

(d) why has the GRI become the *de facto* standard for sustainability reporting.

The preceding section has articulated a number of key exigencies of reporting. The following review of *communication as design* explicates a mode of analysis of a communication practice designed as a response to these exigencies, which are at the heart of CSR and civil regulation. The *communication as design* theoretical perspective has enabled the description and analysis conducted in this study. The theoretical propositions and empirical analyses using design are described as examples of the ways communication practices can be studied, and the discussion provides a basis for addressing the puzzling features of CSR. The design literature review is followed by a discussion of the data and method utilized in the study.

Chapter 3

The Design Stance: An Approach to Puzzles of Communication

Communication design can be observed when tools, techniques, or procedures

are used as interventions into an activity in progress, and it is evident in the choices made

about how individuals, groups, or organizations interact with one another (Aakhus &

Jackson, 2005). The communication design stance brings to the forefront the deliberate

effort to structure and organize human interaction through interventions and inventions

that afford a particular form of communicative activity (e.g., negotiation) while

downplaying other forms (e.g., quarrels). The concept of design is multi-faceted. There

is a rich tradition about design theory in organizational and policy studies as seen in the

works of Simon (1996), Schön (1987), Schön and Rein (1994), and Fischer (2003).

While the field of communication research has traditionally focused on issues of

informing and persuading, there has always been an underlying interest in design from

the more normative areas of the field, including rhetorical and argumentation studies, as

well as in the more empirical areas of the field interested in language and social

interaction processes. Aakhus and colleagues (2007; Aakhus & Jackson, 2005) have

begun articulating the connections among these diverse yet implicitly connected areas of

theory and research. They have, in particular, described a number of points important to

the understanding the design stance toward communication: (a) design is a natural fact

about communication; (b) design is a hypothesis; and (c) design is theoretical.

Design is a natural fact about communication in that it is evident in daily

routine interactions. At the core of the idea is the recognition that people constantly

manage complexity in any interaction without necessarily giving much thought to doing

so; these management activities include framing utterances, negotiating turns of talk, achieving desired qualities of communication. Design can be seen in an emergent pattern of an interaction that the participants orient toward and recognize as legitimate. Patterns, routines, genres and formulas of speech and interaction arise from and in response to the very conditions of interacting. Fundamental to the understanding of design as a natural fact about communication is the creative use of language people exercise as we attempt to coordinate and engage meaning and action (Jacobs, 1994; Mokros & Aakhus, 2002). These arise for routine and ritual purposes, and in this we see the basis of design and the grounds to shape meaning, action, and coordination as well as the prospects for ever more reflective and purposeful communication design practice.

The design stance thus regards the built-up human environment as a site within which to pose and answer various research questions about communication in society. It orients towards examination of the ways in which communication is treated as an object of design. The natural fact of design in communication is the scaffolding upon which other deliberate means for shaping and disciplining interaction to achieve some purpose are built. Taking the design stance toward communication involves recognizing and describing features of various forms of interactivity as well as making explicit how these features are consequential for communication practice in the social world. An understanding of the context-specific nature of communication design work is useful for making a transition from design as a natural aspect of communication to deliberate design, which occurs when an intervention is made into an ongoing activity to transform it in some way.

Aakhus and Jackson (2005, pp. 427-430, quoted text in italics) outlined seven key

facts about human communication to which any design or designer is accountable. First, the methods available for generating and displaying relevance vary with turn-taking formats. Second, identity and face concerns affect participation in any interaction format. Third*, speech is a kind of action with collateral commitments* of varying levels of specificity and accountability. This idea is further elaborated by the language/ action perspective (Winograd & Flores, 1986). Fourth, speech act sequences structure interactions and are expandable, so can be adapted to organize interactions in order to promote acceptability and orderliness, contextually. Fifth, *coordinated action depends on repair*, which occurs through establishment of mutual understanding and alignment of belief. Sixth, *the consequences of design for practice are interactionally emergent*. Design occurs as an intervention into existing communication practices, and has to be accompanied by change in human practices. Seventh, communication is situated within culturally shared assumptions and expectations about how communication is supposed to evolve. People *construct forms of interaction by invoking expectations about how the interaction should unfold*.

Central ongoing matters of communication are meaning, action, and coherence (i.e., the coordination of meaning and action). The seven facts about communication outlined above point to the basic materials with which communication design works. Design refers to the human creativity involved in working with the materials of interaction to make communication possible – that is, shared meaning, joint action, and coordinated activity (Aakhus, 2007; Jacobs, 1994). Levinson's (1979) concept of activity types helps articulate the relationship between interactivity and communication. Activity type refers to a "fuzzy category whose focal members are goal-defined, socially

constituted, bounded, events with constraints on participants, setting and so on, but above all on the nature of allowable contributions" (Levinson, 1979, p. 368). Therefore, activity types are flexible yet characterized by several key structural elements of interaction adapted to the goal of an activity, such as turn types, situational identities, topics, and goals. Activity types are characterized by the constraints they impose on the contributions that can be made and by preferred interpretations for each activity type. The focal point is that communication happens through the constraints activity imposes on the enormous capacity people have for drawing inferences, making judgments, and making moves. Activity types refer to the informal and formal ways that people turn behavior into mutual activity (e.g., chats, story-telling, information-sharing, committee meeting, judicial hearing, and so on). Communication as design is interested in the creation of tools, procedures, and techniques that constrain allowable contributions in interaction with the aim of affording particular form and quality of communication.

The consideration of the seven principles articulates important aspects of communication toward which design work and designs for communication orient. Herein also lies the foundation for understanding why a particular design for communication and design work may fail while another succeeds, as these principles summarize some key matters of communication that designs and design work are accountable to.

As described by Aakhus and Jackson (2005), "Design is a form of *intervention* oriented toward *invention* and this concept is consequential for what can be learned about communication from design activity" (p. 418). Communication design work happens, for instance, when third parties intervene into an ongoing activity with the purpose of disciplining interaction, such as the GRI intervening into the way companies report about

their ESG performance. With this recognition, the design stance toward communication analyzes practice as theoretical, as the ground within which our theories of communication develop (Aakhus, 2007; Aakhus & Jackson, 2005). Design work and designs for communication can be viewed as instances of theorizing about communication. Explicating the evolution of communication design reveals a way that communication is understood in practice.

The design stance departs from two dominant trends in the field of communication research that aim toward either predicting outcomes or passing normative judgments (Aakhus, 2007). Rather, the design stance highlights a third direction where interventions are a basis for understanding communication. Interventions make normative and descriptive specifications of what is, what ought to be, and what is possible (Aakhus, 2003). Utilizing the design stance for analyzing the GRI's intervention into an ongoing business-stakeholder dialogue provides useful conceptual and methodological orientation for understanding what kind of tool does the GRI actually offer. The fact that certain designs fail and certain succeed provides grounds for reinvention and thus changes in normative and descriptive assumptions. But design also requires reflection on practice. Schön and Rein (1994) have illustrated how reflection is a necessary and for them, the only way for parties to "resolve" communication problems at the heart of intractable policy controversies. Reflection is an invaluable aspect of design rationality as it affords the opportunity to change the design for communication in ways that are responsive to the demands placed on it. Analyzing the evolution of the Guidelines over time in this study has provided evidence for thinking through the role of reflection in design.

Communication Design: Empirical Investigations

This study extends communication design theorizing by applying it to the study of an emerging global institutionalized practice. Empirically, the study contributes to extant literature on design by examining changes in a design for communication that has persisted over time and thus commenting on how communication practices become institutionalized. This part of the communication design review discusses empirical work relevant to the present study as both a foundation for the project but also as a means to point to gaps in the design stance that this study has helped address. The review of empirical investigations of design will proceed in two parts: contribution of existing research to the understanding of communication design practice by investigating (1) communication design work and (2) designs for communication.

Communication design work. Communication design work refers to the actions taken to intervene on interactivity with the aim of constructing a preferred form of communication while avoiding dis-preferred forms of communication. For instance, Aakhus (2001) investigated the work accomplished by meeting facilitators who make use of group decision support systems (GDSS) by focusing on how they collectively conceptualized the work they perform. GDSS facilitators organize processes that help organizations accomplish decision-making tasks, which typically involve multiple parties with competing perspectives. Taking the design stance toward this professional practice helped draw attention to the design work undertaken by GDSS facilitators when faced with the practical puzzles of enabling collaboration among people in competitive, complex situations. Ethnographic interviews were used to uncover the GDSS facilitators' own accounts and understandings of their work. The findings described how

practitioners shape interaction to achieve collaborative communication, and thus outlined a nascent "philosophy of process management" (Aakhus, 2001, p. 350) that practitioners used to invent solutions and to legitimize their actions as neutral. Ironically, their philosophy of practice legitimized their neutrality while impeding the potential for innovating their practice to meet the new potential afforded by information and communication technology. Thus, the normative commitments of communities of practice about what counts as good communication channel potential innovations for communication design.

Central to design work are practical theories about how communication works and ought to work. Jacobs and Aakhus (2002) examined how dispute mediators handle disagreements in the course of negotiations between individuals formerly married and now divorced. The mediators in the study are thought of as expert practitioners engaged in communication design work through their use of strategies for regulating argumentation and structuring conflict situations in ways that promote resolution. Analysis of transcripts focused on micro-practices of questioning and summarizing and revealed that in peforming these practices, mediators construct different forms of dialogue: critical discussion dialogue, bargaining dialogue, and therapeutic dialogue. Each dialogue is a different activity type that imposes a particular view of the exigencies of mediation and an interactional solution to those exigencies. Critical discussion assumes conflict is over evidence and public values that is best solved through the exchange of arguments and counter-arguments. Bargaining assumes conflict is over competing interests best solved through the exchange of demands and counter-offers. Therapuetic dialogue assumes conflict is over spoiled identities and best solved through

an exchange of self-disclosure, explanations, and affirmations. While there is more to each dialogue, the study revealed how communication work attempts to constrain interactivity in particular ways (e.g., uses of questions and summaries) that in turn afford a particular quality of communication (critical discussion, bargaining, and therapeutic), with each form of communication having its own logic of relevance and grounds for justifying its outcomes.

The preceeding section described investigations of design work engaged by third-parties in their attempts to discipline interaction to achieve particular qualities of communication. It is noteworthy that both situated practice and community level rationales could be articulated by attending to what each specified in terms of interaction and how those choices ground communication. The studies of third parties reviewed have focused on design work engaged in by individuals within groups. The present study has scaled up the level of design analysis to examine the design work and design for communication produced by an organization via multiple stakeholders. The design principles reviewed earlier can be used effectively to analyze what matters to the design of interaction. The following review of empirical analyses of designs for communication shows a number of examples from exisiting literature.

Designs for communication. Designs for communication refer to tools, rules, procedures, technologies, and organizations used to structure or discipline the way people interact with each other to realize a particular form of communication while avoiding others. The case study of Science Court describes an attempt to construct a design for communication intended to solve problems of expert disagreement over science and technology in policy processes (Aakhus, 1999). Science Court was introduced in the mid

1970s as a tool to help experts resolve their differences of opinion in policy deliberations, and it defined a procedure for engaging experts about research data so that scientific differences of opinion could be settled in a manner informative to public policy formation. The design analysis examined the communicative norms advocated by the proponents of Science Court for resolving differences over the scientific findings. This included practical issues such as "determining who should talk, when someone should talk, what should be talked about, and how to settle differences of opinion" (Aakhus, 1999, p. 21).

The Science Court model of interaction was grounded in a judicial, adversarial approach to resolving a difference such as found in court-based trials. The communicative acts performed were making cases and cross-examinations. The roles performed were those of prosecution and defense of a specific scientific position, and judges would determine whether the position had been defended. This method for resolving differences of scientific opinion in policy process was resisted and not taken up in the policy context, but it was embraced as a method for exploring and vetting differing scientific positions in non-decision-making settings such as academic symposia. The Science Court study demonstrated the close attention paid to how interaction is orchestrated to foster a particular quality of communication that serves a particular purpose. It also showed how a method of communication for one set of demands may not translate to another similar set of demands.

The Science Court proponents' specification about the way communication works in policy deliberation and their expectations for how it ought to work resulted in some unexpected outcomes for their proposed design for communication. Science Court was

found to be most useful in building a body of evidence about an issue by compiling information about the facts involved, and it was also useful in helping define the parameters of the controversy; however, Science Court did not prove a useful tool for addressing policy controversies that were characterized by multiple voices, sides, and opinions. The failure of Science Court to accomplish its original purpose rested in what the design for communication presupposed about the type of interaction needed for managing disagreements over facts in policy-making.

Designs for communication often emerge within groups and communities and become sources of contestation about how members should interact with one another. For instance, Aakhus and Rumsey (2010) analyzed conflict in an online cancer support community from a design stance. The online community was a place that cancer patients and caregivers engaged each other in offering support. The community, however, became embroiled in a conflict that lasted serveral days. The analysis uncovered differences of opinion about the way supportive communication should be orchestrated and what purpose it should serve. This was discovered by identifying the clash over what speech acts should be performed, what sequence of speech acts should follow, and how the exchange of speech acts should produce a particular context of support. Essentially, two views of support prevailed in the community: one claiming that support was primarily about listening to others and affirming their experience, and the other claiming that support was about being honest with others by poinitng out uncomfortable truths. In contrast to Science Court, no designer or design team specfied a model of interaction a priori, but instead the support community in the study implicity co-designed a mode of interaction that transformed their given situation into one where they were in supportive

communication with others. However, that supportive communication broke down when differences emerged regarding how community members should interact with one another.

Designs for communication can be characterized in terms of features of interactivity that are routinized or embedded into technologies or procedures. Those features constrain interaction to afford particular opportunities for communication. Practitioners involved in communication design may often be unaware of the tacit assumptions about communication made in design work and designs for communication.

The studies reviewed above have shown how and with what effects communication design work and designs for communication are consequential for the development and outcomes of an interaction. In the investigation of the online cancer support community interactions, Aakhus and Rumsey (2010) were able to reconstruct the underlying logic adhered to by the particpants by observing features of interactivity exhibited by the participants' engagement with each other. In the study of the Science Court (Aakhus, 1999), the analysis was focused on examining the features and utility of a formalized design for communication. Both of those studies provided relevant insights about features of interactivity that were presupposed in plans for communication and in the emergent patterns for communication.

The unifying features of the reviewed studies was use of the design stance to examine the centrality of interaction in the made-up aspects of the social world. The studies focusing on communication design work reveal how ideas about communication are implicated in the way professionals understand their intervention practice and in the situated actions of intervention. The studies of designs for communication focused on

how assumptions about communication design are found in the way people orchestrate their interaction. The orchestration of interaction is a way to transform a given circumstance into a preferred form of communication by constraining interaction in particular ways. The studies of communication design work emphasized the role of individual practitioners working in group contexts, which leaves open exploration of what happens when communication changes are advocated in interorganizational contexts, and what is the role of expert communication services in these contexts. The studies of designs for communication leave open description and explanation of how a design for communication evolves over time and becomes institutionalized.

The design stance focuses the researcher on making explicit the premises and principles underlying a design for communication; this is accomplished through analysis of the features of interactivity observed in the design for communication. Analysis of the features of interactivity visible in the design for communication, and the change in sets of these features over time provides evidence of the evolving logic of the GRI about how companies should communicate with their stakeholders. Analyzing the GRI Guidelines in this study has made it possible to explain how the GRI has helped determine what counts as relevant and what does not in the global discourse of CSR. The GRI provides a context for investigating communication design practice in an interorganizational context with attention to how a design for communication becomes institutionalized. To develop design stance for investigating the GRI in this way, it was necessary to incorporate insights from *genre theory* of organizational communication.

The Genre Theory and Communication Design Practice

Drawing upon the design stance, GRI can be viewed as having created objects for

and properties of a conversation about CSR that companies engage in with the stakeholders. According to the language/ action perspective, language used generates action (Winograd & Flores, 1986). Winograd and Flores clarified that, "whether or not your [in the context of this study, the designer's] characterization is taken for granted or taken as the basis for argument [by the design users], you have created the objects and properties it describes by virtue of making the utterance" (p. 18). The GRI has been crafting the properties of the conversation by devising a design for communication that is multifunctional in that it allows for contributions of ratified participants as well as new contributors. In this way, the GRI's design for communication represents a response to the exigence of company-stakeholder interaction regarding CSR. The concept of genre provides the grounds for explaining the institutionalization of this design. Specifically, the GRI's expert information and communication service has focused on providing a design proposal for the genre of sustainability reporting. Understanding how genres of organizational communication emerge is useful for explicating the way GRI's design for communication becomes institutionalized.

The ethnographic research tradition in organizational studies has demonstrated that patterns and routines frequently emerge as solutions to interactional problems; for example, the ubiquity of meetings in organizations has been brought to the forefront in a number of ethnographic studies (e.g., Boden, 1994; Kunda, 1992; Schwartzman, 1989). The concept of genre, defined as a "typified rhetorical action in the context of socially defined recurrent situations" (Yates & Orlikowski, 1992, p. 301), characterizes this process. Yates and Orlikowski explain that *genres of organizational communication* refer to the topic or content of the communication and its structural and linguistic

features. The concept of genre "allows us to examine the production, reproduction, and modification of different types of organizational communication over time and under different circumstances" (Yates & Orlikowski, 1992, p. 301). A key component of the genre concept has to do with understanding the reason for its emergence – exigence, defined as the recurrent situation, an urgent need or demand for something to be done. Yates and Orlikowski used Miller's (1984) theorizing on genre as social action to position exigence as mutually constructed by multiple actors – it is "a form of social knowledge … an objectified social need" (Miller, p. 157). This study comments on the evolution of a new genre of organizational communication, sustainability reporting, as distinct from the financial reporting genre.

Understanding the exigence that prompted a particular genre is important for realizing the potential of the genre to address an existing problem. Aakhus (2000) analyzed Group Decision Support Software as an organizational tool designed as a communicative solution to enable effective decision-making during meetings. The analysis highlighted a theory of deliberation visible in the design of interaction enabled by the software. Genres are enacted through rules that specify which aspects of form and substance are applicable to which recurrent situations. When genre rules are not imposed by authority but rather emerge as a natural response to a recurrent need, they could become institutionalized as a result of broader acceptance via recognition of the emerging genre's utility in addressing the exigence (Yates & Orlikowski, 1992). For example, Yates and Orlikowski used the example of organizational memos as a genre that has emerged to enable members of organizations to communicate internally, and one that has changed over time to accommodate the evolving nature of the need for this type of

communication. The memo genre has in effect institutionalized a way for organizational members to exchange information in a standardized way.

The concept of genre positions forms of interactivity developed in response to exigencies as socially constructed forms of communication that are produced, reproduced, and modified over time. By accounting for the role of interaction in structuring communication, as well as acknowledging the macro institutional forces responsible for the uptake and redesign of a communication practice, the genre theory represents a useful approach for analyzing forms of interactivity as socially embedded products of interaction. Genre theory explains how formats and technologies for organizational communication are inspired by genres of communication and how innovations in formats and technologies change genres over time (e.g., how email reflected the memo genre and consequently changed the genre). Genres are institutionalized forms of communication that exist relative to a particular belief about what counts as a communication problem. Notably, genres can be solutions for problems that never existed or no longer exist. Designs for communication draw upon knowledge of genre. Designs are ostensibly instrumental but may indeed serve symbolic purposes more so than functional outcomes (e.g., consider the complicated history of the idea of the town hall meeting in American political discourse). A design may emerge and persist because it reflects something symbolically potent and thus confers legitimacy independent of whether it works (e.g., consider how Science Court drew upon the symbolic value of the court room as an arbiter of final decisions).

The design stance and the genre perspective help inform each other in that design explicates how certain designs for communication invite participation in certain ways and

not others. If the genre theory helps explain how a communication tool evolves and becomes institutionalized, the design stance directs the researcher's attention toward close examination of what that tool actually is – what it presupposes about communication. Aakhus (2000) illustrated this point empirically by showing how specific features of groupware products, such as built-in procedures for establishing points of view and handling disagreement, provide particular avenues for interactions to evolve while closing off potential others. The built-in categories reflect particular views of the product designers about the features of successful interactions that help solve problems, affect decision-making, and lead to productive solutions. The products also draw on the symbolic value of rational, linear decision-making or the symbolic value of reasoned argument. These symbolic aspects are reflected in the design and also in the marketing of these products. Important to note is that the adoption of the product may be due more to its symbolic rather than its instrumental value. Equally problematic could be a circumstance when a product is adopted for its instrumental value without due consideration of its symbolic value. The design features and the characterization of these features play a role in how a technology becomes a tool for designing communication.

The genre theory is relevant for understanding the emergence of social reporting guidelines/ advice in response to the exigency of civil regulation. Genres of reporting solve the demands of disclosing internal information for public audiences. More than that, a distinct and growing need has been emerging for organizations to convey their sustainability efforts to multiple stakeholders, and the increasing pressure to do so has prompted the development of sustainability reporting as a genre of organizational communication. Although it could be seen as similar in many ways, the context of

emergence of sustainability reporting departs from the common financial reporting in several important ways. Whereas financial reporting has been a mandated and regulated aspect of business practice worldwide for a number of decades, sustainability reporting has emerged fairly recently, on contested and shaky global terrain. Amidst competing voices and standards, the emergence of a single leader as provider of a universal standard that has been taken up voluntarily worldwide is interesting theoretically.

A key issue to consider is whether the genre and the particular procedures and techniques that exist are suitable for the particular exigencies of civil regulation. The longitudinal case study of the design for communication created to address a perceived need for intervention into the business-society relationship regarding CSR provides empirical evidence for the development of a genre of organizational communication particular to CSR. The choices the GRI has made in constructing and advocating the design over the years reveal how the GRI has conceptualized the problems of communication in civil regulation and the solution for addressing those problems of communication. Over-time analysis of the GRI Guidelines' development, with a focus on the design proposal for the reporting move, has enabled examination of changes in the design for communication that have taken place and moves that were made in an attempt to institutionalize this design for communication.

The preceding discussion of the puzzling aspects of CSR and civil regulation explicated the background for the study and outlined its focus. The discussion of the design stance and the genre theory explicated the conceptual approach for this study. The following chapter outlines specific research questions investigated in this study, describes the data, and details the method to be used for the analysis.

Chapter 4

Methods

The consultancy around the GRI will be treated here as an instance of communication design practice where the members of the organization are engaged in *communication design work* aimed at developing a *design for communication* that fosters the preferred form of CSR communication between companies and their stakeholders. The method involves reconstructing the communication design practice evident in GRI's consultancy by describing the solution the GRI specifies for organization-stakeholder communication and how the solution has changed over time, and by describing GRI's accompanying premises and idealizations about the effectiveness and the legitimacy of the solution and how that case has changed over time. The focus of the analysis is the change in the GRI's specifications for how a move of reporting ought to be carried out. Reconstruction additionally involves articulating what the design practice attends to in terms of the problem or the exigency and the warranting rationale for why the solution addresses the presumed exigency (see Aakhus, 2003; Craig & Tracy, 1995; Orlikowski & Yates, 1993; Schön & Rein, 1994). In so doing, the practical theory for CSR communication will be made explicit and available for further reflection, analysis, and critique.

The following section introduces the specific research questions that follow from the guiding questions introduced earlier and the design stance explained in the previous chapter. After the questions are introduced, the data and the methods will be described.

Research Questions

The following research questions help explicate the general questions discussed

earlier and outline the basic research strategy that enables the study to comment on the issues raised by the puzzles of CSR communication.

RQ1: What features of reporting have been specified in the GRI Sustainability Reporting Guidelines?

Several sub-questions are used to investigate the above research question:

RQ1a: How have those features changed over time?

RQ1b: What premises/idealizations about communication are invoked through the preferred features of reporting specified by the GRI?

RQ1c: How have those premises/idealizations changed over time?

The aim of the interpretation generated for these questions is to articulate the features of reporting specified for the companies to make in talking to their stakeholders regarding sustainability-related issues. The analysis will reveal what the GRI Guidelines highlight and hide about business-stakeholder interaction relative to sustainability. The analysis will then explain what the GRI's design proposal for making the reporting move highlights and hides about the role of business in society, and about the way that role is articulated. The specifications for the move define what counts as a communication problem or dilemma to be solved and potentially draw on culturally available genres of organizational communication. Discussion of the analysis will focus on the description of the specifications for the reporting move and the changes in these specifications in the different versions of the Guidelines. Embedded in that explanation is a theory of communication about the role of business in society that is advocated for businesses to use with their stakeholders.

The second research question focuses on the way the Guidelines frame the nature of relationship between companies and their stakeholders.

RQ2: What have the Guidelines highlighted (and hidden) about the ways company-stakeholder interaction regarding ESG aspects of performance is supposed to take place?

Several sub-questions are used to investigate RQ2:

RQ2a: How has company-stakeholder engagement been characterized in the Guidelines?

RQ2b: How have these characterizations changed over time?

Embedded in the Guidelines' specifications for the reporting move is an approach to engaging several stakeholder groups. The reporting organizations comprise the main stakeholder group of the GRI Guidelines, but other stakeholder groups such as international standard-setting organizations also figure prominently in the Guidelines. The design stance was utilized to reveal features of the company-stakeholder dialogue that are highlighted as well as ones that are hidden, both for the GRI and its stakeholder groups as well as the reporting organizations and their stakeholders.

The following section provides a detailed description of the data used and the methodology employed to uncover answers to the above questions.

Study Data: GRI Guidelines' Report Content

Data characteristics. The data for the analyses completed in this study was comprised of the four successive versions of the report content sections of the GRI Guidelines: G1 (GRI, 2000), G2 (GRI, 2002), G3 (GRI, 2006), and G3.1 (GRI, 2011) (see Table 1). While the most recent versions of the Guidelines (G3 and G3.1) were

available for download on the current GRI website (www.globalreporting.org), the two

previous versions were accessed through www.archive.org, an Internet archive that

provides the general public with access to collections that exist in the digital format,

including archived web pages. An exhaustive list of additional GRI materials were

consulted throughout this study. These materials included supplemental documents

produced by the GRI to assist report users in applying the GRI Guidelines and GRI

website texts from 1999 through the present time. The resulting broad familiarization

with many types of documents that the GRI has been putting forth was essential for

establishing an understanding of the context of the GRI practice, its emergence and

continued development.

The data for this study was drawn from the Report Content sections of the

Guidelines. Specifically, this section has been variably titled "Report Content" in G1 and

G2, and "Standard Disclosures" in G3 and G3.1 (see highlighted part in Table 1). The

need for a particular orientation toward careful analysis of that part of the Guidelines'

documents came to the fore for several reasons. Most clearly, these sections represent the

main product of the GRI, and the *only* sections that reporting organizations *must* consult

in preparing their sustainability reports. Other materials and guidance are provided, but

those materials are explicitly identified as *supplemental* to the report content. In this

way, the institutionalization of the Guidelines is ultimately predicated on whether

organizations accept or reject the use of the Guidelines for producing a sustainability

report. Auxiliary materials supplied by the GRI may impact the decision to use the

Guidelines, but the Report Content categories are the only ones whose change directly

affects the way that the reports are constructed, and it is through this section that the GRI

engages directly with all users of the reporting Guidelines. Therefore, upon careful examination of the reporting Guidelines' documents themselves as well as supplemental ones, it became clear that systematic analysis of the Report Content section of the Guidelines and their changes over time would be most meaningful for addressing the research questions in this study. As noted in an earlier discussion of the CSR puzzle, no previous analysis of the GRI focused on the analysis of the Report Content specifications of the GRI Guidelines; however, the design stance utilized in the study specifically directs the researcher's attention toward analyzing specific features of the design for communication.

Table 1

GRI Sustainability Reporting Guidelines' Sections Changes across Versions

Section	2000 G1		2002 G2		2006 G3		2011 G3.1	
	Title	Pages	Title	Pages	Title	Pages	Title	Pages
Preface	n/a	n/a	Preface	1	Preface: Sustainable Development and the Transparency Imperative	1	Preface: Sustainable Development and the Transparency Imperative	1
Introduction		Integrated w/ Part A	Introduction	5	Introduction: Overview of Sustainability Reporting	5	Introduction: Overview of Sustainability Reporting	8
Part A	Introduction and General Principles	10	Using the GRI Guidelines	11				
Part B (Part 1 in G3/3.1)	Reporting Principles and Practices	8	Reporting Principles	10	Part 1: Defining Report Content, Quality, and Boundary	18	Part 1: Defining Report Content, Quality, and Boundary	12
Part C (Part 2 in G3/3.1)	Report Content	15	Report Content	23	Part 2: Standard Disclosures	17	Part 2: Standard Disclosures	20
	Annexes	13	Glossary and Annexes	35	n/a	n/a	n/a	n/a
					General Reporting Notes	2	General Reporting Notes	2
					G3 Guidelines Acknowledgements	3	G3.1 Guidelines Acknowledgements	5
TOTAL*		64		104		45		51
* Includes covers, front matter and section pages								

Approach to Analysis

The goal of this study is to address the general and specific research questions described earlier. In order to do so, a thorough analysis of the report content category texts of the four (4) versions of the GRI sustainability reporting Guidelines was undertaken. This was accomplished through developing a method that was guided by the design stance conceptually, and a modified grounded theory (GT) approach (Glaser, 1992; Strauss & Corbin, 1990, 1994) procedurally. The GT method calls for the researcher to use a systematic set of data analysis procedures that assist in the inductive development of theory from the data. A main focus of the GT method is on close, ongoing analysis and interpretation of the data that is aimed at recognizing patterns and their interrelationships among the groups or phenomena of interest to the researcher (Strauss & Corbin, 1994). This study drew upon these assumptions of the GT method in the way analysis and interpretation were accomplished. The method was applied to the textual analysis of the GRI Guidelines reporting content and the changes within those documents over time.

The specific data analysis steps employed in this study utilized the logic of *open coding*, described by Strauss and Corbin (1990) as "the process of breaking down, examining, comparing, conceptualizing, and categorizing data" (p. 61). Decisions about coding and categorizing data were made continuously as analysis and interpretation progressed in a cyclical manner. Strauss and Corbin further stipulated the use of *axial coding* as an intermediate step aimed at the accomplishment of the third and final type of analysis in the form of *selective coding*. The goal of selective coding is to identify a central category, or code, that helps fit other, smaller categories within it. Theory

construction is then made possible through the integration and understanding of smaller individual categories as constitutive pieces of a larger core category. Explication of these individual categories and their links to the core one produces an organizing scheme, or "paradigm model" (Strauss & Corbin, 1990, p, 96), that enables further systematic thinking about the phenomenon under study.

The methodology used in this study consisted of a number of analytic steps synthesized from the procedures described by Strauss and Corbin (1990) and Glaser (1992). These authors' GT approach was modified for the materials in the data corpus. The data for the analysis consisted of written documents and therefore had a specific format and a number of characteristics, varying types of which have changed over time. The design approach in this study, whose focal interests were expressed through the research questions, provided a conceptual orientation toward what and how to attend to in the analysis. Mainly, the design stance directs the researcher's attention toward taking seriously the design features of a communication and information technology. This conceptual orientation could be thought of as an organizing model similar to Strauss and Corbin's paradigm model in that the design-driven conceptual orientation enabled this researcher to systematically attempt to "capture as much of the complexity and movement in the real world that is possible" (1990, p. 111). *Unlike* the paradigm model, the design orientation did not constrain grounded emergence of categories in the sense cautioned against by Glaser (1992); rather, design enabled such emergence by providing a conceptual plan that was necessary in order to proceed with identification and discussion of relevant features of the GRI Guidelines. Therefore, design did not prescribe what those features are or might be; rather, the design approach helped orient

analysis toward identifying, describing, and understanding those features.

The exploratory goals of this study, aimed at understanding the design of a communication practice put forth by the GRI through its main written artifacts, could only be realized through an approach to analysis that was systematic, rigorous, iterative, and flexible enough to allow for the emergence, recognition, and accommodation of new patterns and insights. This chapter details the evolution of the methodological approach undertaken. The discussion of the steps is contextualized by the detailed description of the documents under investigation. As one of main goals of this study was to contribute to the development of method for studying communication from a design perspective, this chapter provides specific details about the systematic steps employed in the data management process and the associated decisions about data selection, reduction, and display – all of which enabled analysis and interpretation.

Process for Data Representation and Analysis

The GT approach in general is consistent with the view of qualitative analysis as comprised of three interrelated flows of activity: data reduction, data display and interpretation, and conclusion drawing/ verification (Miles & Huberman, 1994). In this view of qualitative analysis, data reduction is an integral aspect of analysis, as well as data display. Analytical choices are involved in all these data management steps, which are iterative. Anticipatory data reduction, described by the rationale behind the specific choice of data for analysis, took place at the very beginning. The design stance and the research questions provided the conceptual framework for what the analysis should orient toward and which story should be told.

The "report content/ standard disclosures" parts of the GRI Guidelines consist of several sections (i.e., in G1: CEO Statement; Profile of Reporting Organization; Executive Summary and Key Indicators; Vision and Strategy; Policies, Organisation, and Management Systems; and Performance), the number of which varies per version: six (6) in G1, five (5) in G2, three (3) in G3/3.1 (see Table 4 in Chapter 5). These sections together comprise the GRI's design proposal for the reporting move; as such, these sections are conceptualized in this study as *sub-moves* that the GRI prescribes for companies to make in the company-stakeholder dialogue. The presumed purpose of these prescriptions is to transform the given state of the company-stakeholder dialogue about the ESG aspects of their performance into a preferred state of dialogue about these matters. What follows is an explanation of the process that went into understanding the reporting move through its constitutive parts. A coding scheme to represent type and level of change over time was developed. Detailed discussion of this analytic process is followed by the description and explication of the results of the data analysis and its interpretation.

Data Management: Analytic Tools

Data entry. This study focused on the report content/ standard disclosures sections of the four successive versions of the GRI Guidelines. Upon a careful initial examination of all the versions of the Guidelines, it became clear that a systematic approach to examining all features of the report content specifications was necessary. The report content section in its entirety represents the one part of the document that is referred to by over three-quarters of organizations worldwide that choose to engage in the

sustainability reporting process at all (KPMG, 2008). This section essentially is the reason that the GRI exists.

All text within sections specifying report content was used as the data for the study. The text appears in the form of sections that specify different parts of the sustainability report to be completed by the reporting organization. Introductory/ explanatory sections preceded discussions of content to be included. The last section of the Guidelines in each version consisted of specific content items, termed Indicators, with distinctions made between core and additional Indicators. Core indicators were identified by the GRI as those "generally applicable Indicators [that] are assumed to be material for most organizations" (G3 Guidelines, 2011, p. 7). Additional indicators were said to "represent emerging practice or address topics that may be material to some organizations but not generally for a majority (G3 Guidelines, 2006, p. 39).

A number of data reduction and management strategies were undertaken in order to allow for meaningful data representation and analysis. Initially, the data was entered manually into an Excel document so that the four versions of the Guidelines could be viewed side by side (see Appendix A). Manually entering the information for each version resulted in a deeper understanding of the respective documents' similarities and differences visible through such micro aspects of language use as punctuation, syntax, word choice, tone, and others, as well as revealing larger changes regarding content that was added, deleted or otherwise changed in subsequent versions. This exercise aided considerably in shaping consequent conceptual and physical representations of the data. In this way, choices about data representation were derived from this study's theoretical orientation while also being natural extensions of the grounded approach utilized.

The manual data entry allowed for an appreciation of the construction of the documents and enabled a thorough ongoing textual analysis of seemingly minor but actually significant changes in content as well as the Guidelines' use of syntax, grammar, diction, and tone over time. The results of this approach will be elaborated on in the interpretation and analysis sections, but brief examples can be illustrative here.

For example, when describing the CEO statement, each version provided bullet points for items to be included. The 3rd bullet point in each version addressed the same issue. So, no significant change was present at the content level. However, the language used changed from G1: "an acknowledgement of successes and failures," to G2: "statement of successes and failures," to G3: "key events, achievements, and failures." These changes, specifically the shifts from "successes" to "achievements" and the addition of "events," illustrate how the relevant feature of the sub-move of "CEO statement" is conceptualized differently from G1 to G2 to G3. Per grounded theory approach, such observations were recorded in analytic and theoretical memos that helped in establishing emerging patterns and ultimately addressing the research questions.

Manual data entry also allowed for a thorough understanding of the changes present between the Guidelines' versions. Preliminary notes were made regarding observed changes within the main report content categories as well as changes within the indicators. The latter either remained the same, were broken up, reconstituted and thus reprioritized, moved up or down in importance, combined or integrated with other indicators, or integrated as part of a larger whole. For example, G1 had mostly stand-alone indicators, but by G3, ten indicators from G1 were condensed into a single indicator in one case. In another example, under "Social Performance" of the G1

document, indicators were presented under two categories, "Workplace" or "Human Rights." In G1, Child Labor and Forced Labor are listed under "Workplace" but in G2, they have been relocated under "Human Rights." This type of restructuring showed a significant shift in a 2-year period in the way these social issues were reframed from being an organizational concern to a broader human rights issue.

Once all the data was entered into an Excel document, and preliminary observations were recorded by bolding noted changes and producing analytic memos regarding emerging patterns, the next logical step was to categorize the data into conceptual building blocks. These conceptual building blocks were guided by the research questions, and they consisted of reporting sub-moves and features of those sub-moves prescribed by the GRI for how the organizations should engage with their stakeholders regarding the ESG aspects of performance, as well as the premises and idealizations evident in the ways these sub-moves were presented.

Coding Procedures

  Initial categorization: open coding. Coding procedures used in the study aimed to unpack the nature of the design proposal put forth by the GRI for how companies should interact with their stakeholders regarding the sustainability aspects of their operations, with a focus on changes within the design proposal that took place over time. The data was consequently represented via tables that contained four columns, one for each version, beginning with the 2000 version (G1) and moving chronologically from left to right so that the final column corresponded to the most recent 2011 version (G3.1). Six primary tables were constructed, each representing a category as initially put forth in G1: 1) "CEO Statement," 2) "Profile of Reporting Organisation," 3) "Executive

Summary and Key Indicators," 4) "Vision and Strategy," 5) "Policies, Organisation, and

Management Systems" and 6) "Performance." [Original British English spelling utilized

by G1 and G2 has been retained in presentation of material from those documents. G3

and G3.1 utilized American English spelling.]

Category 6 in G1, and the respective categories in G2 and G3/3.1, which

presented specifications for Environmental, Economic, and Social indicators, necessitated

a separate detailed analysis, which was conveyed through additional tables. The data

within these categories was presented in forms of three types of indicators –

Environmental, Social, Economic – and these were conceptualized as three main features

of the "Performance/ Standard Disclosures reporting" reporting sub-move specified by

the GRI. These features were explicated over the course of the analysis and

interpretation. In order to accomplish this, the following supplemental tables were

created for the category "Performance Indicators:" Table 11 addressed the *Environmental*

performance indicators because G1 placed those first; Table 12 focused on the *Economic*

indicators; and Table 13 described the indicators for the *Social* aspects of performance.

The data within these sections were continuously made sense of through interpretation of

changes relative to GRI's evolving logic of reporting.

Representing units of observation. To identify change over time, whenever

possible the data was formatted in a way that placed comparable items side by side so

that meaningful comparison could be made and the reader could more easily follow the

information being presented. Several units of observation were used to make sense of the

GRI design proposal for the reporting move; these included the sub-moves described by

the GRI and their features, such as indicator categories from the Performance sections of

the Guidelines. Indicators appeared in three categories: (1) Profile; (2) Policy,

Organization, and Management Systems; and (3) Performance Indicators.

Report content categories that did not contain specific indicators were analyzed in

terms of content to highlight changes within and between categories. For example, Table

7 reflected one substantial category-level change from G1 to G2 to G3: the replacement

of Executive Summary, a "key component of the GRI report" in G1, with the Content

Index, which appeared for the first time in G2 as its own category, yet remained a

significant and expanded sub-subcategory of the "Profile" section in G3. Sub-category

level changes were also observed. For example, a separate comparative table was

constructed for explicating change within Stakeholder Engagement, which was a third

subsection of Category 5 in G1.

In some cases, sequential analysis of change over time was especially complicated

due to the extent of the changes that were made between the Guidelines' versions. For

example, a decision had to be made about the best way to present for comparison the text

of two G1 categories that were merged: Category 1 CEO Statement, and Category 4

Vision and Strategy. In G2, these elements were combined into one category, Category

1. In G3, Category 1 underwent yet another transformation by combining the "statement

from the most senior decision maker of the organization" with the "description of key

impacts, risks, and opportunities." It was decided that the original G1 categories would be

retained for displaying the data; however, this meant that the analytical table for Category

1 would be dedicated to the CEO statement, and the parts of G2 and G3 categories 1 that

best corresponded to G1 Category 4 would be moved to this latter Category 4. That way,

comparison across content categories was made possible, while the positioning change for relevant items was noted.

Analysis of performance indicators. A separate discussion is in order for the analysis procedures utilized for the last category of each Guidelines version. Category 6 (G1: Performance; G2: Performance Indicators; G3/3.1: Management Approach and Performance Indicators) is the key category for analysis because it consists of three sections that provide specific indicators for the Triple Bottom Line reporting: Environmental, Economic, and Social. It is the most extensive, the most well-developed, and the most changed category across the Guidelines. All of the versions contain guidance for Environmental, Economic, and Social indicators. G1 and G2 had an additional section on "Integrated" indicators. In G1, the discussion of Integrated indicators came fourth; the section did not contain any actual indicators. In G2, this section came first, but again, no actual indicators were supplied. Finally, G3 and G3.1 eliminated the Integrated indicator section entirely. This point is further elaborated in the data analysis and interpretation section.

A careful review of each type of performance indicators (Environmental, Economic, Social) made it apparent that a new coding scheme would be needed for representing change within these sets of indicators. Accordingly, indicator tables were developed that highlighted change over time through what was *new*, *retained*, or *eliminated*. Illustrating change over time within specific indicator categories proved to be a challenge due to the fact that defining what was eliminated and what was added required careful consideration. By-number comparison would have been largely meaningless as, for example, some indicators that appeared to be eliminated were in fact

subsumed into others in a way that had not been initially noted; alternatively, one indicator could be split into several in consecutive versions. Also, a number of indicators remained the same content-wise but became phrased differently in another version. (This point called for these types of indicators to be called "retained" as opposed to, for example, "unchanged.") Because of this, classification of indicators into these three categories was not a straightforward task. Indicators have undergone many functional transitions across the versions of the Guidelines. Examples of ways an indicator may have changed included expansion: for example, G1 had an indicator that asked organizations to report on "Pension and Healthcare" for employees; G2 had a similar indicator: "Education, Training, Pension and Healthcare: More than the law requires." Another type of change was subdivision: so, if an original indicator had two or three different aspects, and in a later version of the Guidelines, it was split up into several indicators. Yet another change consisted of relocation: an indicator may have been relocated to a new category all together. Generally, the decision was made to classify an indicator as "retained" if its main idea was present in the new version's indicator, even if the original may have been expanded and/ or split into other indicators. "New" indicators were those that did not appear in a previous version of the Guidelines. The "eliminated" category contained indicators no longer present in the Guidelines. This type of analysis also revealed substantial changes that took place within individual indicators (see Appendix B for an example of representative indicator of this type).

Axial coding. With the report content categories conceptualized as the sub-moves specified in the Guidelines, the features of these sub-moves had to be identified and described. A modified version of axial coding, defined as "a set of procedures

whereby data are put back together in new ways after open coding, by making connections between categories" (Strauss & Corbin, 1990, p. 96), was utilized for that purpose. In lieu of an emergent "core" code category, the design stance provided a conceptual orientation for creating a coding scheme to discover the Guidelines' specifications for the features of the reporting sub-moves.

As data was entered for each report content category, a number of patterns emerged in the way the GRI was describing these categories. It was decided to start identifying elements of the categories' discussion based on their function within the document – so, when an item related to "what" was to be included, it was identified as Content. It quickly became apparent that Content was too broad of a category because much finer distinctions could be made, such as "Content Organization." Specific instructions were also included in the Guidelines for "how" organizations should present the content. So, the broad categories took shape to represent "what" needs to be reported (Content category), and "how" that information needed to be reported (Instructions categories). Finer differentiation within these categories revealed the following features: "function" (for items describing *purpose*), "utility" (for items describing *usefulness*); "organization" (for items describing *structure*), and "instruction" (for items describing *how-to*).

At this point of the process, patterns previously unrecognized began to emerge. To record these new observations, a Word document was generated and fragmented comments recorded. At the outset it was quickly discovered that flipping back and forth between Excel and Word documents was not the most effective means of recording new insights, so a new column with substantive notes was added to future tables; eventually,

these notes became methodological and analytic memos. This iterative and systematic approach to qualitative data analysis process resulted in a *preliminary* coding scheme. That scheme was later changed, but it is discussed below to illustrate the analytic process.

   Axial coding: preliminary code scheme for change across Guidelines. As noted earlier, the initial decision was that the most important of possible classifications were content-related changes, and these were designated with the code "*C*." However, because some content-related changes dealt with subject matter and others with organizational structure, additional codes were developed to differentiate between the two: "*SM*" for Subject Matter and "*OS*" for Organizational Structure. Therefore, a content-related change in the subject matter itself was delineated by the code *C:SM*. And because some changes were merely cosmetic while others significant reconceptualizations, a second type of code using a Likert-type scale was used to represent the degree of change – "1" represented a small change with minimal effect, while a "5" represented profound change with substantial effects. For example, when the Executive Summary went from being a stand-alone category and considered a "key element" in G1 to "optional" in G2, this represented a substantive change in subject matter and was assigned a "4," and was noted in the Table's "Level of Change" column as follows: *C:SM-4*. Another type of change that was observed could be identified as Framing and was therefore assigned the code "*F*." Framing change referenced the ways that content indicators were presented in the Guidelines, either with the explicit or more tacit purpose of ensuring the indicator's use. The following Framing codes emerged:

- *F:D*. Diction (word choice): for example, replacing the word "challenges" with "opportunities" was considered a rhetorical move that stressed a positive way of viewing potential obstacles.

- *F:V*. Verb form: changing from an indicative to an imperative mood was also considered a persuasive move. For example, in G1 reporters were "*encouraged* to consider x," whereas in G3, "Reporting organization *should* report x" [emphases added].

- *F:GS*. Grammar and syntax: for example, the change from lower-case to upper-case for additional emphasis, such as capitalizing bullet points.

- *F:L*. Layout: for example, the structure utilized to display performance indicators and the structure's consequentiality for the indicator's importance and usability.

Overall, the framing changes appeared to be less significant and displayed less categorical differentiation than the content changes; therefore, the levels of framing differentiation were marked by zero (0) through three (3). The levels of change were combined for each section for a total change score. Change scores could then be compared across sections. As this type of coding was being completed, it became clear that the Content and Framing categories were insufficient for fully conveying the contextual changes that were taking place between the Guidelines versions. Even with the subcodes of the Content category, they were still too broad and not meaningful enough to address the research questions for this study. However, this preliminary coding allowed for deeper engagement with the content, which led to the discovery that

another type of coding would better differentiate the moves and the features of the moves prescribed by the GRI.

Axial coding: final coding scheme. "Content" could not remain as a distinctive code type due to the fact that every statement could essentially be coded as some type of content. What emerged subsequently was a new coding system that examined the *functions* of the various content elements that were introduced and revised throughout the Guidelines. These functions were conceptualized as features of the content categories of the Guidelines, with the categories themselves recorded previously in the working Excel document (screenshots of category-based Excel tables included in Appendix C). The process of the consecutive coding enabled development of new codes (see Table 2). Four new types of features were developed, and noted in the tables where applicable. The first of these was Justification: these were statements of rationale explaining *why* a specific category or a specific item within a category was included within the Guidelines. The next was Function: these were statements that explained *how* a category or item worked within and related the larger goals of the document; definition statements of the items. The third was Utility: these were statements made to show how the item benefited one or more specific stakeholders. The final code was Instruction (carried over from the initial coding scheme): these were statements that provided for the reporting organizations specific direction for what to include and how to include it.

Table 2

Definitions of Code Tags

Code Name [Code Tag]	Code Definition
Naming [N]	Specific titles of categories, sub-categories, items.

Positioning [P]	First, placement/ order of category, sub-category, item. Second, individual item ordering within the category.
Justification [J]	Explanation for the category, sub-category, or item inclusion in the Guidelines. (G3 does not have justification statements; moved them to indicator protocols.) Explanation of why this item is of value.
Function [F]	Statement of what the category, sub-category, or item does/ describes.
Utility [U]	Statement of how the category, sub-category, or item is of use to the company or the stakeholders of the company.
Instruction [I]	Instruction for what to include/ what to do and how to do this.

At this point in the analysis and this stage of data reduction, it was decided to create a separate table in Word in order to more clearly represent the newly coded data from each category as well as begin a detailed narrative discussion of the changes. Each of the newly defined codes, as features of the sub-moves, were rhetorical constructions, so having a separate code focusing on rhetorical moves was redundant. Though the original codes were either changed or eliminated, the initial idea for assessment of change level for each code remained an essential feature for this study's focus on change over time. A 0-3 point ordinal scale was used (see Table 3).

Table 3

Change Level (CL) Description

Change	Change Level (CL) Code Description
0	No change
1	Minor change that did not impact content/ message in any substantial way
2	Moderate change such as restructuring the order of indicators, elimination of a subcategory
3	Significant change such as introduction of a new category, sub-category or item, or elimination of existing category, sub-category, or item. Also substantial restructuring.

Recording analytic text. The analytic text describing changes between G1 and G2, G2 and G3 was being written in conjunction with the preparation of the tables that described the report content categories and their features. At that point it became clear that the table format would be the best scaffolding for presenting the information regarding change over time in a readily accessible format, which would be clear, concise, and understandable without being too text-heavy. Engaging with data interpretation through the table format also facilitated the representation of change over time. Still, the analytic text explicating the changes needed to physically accompany the tables. The table format eliminated the need for repetition in the discussion of change over time and reduced the need for much text. The table also allowed for greater comprehension with less effort, both as an ongoing analytical tool for the researcher, as well as a comprehension tool for the reader. Furthermore, the design of the table format was identical across categories, which allowed for uniform comparison between each category and feature of the category across the Guidelines' versions.

The remainder of this study is described as follows. The next Chapter 5 discusses the evolution of the GRI reporting framework to set up the context for the discussion of results. Following that are Chapters 6 and 7, which detail the results obtained through the analysis procedures just described. Chapter 6 describes the analysis and interpretation of the report content categories articulated through the Guidelines. Chapter 7 then proceeds with the analysis and interpretation of the Performance indicators (Environmental, Economic, Social, Integrated). Two Discussion chapters follow (8 and 9). The Conclusion is provided in the final Chapter 10.

Chapter 5

Context of Study

The sustainability reporting Guidelines put forth by the GRI are an instantiation of the organization's point of view regarding the ways that companies should represent their environmental, social, and governance (ESG) performance to the stakeholders. This study examined the specifications put forth in the Guidelines about how companies should report to their stakeholders regarding environmental, social, and economic aspects of performance. The reconstruction has brought to light a point of view that was observed in the report content sections of the GRI reporting Guidelines. Whereas this reconstruction does not necessarily represent the GRI's actual beliefs, it represents this actor's commitment to a specific way that organizations should engage with society about non-financial performance. Specifically, the GRI's realm of influence focuses on the reporting move by companies to their stakeholders. Reporting is the focal intervention that presumably contributes to changing the dialogue between companies and stakeholders.

This study identified reporting as a communicative move in a broader stakeholder dialogue as stipulated by the GRI through their Guidelines. The identification and analysis of the associated reporting sub-moves, in the form of the report content categories, and their features contributed to a reconstruction of the design for communication, and in this also allowed for the reconstruction of what is presumed about the company-stakeholder dialogue regarding CSR. The over-time analysis of the changes in the ensemble of features showed how the GRI's prescription for company-stakeholder interaction about ESG performance has evolved since the Guidelines' inception in 2000.

GRI Guidelines: Description of the Evolution of a Design for Communication

The following section describes the evolution of the general characteristics of the GRI reporting framework and in doing so situates a context for this study's findings about changes in the GRI reporting Guidelines.

The GRI Guidelines have undergone changes from version to version, with the first version containing four parts; second version, five parts and a preface; third version and its 2011 update, two parts, in addition to preface, introduction, and general reporting notes. Section-level changes are described in Table 4.

Table 4

GRI Reporting Framework: Main Components' Change over Time

	G1 (2000)	G2 (2002)	G3 (2006)	G3.1 (2011)
The Sustainability Reporting Guidelines	4 Parts: 1. Part A: Introduction and General Guidance; 2. Part B: Reporting Principles and Practices; **3. Part C: Report Content** 4. Part D: Annexes	5 Parts: 1. Introduction 2. Part A: Using the Guidelines 3. Part B: Reporting Principles **4. Part C: Report Content** 5. Part D: Glossary and Annexes	3 Parts: 1. Introduction 2. Part 1-Reporting Principles and Guidance **3. Part 2 – Standard Disclosures**	3 Parts: 1. Introduction 2. Part 1-Reporting Principles and Guidance **3. Part 2 – Standard Disclosures**
Sector Supplements (for different Industry Sectors: e.g. mining, automotive, banking)	none	YES	YES	YES
Issue Guidance Documents	none	YES (HIV/AIDS)	none	none
Technical Protocols (for indicator measurement: e.g., energy, child labor)	none	YES	YES	YES
Indicator Protocols	none	none	YES	YES

Early development period (1997-2002).

It is worth revisiting the fact that the GRI emerged in 1997 from Ceres (Coalition for Environmentally Responsible Economies), with the stated goal to start "a global common framework for the voluntary reporting of the economic, environmental and social impacts of corporate and, gradually, other organizations" (White, 1999, p. 4). Prior to the inception of the GRI, Ceres had been at the forefront of stipulating performance metrics for the environmental aspect of companies' performance since Ceres's founding in 1989 as an organized response to the Exxon-Valdez oil spill. The organization's mission is to fulfill "a vision of a world in which business and the capital markets promote the well-being of human society and the protection of the Earth's environment" (Ceres in Brief, 2011). Indeed, the initial focus of Ceres was to disseminate a ten-point code of environmental conduct for companies to follow. Originally termed the Valdez Principles and later the Ceres Principles, the last point was named "Audits and Reports," and it stipulated that companies need to engage in "annual self-evaluation" in order to demonstrate their adherence to the Ceres Principles. This point reflected Ceres's commitment to promoting corporate environmental disclosure (Hoffman, 1996). This initial focus on environmental stewardship that propelled the idea behind the GRI's emergence has manifested itself most prominently in the first version of the Guidelines while remaining central in the consecutive versions of the Guidelines.

The first version of the Guidelines was introduced in 1999 as an exposure draft issued to solicit feedback from organizational stakeholders (13 companies provided formal written feedback), which materialized in the issuance of the official first version of the Guidelines in 2000, titled June 2000 Sustainability Reporting Guidelines on Economic, Environmental, and Social performance. As an aside, it should be noted that

whereas G3 is used widely to refer to the Guidelines, the moniker was introduced by the GRI to simplify reference to the third version of the Guidelines as well as to describe three key aspects of their framework-creating process: "Guidelines innovations," a reference to GRI's commitment to continuous improvement; "digital solutions," a reference to GRI's aim of using technological innovation to foster delivery of the Guidelines; and "education and accreditation programmes," a reference to GRI's goal of creating educational tools in the form of workshops and seminars to support the users of the Guidelines (G3 Overview, 2006). The first and second versions of the Guidelines were not officially referenced as G1 and G2, but they will be referenced as such in this study for the sake of clarity.

Main development period (2002-2011).

Getting back to the discussion of the general aspects of the changes within and about the Guidelines, it is worth noting that G1 was translated into Dutch, English, French, German, Portuguese, Spanish, Japanese, and Korean. The text of G1 and G2 was written in British English, and G3 was written in American English. The issuance of the first version of the Guidelines was followed by a two-year review and comment period (83 organizational stakeholders provided formal feedback during the period), which led to the introduction of 2002 Sustainability Reporting Guidelines (translated into nine languages: Chinese, Japanese, Dutch, French, German, Spanish, Italian, Portuguese, Russian). At that point, the main Guidelines document became a part of a *reporting framework*, which was comprised of the Guidelines as well as new documents that GRI issued to aid reporters (Guidelines' users) in preparing their sustainability reports. These additional documents were comprised of *technical protocols* and *sector supplements*.

Technical protocols were designed to address a specific indicator (e.g., energy use, child labor) by providing detailed definitions, procedures, formulae and references with the goal of achieving consistency across reports. *Sector supplements* were issued to address particular sustainability-related issues faced by different industry sectors. Sector supplements are in existence today and are meant to be used by particular industries in addition to the main Guidelines document. For G2, available sector supplements were Automotive, Mining and Metals, Public Agency, Tour Operators, Telecommunications, Apparel and Footwear, Energy Utilities, Logistics and Transportation. The *issue guidance* document was another addition to the reporting framework, albeit a short-lived one. Originally conceptualized as a set of documents, only one issue guidance document was ever released: a draft of HIV/AIDS resource document (created with the funding from Bill and Melinda Gates foundation). The resource document was introduced in 2002 and removed from the GRI website by the following year. Companies were also asked to report their HIV/AIDS prevention activities via an indicator in the G2 Guidelines document. However, the indicator was removed in G3. The GRI family of documents circa G2/2002 is represented by Figure 2 [source: www.globalreporting.org].

Along with the supplemental documents developed by the GRI by 2002, another substantive change made concerned report verification. While encouraging organizations to use the reporting Guidelines in some way, from informal to complete application of the Guidelines, the GRI implemented a new approach to encourage increased adherence to the Guidelines by specifying conditions that must be met to claim that the organization has prepared the report in accordance with the GRI Guidelines. In 2004, the GRI website stated, "The decision to report 'in accordance' with the Guidelines is an option, not a

requirement. It is designed for reporters that are ready for a high level of reporting and who seek to distinguish themselves as leaders in the field. The growing number of organisations with strong reporting practices demonstrates the ability of numerous organisations to adopt the 'in accordance' option." A number of "In Accordance" conditions were put forth, mainly having to do with the degree of completion of the report relative to the content indicators provided by the GRI. Still, much flexibility was afforded by the GRI in their acknowledgement of the differences that exist between companies and industries, and the need for flexibility balanced with comparability.

External audit of the sustainability report was likewise encouraged but not required. This more flexible approach to verification grew into a much more rigid structure by G3, whose introduction was accompanied by a mandate that companies self-declare the appropriate Application Levels for G3. The issuance of the Application Levels scheme represented an important developmental step for the GRI because they created a structure for differentiating levels of adherence to the GRI reporting Guidelines and provided an easily referenced gauge of extent of adherence. The logistics of the Application Levels are described below in greater detail.
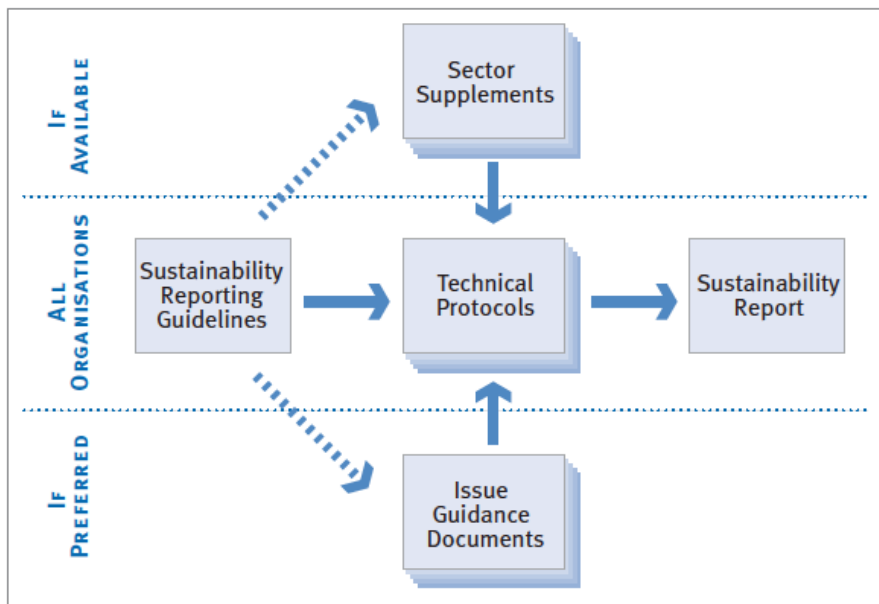
Figure 2. The GRI G2 Family of Documents. [Source: G2].

The GRI trademark multi-stakeholder approach continued to be used post-G2 for the development of G3, released in October 2006. The GRI reporting framework for G3 was similar to G2 in that it included the sustainability Guidelines, protocols, and sector supplements. However, substantial changes were made within each type of document. Protocols for each indicator were expanded to include definitions for key terms in the indicator, compilation methodologies, intended scope of the indicator, and other technical references. Sector supplements for Apparel and Footwear, and Energy Utilities, which were offered with G2, are not available for the G3, whereas all the other sector supplements from G2 are available.

G3 also saw the advent of three application levels: A, B and C. The reporting organization is now required to assess its application level. The GRI put out the following description and justification for introducing the new self-declaration scheme:

> The Application Levels indicate the extent to which the G3/G3.1 Guidelines have been applied in sustainability reporting. They communicate which part of the

reporting framework has been addressed - which set of disclosures - varying with

the different Levels. Application Levels reflect the degree of transparency in

reporting. The Levels do not give an opinion on the sustainability performance of

the reporting organization, the quality of the report, or on formal compliance with

the G3 or G3.1 Guidelines" (Application levels, 2011, para. 2).

The GRI's representation of its G3 reporting framework is shown in Figure 3 [source:

www.globalreporting.org].
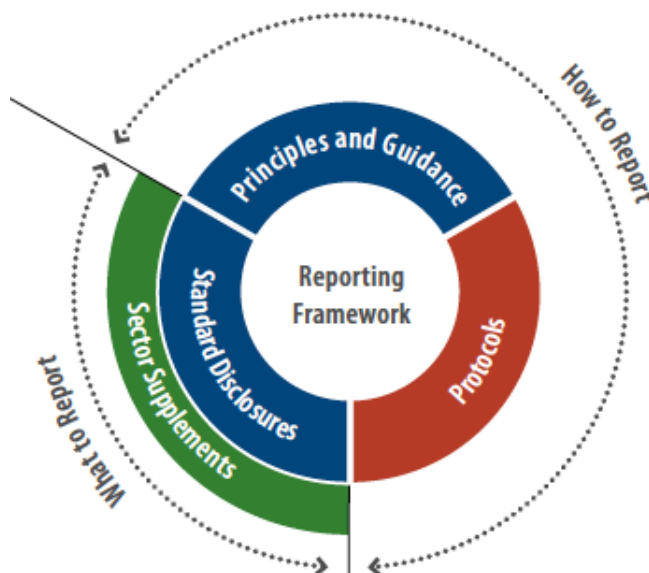
Figure 3. The GRI G3 Reporting Framework [source: G3].

In March 2011, the GRI introduced an updated version of G3 – G3.1 – with the

following disclaimer: "An update and completion of the third generation of GRI's

Sustainability Reporting Guidelines, G3.1 now includes expanded guidance for reporting

on Human Rights, Local Community Impacts, and Gender. It was launched on 23 March

2011 and is the most comprehensive sustainability reporting guidance available today.

Organizations can also report using G3, the third generation of Guidelines.

However, GRI recommends that new reporters begin their reporting journey using G3.1,

as it enables greater transparency on a wider range of issues." Analysis has shown that G3.1 has made almost no changes to the G3 version, except for significantly expanded guidance on Social Indicators. The following section proceeds with the results of the study. Analysis and interpretation were guided by the research questions in this study, which were focused on analyzing changes over time in GRI Guidelines' specifications for the reporting move. Reconstructing the GRI's proposal for organization-stakeholder interaction about ESG is the goal.

Chapter 6

Analysis and Interpretation: Categories

This Chapter presents the analysis and interpretation of the six categories of report content and their evolution from G1 to G3.1. Six comparative tables are presented, each corresponding to the categories contained in G1. These tables are constructed as follows:

- The first column lists the six features described previously in the Method section. Each row in this column represents a specific feature and has been designated using the first letter of the feature ("N" for name, etc.);

- The second column contains the material from G1's overview for that category that was coded for that feature. The text in the corresponding cell is taken directly from the G1 document and is quoted verbatim;

- The third column represents the change level between G1 and G2 for each feature. The number listed in each cell corresponds to the code described in the Method section;

- The fourth column is exactly like the second column, except that it is dedicated to identifying the different featured elements contained in the categorical overviews in G2;

- The fifth column represents the change level between G2 and G3;

- The sixth column is like the second and fourth columns described above, except that it is dedicated to identifying the different content elements contained in the categorical overviews in G3.

- Note: There is no column representing the change level between G3 and G3.1, nor is there a column for G3.1 because the two documents are

essentially one and the same with respect to the categorical overviews, and

a dedicated column for G3.1 therefore would be unnecessarily redundant.

Following each table is an analysis explicating the changes that occurred between G1 and G2 as well as G2 and G3. These range from macro-level changes in content and organization to micro-level changes in syntax, diction and punctuation. The micro-level changes were observed in the analysis of language. This was accomplished on multiple levels. On the most surface of levels, diction was analyzed. Attention to diction helped orient toward the ways words and phrases, and sometimes whole sentences, have been altered between versions of the document. Next, tone was attended to, with the emergent focus on verb mood. Thirdly, syntax was analyzed. Organizational patterns, from indicator ordering to category and subcategory placement, were also noted. Any changes that were observed have been noted.

Following the analysis of each table is an interpretation of that analysis. This interpretation represents an attempt to extrapolate from the observations of change noted in the analysis and draw some larger conclusions. The interpretation follows the same structural framework of the tables and analysis, beginning with a discussion of the name and position of the category in G1, G2 and G3, and moving through the remaining features accordingly. When appropriate, subcategories and specific items (e.g., "CEO Statement" in Table 5) are discussed alongside the

specific category itself.

This section also contains one supplemental table (Table 9A: "Stakeholder Relationships"), which is immediately followed by a combined analysis/explication.

Explication of Category 1: "CEO Statement"

Table 5

Category 1: "CEO Statement"

Feature	G1	CL 1»2	G2	CL 2»3	G3
N	Category: "CEO Statement" Item: "CEO Statement"	3 (2)	Category: "Vision and Strategy" Item: "Statement from the CEO"	1 (2)	Category: "Strategy and Analysis" Item: "Statement from the most senior decision-maker of the organization"
P	Category 1 Contains one report item: "CEO Statement"	3	Category 1 Contains two report items: 1.1 "Statement of the reporting organisation's vision and strategy" [**See Table 4** for further discussion of this item] 1.2 "Statement from the CEO" "The CEO statement may be combined with the statement of vision and strategy" (p. 39)	2	Category 1 Contains two report items: 1.1 "Statement from the most senior decision-maker of the organization" 1.2 "Description of key impacts, risks, and opportunities" [**See Table 4** for further discussion of this item]
J	"While the GRI does not specify the content of the CEO statement, it believes such statements are most valuable when they explicitly refer to the key elements of the report, particularly the mission and vision sections, and the organisation's recent and future challenges in relation to sustainability" (p.23)	1	"The GRI does not specify the content of the CEO statement; however, it believes such statements are most valuable when they explicitly refer to the key elements of the report, particularly the mission and vision sections, and the organisation's recent and future challenges in relation to sustainability" (p.38)	3	None
F	"A statement from the reporting organisation's CEO, or equivalent senior management person, sets the tone of the report and establishes creditability with internal and external users" (p. 23)	1	"A statement from the reporting organisation's CEO (or equivalent senior management person if other title is used), sets the tone of the report and establishes creditability with internal and external users" (p. 38)	3	"This section is intended to provide a high-level, strategic view of the organization's relationship to sustainability in order to provide context for subsequent and more detailed reporting against other sections of the *Guidelines*. It may draw on information provided in other parts of the report, but this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report. The strategy and analysis should consist of the statement outlines in 1.1 and 1.2. "Statement from the most senior-decision maker of the organization (CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy" (p. 20)
U	None	0	None	0	None

| I | "Recommended elements of a CEO statement include the following:

• highlights of report content and commitment to targets;
• declaration of commitment to economic, environmental, and social goals by the organisation's leadership;
• acknowledgement of successes and failures;
• performance against benchmarks, previous years' performance, targets, and industry sector norms; and
• major challenges for the organisation and its business sector in integrating responsibilities for financial performance with those for economic, environmental, and social performance, along with the implications of this on future business strategy."

(p. 23) | 1 | "Recommended elements of a CEO statement include the following:

• highlights of report content and commitment to targets;
• **description** of the commitment to economic, environmental, and social goals by the organisation's leadership;
• **statement** of successes and failures;
• performance against benchmarks such as the previous year's performance and targets and industry sector norms;
• **the organisation's approach to stakeholder engagement**
• major challenges for the organisation and its business sector in integrating responsibilities for financial performance with those for economic, environmental, and social performance, including the implications for future business strategy."

(pp. 38-39) | 3 | "The statement should present the overall vision and strategy for the short-term, medium term, and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance. The statement should include:

• **Strategic priorities and key topics for the short-term/medium term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success**
• **Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities**
• **Key events, achievements** and failures
• **Views on** performance **with respect to** targets
• **Outlook** on the organization's **main** challenges **and targets for the next year and goals for the coming 3-5 years**
• **Other items pertaining to the organization's strategic approach."**

(p. 20) |
| **Total** | | **10** | | **14** | |

Analysis.

Name (N).

G1 » G2:   *Category*: The title of the category changed. In G1, the "CEO

Statement" (Category 1) and "Vision and Strategy" (Category 4)

were separated; G2 merged them into one category called "Vision

and Strategy."

Item: The title of the "statement" also changed slightly. Both were

written as noun phrases; G1 used the noun "CEO" as a pre-

modifier that functions like an adjective while G2 positioned "CEO" as a post-modifier within a prepositional phrase that functions as a complement. This change was strictly grammatical and did not impact the meaning or content of title.

G2 » G3:   *Category*: The title of the category changed slightly: G3 replaces the word "vision" from G2 with "analysis."

    Item: There was no change in grammatical structure of title of the "statements." However, the actor changed from "CEO (or equivalent senior manager)" to "most senior decision maker (e.g., CEO, chair, or equivalent senior position)."

Position (P).

G1 » G2:   *Category*: Though the category names changed, the location did not; both versions position these first in the GRI report.

    Item: "Statement from the CEO" in G2 is placed second, after the "statement of the reporting organisation's vision and strategy."

G2 » G3:   *Category*: No change in category location.

    Item: G3 returned the "statement" to its original position of primacy within the report.

Justification (J).

G1 » G2:   No change in content between G1 and G2. The only change present was syntactic: in G1, the statement was written as a complex sentence; in G2, it was written as a compound sentence with two independent clauses joined by a conjunctive adverb.

G2 » G3:   Unlike G2, no statement of justification was offered in G3.

Function (F).

G1 » G2:   No change in the content of the "statements" between G1 and G2.

However, two minor changes were evident. The first was

grammatical: in G1, the phrase "or equivalent senior management

person" was set apart like an appositive phrase; in G2, the phrase

was set apart using parentheses. The second change was made for

clarification: "if other title is used" was attached to the end of the

phrase "or equivalent senior management person."

G2 » G3:   With regard to the "statement," G3 did not reference either of the

functions found in G2 (tone and credibility). Instead, G3 offered

two different functions: "to provide context" and to "produce

insight." Additionally, G3 introduced the idea of linking

sustainability/strategy.

Utility (U).

G1 » G2:   N/A

G2 » G3:   N/A

Instruction (I).

G1 » G2:   The only change evident was that G2 added one additional bullet

point of information ("The organisation's approach to stakeholder

engagement").

G2 » G3:   G3 used active voice and a stronger imperative mood ("The

statement should present…") than G2, which employed passive

voice and a weak imperative mood ("Recommended elements include"). G3 incorporated multiple bullet points from G2 into G3's instructional overview (e.g., the second bullet point in G2— "Declaration of commitment to economic, environmental, and social goals by organisation's leadership"—has been integrated into the above cited passage from G3), and new bulleted content items were added (e.g., "Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities").

Interpretation.

In G1, the first category in the report content – the face of the report – was the CEO statement. The positioning of this statement showed that the GRI believed the credibility of the report needed to be established, first and foremost, through this initial statement. The fact that it was a stand-alone item added additional emphasis. The senior decision-maker of the organization needed to place the stamp of approval. The name of the category and the statement "CEO Statement" in G1 were written in the genitive case or possessive case, which implied a sense of ownership and lent authority to the document. Additionally, in this way, the category linked the structure of the sustainability report with the financial report, thereby attempting to bridge the genres of financial and sustainability reporting (this will be commented on in Discussion). Both in its name and positioning, the category conveyed credibility. In G2, this category was eliminated, and replaced with "Vision and Strategy" as the first category. This deemphasized the importance of the CEO and reinforced the organization as the "owner"

of the report. The organization was asked to represent itself more as a whole entity

responsible for the forthcoming content, not as a product authorized by any single

individual. In addition to the category change, a positioning change took place. This is

also seen in the first item in this new category, "1.1 Statement of the reporting

organization's vision and strategy"; the organization was the possessor of the report, not

the CEO. The fact that the "Statement from the CEO" comes second further diminished

the CEO's standing as chief author, as did the name change. The case change from

genitive to ablative showed a move away from the CEO's authority; the emphasis was on

"statement," not "CEO." In G3, the category name changed again, from "Vision and

Strategy" to "Strategy and Analysis." Also, "the statement from the most senior

decision-maker of the organization" was once again repositioned to the front. This first

position communicated to the stakeholders that this was a document of utmost

importance. The name change of the item indicated the GRI's effort to include in their

target audience other types of organizations, such as NGOs, non-profit, and educational

institutions.

Nearly identical justification statements are provided both in G1 and G2.

However, there was a syntactical difference in the way the statements were constructed

that demonstrated a subtle change in tone. G1 was written as a complex sentence

beginning with a conditional subordinate clause ("While the GRI does not specify the

content of the CEO statement") and followed by an independent clause ("…it believes

such statements are *most valuable* when they *explicitly* refer to *key* elements… [emphasis

added]"). The effect of this syntactic structure was to create an impression that the GRI

was not dictating content even though the subsequent clause strongly advocated the

inclusion of certain content elements through its word choice. G2's statement was rewritten as a compound sentence. Consequently, the first clause ("The GRI does not specify the content of the CEO statement…") seemed like a stronger declaration than G1's. However, the use of the conjunctive adverb "however" essentially negated the claim of the opening clause and placed greater emphasis on the subsequent statement, which was identical to G1. The net effect of this seemingly minor syntactical change was significant: what had been a strongly-worded *recommendation* in G1 was transformed into a strongly-worded *directive* in G2. This is but one example of G2's increased use of the imperative voice when communicating with reporting organizations. By contrast, G3 did not offer any kind of statement of justification regarding this "statement," which was typical of this version of the document, a point that will be illustrated in the analysis and interpretation of the subsequent categories to follow.

Nearly identical statements of function were provided both in G1 and G2 as well. In fact, the specific wording of the statements was exactly the same. The difference between the two was grammatical in nature: in G1, the phrase "or equivalent senior management person" was separated out from the main clause using commas; in G2, the phrase was placed into parentheses. While both had the effect of making this phrase non-essential, the former's use of commas was grammatically incorrect here. The phrase was punctuated as if it were an appositive (a renaming statement) when, in fact, it was not. While this was an admittedly minor mistake, one few users would likely notice, it nevertheless was a particularly ironic one given that the main theme of the passage focused on how the "CEO Statement" functions to "set the tone" and "establish credibility." However, the error was corrected in G2 by converting the part into a

parenthetical phrase. This is revealing in two ways: first, the error was reflective of the kind of mechanical mistakes that can be found within G1; and second, the correction was reflective of the GRI's increased attention to detail and accuracy in G2. When an organization such as the GRI generates a series of Guidelines to be followed by other organizations, it is especially important for its own credibility to present those Guidelines in the most professional way possible, including attending to the smallest of details and showcasing a commitment to grammatical correctness. This example showed that whereas G1 sometimes failed to do that, G2 did not. In contrast to G1 and G2's emphasis on how the statement established both tone and credibility, G3's discussion of function included neither of these points. Instead, G3 set out to link function and content, explaining that the statement addresses "the relevance of sustainability to the organization and its strategy" (p. 20). This change represented a significant shift in focus away from the macro-level function of such statements toward a more narrowly-defined micro-level function specific to the overall purpose of the sustainability report, a change reflected in the comments found in the general overview: "It may draw on information provided in other parts of the report, but this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report" (p. 20).

None of the versions of the *Guidelines* contained a statement of utility for this category.

G1 provided the following statement of instruction to users: "Recommended elements of a CEO statement include the following," which was followed by five bullets detailing the specific content. This directed but non-prescriptive phrasing was typical of many of G1's instructions, which used the indicative rather than imperative mood. G2

provided identical instructions, which was noteworthy because of G2's infrequent use of the indicative mood. The single notable difference between G1 and G2 regarding the instructions was that G2 recommended including one item of additional content—a sixth bullet point recommending the reporting organization detail its "approach to stakeholder engagement."

Unlike G1 and G2, G3's statement of instruction was more specific about what should be contained in the statement ("the overall vision and strategy for the short-term, medium-term, and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance"), which was reflected in the new bulleted items added to this version. Specifically, G3 asked organizations to provide a detailed accounting of how their "strategic priorities" with regard to sustainability over the short- and medium-term and based on internationally agreed standards related to long-term goals, and to provide an analysis of the "broader trends" affecting the organizations and their sustainability priorities. The additional item related to stakeholder engagement in G2 was eliminated from G3. Finally, the manner in which G3 asked for this information changed. The indicative mood used in the earlier versions was replaced with the imperative command, "The statement *should include*… [emphasis added]." This was characteristic of G3. When instructions were provided, they were always presented using the imperative "should."

Explication of Category 2: "Profile of Reporting Organisation"

Table 6

Category 2: "Profile of Reporting Organisation"

Feature	G1	CL 1»2	G2	CL 2»3	G3
N	"Profile of Reporting Organisation"	1	"Profile"	2	"Organizational Profile" "Report Parameters"
P	Category 2	1	Category 2 Consists of three subcategories: "Organisational Profile" "Report Scope" "Report Profile"	3	Category 2 Category 3 Consists of four subcategories: "Report Profile" "Report Scope and Boundary" "GRI Content Index" [**See Table 7** for further discussion of this item] "Assurance"
J	None	0	None	0	None
F	"An overview of the reporting organisation and scope of the report." (p. 24)	1	"This section provides an overview of the reporting organisation and describes the scope of the report….This section also includes organizational contact information" (p. 39)	3	None for Category 2 None for "Report Profile" or "Report Scope and Boundary" for "Assurance": "Policy and current practice with regard to seeking external assurance for the report" (p. 22)
U	"This overview provides readers with a context for understanding and evaluating information in the rest of the report and includes organisational contacts" (p. 24)	1	"…it provides readers with a context for understanding and evaluating information in the rest of the report" (p. 39)	3	None
I	"The elements needed for a complete profile include those listed below. Reporters are encouraged to include additional information necessary for a full picture of the organisation's operations, products, and services. "Please refer to the general notes at the start of 'Report Content' for guidance on reporting information" (p. 24) [Followed by 15 numbered indicators (2.1-2.15)]	2	"Reporting organisations should provide the information listed below. In addition, they are encouraged to include any additional information that is needed for a full picture of the organisation's operations, products, and services" (p. 40) [followed by 22 numbered indicators (2.1-2.22)].	3	None provided for "Organizational Profile" [2.1-2.10] "Report Profile" [3.1-3.4] or "Report Scope and Boundary"[3.5-3.11] for "Assurance': "If [policy description] is not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)" (p. 22) [In total, 21 numbered indicators are presented]
Total		**6**		**14**	

Analysis.

Name (N).

G1 » G2:   The category title was simplified from "Profile of Reporting

Organisation" in G1 to "Profile" in G2. However, G2 added three

subcategories, including "Organisational Profile."

G2 » G3:   The title of category 2 in G3 was changed to "Organizational

Profile," which was the title of the first subcategory in G2. The

two remaining subcategories in G2 remained the same in G3 as

well, with one exception: G2's "Report Scope" was expanded to

"Report Scope and Boundary."

Position (P).

G1 » G2:   No change.

G2 » G3:   The category was positioned second in G2. Because G3 broke this

into two categories, the "Organizational Profile" is the second

category and the "Report Parameters" the third.

Justification (J).

G1 » G2:   N/A

G2 » G3:   N/A

Function (F).

G1 » G2:   The content remained the same, save an additional statement in G2

that noted, "This section also includes organizational contact

information" (p. 39). The syntactical structure also changed: G1's

explanation of function was written as a fragment, G2's was

written as a complete sentence.

G2 » G3:   G3 did not contain an explanation of function for either category 2 or 3, with one exception: There was a short description of function provided in the subcategories "GRI Content Index" and "Assurance."

Utility (U).

G1 » G2:   Nearly identical statements, with only two minor changes: 1) the statement regarding contact information was noted here in G1; and 2) the noun phrase "this overview" in G1 was replaced with the third-person, singular neuter pronoun "it" in G2.

G2 » G3:   Unlike G2, no statement of utility was offered in G3.

Instruction (I).

G1 » G2:   One change was that G1's invitation to refer to the general notes was eliminated in G2. The more substantive change involved phrasing, voice and verb mood. G1's first sentence ("The elements needed for a complete profile include those listed below") was written using passive voice and the indicative mood. In G2, this was rewritten using a change to active voice and imperative mood ("Reporting organisations should provide the information listed below"). The term "reporters" in G1 was changed to "reporting organisation" in G2.

G2 » G3:   G3 contained no instruction for either category 2 or 3, with one Exception: there was a short comment of instruction for the subcategory "Assurance."

Interpretation.

The naming and positioning of the second category underwent minor changes over the various versions of the Guidelines. In G1, the category was called "Profile of Reporting Organisation." In G2, the name changed to simply "Profile," though three new subcategories were added: "Organisational Profile," "Report Scope," and "Report Profile." The names of these subcategories in G2 encompassed the different elements in the G1 title but represented a different way of conceptualizing the topic, which had only a small effect on the ordering of the specific indicators. The changes to G3, however, were more dramatic. The category was split into two, though the names of these new categories remained true to the spirit of G1. They were called "Organizational Profile" and "Report Parameters." Additionally, Category 3 was divided into four subcategories: "Report Profile" and "Report Boundaries and Scope" (nearly identical in name to two of the subcategories found in G2); "GRI Content Index" (a stand-alone category in its own right in G2, one that will be discussed more fully in a later section); and "Assurance."

None of the versions of the Guidelines contained a statement of justification for this category.

Both G1 and G2 offered similar statements of function, but they differed in two ways. First, G2 included a comment about organizational contact information, a point discussed in the statement of utility in G1. The second change was syntactic: G1's statement was written as a fragment whereas G2's was written as a complete sentence. Though the effect of this change was negligible, the decision to rewrite this statement reflected the GRI's effort to make G2 a more formal and professional document. G3 did not include any statement about the function for either Category 2 or the first two

subcategories in Category 3. It did, however, offer statements of function for the latter two categories ("GRI Content Index" and "Assurance").

G1 and G2 also contained nearly identical statements of utility, save that G1's statement, as noted in the previous paragraph, included the organization's contact information. G3 contained no statement of utility.

The instructions in G1 and G2 communicated the same basic message, but there were a few noteworthy differences. First, the opening sentence in G1 was written in the indicative mood while G2 was written in the imperative. This represented not only a change between G1 and G2 but also a change from Category 1 and Category 2 in G2 itself. Second, the term "reporters" was changed to "reporting organizations." Finally, the recommendation in G1 that reporters refer to the general notes section was eliminated from G2. In G3, there was no instruction provided except for how to complete the "GRI Profile Index" and for the "Assurance" sections.

Explication of Category 3: "Executive Summary and Key Indicators"

Table 7

Category 3: "Executive Summary and Key Indicators" ("GRI Content Index")

Feature	G1	CL 1»2	G2	CL 2»3	G3
N	"Executive Summary and Key Indicators"	3	"GRI Content Index"	0	"GRI Content Index"
P	Category 3	3	Category 4	2	No longer a stand-alone category; rather, it has become a subcategory of Category 3: "Report Parameters"
J	"The executive summary is a key component of a GRI report" (p. 25)	3	"The requirement for an Executive Summary has been removed; however, GRI still encourages reporting organisations to include a summary" (from "Major Changes Since June 2000" in introductory section, p. 35) None (for "GRI Content Index")	1	N/A (for "Executive Summary") None (for "GRI Content Index")
F	"An executive summary is a succinct overview of the GRI report. Two principles guide the content specified below: (1) the need for a reporter to communicate most effectively with its stakeholders and (2) the need for users of reports to assess the performance of an organisation both over time and in comparison with other organisations" (p. 25)	3	"A table identifying location of each element of the GRI Report Content, by section and indicator" (p. 44)	1	"Table identifying the location of the Standard Disclosures in the report" (p. 22)
U	"An effective executive summary provides the user with a balanced overview of the report's content" (p. 25)	3	"The purpose of this section is to enable report users to quickly assess the degree to which the reporting organisation has included the information and indicators contained in the GRI Guidelines" (p. 44)	3	None
I	"Because each report differs in what is important to the users, the GRI does not specify detailed contents for the executive summary. However, a credible executive summary provides, at a minimum, a summary of key information, presented in an easily accessible format (e.g., graphically or in a table). Such information derives directly from the remainder of the report and includes, at a minimum: [followed by 5 bullet points] "Where applicable, this summary information should include information for the current reporting period, historical trends for at least the previous two reporting periods, and a target period" (p.25)	3	"Reporting organisations using GRI Guidelines are now expected to include a Content Index [Category 4 in G2] within their reports, identifying the location of GRI performance indicators and other elements" (from "Major Changes Since June 2000" in introductory section, p. 35) "Specifically, the reporter should identify the location of the following GRI elements: • *Vision and Strategy*: 1.1 and 1.2 • *Profile*: 2.1 to 2.22 • *Governance Structure* and *Management Systems*: 3.1 to 3.20 • *Performance Indicators*: all core performance indicators and identification of the location of explanations for any omissions	3	"Identify the page numbers or web links where the following can be found: • Strategy and Analysis 1.1 and 1.2 • Organizational Profile 2.1 to 2.10 • Report Parameters 3.1-3.13 • Governance, Commitments, and Engagement 4.1 to 4.17 • Disclosure of Mgmt Approach, per category • Core Performance Indicators • Any GRI Additional Indicators that were included; and • Any GRI Sector Supplement Indicators included in the report" (p. 22)

			• Any of the additional indicators from Section 5 of Part C that reporter chooses to include in report." (p. 44)		
Total		**18**		**10**	

Analysis.

Name (N).

G1 » G2:   In G2, the category for "Executive Summary" was removed and replaced by the "GRI Content Index."

G2 » G3:   No Change.

Position (P).

G1 » G2:   In G1, the "Executive Summary" came third in the GRI report, following the "CEO Statement" and "Profile of Reporting Organisation."   In G2, the GRI did recommend inclusion of a summary statement but did not indicate where the statement should be located in the document. The new category "GRI Content Index" came fourth, following "Vision and Strategy," "Profile" and "Governance Structures and Management Systems."

G2 » G3:   Unlike G2, in G3 the "GRI Content Index" became a subcategory under "Report Parameters." Organizationally, the index still followed the "Vision and Strategy" and "Organizational Profile" sections of the report. However, unlike G2, "GRI Content Index" preceded the discussion of "Governance, Commitments, and Engagement" in G3.

Justification (J).

G1 » G2:   In G1, the "Executive Summary" was described as a "key

component of the GRI report." In G2, the requirement for an

"Executive Summary" was eliminated in favor of an optional

summary statement. G2 does not provide a statement of

justification for the "GRI Content Index."

G2 » G3:   Unlike G2, G3 contained no reference to the "Executive

Summary." Neither G2 nor G3 offered a statement of justification

for the "GRI Context Index."

Function (F).

G1 » G2:   G1 offered the following definition: "An executive summary is a

succinct overview of the GRI report." G2 specified that this

overview should be presented in the form of a table identifying the

section and indicator explicitly. Additionally, G2 eliminated all

reference to the two principles guiding content.

G2 » G3:   The content of these statements was unchanged between G2 and

G3. However, the terminology and phrasing used in G2 to express

the content message changed from "each element of the GRI

Report Content" to "the Standard Disclosures in the report" in G3.

Additionally, the specification "by section and indicator" in G2

was eliminated in G3.

Utility (U).

G1 » G2:   G1 explained that the user can use the "Executive Summary" to

gain "a balanced overview of the report's content." By contrast,

the utility of the "GRI Content Index" in G2 shifted the user's

focus away from the report's content and on to "the degree to

which the reporting organisation has included the information and

indicators contained in the GRI Guidelines."

G2 » G3:   Unlike G2, no statement of utility was offered in G3.

Instruction (I).

G1 » G2:   G1 began with a qualifying statement which explained that the

GRI "does not specify detailed contents for the executive

summary," but followed this by noting that for an executive

summary to be "credible," it needed to provide—"at a

minimum"—certain types of information, which were then listed.

By contrast, G2 was more authoritarian in its use of the imperative

("Reporting organisations using GRI Guidelines *are now expected*

to include a Content Index [emphasis added]") as well as

prescriptive in what content items were to be included in the Index

("*Specifically, the reporter should identify* the location of the

following GRI elements [emphasis added]").

G2 » G3:   G3's instructions changed substantially from G2 and in multiple

ways. The length of the instructions was reduced in G3. The next

change was grammatical: instead of using the imperative mood in a

complete sentence employing the standard subject/verb

construction (i.e., "The reporter should identify") found in G2, G3

eliminated the subject and the conditional "should" from the verb

in favor of a more overt construction of the imperative mood

("Identify…"), a command addressed to an unnamed but implied

subject. A third change was that G3 requires the page numbers or

web links be identified. The final change in G3 involved the

amount of content information to be provided: in G2, only five

items were specified; in G3, that number increased to eight.

Interpretation.

No other single category underwent more change from G1 to G2. In G1, the

"Executive Summary and Key Indicators" represented the third category overall in G1.

The statement of justification made it clear that the GRI thought this was essential: "The

executive summary is a key component of a GRI report" (p. 25). As the statement of

function explained, the summary was an important tool for reporters to communicate

with stakeholders and for those stakeholders to assess an organization's performance—

"both over time and in comparison with other organisations" (p. 25). The statement of

utility further explained how users of the summary gain a "balanced overview of the

report's content" (p. 25). And like the "CEO statement" from Category 1, the GRI again

noted that it did not "specify detailed content" before proceeding to outline the

"minimum" information a "credible" summary includes.

G2 eliminated the category and removed the requirement for an "Executive

Summary" though the GRI "still encourage[d] reporting organizations to include a

summary" (p. 25). In its place, the G2 introduced a new category, the "GRI Content

Index," and placed it fourth (out of five categories). G2 did not contain a statement of

justification explaining the rationale behind this new table, but its function was to identify

the "location of each element of the GRI Report Content, by section and indicator." The

accompanying statement of utility explained that such a table would allow "report users

to quickly assess the degree to which the reporting organisation has included the

information and indicators contained in the GRI Guidelines" (p. 44), which was quite

different than the utility of the "Executive Summary" category. Finally, the imperative

language used in the instructions is the strongest yet: "Reporting organisations using GRI

Guidelines *are now expected to* include a Content Index within their reports [emphasis

added]" (p. 35). Moreover, the degree of specificity also increased. Whereas G1 noted

that a credible summary included "at a minimum" certain information types, G2 was

more unequivocal: "Specifically, the reporter should identify the location of the following

[five] GRI elements" (p. 44).

In G3, the name remained the same, but the positioning changed: instead of being

a stand-alone category like it was in G2, the "GRI Content Index" became a subcategory

under "Report Parameters." No statement of justification was present, nor was any

statement of utility provided. The brief statement of function condensed the language

found in G2 by replacing "each element of the GRI Report Content, by section and

indicator" with "the Standard Disclosures in the report" (p. 22). Finally, the only

statement of instruction offered was, "Identify the page numbers or web links where the

following can be found" (p. 22), which is followed by an extended list of bulleted items

(eight in G3 compared to five in G2). This is significant in multiple ways. First, the use

of the imperative here is the strongest yet seen in any version of the Guidelines. In G1,

the GRI addressed its directions to the "reporter." In G2, the word "reporter" was

replaced with "reporting organisation." In G3, the preparer of the report was replaced

altogether with the implied "you." This change was not a minor one. Rather, it illustrated the shifting relationship between the GRI and the organizations that chose to follow the GRI Guidelines. The second noteworthy change was the increased number of items that needed to be identified and numbered. Some researchers have praised the GRI for streamlining the bloated G2 into the shorter, more manageable G3. If one were only to count the numbers of indicators, it would indeed seem that the GRI trimmed some of the fat. The truth, however, was that G3 actually required organizations to report just as much information as G2, but it did so in less overt ways. Here is but one example of such a way.

Explication of Category 4: "Vision and Strategy"

Table 8

Category 4: "Vision and Strategy"

Feature	G1	CL 1»2	G2	CL 2»3	G3
N	Category: "Vision and Strategy" Item: None	N/A 3	Category: "Vision and Strategy" Item: "Statement of the reporting organisation's vision and strategy"	N/A 2	Category: "Strategy and Analysis" Item: "Description of key impacts, risks, and opportunities"
P	Category 4	3	Category 1 Contains two report items: 1.1 "Statement of the reporting organisation's vision and strategy" 1.2 "Statement from the CEO" [**See Table 5** for further discussion of this item] "The CEO statement may be combined with the statement of vision and strategy" (p. 39)	0	Category 1 Contains two report items: 1.1 "Statement from the most senior decision-maker of the organization" [**See Table 5** for further discussion of this item] 1.2 "Description of key impacts, risks, and opportunities"
J	None	0	None	0	None
F	"The reporting organisation is asked to present its vision for the future, particularly with regard to managing the challenges associated with economic (including, but not limited to, financial), environmental, and social performance. This may involve a discussion of how economic, environmental, and social goals and values interest are balanced in the organisation, and how such linkages and balancing shape the organisation's decision making processes" (p. 25) "An organisation may also choose to use this section to articulate its long-term vision of sustainability and to discuss any challenges or obstacles it might face as it moves in the direction. See www.globalreporting.org for supporting documentation on this section" (p. 25)	2	"Present[s] overall vision of the reporting organisation for its future, particularly with regard to managing the challenges associated with economic, environmental, and social performance. This should answer, at a minimum, the following questions: • What are the main issues for the organisation related to the major themes of sustainable development? **• How are stakeholders included in identifying these issues?** **• For each issue, which stakeholders are most affected by the organisation?** • How are these issues reflected in the organisation's values and integrated into its business strategies? • What are the organisation's objectives and actions on these issues?" (p. 38)	3	**"Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internally agreed standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:** • A description of the significant impacts the organization has on sustainability and associated challenges and opportunities. **This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally-agree standards and norms;** • An explanation of the approach to prioritizing these challenges and opportunities; • Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance; and • A description of the main processes in place to address performance and/or relevant changes. "Section Two should focus on the impact

					of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. **This should concentrate on information relevant to financial stakeholders or that could become so in the future.** Section Two should include the following: • A description of the most important risks and opportunities for the organization arising from sustainability trends; • Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, a qualitative, and (if possible) quantitative financial value drivers; •Table(s) summarizing: • Targets, performance against targets, and lessons-learned for the current reporting period; and • Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities. • Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities" (p. 20)
U	None	0	None	0	None
I	"Reporters should use maximum flexibility and creativity in preparing this section, although it is suggested that any discussion be informed by a consideration of the reporting organisation's key direct and indirect economic, environmental, and social issues and impacts. Reporters are encouraged to draw directly from economic, environmental, and social information, as well as any integrated indicators, presented elsewhere in the report" (p. 25)	2	"Reporting organisations should use maximum flexibility and creativity in preparing this section. The reporting organisation's major direct and indirect economic, environmental, and social issues and impacts (both positive and negative) should inform the discussion. Reporting organisations are encouraged to draw directly from the indicators and information presented elsewhere in the report. They should include in their discussions any major opportunities, challenges, or obstacles to moving toward improved economic, environmental, and social performance. International operations are also encouraged to explicitly discuss how their economic, environmental, and social concerns relate to and are impacted by their strategies for emerging markets" (p. 38)	2	"The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities" (p. 20)
Total		10		8	

Analysis.

Name (N).

G1 » G2:   *Category*: N/A (The names associated with this category were

discussed in the "explication of change" section following Table

5.)

Item: No specific title was assigned to the item in G1. In G2, a

title for the statement ("Statement of the reporting organisation's

vision and strategy") was provided.

G2 » G3:   *Category*: N/A

Item: The title of the document changed.

Position (P).

G1 » G2:   In G1, this item was the fourth item in the report. In G2, it became

the first item.

G2 » G3:   In G3, the "Description of key impacts, risks, and opportunities"

came second.

Justification (J).

G1 » G2:   N/A

G2 » G3:   N/A

Function (F).

G1 » G2:   Nearly identical opening sentences in terms of the content, but

G2's statement was written as an objective definition whereas G1's

statement began more informally with a request ("The reporting

organisation is asked…"). What followed, however, was quite

different with regard to structure, content, and mood. G2

presented the information to be included in the statement in the

form of bulleted questions to be answered. These questions addressed not only the issue of sustainability and values, but also asked the reporting organisation to think about how its vision included stakeholders, not something referenced in G1. The use of G1's conditional statements ("The reporting organisation is asked …," "An organisation may also choose…," "This may involve a discussion…") was replaced with the imperative "should answer."

G2 » G3:   G3's "Description" changed considerably with regard to both structure and content. The content of the document consisted of two distinct "narratives." Like G2's statement, the first narrative was to focus on issues of sustainability and its effects on stakeholders, but unlike G2, G3 asked reporting organizations to also consider the issue of "rights as defined by national laws and relevant internally agreed standards." G3 was also more precise in defining specific time-frames: G2's use of the non-specific noun "future" was replaced by phrases like "long-term prospects" and "mid-term objectives and goals (i.e., 3-5 years)." And while both versions presented the required elements of these documents in the form of bulleted points, G2's use of questions to be answered was replaced by precise statements in G3. Finally, G3 required reporting agencies to place certain information into tables, something G2 did not.

Utility (U).

G1 » G2:   N/A

G2 » G3:   N/A

Instruction (I).

G1 » G2:   G2 replaced the term "reporters" with "reporting organizations." The first sentence in G1 was rephrased and split into two. The parenthetical qualifying statement "both positive and negative" was inserted immediately after the word "impacts." The types of indicators ("economic, environmental, and social") were removed in G2's third sentence. The remainder of G2's instructions represented new material not present in G1.

G2 » G3:   G3 stated, "The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities," which represented a significant shift in focus from G2. The specific items to be contained in this document were detailed in the "function" part of the table, so they will not be discussed here. It should be noted, however, that G3 eliminated G1 and G2's suggestion that reporting organizations "use maximum flexibility and creativity in preparing this." The phrase, "Reporting organisations are encouraged to draw directly from…"—a phrase present in both G1 and G2—was also removed in G3. In other words, G3 was more prescriptive in its instructional language than previous versions.

Interpretation.

The fourth category in G1 is called "Vision and Strategy." As noted earlier, "Vision and Strategy" became the first category in G2, while usurping the "CEO Statement" from the now defunct category of "CEO Statement." Essentially, the two categories merged into one in G2. In G3, the category remained in the first position but was renamed "Strategy and Analysis." Additionally, G2's "Statement of the reporting organisation's vision and strategy" was eliminated and replaced with G3's "Description of key impacts, risks, and opportunities." For the purposes of this discussion, then, these three documents (G1's "Vision and Strategy" statement, G2's "Statement of the reporting organisation's vision and strategy" and G3's "Description of key impacts, risks, and opportunities") will be discussed here, even though the latter two items belong to a different category in their respective versions of the Guidelines.

None of the versions of the Guidelines contained a statement of justification for the item under consideration.

All three versions of the document explained that the function of this item was to present an organization's vision for the future, with special attention dedicated to the various challenges to sustainability, but they did so in markedly different ways. G1 "asked" the reporting organization to present its vision by focusing its presentation on the Performance Indicators found in Category 6. The language used here was directed without being prescriptive ("This may involve…," "An organization may choose…"). The reporting organization was then directed to visit a website for an additional supporting documentation to complete this section. The general description of the function statement in G2 was similar to G1, but the information to be provided was more detailed in the form of five bulleted questions that "should be answered." Two of the five

bullet points required the reporting organization to think about how this vision references stakeholders, something not found in G1. G3's comments made this last point even more prominent, calling on organizations to focus the first narrative in the "Description" on "the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally agreed standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders" (p. 20). The function of Section Two is also to provide stakeholders with valuable financial information: "Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate on information relevant to financial stakeholders or those that could become so in the future" (p. 20). The word "should" appears four times in these descriptions, reflecting G3's heavy reliance on the imperative mood that is evident in other categories to come later. (It is important to remember that both G2's "Statement of the reporting organisation's vision and strategy" and G3's "Description of key impacts, risks, and opportunities" are actually located in the first category in those respective documents. In essence, these documents set the tone of this section of the Guidelines, and the mood of both is imperative.)

None of the versions of the Guidelines contained a statement of utility for the item under consideration.

There were several notable changes between G1's and G2's statements of instruction. Though the content of the first part of the instructions was largely unchanged between versions, the wording and phrasing of the message differed in several ways. First, the word "reporters" was replaced (twice) with "reporting organizations." The

names of the specific indicators (economic, environmental, and social) was used twice in G1 but only once in this part of G2. Finally, the phrase "…it is suggested that any discussion be informed…" was rewritten using the imperative mood in G2 ("…should inform the discussion…"). However, there was one significant addition in G2: the phrase "both positive and negative" was added parenthetically immediately following the word "impact" as if to suggest that organizations were not reporting one or the other type of impact. More instruction followed in G2 that was not present in G1. The information ("major opportunities, challenges, or obstacles" as well as an eye toward international operations and standards) asked for in these instructions clearly paved the way for G3's "Description." By contrast, G3 offered only a short statement of instruction in which it asked for two narratives the content of which was described in the statement of function paragraph earlier in this discussion.

>   ***Note on verb mood use***. Each version of the Guidelines has become progressively prescriptive. This note on the use of the verb "should" highlights observed changes from a purely linguistic point of view. Theoretical implications of observed verb mood use are explicated in the Discussion chapter of this study.

>   Consider the following nearly identical statements from G1 and G2, set side-by-side to facilitate comparison. Both employed the imperative mood in the opening clause but despite this, the G1 statement was made in the form of a recommendation, whereas the G2 statement utilized the form of a directive:

G1	G2
"Reporters *should* use maximum flexibility and creativity in preparing this section, although *it is suggested* that any	"Reporting organisations *should* use maximum flexibility and creativity in preparing this section. The reporting organisation's

| discussion be informed by a consideration of the reporting organisation's key direct and indirect economic, environmental, and social issues and impacts [emphasis added]." (p. 25) | major direct and indirect economic, environmental, and social issues and impacts (both positive and negative) *should* inform the discussion [emphasis added]." (p. 38) |

The word "should" is pliant, and depending on context, it can function as a modal of necessity (i.e., like "must" or "have to"). The above example of the same passage from G1 and G2 can be used to illustrate this. The introductory independent clause in G1 and the simple sentence in G2 were identical, except the change from "reporters" to "reporting organizations" (which has no bearing on the grammatical point in question). Both versions employed the modal "should," but not in a strictly imperative sense of "necessity." After all, it would have been paradoxical to write, "Reporters must use maximum flexibility." It would seem, then, that the modality of "should" in this clause/sentence was something akin to "are encouraged," i.e., "Reporters are encouraged to use maximum flexibility." This interpretation of modality was reinforced in G1 by the attached adverbial clause beginning with "although it is suggested that any discussion be informed by a consideration of… ." Qualifiers such as "although," verbs such as "suggested," adjectives such as "any" and noun phrases such as "a consideration of" do not convey necessity; they imply choice and authorial discretion. That choice and discretion, however, were essentially eliminated from the revised sentence in G2 that ends with "should inform the discussion." Quite clearly, the use of the word "should" in this sentence was intended to convey a modality of necessity. Furthermore, the cumulative effect of the repetition of this word in back-to-back sentences, a fairly common occurrence in G2 (e.g., Indicator 2.8), only adds to the sense of necessity.

For both of these reasons, the use of the word "should" in G2 and later versions of the Guidelines could be interpreted to mean "must" unless the specific context in which it was used suggested otherwise.

Explication of Category 5: "Policies, Organisation, and Management Systems"

Table 9

Category 5: "Policies, Organisation, and Management Systems"

Feature	G1	CL 1»2	G2	CL 2»3	G3
N	"Policies, Organisation, and Management Systems"	2	"Governance Structure and Management Systems"	2	"Governance, Commitments, and Engagement"
P	Category 5, Consists of three subcategories: "Policies and Organisation" [5.1-5.6] "Management Systems" [5.7-5.10] "Stakeholder Relationships" [5.11-5.14]	2	Category 3 Consists of three subcategories: "Structure and Governance" [3.1-3.8] "Stakeholder Engagement" [3.9-3.12] "Overarching Policies and Management Systems" [3.13-3.20]	2	Category 4 Consists of three subcategories: "Governance" [4.1-4.10] "Commitment to External Initiatives" [4.11-4.13] "Stakeholder Engagement" [4.14-4.17]
J	None	3	"Some of the information listed in this section may overlap with information in other publications from the organisation. GRI is sensitive to the need to avoid unnecessary duplication of effort. However, for the sake of ensuring full and complete contextual information for users of sustainability reports, it is important to cover the items listed below in combination with other information on the organisation' economic, environmental, and social performance. Organisations may wish to cross-reference between different documents, but this should not be done at the expense of excluding necessary information in a sustainability report" (p. 41)	3	None
F	"In this section, the organisation is asked to provide an overview of its governance structure and the management systems that are in place to implement its vision. Central to this section is a discussion of stakeholder engagement" (p. 26)	2	"This section provides an overview of the governance structure, overarching policies, and management systems in place to implement the reporting organisation's vision for sustainable development and to manage its performance. …Discussion of stakeholder engagement forms a key part of any description of governance structures and management systems" (p. 41)	3	None

U	None	3	[provides] "…full and complete contextual information for users of sustainability reports" (p. 41)	3	None
I	None	0	None	0	None
Total		**12**		**13**	

Analysis.

Name (N).

G1 » G2: *Category*: G2 replaced G1's opening two nouns ("Policies" and "Organisation") with the single noun phrase "Governance Structure" while maintaining G1's phrase "Management Systems." This effectively reduced the title to two elements (structure and systems) instead of three. While this may be grammatically sound, the change does not reflect the contents of the three subcategories. *Subcategories*: The names of the subcategories also changed: G1's "Policies and Organization" was renamed "Structure and Governance" in G2; "Management Systems" was renamed "Overarching Policies and Management Systems"; and "Stakeholder Relationships" was renamed "Stakeholder Engagement."

G2 » G3: *Category*: G3 changed the title from two noun phrases to three stand alone nouns ("Governance, Commitments, and Engagement"), which accurately reflected the contents of the three subcategories. Additionally, G3 was the first version to incorporate the idea of (stakeholder) "engagement" into its title.

Subcategories: The names of the subcategories also changed again: G2's "Structure and Governance" was renamed "Governance" and "Overarching Policies and Management Systems" was renamed "Commitment to External Initiatives." The other subcategory's name ("Stakeholder Engagement") remained unchanged.

Position (P).

G1 » G2:   *Category*: G2 placed this category earlier (third overall) in the document than G1.

Subcategories: The "policies" aspect of the first subcategory merged with "Management Systems" and was repositioned last. The subcategory "Stakeholder Engagement" moved from third position in G1 to second position, indicating its increased importance and value.

G2 » G3:   *Category*: G3 placed this category later (fourth overall) in the document than G2.

Subcategories: "Stakeholder Engagement" was moved from the second position to the third position.

Justification (J).

G1 » G2:   Unlike G1, which offered no statement of justification for this category, G2 did: "GRI is sensitive to the need to avoid unnecessary duplication of effort. However, for the sake of ensuring full and complete contextual information for users of sustainability reports, it is important to cover the items listed below

in combination with other information on the organisation'

economic, environmental, and social performance" (p. 41).

G2 » G3:   Unlike G2, no statement of justification was offered in G3.

Function (F).

G1 » G2:   One notable change in the content from G1 was that, in addition to

remarking on "governance structures" and "management

systems," G2 also asked for information about "overarching

policies." A second notable change was that the focus of the

organization's "vision" is made clear: "the reporting organisation's

vision for sustainable development and to manage its performance"

(p. 41). There were also multiple changes to the phrasing: "In this

section, the organization is asked to provide" was replaced with

"this section provides"; "that are in place" was reduced to simply

"in place"; "its vision" was changed to "the organization's vision";

and the final sentence was altered from "Central to this section is a

discussion of stakeholder engagement" (p. 26) to "Discussion of

stakeholder engagement forms a key part of any description of

governance structures and management systems" (p. 41) .

G2 » G3:   Unlike G2, no statement of function was offered in G3.

Utility (U).

G1 » G2:   Unlike G1, which offered no statement of utility for this category,

G2 did: "[provides] full and complete contextual information for

users of sustainability reports" (p. 41).

G2 » G3:   Unlike G2, no statement of utility was offered in G3.

Instruction (I).

G1 » G2:   N/A

G2 » G3:   N/A

Interpretation.

Originally called "Policies, Organisation, and Management Systems" in G1, the name of the category underwent some interesting changes in subsequent versions. Part of the problem was the awkward construction as the title was a series consisting of two nouns and a noun phrase and therefore lacked a parallel construction. This was remedied in G2 by renaming the title "Governance Structure and Management Systems." This title consisted of two well-balanced noun phrases, with "structure" and "systems" being the headwords. However, this solution did not address the main deficiency in the title— specifically, that each category had three subcategories, and neither title addressed the subcategory related to "stakeholder relationships." G3's title, "Governance, Commitments, and Engagement," addressed both concerns from the G1's title of the category: it was nicely balanced, and the three nouns all refer to the corresponding three subcategories in parallel structure.

The naming of the subcategories also underwent some interesting changes. In G1, the subcategories were called "Policies and Organisation," "Management Systems" and "Stakeholder Relationships." G2 reordered and renamed the categories as follows: "Structure and Governance," "Stakeholder Engagement" and "Overarching Policies and Management Systems." The "policies" aspect of G1 was joined with "management systems" to form a single subcategory. The "organisation" aspect of G1 was

reconceptualized and renamed "Structure and Governance." The term "relationship" was renamed "engagement," which was indicative of a different kind of interaction between the organization and its stakeholders. This name, "Stakeholder Engagement," was the only one to remain unchanged in G3. The "structure" part of G2's first subcategory was removed in G3 so that it was simply called "Governance." Finally, the "policies" and "management systems" contained in both earlier versions was changed altogether in G3 to "Commitment to External Initiatives," a title that better reflected the goals and objectives of this version.

The positioning of this category and subcategories deserves comment. In G1, this was the fifth category. In G2, it became the third category. And in G3, it was pushed back to the fourth category. The subcategory that experienced the most change in positioning was the "stakeholder relationships/engagements." In G1, it was the third and final subcategory but in G2, it was moved to second, illustrating an increased emphasis on the stakeholder that is evident elsewhere in the text. However, the subcategory was de-emphasized in G3, and once again repositioned in the last spot with greater concern being placed on "external initiatives."

With regard to statements of justification, G1 did not provide one. G2, however, provided a lengthy statement that explained how the GRI was cognizant of possible overlap between this information and that found elsewhere in the text but nevertheless believed it important to provide this information for "the sake of ensuring full and complete contextual information for users of sustainability reports" (p. 41). Like G1, G3 offered no statement of justification.

As to the statement of function, G2 expanded considerably the statement provided in G1. Both versions explained that the purpose of this category was to provide an overview of the organization's governance and management systems, but G2 added "overarching policies" to this list. G2 also clarified what was meant by the organization's "vision" by adding the qualifying statement, "to implement the reporting organization's vision for sustainable development and to manage its performance" (p. 41). While both statements noted the importance of "stakeholder engagement," G2 phrased it in a way that suggested the subject was not its own separate subcategory but rather a conflated element of the other two subcategories ("Discussion of stakeholder engagement forms a key part of any description of governance structures and management systems" [p. 41]), which was considerably different from G1's statement on the subject ("Central to this section is a discussion of stakeholder engagement" [p. 26]). In contrast, G3 offered no statement of function.

The only version to offer any kind of statement of utility was G2, and that statement was embedded in the statement of justification.

Perhaps most striking of all is that no version provided any statement of instruction for this category in the overview section. Instead, all three versions simply provided the list of indicators to be discussed in each subcategory.

Explication of Category 5, Subcategory 3: "Stakeholder Relationships"

All four versions of the Guidelines include a subsection dedicated to "Stakeholder

Relationships/Engagement." The following table presents the indicators contained in

each versions of the Guidelines side-by-side for ease of comparison.

Table 9A

*Category 5, Subcategory 3: "Stakeholder Relationships" (G1)/ "Stakeholder
Engagement" (G2, G3, G3.1)*

G1	G2	G3	G3.1
"Central to this section is a discussion of stakeholder engagement" (p. 26)	"Discussion of stakeholder engagement forms a key part of any description of governance structures and management systems" (p. 41).	"The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures are not limited to stakeholder engagement implemented for the purposes of preparing a sustainability report" (p. 24)	"The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures are not limited to stakeholder engagement implemented for the purposes of preparing a sustainability report" (p. 24)
5.11 "Basis for definition and selection of major stakeholders (e.g., employees, investors, suppliers, managers, customers, local authorities, public interest groups, non-government organisations)"	**3.9** "Basis for **identification** and selection of major stakeholders. **This includes the processes for defining an organisation's stakeholder and for determining which groups to engage**"	**4.14** "List of stakeholder groups engaged by the organization. Examples of stakeholder groups are: • Communities; • Civil society; • Customers; • Employees, other workers, and their trade unions; • Shareholders and providers of capital; and • Suppliers."	**4.14** "List of stakeholder groups engaged by the organization. Examples of stakeholder groups are: • ~~Communities;~~ • Civil society; • Customers; • Employees, other workers, and their trade unions; • **Local communities;** • Shareholders and providers of capital; and • Suppliers."
5.12 "Approaches to stakeholder consultation (e.g., surveys, focus groups, community panels, corporate advisory panels, written communication). Frequency of such consultations by type"	**3.10** "Approaches to stakeholder consultation reported in terms of frequency of consultation by type **and by stakeholder group. This could include** surveys, focus groups, community panels, corporate advisory panels, written communication, **management/union structures, and other vehicles**"	**4.15** "Basis for identification and selection of stakeholder with whom to engage. This includes the **organization's** process for defining **its** stakeholder groups**,** and for determining the groups with which to engage **and not to engage**"	**4.15** "Basis for identification and selection of stakeholder with whom to engage. This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage"
5.13 "Type of information generated by such consultations"	**3.11** "Type of information generated by such consultations"	**4.16** "Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. This could include surveys, focus groups, community panels, written communication, management/union structures, and other vehicles. The organization should indicate	**4.16** "Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. This could include surveys, focus groups, community panels, written communication, management/union structures, and other vehicles. The organization should indicate

		whether any of the engagement was undertaken specifically as part of the report preparation process"	whether any of the engagement was undertaken specifically as part of the report preparation process"
5.14	**3.12**	**4.17**	**4.17**
"Use of such information (e.g., performance benchmarks and indicators), including use for selecting organisational-specific performance indicators in Section 6"	"Use of information **resulting from stakeholder engagement. For example, this could include selecting** benchmarks **or influencing specific decisions on policy or operations."**	**"Key topics and concerns that have been raised through** stakeholder engagement, **and how the organization has responded to those key topics and concerns, including through its reporting"**	"Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting"

Analysis and interpretation.

G1.

In G1, the GRI claimed that the discussion of stakeholder engagement was "central" to Category 5, and four indicators were provided. Specifically, these indicators asked organizations to explain the basis for defining and selecting "major" stakeholders (5.11), to detail approaches to stakeholder consultation (5.12), to summarize the types of stakeholder feedback (5.13), and to explicate how this feedback was used (5.14).

G2.

In G2, the GRI called the discussion of stakeholder engagement a "key part" of this section, and the same G1 indicators were provided, with only minor modifications.

The most obvious change between versions related to the first indicator (5.11 in G1; 3.9 in G2). In G1, possible stakeholder groups are identified in parentheses; in G2, no such examples are provided.

The content of the second indicator (3.10) changed in two ways: first, in addition to asking about the frequency of such consultations, G2 also asked that the stakeholders consulted be identified by group; and second, the list of available tools used to consult stakeholders was expanded in G2 to include "management/ union structures, and other vehicles." This addition was reflective of the GRI's newfound emphasis on labor, unions, and collective bargaining in G2.

The third indicator (3.11) was identical in both versions.

Changes to the final indicator (3.12) revealed a significant shift in thinking about how stakeholder feedback could be used. In G1, the feedback could help organizations set benchmarks or decide which indicators to include in the sustainability report. In G2, the feedback could still be used to set benchmarks, but it also could be used influence policy and operational decisions.

G3.

In G3, the GRI eliminated any superlative terms to describe the discussion of stakeholder engagement, a deliberate omission that served to diminish the importance of such engagement. Once again, four indicators were provided, but they were restructured and reworded in ways that reflected the GRI's changed premises/ idealizations.

The first indicator (4.14)—a list of "stakeholders" (the adjective "major" was removed in G3) presented in a bulleted format—was new. G1 provided its own example list of stakeholders in its first indicator as well, but that parenthetical list was part of the basis for selecting stakeholders, which is the second indicator in G3. A comparison of the stakeholders listed in G1 and G3 reveals the GRI's changed premises/ idealizations:

- Employees were moved from the first example stakeholder in G1 to fourth in G3.

- Investors and suppliers were moved from the second and third positions respectively in G1to fifth in G3.

- Managers, the fourth group in G1, were eliminated altogether.

- Customers moved up from the fifth position in G1 to the third in G3.

- And local authorities, public interest groups, and non-government organisations, the last three stakeholder groups in G1, were also eliminated.

The first two stakeholders in G3's list—communities and civil society— were new. Additionally, they were much broader in scope; in fact, the terms themselves are abstractions that cannot be easily quantified.   They were also indicative of the GRI's belief that organizations operate within and affect a larger public sphere outside of themselves and their more immediate shareholders and stakeholders.

The second indicator (4.15) addressed the basis for identification and selection of stakeholders. Interestingly, a new element is included at the end of this indicator that was not present in G2—a request that an organization explain how it decided not only which stakeholders to engage *but also* which ones not to.

The third indicator (4.16) dealt with approaches to stakeholder engagement. The most significant change from previous versions was that the word "consultation" was eliminated from this indicator. As noted in the earlier discussion, the GRI premises/ idealizations that consulting with and soliciting feedback from stakeholders were valuable practices changed in G3. The change in diction and phrasing within this indicator supports that observation. A second change was the reporting organization was asked to report whether it had initiated engagement with stakeholders "specifically as part of the report preparation process."

The final indicator (4.17) was new. Whereas G1 and G2 asked reporting organizations to explain what types of information is gathered from stakeholder consultation and then explain how the organization used that information, G3 asked companies to document "key topics and concerns" gathered through stakeholder engagement as well as an explanation about how the organization responded.

G3.1.

With the exception of the first indicator, everything in G3.1 is identical with G3. The one change was that the first stakeholder group in G3, "Communities," has been relocated to fourth position and renamed "Local Communities" to better reflect the GRI emphasis on local issues throughout G3.1.

Explication of Category 6: "Performance"

Table 10

Category 6: "Performance"

Feature	G1	CL 1»2	G2	CL 2»3	G3
N	"Performance"	1	"Performance Indicators"	2	"Management Approach and Performance Indicators"
P	Category 6 Consists of four subcategories: "Environmental" [6.1-6.36] "Economic" [6.37-6.59] "Social" [6.60-6.93 (sic)][1] "Integrated" [1]This indicator contains multiple mistakes in numbering: 6.85 was repeated twice; 6.86 should therefore have been numbered 6.87, but was not, meaning that there was no indicator numbered 6.87; and 6.93 was repeated twice, meaning that the actual number of indicators contained in this category is 94, *not* 93.	3	Category 5, Consists of three subcategories: "Integrated" "Economic" [EC1-EC13] "Environmental" [EN1-EN35] "Social" [LA1-LA17; HR1-HR14; SO1-SO7; PR1-PR11]	3	Category 5 Consists of three subcategories: "Economic" [EC1-EC9] "Environmental" [EN1-EN30] "Social" [LA1-LA14; HR1-HR11; SO1-SO8; PR1-PR9]
J	"Note that in this release of the *Guidelines*, the environmental performance indicators appear first because of their more advanced development and readiness for the indicator framework described below. They have also been subject to a robust review, assessment, and pilot-testing. In contrast, the economic, social, and integrated indicators are less advanced in terms of experience and consensus" (p. 27) ""Economic, social, and integrated indicators are presented for testing and experimentation by all reporting organisations. The experience gained by reporters applying the *Guidelines* will inform the development of economic, social, and integrated indicators in future releases of the *Guidelines*. The GRI welcomes input from reporters and report users on such indicators" (p. 27)	3	"The performance indicators are grouped under three sections covering the economic, environmental, and social dimensions of sustainability. The grouping is based on the conventional model of sustainable development and is intended to aid users of the *Guidelines*. However, limiting performance indicators to these three categories may not fully capture the performance of an organisation for a number of reasons. For example: [followed by three bullet point examples] "Therefore, in addition to the economic, environmental, and social dimensions, a fourth dimension of information is necessary: ***integrated performance***" (p. 44)	3	None
F	"This section covers the reporting organisation's economic, environmental, and social performance. It does so through the use of quantitative and qualitative indicators as well as supplementary information" (p. 27)	2	"This section lists the core and additional performance indicators for GRI-based reports" (p. 44)	3	"The section on sustainability Performance Indicators is organized around economic, environmental, and social categories. Social Indicators are further categorized by Labor, Human Rights, Society, and Product Responsibility. Each category includes a Disclosure on Management Approach ('Management Approach') and a corresponding set of Core and Performance Indicators" (p. 24)

					"The Disclosures on Management Approach should provide a brief overview of the organization's management approach to the Aspects defined under each Indicator Category in order to set the context for performance information" (p. 24) "Core Indicators have been developed through GRI's multi-stakeholder processes, which are intended to identify generally applicable Indicators and are assumed to be material for most organizations" (24) "Within the overall structure of Standard Disclosures, Strategy and Profile items 1.1 and 1.2 in 'Strategy and Analysis' are intended to provide a concise overview of the risks and opportunities facing the organization as a whole. The Disclosure(s) on Management Approach is intended to address the next level of detail of the organization's approach to managing the sustainability topics associated with risks and opportunities" (pp. 24-25)
U	"The GRI solicits feedback from reporters and report users on all performance indicators to provide the basis for enhancing updated releases of the *Guidelines*" (p. 27)	3	None	0	None
I	"Organisations are asked to report information for the current reporting period, at least two previous periods, and a target period. Information should be provided in absolute terms, as well as in ratio/normalised form whenever this assists communication" (p. 27)	3	None	3	"An organization should report on Core Indicators unless they are deemed not material on the basis of the GRI Reporting Principles. Additional Indicators represent emerging practice or address topics that may be material for organizations, but are not material for others. Where final versions of Sector Supplements exist, the Indicators should be treated as Core Indicators. See Guidance on Defining Report Content for further details" (p. 24) "The organization can structure its Disclosure(s) on Management Approach to cover the full range of Aspects under a given Category or group its responses on the Aspects differently. However, the Disclosures should address all of the Aspects associated with each category regardless of the format or grouping" (p. 24) "In reporting on the Performance Indicators, the following guidance on data application applies: [followed by 5 bullet pointed items and accompanying descriptions including 'Reporting on Trends': 'Information should be presented for the current reporting period (e.g., one year), and at least the two previous periods, as well as future targets, where they have been established for the short- and medium-term']" (p. 25)
Total		15		14	

Analysis.

Name (N).

G1 » G2:   *Category*: The word "Indicators" was added to the title of this

category in G2.

Subcategories: No change.

G2 » G3:   *Category*: The title was expanded to include the "Management

Approach."

Subcategories: No change.

Position (P).

G1 » G2:   *Category*: No change. [This is the last category in both versions.]

Subcategories: The order of the subcategories changed:

"Integrated" moved from last in G1 to first in G2; "Environment"

moved from first to third; "Social" moved from third to fourth.

G2 » G3:   *Category*: No change. [This is the last category in both versions.]

Subcategories: The subcategory "Integrated" was eliminated,

effectively moving the remaining subcategories up one rung:

"Economic" moved to the first position, "Environmental" moved

to the second, and "Social" moved to the third.

Justification (J).

G1 » G2:   G1 offered an extended justification for why the GRI chose to

begin with "Environmental" performance indicators instead of

"Economic."   G2 contained no discussion as to why it chose to

start with "Economic" first. However, G2 did offer a rationale for

why the "Integrated" category was necessary, something G1 did

not. Finally, G2 did not solicit feedback from "reporters and report

users."

G2 » G3:   Unlike G2, no statement of justification was offered in G3.

Function (F).

G1 » G2:   G2 did not mention the specific types of performance indicators by

name. It also eliminated the statement about the "qualitative and

quantitative" indicators as well as the reference to "supplementary

information." Finally, it used the modifiers "core" and

"additional," which were new classifications for indicators

developed for G2.

G2 » G3:   G3 expanded to include a list of the four categories of "Social"

indicators. These indicator categories appeared in G2 but were not

commented on in the overview section of that version.

Additionally, G3 included an explanation of "Management

Approach," as well as a discussion of the development and

evolution of the core indicators.

Utility (U).

G1 » G2:   Unlike G1, no statement of utility was offered in G2.

G2 » G3:   N/A

Instruction (I).

G1 » G2:   Unlike G1, no statement of instruction was offered in G2.

G2 » G3:   Unlike G2, which offered no statement of instruction, G3 offered

instructional direction regarding both the reporting of

"Performance Indicators" and "Management Approach." G3 also

advised reporters to "See Guidance on Defining Report Content for

further details" (p. 24).

Interpretation.

The name of this category (the final one in all three versions) changed relatively

little compared to other categories examined. In G1, the category was called, simply,

"Performance." In G2, this was expanded to "Performance Indicators" to better reflect

the content. In G3, the title was again expanded to "Management Approach and

Performance Indicators," a change that appropriately reflected the newly-developed

concept found in this category.

The names of the subcategories in all three versions were identical, but the

positioning of each differed. In G1, the subcategories were presented in the following

order: "Environmental," "Economic," "Social" and "Integrated." In G2, the Integrated

indicators came first, followed by Economic, Environmental and Social. In G3, the

Integrated indicators were eliminated altogether, leaving just three subcategories:

Economic, Environmental and Social.

The statement of justification found in G1 was intended in part to explain GRI's

decision to begin with the Environmental indicators by explaining how this subcategory

is more fully developed whereas the others are not. In fact, the GRI noted that the other

indicators were "presented for testing" and solicited feedback for the purpose of

developing these indicators more fully in "future releases" of the Guidelines. G2 did not

solicit user input, but it did offer a justification for the grouping of indicators under three categories, which GRI noted, "is based on the conventional model of sustainable development" (p. 44). The remainder of the justification statement in G2 was dedicated to explaining why the "integrated performance" was necessary. G3 provided no statement of justification, which is surprising given the GRI's decision to eliminate the "Integrated" subcategory.

G1's statement of function started by explaining that this section addresses the "organization's economic, environmental, and social performance" (p. 27). It further explained that this was to be done "through the use of quantitative and qualitative indicators" (p. 27). G2's statement of function was briefer, noting simply, "This section lists the core and additional performance indicators for GRI-based reports" (p. 44). Though this statement did introduce the new coding system, it did not mention the specific types of indicators, nor their quantitative and qualitative nature. G3's statement was considerably longer. It not only referenced the types of indicators, but it also introduced the subdivisions of the Social indicators. G3 also named the codes and provided an explanation of how the "Core Indicators" were developed and how they were used. Finally, G3 included an explanation of the "Management Approach" concept, and its function within the report: "The Disclosure(s) on Management Approach is intended to address the next level of detail of the organization's approach to managing the sustainability topics associated with risks and opportunities" (p. 25).

G1 was the only version to present a statement of utility, which explained that the reason GRI was soliciting feedback from reporters and stakeholders was so that it could provide these users better updated releases of future Guidelines.

In all versions of the Guidelines, specific instructions for completing the Performance Indicators were found in the overview sections of the specific indicators themselves. However, G1 and G3 both provide some statements of instruction. In G1, the GRI asked organizations to report information for not only the current period but also for the previous two periods and for future target periods. The GRI also asked that this information be presented in "absolute terms," as well as "ratio/normalised form whenever this assists communication" (p. 27). G2 offered no statement of instructions. G3 included a similar request as G1 regarding time frames for reporting but without comment about how the material should be presented. G3 also included advice for organizations to follow about whether to report on "Additional Indicators." Finally, G3 provided specific advice about structure and content of the "Disclosure on Management Approach."

Chapter 7

Analysis and Interpretation: Performance Indicators

This chapter addresses the three subcategories of performance indicators found in across the Guidelines' versions: Environmental, Economic, and Social. (Note: Because G1 began with the Environmental Performance Indicators, those are presented first here as well.)

Each subsection that follows contains three tables. The first table, which begins each subsection, is divided into columns that correspond to a different version of the Guidelines. The reason that three columns were used for the Environmental and Economic subcategories but four were used for the Social is because the only significant changes between G3 and G3.1 occur in the Social subcategory. Therefore, a fourth column was added for G3.1. Each column contains all of the indicators for that specific version. All bolded text represents a change from the version that immediately preceded the newer version (i.e., all bolded items in the column for G2 represent changes from G1 and all bolded items in G3 represent changes from G2). If an indicator has been retained from its immediate predecessor, the previous version's indicator number is noted in brackets.

The second table, which immediately follows the first table, has two columns, the first corresponding to G2 and the second to G3/3.1. (The Social subcategory has a third column for G3.1.) Each column contains three pieces of information: 1) the previous version's indicators that were "eliminated" in the subsequent version; 2) the indicators that were "retained" from the older version; and 3) the "new" indicators that have been added.

The third table is located at the end, immediately following the analysis and interpretation. This table is intended to summarize the key data points that are contained in the discussion. This includes the number of categories, aspects, indicators, core and additional indicators, and quantitative and qualitative indicators.

Unlike Part I, the analysis and interpretation of each subcategory are not separated. Instead, key points such as the number of core verses additional indicators are analyzed and interpreted together.

Finally, following the Social subsection is a brief analysis and interpretation of the Integrated subcategory. However, since no performance indicators are actually provided for this subcategory, there are no accompanying tables included in the discussion.

Explication of "Environmental Performance Indicators"

Table 11

"Environmental Performance Indicators" for G1, G2 and G3/3.1

G1 (36)	G2 (35)	G3/3.1(30)
Energy (joules)	Materials	**ASPECT**: MATERIALS
	Core Indicators	**CORE**
Generally Applicable	EN1 Total materials use (non-water) [6.6]	EN1 Materials used [6.6/EN1]
6.1 Total energy use	**EN2 Percentage of materials that are**	**EN2 Percentage of materials recycled [6.7]**
6.2 Electricity purchased	**wastes from external sources**	
Organisation-specific		ASPECT: ENERGY
6.3 Initiatives toward renewable energy	Energy	CORE
6.4 Total fuel use by type	Core Indicators	EN3 Direct energy consumption [6.1/EN3]
6.5 Other energy use	EN3 Direct energy use [6.1]	EN4 Indirect energy consumption [6.5EN4]
	(Report in joules)	**ADD**
Materials (tonnes or kilograms)	EN4 Indirect energy use [6.5]	**EN5 Energy saved through conservation**
Generally Applicable	(Report in joules)	EN6 Renewable energy initiatives [6.3/EN17]
6.6. Total materials use (non-fuel/water)	**Additional Indicators**	**EN7 Initiatives to reduce indirect energy**
Organisation-specific	EN17 Renewable energy initiatives [6.3]	
6.7 Use of recycled material	**EN18 Energy consumption footprint**	ASPECT: WATER
6.8 Use of packaging materials	**EN19 Other indirect energy use**	CORE
6.9 Use of hazardous materials		EN8 Total water withdrawal [6.12/EN5]
6.10 Targets for material replacement	Water	ADD
6.11 Use of animals and plant species	Core Indicators	EN9 Sources affected [6.13/EN20]
	EN5 Total water use [6.12]	EN10 Percentage of water recycled [EN22]
Water (liter or cubic meters)	Additional Indicators	
Generally Applicable	EN20 Sources/ecosystems affected [6.13]	ASPECT: BIODIVERSITY
6.12 Total water use	**EN21 Annual withdraws of ground water**	CORE
Organisation-specific	**EN22 Total recycling of water**	EN11 Location/size of land owned, etc. [6.32/EN6]
6.13 Water sources affected by use		EN12 Impacts on biodiversity [EN7]
	Biodiversity	ADD
Emissions, Effluents, and Waste	Core Indicators	**EN13 Habitats protected/restored**
Generally Applicable	EN6 Location/size of land owned, etc. [6.32]	EN14 Strategies protecting ecosystems [6.34/EN27]
6.14 Greenhouse gas emissions	**EN7 Impacts on biodiversity**	EN15 Number of INCN Red List species [EN28]
6.15 Ozone-depleting emissions	Additional Indicators	
6.16 Total waste	EN23 Total amount of land owned [6.32]	ASPECT: EMISSIONS, EFFLUENTS, & WASTE
Organisation-specific	**EN24 Amount of impermeable surface**	CORE
6.17 Quantity of waste returned to market	EN25 Impacts on protected areas [6.35]	EN16 Total direct/indirect greenhouse gas
6.18 On- and off-site management type	EN26 Habitat change due to operations [6.33]	emissions [6.14/EN8 & EN30]
	EN27 Targets for protecting ecosystems [6.34]	EN17 Other indirect greenhouse gas [EN30]
Waste to Land	**EN28 Number of INCN Red List species**	**EN18 Initiatives to reduce greenhouse gas**
6.19 Quantity of waste to land	**EN29 Business units in protected areas**	EN19 Ozone-depleting emissions [6.15/E9]
6.20 On- and off-site management type		EN20 NO, SO, and other air emissions [EN10]
	Emissions, Effluents, and Waste	EN21 Discharges to water, by quality [6.22/EN12]
Emissions to Air	Core Indicators	
6.21 Emissions to air, by type	EN8 Greenhouse gas emissions [6.14]	

Effluents to Water
6.22 Discharges to water, by type
6.23 Profile of water bodies affected
 	
Transport
    Organisation-specific
6.24 targets for organisation-related transport
 	
Suppliers
    Generally Applicable
6.25 Performance of suppliers
    Organisation-specific
6.26 Incidence of non-compliance
6.27 Suppliers issues identified
through stakeholder consultation
 	
Products and Services
    Generally Applicable
6.28 Major environmental impacts
    Organisation-specific
6.29 Programs to prevent adverse impact
6.30 Advertising and labeling practices
6.31 Percentage of product reclaimed
 	
Land Use/Biodiversity
    Organisation-specific
6.32 Land owned, leased, etc.
6.33 Habitat change due to operations
6.34 Targets for protecting ecosystems
6.35 Impacts on protected areas
 	
Compliance
    Organisation-specific
6.36 Penalties for non-compliance
	EN9 Ozone-depleting emissions [6.15]
	EN10 NOx, SOx, other air emissions by type
	EN11 Total waste by type [6.16]
	EN12 Discharges to water, by type [6.22]
	EN13 Spills of chemicals, oils, fuels
	    Additional Indicators
	EN30 Indirect greenhouse gas emissions
	EN31 production/transport of waste
	EN32 Water sources and related ecosystems [6.23]
	Suppliers
	    Additional Indicators
	EN33 Performance of suppliers [6.25]
	
	Products and Services
	    Core Indicators
	EN14 Major environmental impacts of products and services [6.28]
	EN15 Percentage of product reclaimed [6.31]
	
	Compliance
	    Core Indicators
	EN16 Penalties for non-compliance [6.36]
	
	Transport
	    Additional Indicators
	EN34 Environmental impacts of transportation
	
	Overall
	    Additional Indicators
	EN35 Total environmental expenditures
		EN22 Total weight of waste [6.19/EN11]
		EN23 Number of spills [EN13]
		    ADD
		EN24 Weight of transported waste [EN31]
		EN25 Water bodies affected [6.23/EN32]
		
		ASPECT: PRODUCTS AND SERVICES
		    CORE
		EN26 Initiatives to mitigate impacts
		EN27 Percentage of products sold and packaging reclaimed [6.31/EN15]
		
		ASPECT: COMPLIANCE
		    CORE
		EN28 Monetary & non-monetary sanctions for noncompliance [6.36/EN16]
		
		ASPECT: TRANSPORT
		    ADD
		EN29 Environmental impacts of transportation [EN34]
		
		ASPECT: OVERALL
		    ADD
		EN30 Total environmental expenditures [EN35]

Table 11A

Evolutionary Changes in "Environmental Performance Indicators" for G2 and G3/3.1

G2	G3/3.1
ELIMINATED: (17 Total)	**ELIMINATED: (9 Total)**
Generally Applicable: (1)	**Core: (2)**
6.2 Electricity purchased	EN2 Percentage of materials that are wastes from external sources
	EN14 Major environmental impacts of products and services
Organisation-specific: (16)	
6.4 Total fuel use by type	**Additional: (7)**
6.7 Use of recycled material	EN18 Energy consumption footprint
6.8 Use of packaging materials	EN19 Other indirect energy use
6.9 Use of hazardous materials	EN21 Annual withdraws of ground water
6.10 Targets for material replacement	EN24 Amount of impermeable surface
6.11 Use of animals and plant species	EN26 Habitat change due to operations
6.17 Quantity of waste returned to market	EN29 Business units in protected areas
6.18 On- and off-site management type	EN33 Performance of suppliers
6.19 Quantity of waste to land	
6.20 On- and off-site management type	**RETAINED: (26 Total)**
6.21 Emissions to air, by type	**Core: (14)**
6.24 targets for organisation-related transport	EN1 Total materials use (non-water) [EN1]
6.26 Incidence of non-compliance	EN3 Direct energy use [EN3]
6.27 Suppliers issues identified through stakeholder consultation	EN4 Indirect energy use [EN4]
6.29 Programs to prevent adverse impact	EN5 Total water use [EN8]
6.30 Advertising and labeling practices	EN6 Location/size of land owned, etc. [EN11]
	EN7 Impacts on biodiversity [EN12]
RETAINED: (19 Total)	EN8 Greenhouse gas emissions [EN16]
Generally Applicable: (12)	EN9 Ozone-depleting emissions [EN19]
6.1 Total energy use [EN3]	EN10 NOx, SOx, other air emissions by type [EN20]
6.5 Other energy use [EN4]	EN11 Total waste by type [EN22]
6.6 Total materials use (non-fuel/water) [EN1]	EN12 Discharges to water, by type [EN21]
6.12 Total water use [EN5]	EN13 Spills of chemicals, oils, fuels [EN23]
6.14 Greenhouse gas emissions [EN8]	EN15 Percentage of product reclaimed [EN27]
6.15 Ozone-depleting emissions [EN9]	EN16 Penalties for non-compliance [EN16]
6.16 Total waste [EN11]	
6.22 Discharges to water, by type [EN12]	**Additional: (12)**
6.25 Performance of suppliers EN33	EN17 Renewable energy initiatives [EN6]
6.28 Major environmental impacts [EN14]	EN20 Water Sources/ecosystems affected [EN9]
6.31 Percentage of product reclaimed [EN15]	EN22 Total recycling of water [EN10]
6.36 Penalties for non-compliance [EN16]	EN23 Total amount of land owned [EN11]
	EN25 Impacts on protected areas [EN11]
Organisation-specific: (7)	EN27 Targets for protecting ecosystems [EN14]
6.3 Initiatives toward renewable energy [EN17]	EN28 Number of INCN Red List species [EN15]
6.13 Water sources affected by use [EN20]	EN30 Indirect greenhouse gas emissions [EN16]
6.23 Profile of water bodies affected [EN23]	EN31 production/transport of waste [EN24]
6.32 Land owned, leased, etc. [EN23]	EN32 Water sources and related ecosystems [EN25]
6.33 Habitat change due to operations [EN26]	EN34 Environmental impacts of transportation [EN29]
6.34 Targets for protecting ecosystems [EN27]	EN35 Total environmental expenditures [EN30]
6.35 Impacts on protected areas [EN25]	
	NEW: (6 Total)
NEW: (16 Total)	**Core: (3)**
Core: (5)	EN2 Percentage of materials recycled
EN2 Percentage of materials that are wastes from external sources	EN18 Initiatives to reduce greenhouse gas
EN6 Location/size of land owned, etc.	EN26 Initiatives to mitigate impacts
EN7 Impacts on biodiversity	
EN10 NOx, SOx, other air emissions by type	**Additional: (3)**
EN13 Spills of chemicals, oils, fuels	EN5 Energy saved through conservation
	EN7 Initiatives to reduce indirect energy
Additional: (11)	EN13 Habitats protected/restored
EN18 Energy consumption footprint	
EN19 Other indirect energy use	
EN21 Annual withdraws of ground water	
EN22 Total recycling of water	
EN24 Amount of impermeable surface	
EN28 Number of INCN Red List species	
EN29 Business units in protected areas	
EN30 Indirect greenhouse gas emissions	
EN31 production/transport of waste	
EN34 Environmental impacts of transportation	
EN35 Total environmental expenditures	

Analysis and interpretation.

The following is the breakdown of "Aspects" (to use G3's term) and

Environmental Performance Indicators in the different versions of the Guidelines:

- In G1, there were nine aspects containing 36 performance indicators;

- In G2, there were ten aspects containing 35 performance indicators;

- In G3/3.1, there were nine aspects containing 30 performance indicators.

What this data suggests is that this remained a stable subcategory throughout all the

versions of the document. However, the analysis and interpretation that follows suggests

that these surface observations do not accurately reflect some of the subtle changes

occurring, especially in the indicators themselves.

Aspects.

The number of aspects fluctuated little. G2 added one aspect ("Overall") and G3

eliminated one ("Suppliers"), but otherwise the aspects remained unchanged. And for the

most part, the organization also remained largely the same, with only a few items

relocating positions:

1) G1 began with "Energy" and was followed with "Materials," but G2 reversed

this order;

2) "Land Use/Biodiversity" was the second-to-last aspect presented in G1, and it

contained four "Organisation-Specific" indicators, whereas in G2, the name was

changed to "Biodiversity," it was moved to the fourth overall position and it was

followed by nine indicators, two of which were classified as "core indicators";

3) Transport was moved from the fifth overall position in G1 to ninth in G2.

The first restructuring listed here had minimal impact.   By contrast, the second was significant: renaming the aspect, elevating it to a higher positional rank and adding five more indicators all suggest that the GRI had concluded that this was a far more important topic than it originally thought. Similarly, the decision to move the "Transport" aspect to the end of the list suggests that the GRI no longer felt this aspect was as crucial to sustainability as it once thought. In G3, all aspects remained in the same order as G2.

Indicators.

Digging deeper into the indicators reveals that the Environmental subcategory experienced considerably more flux than a simple counting of aspects and indicators would reveal. Table 11A lists the specific indicators that were eliminated or retained from a previous version of the Guidelines as well as listing all new indicators. The left column ("G2") is particularly noteworthy for this discussion because it illustrates the substantial degree of change between the G1 and G2 indicators:

- Of the 36 performance indicators in G1, only 19 were retained in G2 (53%); the remaining 17 were eliminated (47%);
- Most of the retained indicators from G1 were "Generally Applicable" while more than two-thirds of the "Organisation-specific" indicators were eliminated;
- Sixteen new indicators were added to G2, five of which were labeled "Core."

To summarize – nearly half of the G1 indicators were eliminated and replaced with new ones in G2, and the number of "Generally Applicable/Core Indicators" increased. What is striking about this demonstrative degree of change is that it was not expected given the

GRI's comments in the overview section of Category 6 in G1. In justifying its decision to start with the Environmental indicators first, the GRI explained:

> Note that in this release of the *Guidelines*, the Environmental performance indicators appear first because of their more advanced development and readiness for the indicator framework described below. They have also been subject to a robust review, assessment, and pilot-testing. (p. 27)

Or these comments, from the overview for the subcategory:

> Environmental reporting has evolved over the last 20 years and has reached a level of emerging common practices based on a shared understanding of environmental processes. At this time, the repeated appearance of certain environmental categories, aspects and indicators provides a foundation for a common information base. (p. 28)

If these proclamations about "advanced development," "subject to robust review," "common practices" and "shared understanding" had been wholly valid on a micro-level instead of just a macro-level (as evidenced by the lack of change in the aspects), the GRI would not have needed to change so many indicators between G1 and G2.

It would seem, however, that the GRI was satisfied with G2's indicators since most (74%) were retained in G3. Moreover, G3 added only six new indicators, less than half the number that had been added to G2. This suggests that the inadequacies of G1's indicators to gather the types of desired information on environmental sustainability were rectified in G2, and only minor alterations were required in G3.

Three more observations about the changes over time deserve mention.

The first has to do with the classification names used. In G1, indicators in the Environmental subcategory were classified as either "Generally Applicable" or "Organization-specific." The Environmental is the only subcategory of indicators in G1 that uses these classification designations. In G2, these were renamed "Core Indicators" and "Additional Indicators" respectively, and these new classification labels were applied to all indicators in Category 6 (i.e., Economic, Environmental, and Social). These labels were largely preserved in G3 but were abbreviated in all caps as "CORE" and "ADD."

The second observation has to do with percentage of "Generally Applicable/Core Indicators/CORE" compared to "Organisation-specific/Additional Indicators/ADD" in each of the versions:

- In G1, 9 indicators (25%) were "Generally Applicable" and 27 indicators (75%) were "Organisation-specific";

- In G2, 16 indicators (45%) were "Core Indicators" and 19 indicators (55%) were "Additional Indicators"; and

- In G3/3.1, 17 indicators (57%) were "CORE" and 13 indicators (43%) were "ADD."

The data percentages above clearly illustrate a steady progression toward universal indicators applicable to all organizations.

If, however, the GRI was moving toward incorporating more "core" indicators with each subsequent version, the balance between quantitative and qualitative indicators actually fluctuated considerably over time:

- In G1, 16 indicators (46%) were primarily/wholly quantitative in nature, 16 indicators (46%) are primarily/wholly qualitative, and the remaining three indicators (8%) were an equal combination of quantitative/qualitative;

- In G2, 25 indicators (71%) were primarily/wholly quantitative in nature, nine indicators (26%) were primarily/wholly qualitative, and the remaining single indicator (3%) was an equal combination of quantitative/qualitative;

- In G3, 18 indicators (60%) were primarily/wholly quantitative in nature, six indicators (20%) were primarily/wholly qualitative, and the remaining six indicators (20%) were an equal combination of quantitative/qualitative.

The shift from an essentially 50/50 balance of quantitative and qualitative indicators evident in G1 to a more quantitative approach seen in G2 represented a significant change in the way the GRI wanted environmental information presented. G3 scaled back the quantitative elements somewhat, but not so much that it could be considered a significant reduction.

But this data does not paint the "full picture" since much of the information being sought by the qualitative indicators did, in fact, change over time. In G1, the GRI often asked organizations to specify future "targets" (6.10 *Targets* for material replacement, 6.24 *Targets* for org-related transport, and 6.34 *Targets* for protecting ecosystems). In G2, the GRI eliminated most of the references to future "targets" and instead emphasized present "impacts" (EN7 *Impacts* on biodiversity, EN25 *Impacts* on protected areas, EN14 Major environmental *impacts* of products and services, and EN34 Environmental *impacts* of transportation). In G3, the GRI was still concerned about present "impacts" (EN12 Impacts on biodiversity, EN29 Environmental impacts of transportation), but its focus

again shifted, this time to evaluating the past successes of "initiatives" already in place. In fact, three of the six new indicators added to G3 deal with initiatives (EN7 *Initiatives* to reduce indirect energy and reductions achieved, EN18 *Initiatives* to reduce greenhouse gas and reductions achieved, EN26 *Initiatives* to mitigate impacts of products and services, and extent of impact mitigation), and the other new indicators likewise address successful sustainability practices (EN2 Percentage of materials recycled, EN5 Energy saved through conservation and EN13 Habitats protected/restored).

Two conclusions can therefore be made regarding the GRI's use of quantitative and qualitative environmental indicators over time. First, the GRI favors the use of quantitative indicators over qualitative ones in this subcategory, but not by as much as one might expect given the quantitative nature of the subcategory in question. Second, when the GRI established the G1, its primary focus was to collect data about the present and to encourage organizations to begin formulating and articulating future plans to address potentially problematic areas of sustainability. The focus of the qualitative indicators in G2 changed from future targets to present impacts. And in G3, the focus again shifted to evaluating how successfully existing initiatives had been in achieving their intended objectives. And because many of these indicators are classified as "CORE," all organizations were expected to report on them, meaning a reporting organization without such initiatives already in place had to acknowledge this fact to its stakeholders.

Table 11B summarizes the key factual points contained in the preceding analysis and interpretation.

Table 11B

Summary of Key Data Points in "Environmental Performance Indicators"

Environmental	G1	G2	G3	G3.1
Number of Categories	None	None	None	None
Number of Aspects	9	10	9	9
Number of Indicators	36	35	30	30
Number of "Generally Applicable/Core/CORE" Indicators	9	16	17	17
Number of Organisation-specific/Additional/ADD" Indicators	27	19	13	13
Number of Quantitative Indicators	16	25	18	18
Number of Qualitative Indicators	16	9	6	6
Number of Quantitative/Qualitative Indicators	4	1	6	6

Explication of "Economic Performance Indicators"

Table 12

"Economic Performance Indicators" for G1, G2, and G3/3.1

G1	G2	G3/3.1
Profit 6.37 Net profit 6.38 EBIT 6.39 Gross margin/Net Sales 6.40 ROACE 6.41 Dividends 6.42 Geographic distribution of 6.37-6.41 Intangible Assets 6.43 Ratio of market capitalisation to value Investments 6.44 Human capital 6.45 Research and development 6.46 Other capital investments 6.47 Debt/equity ratio Wages and Benefits 6.48 Total wage expense, by country 6.49 Total benefits expense, by country Labour Productivity 6.50 Labour productivity levels and changes Taxes 6.51 Taxes paid Community Development 6.52 Jobs by type and country 6.53 Philanthropy/charitable donations Suppliers 6.54 Performance of suppliers 6.55 Incidence of non-compliance 6.56 Outsourced operations 6.57 Value of outsourced goods and services 6.58 Performance honouring contracts	**DIRECT ECONOMIC IMPACTS** **Customers** Core Indicators EC1 Net sales (MFI) EC2 Geographic breakdown of markets [6.42] **Suppliers** Core Indicators **EC3 Cost of all purchases (MFI)** EC4 Percentage of honoured contracts [6.58] Additional Indicators **EC11 Suppliers breakdown by country** **Employees** Core Indicators EC5 Total payroll and benefits (MFI) [6.48-6.49] **Providers of Capital** Core Indicators **EC6 Distribution to providers of capital (MFI)** **EC7 Increase/decrease in retained earnings** **Public Sector** Core Indicators EC8 Total taxes by country [6.51] **EC9 Subsidies received** EC10 Donations to community [6.53] Additional Indicators **EC12 non-core infrastructure development** **INDIRECT ECONOMIC IMPACTS** Additional Indicators **EC13 Indirect economic impacts**	**ASPECT: ECONOMIC PERFORMANCE** CORE **EC1 Direct economic value [6.37-6.41; 6.43; 6.48; 6.49; 6.51; 6.53 /** **EC1; EC3; EC5; EC8; EC10]** **EC2 Financial implications due to climate change** EC3 Organization's benefits plan [EC5] EC4 Government assistance [EC9] **ASPECT: MARKET PRESENCE** ADD **EC5 Range of ratios (entry-level vs. min wage)** CORE **EC6 spending on locally-based suppliers** **EC7 Procedures for local hiring** **ASPECT: INDIRECT ECONOMIC IMPACTS** CORE EC8 Development of infrastructure for public benefit [EC12] ADD EC9 Indirect economic impacts [EC13]

Table 12A

Evolutionary Changes in "Economic Performance Indicators" for G2 and G3/3.1

G2	G3/3.1
ELIMINATED: (15 Total) 6.37 Net profit 6.38 EBIT 6.40 ROACE 6.41 Dividends 6.43 Ration of market capitalisation to value 6.44 Human capital 6.45 Research and development 6.46 Other capital investments 6.47 Debt/equity ratio 6.50 Labour productivity levels and changes 6.52 Jobs by type and country 6.54 Performance of suppliers 6.55 Incidence of non-compliance 6.56 Outsourced operations 6.57 Value of outsourced goods and services **RETAINED: (7 Total)** **Core: (7)** 6.39 Gross margin/Net Sales 6.42 Geographic distribution of 6.37-6.41 [EC2] 6.48 Total wage expense, by country [EC5] 6.49 Total benefits expense, by country [EC5] 6.51 Taxes paid [EC8] 6.53 Philanthropy/charitable donations [EC10] 6.58 Performance honouring contracts [EC4] **Additional: (0)** None **NEW: (7 Total)** **Core: (4)** EC3 Cost of all purchases (MFI) EC6 Distribution to providers of capital (MFI) EC7 Increase/decrease in retained earnings EC9 Subsidies received **Additional: (3)** EC11 Suppliers breakdown by country EC12 non-core infrastructure development EC13 Indirect economic impacts	**ELIMINATED: (3 Total)** **Core: (1)** EC2 Geographic breakdown of markets **Additional: (2)** EC4 Percentage of honoured contracts EC11 Suppliers breakdown by country **RETAINED: (10 Total)** **Core: (8)** EC1 Net sales [EC1] EC3 Cost of all purchases [EC1] EC5 Total payroll and benefits [EC1, EC3] EC6 Distribution to providers of capital [EC1] EC7 Increase/decrease in retained earnings [EC1] EC8 Total taxes by country [EC1] EC9 Subsidies received [EC4] EC10 Donations to community [EC1] **Additional: (2)** EC12 non-core infrastructure development [EC8][1] EC13 Indirect economic impacts [EC9] **NEW: (4 Total)** **Core: (2)** EC6 spending on locally-based suppliers EC7 Procedures for local hiring **Additional: (2)** EC2 Financial implications due to climate change EC5 Range of ratios (entry-level vs. min wage)

Analysis and interpretation.

The following is the breakdown of "Aspects" and Economic Performance

Indicators in the different versions of the Guidelines:

- In G1, there were eight aspects containing 22 performance indicators;

- In G2, there were two categories and five aspects containing 14 performance

  indicators;

- In G3/3.1, there were three aspects containing nine performance indicators.

This data suggests that this subcategory changed considerably over time in both its organizing structure as well as the amount of information being requested.

Aspects.

The number and content of aspects fluctuated considerably between the three versions:

- In G1, there were eight aspects ("Profit," "Intangible Assets," "Investments," "Wages and Benefits," "Labour Productivity," "Taxes," "Community Development" and "Suppliers");

- In G2, there were two categories—"Direct Economic Impacts" and "Indirect Economic Impacts." The former consisted of five aspects ("Customers," "Suppliers," "Employees," "Providers of Capital" and "Public Sector") containing 12 indicators; the latter is a stand-alone category containing 1 indicator; and

- In G3, there were three aspects ("Economic Performance," "Market Presence" and "Indirect Economic Impacts").

Though the GRI openly admitted in G1's overview to Category 6 that "the economic, social, and integrated indicators are less advanced in terms of experience and consensus" (p. 27), it still had a model to follow when designing the Economic subcategory: *the financial report*. Every Economic aspect listed in G1 could likely be found in any organization's financial statements, with the exception of "community development." This is important for three interrelated reasons:

1) It suggested that the GRI was attempting to link the sustainability report with the financial report—a move that could appropriately be called *genre bridging* (a concept that will be developed more fully later in the Discussion section):

> Organisations affect the economies in which they operate in many ways, including through their use of resources and creation of wealth. These impacts, however, are not fully captured and disclosed by conventional financial accounting and reporting. Thus, additional measures are required to capture the full range of an organisation's economic impacts (p. 31);

2) It suggested the GRI did not fully understand how to do this but nevertheless believed there to be precedent for doing so:

> Sustainability reporting has rarely embraced economic measures to date, although there is a lengthy history of measuring certain economic effects, for example, of company relocation, closure, and investment (p. 31); and

3) It suggested a new path for future versions through the concept of "community development." This focus on "community development" and individuals over traditional financial reporting began to emerge in G2 not only in the Economic subcategory but also in the Social subcategory, the latter of which will be developed more fully in the analysis and interpretation of the Social Indicators.

In G2, nearly all of the aspects found in G1 were replaced with new categories and aspects. The new aspects communicated the GRI's changing objectives by placing the focus of the Economic subcategory on individuals (customers, suppliers, employees, providers) instead of on monetary concerns. In other words, G2 emphasized the social

over the capital. This comment is not intended to suggest that G2 was unconcerned with collecting financial information, but rather that the information requested through the performance indicators was contextualized in such a way that de-emphasized the importance of traditional business concerns, such as profits and investments. In short, G2 put a human face to the Economic indicators, by asking reporting organizations to consider their financial disclosures in a larger communal sense. Perhaps nowhere was this more evident than in the new aspect "Public Sector" that contained four indicators (nearly one-third of the total number of indicators in G2), one which asked organizations to disclose their charitable contributions (EC10) and a second of which asked about contributions to public infrastructure development (EC12). It should also be noted that the G1 aspect "Labour Productivity" was eliminated from this subcategory and relocated and expanded in the Social subcategory, further substantiation of the GRI's efforts to recast traditional capital indicators within a broader social context.

In G3, the number of aspects was increased slightly to three—"Economic Performance," "Market Presence" and "Indirect Economic Impacts," the latter of which was carried over from G2. However, all of the sub-aspects in G2 were eliminated in G3.

Indicators.

G1 contains 22 Economic performance indicators. Six indicators deal with "Profit," five with "Suppliers" and four with "Investments." G1 did not designate the indicators as either "Generally applicable" or "Organisation-specific." Finally, 15 indicators (68%) were primarily/wholly quantitative in nature, six indicators (27%) were primarily/wholly qualitative and the remaining single indicator (5%) was an equal combination of quantitative/qualitative.

G2 contains 13 indicators. Four indicators deal with "Public Sector" and three with "Suppliers." (The remaining aspects and sub-aspects all have only one or two indicators.) With the exception of the final indicator addressing "Indirect Economic Impacts," all indicators are quantitative. Even the two qualitative indicators from G1 (6.54 Performance of suppliers and 6.58 Performance honouring contracts) were rewritten into quantitative indicators in G2 (EC11 Suppliers breakdown by country and EC4 Percentage of honoured contracts). There are ten core indicators (77%) compared to just three additional indicators (23%). Finally, 12 indicators (92%) were primarily/wholly quantitative in nature, and one indicator (8%) was primarily/wholly qualitative. This represented a substantial increase in quantitative indicators compared to the G1 version.

G3 contains only nine *numbered* indicators. The word "numbered" has been highlighted because the actual amount of information requested was greater than the number of indicators listed. To clarify this statement, an explication of the first indicator is necessary. The following is EC1 exactly as it appeared in G3:

> EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

The table 12B below identifies how many separate indicators from G1 (nine indicators) and G2 (seven indicators) were synthesized within this single indicator in G3.

Table 12B

Comparative Breakdown of G3/3.1 Performance Indicator EC1

G3/3.1: EC1	**G1 (9 Indicators)**	**G2 (7 Indicators)**
Economic value generated & distributed including: • revenues / operating costs • employee compensation • donations & other community investments • retained earnings • payments to capital providers • payments to governments	6.38 EBIT 6.40 ROACE 6.46 Other capital investments 6.48 Total wage expense, by country 6.49 Total benefits expense, by country 6.53 Philanthropy/charitable donations 6.37 Net profit/earnings/income 6.41 Dividends 6.51 Taxes paid	EC1 Net sales EC3 Cost of all purchases EC5 Total payroll and benefits EC10 Donations to community EC7 Increase/decrease in retained earnings EC6 Distribution to providers of capital EC8 Total taxes by country

If EC1 in G3 were actually listed as multiple indicators instead of as a single concise indicator possessing many elements, G3 would contain nearly as many indicators as G1 (17 in G3/22 in G1) and more than G2 (15 in G3/13 in G2). This, then, is yet another example of the way GRI created the impression of having streamlined the bulky G2 when, in fact, it had actually expanded the amount of information being requested.

Another insight gleaned from the above table may be even more valuable to this discussion. Earlier it was suggested that the GRI was attempting to use the Economic indicator subcategory as a kind of bridge linking together two distinct genres—the financial and the sustainability reports. If this observation is valid and that was indeed GRI's initial intent, then the intent was fully abandoned by the writing of G2. As Table 12A illustrates, nearly three-quarters performance indicators from G1 (16 out of 22) were eliminated. By G3, all the information related to financial reporting was consolidated into a single indicator. The remaining indicators in G3 cast a wide and far-reaching net:

EC2, for example, asked organizations to consider the financial implications of climate change. This marked the first time GRI specifically referenced this environmental phenomenon in the indicators, and it did so here—in the Economic subcategory as a "core" indicator. EC6 and EC7 respectively asked for information about the reporting organization's use of "local" suppliers and hiring of "local" workers. The GRI's focus on "local" information was altogether new to the G3, yet both EC6 and EC7 were classified as "core" indicators. Finally, E8 (EC12 in G2) revisited the question of how much organizations are contributing to the "development of infrastructure for the public good," except what had been an "additional" indicator in G2 has been reclassified as a "core" indicator in G3. In light of these examples, one wonders what happened during the four years between the publication of G2 and G3 that warranted the addition of these new indicators or the reclassification of an existing indicator. In total, seven (78%) of the indicators in G3/3.1 were labeled "core," and two (22%) were labeled "additional." Additionally, three indicators (33%) were primarily/wholly quantitative in nature, four indicators (44%) were primarily/wholly qualitative, and the remaining two indicators (22%) were an equal combination of quantitative/qualitative. In G2, the clear movement was toward quantitative over qualitative indicators, but G3/3.1's dramatically reversed paths in favor of collecting more qualitative information.

What this analysis has revealed is that the Economic subcategory underwent a series of changes that streamlined both the scope (from nice aspects in G1 to three in G3) and the content (from 22 indicators in G1 to nine in G3). This streamlining created the impression that the GRI came to see the Economic subcategory as far less important to sustainability than either the Environmental and the Social. In fact, it was the latter of

these subcategories that experienced the most expansion over time, a fact that will become evident in the following tables and discussion.

Table 12C summarizes the key factual points contained in the preceding analysis and interpretation.

Table 12C

Summary of Key Data Points in "Economic Performance Indicators"

Economic	G1	G2	G3	G3.1
Number of Categories	None	2	None	None
Number of Aspects	8	5	3	3
Number of Indicators	22	13	9	9
Number of "Generally Applicable/Core/CORE" Indicators	N/A	10	7	7
Number of Organisation-specific/Additional/ADD" Indicators	N/A	3	2	2
Number of Quantitative Indicators	15	12	3	3
Number of Qualitative Indicators	6	1	4	4
Number of Quantitative/Qualitative Indicators	1	0	2	2

Explication of "Social Performance Indicators"

Table 13

"Social Performance Indicators" for G1, G2, G3, and G3.1

G1	G2	G3	G3.1
Workplace	**LABOUR PRACTICES AND DECENT WORK**	LABOUR PRACTICES AND DECENT WORK	LABOUR PRACTICES AND DECENT WORK
Quality of Management 6.60 Employee retention rates 6.61 Ratio of jobs offered to jobs accepted 6.62 Employee orientation 6.63 Employee engagement in decision-making 6.64 Ranking of organisation 6.54 Job satisfaction	**Employment** 　　　Core Indicators **LA1 Breakdown of workforce by region, status, employment type, contact, and retention.** [6.60 expanded] **LA2 Net employment creation and turnover** 　　　Additional Indicators LA12 Employee benefits beyond those mandated by law [6.71]	**ASPECT:** EMPLOYMENT 　　　CORE LA1 Total workforce by type, contract, region [LA1] LA2 Total number and rate of employee turnover by age, gender, region [LA2] 　　　ADD **LA3 Benefits provided to full-time employees that are not provided to temporary or part time employees, by major operations**	**ASPECT:** EMPLOYMENT 　　　CORE LA1 Total workforce by type, contract, region**, broken down by gender** LA2 Total number and rate of **new employee hires and** employee turnover by age, gender, region 　　　ADD LA3 Benefits provided to full-time employees that are not provided to temporary or part time employees, by ~~major~~ **significant locations of** operation~~s~~
Health and Safety 6.66 Reportable cases 6.67 Injury, lost days, absentee rates, etc. 6.68 Investments in injury prevention	**Labour/Management** 　　　Core Indicators **LA3 Percent of employees in union or collective bargaining** **LA4 Policy involving consultation with employees over changes in reporting** 　　　Additional Indicators **LA13 Provision for worker representation in decision-making**	ASPECT: LABOR/MGMT 　　　CORE LA4 Percent of employees covered by collective bargaining agreements [LA3] **LA5 Minimum notice period regarding operational change, including whether it is specified in collective agreements**	**CORE** **LA14 Return to work and retention rates after parental leave, by gender**
Wages and Benefits 6.69 Ratio of lowest wage to legal minimum 6.70 Ratio of lowest wage to cost of living 6.71 Health and pension benefits	Health and Safety 　　　Core Indicators LA5 Occupational accidents [6.66] **LA6 Joint health and safety committees** LA7 Injury, lost days, absentee rates [6.67] **LA8 Policies on HIV/AIDS** 　　　Additional Indicators **LA14 Compliance with ILO Guidelines** **LA15 Agreements with unions over safety**	ASPECT: OCCUPATIONAL HEALTH AND SAFETY 　　　ADD LA6 Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs [LA6] 　　　CORE LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region [LA7]	ASPECT: LABOR/MGMT 　　　CORE LA4 Percent of employees covered by collective bargaining agreements LA5 Minimum notice period regarding operational change, including whether it is specified in collective agreements
Non-discrimination 6.72 Percentage of senior-executive women 6.73 Discrimination-related litigation 6.74 Minority mentoring programs		**LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases** 　　　ADD LA9 Health and safety topics covered in formal agreements with unions [LA15]	ASPECT: OCCUPATIONAL HEALTH AND SAFETY 　　　ADD LA6 Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
Training/Education 6.75 Ratio of training to operating costs 6.76 Programs to foster worker participation 6.77 Changes in education levels of workforce	Training and Education 　　　Core Indicators **LA9 Average hours of training** 　　　Additional Indicators **LA16 Programmes to support continued employment and manage career endings** **LA17 Programmes for skills management of lifelong learning**	ASPECT: TRAINING AND EDUCATION 　　　CORE	CORE LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region **and by gender** LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases 　　　ADD LA9 Health and safety topics covered in formal agreements with unions
Child Labour 6.78 Verified incidences of non-compliance 6.79 Third party recognition	**Diversity and Opportunity** 　　　Core Indicators **LA10 Equal Opportunity Policies** LA11 Composition of senior management [6.72]		
Forced Labour 6.80 Number of recorded grievances 6.81 Incidences among suppliers			

Freedom of Association 6.82 Staff forums and grievance procedures 6.83 Legal actions concerning anti-union 6.84 Responses to organising against non-union Human Rights General 6.85 Human rights screens in investment 6.85 [sic] Evidence of systematic monitoring 6.86 [sic] Number of alleged violations Indigenous Rights 6.88 Evidence of indigenous representation 6.89 Number and causes of protests Security 6.90 Incorporating Security into risk assessment 6.91 Remuneration of victims of security action Suppliers 6.92 Performance of supplier 6.93 Incidences of non-compliance 6.93 [sic] Frequency of monitoring contractors	**HUMAN RIGHTS** **Strategy and Management** Core Indicators **HR1 Policies on human rights** **HR2 Evidence of consideration of human rights** HR3 Description of monitoring [6.85 (sic), 6.93 (sic)] Additional Indicators **HR8 Employee training on human rights practices** **Non-discrimination** Core Indicators **HR4 Description of policy against discrimination** Freedom of Association **and Collective Bargaining** Core Indicators **HR5 Description of free association policy** Child Labour Core Indicators **HR6 Description of policy excluding child labour** Forced or Compulsory Labour Core Indicators **HR7 Description of policy against forced labour** **Disciplinary Practices** Additional Indicators **HR9 Description of appeals process** **HR10 Description of non-retaliation policy** Security **Practices** Additional Indicators **HR11 Human rights training for security** Indigenous Rights Additional Indicators **HR12 Policies addressing needs of indigenous people** **HR13 Jointly managed community grievance** **HR14 Share of revenue redistributed to local communities** **SOCIETY** **Community** Core Indicators **SO1 Policies managing impacts on communities** Additional Indicators **SO4 Award received** **Bribery and Corruption** Core Indicators **SO2 Policy addressing bribery and corruption** **Political Contributions**	LA10 Average hours of training per year per employee by employee category [LA9] ADD LA11 Programs for skills management and lifelong learning that supports the continued employability of employees and assists them in managing career endings [LA16 & LA17] **LA12 Percentage of employees receiving regular performance and career development reviews** ASPECT: DIVERSITY AND EQUAL OPPORTUNITY CORE **LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity** **LA14 Ratio of basic salary of men to women by employee category** HUMAN RIGHTS ASPECT: INVESTMENT AND PROCUREMENT PRACTICES CORE **HR1 Percentage and total of significant investment agreements that include human rights clauses, or that have undergone human rights screening** **HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken** ADD HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained [HR8] ASPECT: NON-DISCRIMINATION CORE **HR4 Total number of incidents of discrimination and actions taken** ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING CORE **HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights** ASPECT: CHILD LABOR CORE **HR6 Operations identified as having significant risk for**	ASPECT: TRAINING AND EDUCATION CORE LA10 Average hours of training per year per employee **by gender, and** by employee category ADD LA11Programs for skills management and lifelong learning that supports the continued employability of employees and assists them in managing career endings LA12 Percentage of employees receiving regular performance and career development reviews ASPECT: DIVERSITY AND EQUAL OPPORTUNITY CORE LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity ~~LA14 Ratio of basic salary of men to women by employee category~~ **ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN** CORE LA14 Ratio of basic salary **and remuneration** of ~~men to~~ women **to men** by employee category**, by significant locations of operation** HUMAN RIGHTS ASPECT: INVESTMENT AND PROCUREMENT PRACTICES CORE HR1 Percentage and total of significant investment agreements **and contracts** that include **clauses incorporating** human rights ~~clauses~~ **concerns**, or that have undergone human rights screening HR2Percentaige of significant suppliers ~~and~~ contractors**, and other business partners** that have undergone ~~screening on~~ human rights **screening,** and actions taken ~~ADD~~ **CORE** HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained ASPECT: NON-DISCRIMINATION CORE HR4 Total number of incidents of

	Core Indicators **SO3 Policy managing political lobbying** Additional Indicators **SO5 Money paid to political parties** **Competition and Pricing** Additional Indicators **S06 Court decisions regarding anti-trust** **S07 Policy preventing anti-competitive behavior** **PRODUCT RESPONSIBILITY** **Customer Health and Safety** Core Indicators **PR1 Policy for preserving customer health** Additional Indicators **PR4 Instances of non-compliance** **PR5 Number of complaints** **PR6 Voluntary code compliance** **Products and Services [formerly in Environmental]** Core Indicators **PR2 Policy on product info and labeling** Additional Indicators **PR7 Instances of non-compliance** **PR8 Measuring customer satisfaction** **Advertising** Additional Indicators **PR9 Adherences to standards related to advert** **PR10 Number of breaches of advertising** **Respect for Privacy** Core Indicators **PR3 Policy on customer privacy** Additional Indicators **PR11 Number of substantiated complaints**	**incidents of child labor, and measures taken to contribute to the elimination of child labor** ASPECT: FORCED AND COMPULSORY LABOR CORE **HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced and compulsory labor** ASPECT: SECURITY PRACTICES ADD HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations [HR11] ASPECT: INDIGENOUS RIGHTS ADD **HR9 Total number of incidents of violations involving rights of indigenous people and actions taken** SOCIETY ASPECT: LOCAL COMMUNITIES CORE SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting [SO1] ASPECT: CORRUPTION CORE **SO2 Percentage and total number of business units analyzed for risks related to corruption** **SO3 Percentage of employees trained in organization's anti-corruption policies and procedures** **SO4 Actions taken in response to incidents of corruption** ASPECT: PUBLIC POLICY CORE SO5 Public policy positions and participation in public policy development and lobbying [SO3] ADD SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country [SO5] ASPECT: ANTI-COMPETITIVE BEHAVIOR ADD	discrimination and **corrective** actions taken ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING CORE HR5 Operations **and significant suppliers** identified in which the right to exercise freedom of association and collective bargaining may be **violated or** at significant risk, and actions taken to support these rights ASPECT: CHILD LABOR CORE HR6 Operations **and significant suppliers** identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination **effective abolition of** child labor ASPECT: FORCED AND COMPULSORY LABOR CORE HR7 Operations **and significant suppliers** identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of **all forms of** forced and compulsory labor ASPECT: SECURITY PRACTICES ADD HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations ASPECT: INDIGENOUS RIGHTS ADD HR9 Total number of incidents of violations involving rights of indigenous people and actions taken **ASPECT: ASSESSMENT** **CORE** **HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments** **ASPECT: REMEDIATION** **CORE** **HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms** SOCIETY ASPECT: LOCAL

		SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes [SO6] **ASPECT: COMPLIANCE** CORE **S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws & regulations** PRODUCT RESPONSIBILITY ASPECT: CUSTOMER HEALTH AND SAFETY CORE PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentages of significant products and services categories subject to such procedures [PR1] ADD PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes [PR4] ASPECT: PRODUCT AND SERVICE LABELING CORE PR3 Type of product and service information required by procedures, and percentages of significant products and services subject to such information requirements [PR2] ADD PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes [PR7] PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction [PR8] ASPECT: MARKETING COMMUNICATIONS CORE PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship [PR9] ADD PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of	COMMUNITIES CORE ~~SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting~~ **SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs** **SO9 Operations with significant potential or actual negative impacts** **on local communities** **SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities** ASPECT: CORRUPTION CORE SO2 Percentage and total number of business units analyzed for risks related to corruption SO3 Percentage of employees trained in organization's anti-corruption policies and procedures SO4 Actions taken in response to incidents of corruption ASPECT: PUBLIC POLICY CORE SO5 Public policy positions and participation in public policy development and lobbying ADD SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country ASPECT: ANTI-COMPETITIVE BEHAVIOR ADD SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes ASPECT: COMPLIANCE CORE S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations PRODUCT RESPONSIBILITY ASPECT: CUSTOMER HEALTH AND SAFETY CORE

		outcomes [PR10] ASPECT: CUSTOMER PRIVACY ADD PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data [PR11] **ASPECT: COMPLIANCE** **CORE** **PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services**	PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentages of significant products and services categories subject to such procedures ADD PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes ASPECT: PRODUCT AND SERVICE LABELING CORE PR3 Type of product and service information required by procedures, and percentages of significant products and services subject to such information requirements ADD PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction ASPECT: MARKETING COMMUNICATIONS CORE PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship ADD PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes ASPECT: CUSTOMER PRIVACY ADD PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data ASPECT: COMPLIANCE CORE PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

Table 13A

Evolutionary changes in the "Social Performance Indicators" for G2, G3 and G3.1

G2	G3	G3.1
ELIMINATED: (30 Total)	**ELIMINATED: (26 Total)**	**ELIMINATED: (1 Total)**
	Core: (14)	**Core: (1)**
6.60 Employee retention rates	LA4 Policy involving consultation with employees over changes in reporting	SO1 Nature, scope, and effectiveness of programs that assess impacts of operations on communities
6.61 Ratio of jobs offered to jobs accepted	LA5 Recording occupational accidents	
6.62 Employee orientation	LA8 Policies on HIV/AIDS	
6.63 Employee engagement in decision-making	LA10 Equal Opportunity Policies	**Additional: (0)**
6.64 Ranking of organisation	LA11 Composition of senior management	None
6.54 Job satisfaction	HR1 Policies on human rights	
6.68 Investments in injury prevention	HR2 Evidence of consideration of human rights	**RETAINED: (39 Total)**
6.69 Ratio of lowest wage to legal minimum	HR3 Description of monitoring	**Core: (24)**
6.70 Ratio of lowest wage to cost of living	HR4 Description of policy against discrimination	LA1 Total workforce by type
6.73 Discrimination-related litigation	HR5 Description of free association policy	LA2 Total number and rate of employee hires
6.74 Minority mentoring programs	HR6 Description of policy excluding child labour	LA4 Percent of employees covered by collective bargaining agreements
6.75 Ratio of training to operating costs	HR7 Description of policy against forced labour	LA5 Minimum notice period regarding operational change,
6.76 Programs to foster worker participation	SO2 Policy addressing bribery and corruption	LA7 Rates of injury, occupational diseases, lost days, and absenteeism
6.77 Changes in education levels of workforce	PR3 Policy on customer privacy	LA10 Average hours of training per employee
6.78 Verified incidences of non-compliance		LA13 Composition of governance bodies and breakdown of employees
6.79 Third party recognition	**Additional: (12)**	LA14 Ratio of basic salary of men to women
6.80 Number of recorded grievances	LA12 Benefits beyond those mandated by law	HR1 Percentage and total of significant investment agreements
6.81 Incidences among suppliers	LA13 Worker representation in decision-making	HR2 Percentage of significant suppliers and contractors that have undergone screening
6.82 Staff forums and grievance procedures	LA14 Compliance with ILO Guidelines	HR4 Total number of incidents of discrimination
6.83 Legal actions concerning anti-union	HR9 Description of appeals process	HR5 Operations identified in which right to collective bargaining may be violated
6.84 Responses to organising against non-union	HR10 Description of non-retaliation policy	HR6 Operations identified as having significant risk for incidents of child labor,
6.85 [sic] Evidence of systematic monitoring	HR12 Policies addressing needs of indigenous people	HR7 Operations identified as having significant risk for incidents of forced or compulsory labor,
6.86 [sic] Number of alleged violations	HR13 Jointly managed community grievance	SO2 Percentage and total number of business units analyzed for risks related to corruption
6.88 Evidence of indigenous representation	HR14 Revenue redistributed to local communities	SO3 Percentage of employees trained in organization's anti-corruption policies
6.89 Number and causes of protests	SO4 Award received	SO4 Actions taken in response to corruption
6.90 Incorporating Security into risk assessment	S07 Policy preventing anti-competitive behavior	SO5 Public policy positions and participation in public policy development and lobbying
6.91 Remuneration of victims of security action	PR5 Number of complaints	S08 Monetary value of significant fines and total number for non-compliance with laws
6.92 Performance of supplier	PR6 Voluntary code compliance	PR1 Life cycle stages in which health and safety impacts of products and services are assessed PR3 Type of product and service information required by procedures,
6.93 Incidences of non-compliance		PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing
6.93 [sic] Frequency of monitoring contractors	**RETAINED: (23 Total)**	PR9 Monetary value of significant fines for non-compliance with laws
	Core: (11)	
RETAINED: (6 Total)	LA1 Breakdown of workforce [LA1]	
6.66 Reportable cases [LA5]	LA2 Net employment creation and turnover [LA2]	**Additional: (16)**
6.67 Injury lost days, absentee rates, etc. [LA7]	LA3 Percent of employees in union or collective bargaining [LA4]	LA3 Benefits provided to full-time employees that are not provided to part time employees
6.71 Health and pension benefits [LA12]	LA6 Joint health and safety committees [LA6]	LA6 Percentage of workforce represented in
6.72 Percentage of senior-executive women [LA11]	LA7 Injury, lost days, absentee rates [LA7]	
6.85 Human rights screens in investment [HR3]	LA9 Average hours of training [LA10]	
	SO1 Policies managing impacts on communities [SO1]	
NEW: (43 Total)	SO3 Policy managing political lobbying [SO5]	
Core: (19)	PR1 Policy for preserving customer health [PR1]	
LA1 Breakdown of workforce	PR2 Policy on product info and labeling [PR3]	
LA2 Net employment creation and turnover	PR4 Instances of non-compliance [PR2]	
LA3 Percent of employees in union or collective bargaining		
LA4 Policy involving consultation with employees over changes in reporting	**Additional: (12)**	
LA6 Joint health and safety committees	LA15 Agreements with unions over safety [LA9]	
LA8 Policies on HIV/AIDS	LA16 Programmes to support continued employment and manage career endings [LA11]	
LA9 Average hours of training	LA17 Programmes for lifelong learning [LA11]	
LA10 Equal Opportunity Policies	HR8 Employee training on human rights [HR3]	
HR1 Policies on human rights	HR11 Human rights training for security [HR8]	
HR2 Evidence of consideration of human rights	S05 Money paid to political parties [SO6]	
HR4 Description of policy against discrimination	S06 Court decisions regarding anti-trust [SO7]	
HR5 Description of free association policy	PR7 Instances of non-compliance [PR4]	
HR6 Description of policy excluding child	PR8 Measuring customer satisfaction [PR5]	

labour HR7 Description of policy against forced labour SO1 Policies managing impacts on communities SO2 Policy addressing bribery and corruption SO3 Policy managing political lobbying PR1 Policy for preserving customer health PR2 Policy on product info and labeling PR3 Policy on customer privacy **Additional: (24)** LA13 Provision for worker representation in decision-making LA14 Compliance with ILO Guidelines LA15 Agreements with unions over safety LA16 Programmes to support continued employment and manage career endings LA17 Programmes for skills management of lifelong learning HR8 Employee training on human rights practices HR9 Description of appeals process HR10 Description of non-retaliation policy HR11 Human rights training for security HR12 Policies addressing needs of indigenous people HR13 Jointly managed community grievance HR14 Share of revenue redistributed to local communities SO4 Award received SO5 Money paid to political parties S06 Court decisions regarding anti- trust S07 Policy preventing anti-competitive behavior PR4 Instances of non-compliance PR5 Number of complaints PR6 Voluntary code compliance PR7 Instances of non-compliance PR8 Measuring customer satisfaction PR9 Adherences to standards related to advert PR10 Number of breaches of advertising PR11 Number of substantiated complaints	PR9 Adherences to standards related to advert [PR6] PR10 Number of breaches of advertising [PR7] PR11 Number of substantiated complaints [PR8] **NEW: (18 Total)** **Core: (15)** LA5 Minimum notice period regarding operational change LA8 Education, training, counseling, prevention, and risk-control programs regarding serious diseases LA13 Composition of governance bodies and breakdown of employees LA14 Ratio of basic salary of men to women by employee category HR1 Percentage and total of significant investment agreements HR2 Percentage of significant suppliers and contractors HR4 Total number of incidents of discrimination and actions taken HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced and compulsory labor SO2 Percentage and total number of business units analyzed for risks related to corruption SO3 Percentage of employees trained in organization's anti-corruption policies and procedures SO4 Actions taken in response to incidents of corruption S08 Monetary value of significant fines for non-compliance with laws and regulations PR9 Monetary value of significant fines for non-compliance with laws and regulations **Additional: (3)** LA3 Benefits provided to full-time employees that are not provided to temporary or part time employees, by major operations LA12 Percentage of employees receiving regular performance and career development reviews HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	formal joint management-worker health and safety committees LA8 Education, training, counseling, prevention, and risk-control programs in place regarding serious diseases LA9 Health and safety topics covered in formal agreements with unions LA11 Programs for skills management and lifelong learning LA12 Percentage of employees receiving regular performance and career development reviews HR3 Total hours of employee training on policies concerning aspects of human rights HR8 Percentage of security trained in the organization's policies concerning human rights HR9 Number of incidents of violations involving rights of indigenous people SO6 Value of financial and in-kind contributions to political parties, politicians, SO7 Number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices PR2 Number of incidents of non-compliance with regulations and voluntary codes PR4 Total number of incidents of non-compliance with regulations and voluntary codes PR5 Practices related to customer satisfaction, including results of surveys PR7 Total number of incidents of non-compliance with regulations and voluntary codes PR8 Total number of substantiated complaints regarding breaches of customer privacy PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data **NEW: (6 Total)** **Core: (6)** LA15 Return to work and retention rates after parental leave, by gender HR10 Percentage and total number of operations that have been subject to human rights reviews HR11 Number of grievances related to human rights filed SO1 Percentage of operations with implemented local community engagement SO9 Operations with significant potential or actual negative impacts on local communities SO10 Prevention and mitigation measures with significant negative impacts on local communities **Additional: (0)** None

Analysis and interpretation.

The following is the breakdown of the numbers of "Aspects" and Social

Performance Indicators in the different versions of the Guidelines:

- In G1, there were two categories and 12 aspects containing 35 performance indicators;

- In G2, there were four categories and 18 aspects containing 49 performance indicators;

- In G3, there were four categories and 22 aspects containing 40 performance indicators;

- In G3.1, there are four categories and 25 aspects containing 45 performance indicators.

Categories.

In G1, there were two overarching categories: "Workplace" and "Human Rights." Starting in G2, the number of categories grew to four, and these remained consistent through G3 and G3.1. Those four categories are: "Labor Practices and Decent Work," "Human Rights," "Society" and "Product Responsibility."

Aspects.

The number of aspects steadily increased with each subsequent version of the Guidelines, more than doubling from G1 to G3.1. Some of the aspects from G1 appear unchanged in all four visions. They are "Health and Safety," "Non-discrimination," "Child Labor" and "Indigenous Rights." Other aspects that were preserved in all versions but whose names changed slightly include: "Quality of Management" ("Strategy and Management" in G2), "Training/Education" ("Training and Education" in G2), "Forced Labor" ("Force and Compulsory Labor" in G2), "Freedom of Association" ("Freedom of Association and Collective Bargaining" in G2) and "Security" ("Security Practices" in G2). Five aspects from G1 were relocated into the "Human Rights" category in G2. They

were "Strategy and Management," "Non-discrimination," "Freedom of Association,"

"Child Labor" and "Force and Compulsory Labor." Many additional aspects were added

in G2, especially to the "Society" and "Product Responsibility" categories, and additional

ones were added in G3 and G3.1.

This expansion of categories (from G1 to G2) and aspects (with each subsequent

version) reflects the GRI's shifting scope and vision. The increase is perhaps most

dramatic in G2 with its elimination of one category and addition of three new categories.

This should not be surprising since the GRI made it clear in G1 that this area of

performance indicators was a work in progress and would inevitably change in future

versions of the Guidelines. Apparently the GRI felt that the overall categories were

sound since the GRI did not change them in G3 or G3.1, though, as noted earlier, it

continued to add new aspects in each subsequent version.

Indicators.

The number of Social Indicators has fluctuated throughout the various versions of

the Guidelines, but by any quantitative measure, this is the largest and most far-reaching

subcategory of the three. Consider that in G2, for example, there were almost four times

as many Social indicators (49) as there were Economic indicators (13). In G3.1, there are

nearly five times as many Social indicators (44) as there are Economic (9).

Table 13A lists the specific indicators that were eliminated or retained from a

previous version of the Guidelines as well as listing all new indicators. The turnover of

indicators between G1 and G2 was astounding:

- Of the 35 performance indicators in G1, only five were retained in G2 (14%);
  the other 30 were eliminated (86%);

- Forty-three new indicators were added to G2, 19 of which were labeled "Core."

Though not as pronounced, the high turnover of indicators continued between G2 and G3 as well:

- Of the 49 performance indicators in G2, 23 were retained in G3 (47%); the other 26 were eliminated (53%);

- Eighteen new indicators were added to G3, 15 of which were labeled "Core."

In contrast to the dramatic change found in G2 and G3, the turnover of indicators between G3 and G3.1 was minimal:

- Of the 40 performance indicators in G3, 39 were retained in G3.1 (98%); the other one indicator was eliminated (2%);

- Six new indicators were added to G3.1, all of which were labeled "Core."

It seems clear, then, that this was the one subcategory that truly remained in flux between G1 and G3. It also seems clear that the GRI was finally satisfied with the indicators based on the lack of turnover between G3 and G3.1.

Not in flux, however, was the GRI's move toward a greater percentage of "core" indicators with each subsequent version. This steady progression was noted earlier in the discussion of the Environmental subcategory, and it is evident once more within the Social subcategory:

- In G2, 24 indicators (49%) were "Core Indicators" and 25 indicators (51%) were "Additional Indicators";

- In G3, 27 indicators (64%) were "CORE" and 15 indicators (36%) were "ADD";

- In G3.1, 31 indicators (69%) were "CORE" and 14 indicators (31%) were

  "ADD."

One pattern that did differ in the Social subcategory was the use of quantitative and qualitative indicators. In both of the other two subcategories, G2 increased the total number of quantitative indicators considerably, then G3/3.1 decreased them in favor of the qualitative. In this category, however, that pattern is reversed. As the figures below show, G2 actually decreased the number of quantitative indicators quite dramatically, while G3 and G3.1 then increased them:

- In G1, 25 indicators (71%) were primarily/wholly quantitative in nature, six

  indicators (17%) were primarily/wholly qualitative, and the remaining four

  indicators (11%) were an equal combination of quantitative/qualitative;

- In G2, 20 indicators (41%) were primarily/wholly quantitative in nature, and

  29 indicators (59%) were primarily/wholly qualitative;

- In G3, 23 indicators (58%) were primarily/wholly quantitative in nature, 12

  indicators (30%) were primarily/wholly qualitative, and the remaining five

  indicators (12%) were an equal combination of quantitative/qualitative;

- In G3.1, 27 indicators (60%) are primarily/wholly quantitative in nature, 14

  indicators (31%) are primarily/wholly qualitative, and the remaining four

  indicators (9%) are an equal combination of quantitative/qualitative.

Several reasons are probable for this state of affairs. The G1 GRI Guidelines stated that the indicators for the Economic and Social subcategories were not as well established as the Environmental subcategory, so it is not altogether surprising to find the nature of indicators swing back and forth between quantitative and qualitative. Nor is it surprising

to discern that G2 relied more heavily on qualitative indicators for the Social subcategory, since the new categories—"Labor Practices and Decent Work," "Society" and "Product Responsibility"—did not fully lend themselves to quantifiable indicators.

While much could be gleaned from an analysis of the specific indicators themselves, such a comprehensive survey would be a daunting undertaking given the sheer number of indicators and substantial turnover between versions. More practical would be to identify patterns and emerging trends within the indicators as representative of the GRI's constantly-evolving vision of what constitutes social sustainability and how organizations need to engage with their stakeholders regarding ESG matters.

The first noteworthy trend was that all four versions had two key areas of labor practices: management/employee relations (including the role employees play in an organization's decision-making) and union relations/collective bargaining. G1, for example, had two indicators dedicated to the first area (6.63; 6.76) and two to the second (6.83; 6.84). G2 added one indicator to the first area (LA4; LA6; LA13) but did not change the number for the second (LA3, LA15). However, this counting of indicators does not reflect the degree of change that occurred between G1 to G2, which is, in fact, significant. The first change dealt with the positioning of the indicators. In G1, the indicators were scattered between different aspects and located toward the end of the category dedicated to "Workplace." In G2, the new category "Labor Practices and Decent Work" came first and the noted indicators came primarily from the second and third aspects within this category, which gave them far more prominence than in G1. The other change related to the way the focus of indicators dedicated to union interests shifted: G1's indicators asked about an organization's anti-union practices while G2's

asked about union membership and participation. Essentially what the GRI did in G2

was reframe the relationship between organizations and unions from adversarial to

collegial. G3 changed the focus yet again, by shifting away from union participation and

even more toward collective bargaining, which by 3.1 is defined as a "human right."

Another area of concern in the indicators that show GRI's shifting focus away

from management and toward individual employees can be found in the increased

emphasis on employee training and education. While G1 included three indicators

dedicated to this, the content and purpose of this training was largely unstated, save

fostering worker participation in decision making. This began to change with G2, which

included indicators dedicated to training programs that "support the continued

employability of employees and to manage career endings" (LA16) and "for skills

management or for lifelong learning" (LA17). These two indicators were conflated into a

single indicator in G3 and G3.1 (LA11). Though these indicators are classified as

"Additional/ADD" in G2, G3 and G3.1, they nevertheless reveal the GRI's prevailing

framing of 21st century organizations having the responsibility of training and educating

their workforce, either through internal training or through programs supporting external

education.

"Non-discrimination" was another aspect that was present in G1 but underwent

revision and expansion in future versions of the Guidelines. G1's indicator 6.72 asked

for the "percentage of women in senior executive and senior and middle management

ranks." In G2, this was expanded to read, "Composition of senior management and

corporate governance bodies (including the board of directors), including female/male

ratio and other indicators of diversity as culturally appropriate" (LA11). In G3, the

indicator was rewritten again to read: "Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity" (LA13). G3.1 altered this indicator only slightly by inserting the word "employee" before the word "category." However, additions to other indicators in G3.1 made it clear that the GRI had become quite serious about collecting gender related data. The phrase "by gender" was inserted into five indicators under the "Labor Practice" category (LA1, LA7, LA10, LA12, and LA15). Moreover, another aspect was developed called "Equal Remuneration for Women and Men," and contained only one indicator that had previously appeared under the aspect "Diversity and Equal Opportunity." That indicator in G3 read: "Ratio of basic salary of *men to women* by employee category [emphasis added]" (LA14). In G3.1, this was rewritten to read: "Ratio of basic salary and remuneration of *women to men* [emphasis added] by employee category, by significant locations of operation" (LA14). This reversal of gender order seems calculated to heighten G3.1's emphasis on gender as a significant component of sustainability reporting.

Interestingly, as the GRI became progressively more focused on gender and diversity in later versions, one aspect that received less attention was indigenous rights. After having increased the number of indicators from two in G1 to three in G2, the GRI elected to reduce this aspect to just a single indicator in G3, and further chose not to alter it in any way in G3.1. There is a certain logic to downsizing this aspect since not every organization operates in regions populated by indigenous peoples, which would explain why all the indicators are classified as "Additional" or "Add." However, as more and more organizations worldwide outsource jobs to developing nations where labor costs are

significantly lower and regulations much less worker-friendly, the GRI's decision did seem at odds with its increased focus on gender, diversity and human rights seen elsewhere throughout G3.1.

The next trend of significance was the GRI's evolving focus on human rights. The fact that G1 made human rights one its two categories and the fact that the category was not only retained but expanded in G2 (by shifting the five aspects noted earlier into the human rights category) confirmed that this was an important area to the GRI. If the G3.1 overview to this subsection was any indication, it had become significantly more important. What is worthy of note within the indicators is the manner in which each version addressed the issue of suppliers in the human rights equation. In G1, "Suppliers" was actually its own aspect, albeit the last one. In total, there were three indicators addressing issues of performance (6.92), incidences (6.93), and monitoring (6.93 [sic]). In G2, there was but one indicator that addressed the "supply chain and contractors" (HR3). In G3, there was also only one indicator that addressed screening "significant suppliers and contractors" (HR2). So, while the actual number of indicators was fewer in G2 and G3 than in G1, they were positioned near the beginning in subsequent versions, reflecting an increased level of importance. However, in G3.1, the phrase "and significant suppliers" was added to three more indicators, bringing the total number of indicators that referenced suppliers to four, the most of any version.

A second change in the human rights indicators needs comment. Unlike G1, which provided no external support or guidance in the indicators themselves, G2 frequently cited the ILO as the international standard to follow. HR1, for example, included the following statement immediately after the indicator: "State how policies

relate to existing international standards such as the Universal Declaration and the

Fundamental Human Rights Conventions of the ILO" (p. 53). This was not the only

instance; both HR6 and HR 7 reference ILO conventions as well. This reliance on

international laws and conventions was not limited strictly to the Human Rights category

either; SO2 references the OECD Convention on Combating Bribery. Interestingly, these

references to external conventions within the specific indicators were abandoned in G3

and G3.1. Instead, such references were placed in the overview comments to the Social

indicators but not within the indicators themselves.

The third category in G2, "Society," was new to that version. It focused on

aspects of community, corruption, contributions, and competition. In total, there were

seven indicators in this category in G2. In G3, there are eight indicators split between

between aspects. However, the number of indicators related to "Corruption" expanded

from one to three, indicating GRI's growing recognition of this problem area. G3.1

maintained seven of the eight indicators, but eliminated the first and only indicator under

"Community," and replaced it with three new indicators that all focused on "local

communities," a shift noted in the earlier evaluation section of the Economic

subcategory. This heightened emphasis on "local" communities was noted early in the

Environmental subcategory.

The last category, "Product Responsibility," was also new to the G2, though the

second aspect in the category—"Products and Services"—actually was relocated from the

Environmental indicators subcategory in G1. The one indicator from G1 related to

advertising was actually developed into its own aspect in G2, complete with two new

indicators. This was later renamed "Marketing Communications" in G3 and G3.1. In

terms of the actual content of the indicators, little actually changed between G2 and G3,

and absolutely nothing changed between G3 and G3.1 as they are exactly the same

document with respect to this category.

Finally, there was one labour indicator in G2 that needs explication, LA8, which

asked for a "Description of policies or programmes (for the workplace and beyond) on

HIV/AIDS." The presence of this indicator would not be as strange if it were an

"additional" indicator since the GRI is concerned with global matters, and many of the

reporting organizations could be operating in parts of the world where the AIDS

epidemic is a significant obstacle to sustainability. However, this is not an "additional"

indicator; rather, it is classified as a "core" indicator. Such a classification meant that this

indicator was to be answered fully by all users of the document. This necessarily raised

the question, why this and not that? Why AIDS and not cancer, for example? Was it

inserted for idealistic reasons, or was it included because the Bill and Melinda Gates

Foundation made a generous contribution that year to the GRI? This last question may

appear cynical, but clearly the GRI was concerned enough about being perceived as

willing to sell indicators to the largest donor, since it was the GRI itself that chose to

eliminate this indicator in G3 and replaced it with the more comprehensive indicator

presented here: "Education, training, counseling, prevention, and risk control programs

in place to assist non-workforce members, their families, or community members,

regarding serious diseases" (LA8). This indicator remained, unchanged, in G3.1.

Table 13B summarizes the key data points contained in the preceding analysis and

interpretation.

Table 13B

Summary of Key Data Points in "Social Performance Indicators"

Social	G1	G2	G3	G3.1
Number of Categories	2	4	4	4
Number of Aspects	12	18	22	25
Number of Indicators	35	49	40	45
Number of "Generally Applicable/Core/CORE" Indicators	N/A	24	27	31
Number of Organisation-specific/Additional/ADD" Indicators	N/A	25	15	14
Number of Quantitative Indicators	25	20	23	27
Number of Qualitative Indicators	6	29	12	14
Number of Quantitative/Qualitative Indicators	4	0	5	4

Explication of Integrated Indicators

Analysis and interpretation.

The final subcategory included in G1 was called "Integrated Indicators" which

were described as "those with the potential to become generally applicable or

organisation-specific, but which are currently at an early and experimental stage of

development" (p. 35). According to G1, there were two types of Integrated indicators:

systemic and *cross-cutting*. Systemic indicators "reflect a movement towards linkage and

harmonisation between a) organisation-level information and b) sectoral, national,

regional, and global scale information" (p. 35). Cross-cutting indicators "bridge

information across two or more of the three elements of sustainability" (p. 35). After

defining the indicators and providing examples of each type, G1 closed with a request

that reporting organizations "select and explain the measurement approach of at least one

systemic and one cross-cutting indicator" (p. 35) and that "examples of both…will appear

on the GRI website and will be continuously updated and expanded" (p. 36). Finally, the

section ended with the GRI soliciting feedback from users with the intent of

strengthening these indicators in future versions of the Guidelines.

The most obvious change between G1 and G2 was that the Integrated indicators

subsection was moved from last in G1 to first in G2. Another change in G2 was that

organizations were encouraged "to consult with stakeholders and develop an appropriate

shortlist of integrated indicators" (p. 44). Like G1, G2 then defined both types of

indicators and provides examples of each. These were more specific examples than in

G1 and provided a better sense of how the GRI wanted the reporting organizations to

think about the respective types of indicators. One reason for this greater clarity was that

the GRI received constructive feedback following its request in G1. In fact, there was

even an acknowledgement of that feedback: "Many organisations have proposed

standardized sets of…" (p. 45). However, unlike G1, G2 did not solicit examples or

feedback from the users, nor did it reference its own website.

In G3/3.1, this subcategory was eliminated altogether. No reason was provided,

though one could speculate that it was no longer necessary as the indicators in the other

subcategories became increasingly "integrated" – for example, in EC2, which asked

organizations to think about the financial impact of climate change on their operations.

This was exactly the kind of cross-cutting indicator that join together two of the three elements of sustainability (i.e., the economic and environmental). Another reason the GRI might have had for eliminating this subcategory was because the indicators were not soliciting the types of information that the GRI desired. Whatever the possible motivation(s), the fact is that this went from the last subcategory of indicators in G1 to the first in G2 to complete elimination in G3.

Chapter 8

Discussion: Evolutionary Change in Design Proposal for Reporting

The previous chapters described the analysis conducted, discussed the results obtained, and offered an interpretation of the findings. The GRI has been advocating that organizations worldwide engage with society about ESG matters through comparable, credible, and comprehensive sustainability reporting. In this way, sustainability reporting represents the main move defined by the GRI in the business-society dialogue about sustainability, a move whose features have been variably defined over the years. The design stance utilized in this study has directed the focus of the research toward observation of these variations over time. The main focus of the analysis was on describing the nature of the reporting move as the key instantiation of the GRI's design proposal for organization-stakeholder communication about ESG matters. The goal of the interpretation was to elucidate the standpoints and rationales, the premises and idealizations as features of the reporting sub-moves specified by the GRI.

Articulating the facets of the GRI's design proposal for the reporting move and its features has enabled the discovery of aspects of organization-stakeholder communication proposed by the GRI, and these aspects essentially represent the ways that the GRI has been conceptualizing the role of business in society. The analysis of changes in the GRI Guidelines over time has allowed for a thorough examination of how these conceptions have evolved, and what has been highlighted and hidden as a result of these transformations. The study has thus enabled comment about *the nature of communication design practice that shapes communication about the role of business in society* – the

main question guiding this investigation that has emerged from the earlier discussion of the puzzling aspects of CSR and civil regulation.

This discussion articulates the main findings of the study relative to understanding what the design practice of the GRI consultancy hides and highlights about organizations' ESG performance. The discussion describes two main findings of this study and explains those relative to *what* the GRI has been doing in the realm of civil regulation and *how* it has been doing this. These orienting points of discussion contextualize and provide dimension to the detailed results explicated in the previous chapters by describing an evolving model of the organization-stakeholder communication designed to achieve the preferred state of organization-stakeholder dialogue. Further, the discussion illustrates that the GRI has intervened significantly in the arena of civil regulation, and that the main technology it introduced has functioned not only as a set of specifications for organization-stakeholder engagement regarding ESG but has in fact evolved into a didactic tool to educate organizations *and* stakeholders about a "full picture" of sustainability.

This study has conceptualized the GRI as a provider of an expert communication and information service. The design stance helps to understand their expert servicing as an intervention into an ongoing business-stakeholder dialogue about ESG, prompted by the exigence of civil regulation. The intervention is intended to discipline the way organizations communicate their sustainability efforts to the stakeholders, and this is accomplished through the GRI's design proposal for how the move of reporting is to be carried out. The GRI's design proposal for the reporting move represents their orientation toward the preferred kind of dialogue about ESG matters. The nature of this

move is characterized by features that can be observed in the standpoints and rationales of the design object. Inherent in these specifications are premises and idealizations about what constitutes effective communication practice. Also inherent in the elements of the move are GRI's presuppositions about idealized norms for constitutive aspects of corporate social responsibility, and sustainability. The changes observed in the specifications for how a sustainability report is to be completed are also illustrative of the way this practice has become institutionalized over time.

A move can be thought about as purposeful action comprised of several sub-moves; on the surface level, the reporting move's main goal is simply to inform stakeholder audiences about organizational performance. However, the reporting of sustainability performance has been shown to be a highly complex move with infinitely expandable subcomponents, each of which aims to address some contextual demand or goal. There is a large number of possible demands and goals, which stem from the puzzling aspects of civil regulation, and they make it difficult for organizations to adapt. However, the GRI has intervened into that space and has claimed its place as the main authority worldwide that helps make sense of these demands and goals. The GRI Guidelines represent a tool through which the GRI specifies how organizations should engage with their stakeholders about economic, environmental, and social aspects of performance. The premise of the GRI is that organizations should follow its advice if sustainable business practice is the goal. The analysis has shown that the GRI Guidelines have substantially developed the reporting move and sub-moves through the successive versions of the Guidelines, and in this we see the evolution of the design object that attempts to address the multiple demands and goals referenced above. This design

object's evolutionary path has shown a clear development of sustainability reporting as a new reporting genre.

An important finding in this study is that the reporting move put forth by the GRI has changed from being ultimately about *the sustainability of the reporting organization* in G1, to being primarily about *reporting organizations sustaining larger environmental, social, and economic systems* in G3/3.1. This change in premise of the design object has been significantly consequential for how companies are expected to make the moves in this dialogue, and for what company-stakeholder dialogue is about. With each version of the Guidelines, the move becomes less and less driven by what the company may wish to report, and increasingly more driven by the need to be responsive to the ever-increasing number of external standards stipulated by the GRI.

The development of the reporting move observed in the changes between G1 and G3/3.1 has been substantial, and in fact consequential for what is represented by the reporting genre. It is useful to recall that genres of organizational communication emerge because they address some type of exigence (Yates & Orlikowski, 1992). While the fact of the emergence of the genre of sustainability reporting as a response to the growing exigence of civil regulation is perhaps unsurprising, what is surprising, or at least unanticipated, is the revolutionary change that has taken place within this reporting genre. This can be seen in the sustainability reporting content, presentation, structure, scope, and above all its meaning. It is helpful to recall also that this type of reporting has been characterized by discourse-bridging with the familiar financial reporting form (Etzion & Ferraro, 2009). This was one of the ways that uptake was sought by the GRI. The findings of this study indeed confirm that a clear link to financial reporting is observed in

G1; perhaps the observed link is even better termed *genre-bridging* due to the GRI's reliance on the structural, contextual, and philosophical underpinnings of the financial report to ground the development of its instructions and rationale for reporting on the ESG aspects of performance, particularly the Economic indicators.

Yates and Orlikowski's (1992) theorizing about genre and genre rules provides important perspective about what has been going on with the genre of sustainability reporting. Much of the explication of the features of sub-moves, including instructions for how to accomplish the moves and the sub-moves, constitutes institutional rules, which are "important types of resources, and … those who can shape or influence them possess a valuable form of power" (Scott, 1987, p. 508, as quoted in Yates & Orlikowski, p. 321). It can be argued that as the designer of this new institutionalized genre of sustainability communication, the GRI exhibits and builds upon a growing sense of power – a power whose influence extends beyond providing guidelines for reporting to dictating a certain kind of conduct and advocating a particular role for organizations to play in sustaining their local communities and the world. Genres of organizational communication indeed have the potential to impact not only organizational life but the broader society as well. Even though the same basic functional action of reporting is being advocated by the GRI and executed by the organizations, the observed design path of the sustainability reporting has shown that this genre has changed from being simply an "instrument of impression management" (Yates & Orlikowski, p. 321) to becoming more of a "carrier of ideologies and cultures" (p. 321).

This chapter proceeds with a discussion of several interrelated findings of this study.

Evolution of Design for Communication and Associated Stakeholder Dialogue

Two key findings emerged from the analysis and interpretation of changes over time in the "Report Content"/"Standard Disclosure" sections of G1, G2 and G3/3.1. Broadly, the findings address the themes of the two main research questions: (1) the nature of the evolutionary path of the design for communication under investigation, and (2) the evolution of specifications for organization-stakeholder dialogue relative to the GRI's design for communication. The findings are briefly outlined below and are followed by a detailed discussion of the patterns that emerged relative to their substantiating evidence.

Finding 1.   *The GRI's specifications for what organizations should report have changed over time from flexible requests to provide factual information about current activities (G1) to more imperative requests to account for past and present behavior while embracing a global view of expansive civic responsibilities (G3/3.1).*

The analysis of change over time in the design proposal for the reporting move has shown that the Guidelines have been soliciting increasingly detailed information about an expanding range of commitments for which the organizations are held progressively more accountable. Sustainability reporting has emerged as a genre of organizational communication (Yates & Orlikowski, 1992) distinct from the financial reporting in the former's emphasis on the need for multilateral commitments to sustainability of local and global communities on behalf of the reporting organizations. The observed evolution and institutionalization of the GRI's design for communication was contributed to through a gradual increase in commitments solicited from the

organization: from securing initial commitment by introducing a topic via an Additional

indicator, to putting forth such topic as central to sustainability via its designation as a

Core indicator in the next version.

Finding 2.   *The patterns of the GRI's use of the observed features of the sub-moves*

(justification, function, utility, and instruction) showed that in G1, the

GRI itself was modeling the kind of dialogue with stakeholders that it

desired from the reporting organizations. The GRI began to move away

from this in G2, and had fully divorced itself from the approach in G3.

The original conceptualization of this study specified an analytical focus on the

GRI's expert service intended to provide a solution for business-stakeholder interaction

regarding ESG matters. Research question 2 specifically called for an explication of

GRI's advice for how companies should talk to their stakeholders about CSR. While this

question has been addressed through the analysis, another related focus came to the

forefront during the iterative steps of data analysis and interpretation. This other focus

had to do with *the interaction of the GRI and their own stakeholders*.

An unvocalized premise in this study has been that the main stakeholders of the

GRI Guidelines are the report users, i.e., the reporting organizations. At least this

appeared to be the case since the GRI's primary service and original reason for being

have been the development of the sustainability reporting Guidelines. Undoubtedly a

plethora of other parties can rightfully consider themselves important stakeholders of the

organization; however, GRI's own sustainability as an organization is predicated on there

being users of its Guidelines. These premises have not necessarily been questioned, but

they have been somewhat challenged by the findings, which suggest that at least in

certain ways and in certain places, the GRI's expert advice is not primarily driven by the

advice from or best interests of the reporting organizations. These findings will be

further described and discussed. Essential to this brief overview is the point that a

meaningful change has been observed in the way the GRI interacts with and relates to the

Guidelines' users. The role of the report users can be characterized as GRI *partners* in

G1, *clients* in G2, and *subjects* in G3/3.1. The bases for these characterizations are

described further in the main discussion of the finding. The role of the report users in the

GRI-stakeholder dialogue is fundamental to understanding the design for communication

investigated in this study because the design proposal for the reporting move –

development of the Guidelines' document – is based, according to the GRI, on continual

consultation with organizational stakeholders (OS).

The two main findings introduced above will be discussed in turn. Supporting

evidence and detailed discussion for the findings is presented in the form of specific

examples that represent the elements and features of the GRI's specifications for the

reporting move. The discussion points out what has been highlighted and what has been

obscured in each version of the Guidelines through these specifications. The resulting

narrative discussion addresses the opening claim of this study by systematically

conveying a story about the evolutionary path of the design for communication that was

discovered.

G1»G3 Change in Design Proposal Specifications for the Reporting Move

Each new version of the Guidelines resulted in changes from previous versions as

the GRI made changes to its proposal for the reporting move. Even a cursory

examination of the "Report Content" section between G1 and G2 and the "Standard

Disclosures" of G3 would reveal a substantial number of macro- and micro-level changes. Main changes are summarized and discussed below.

Substantive, organizational and structural changes.

Length. G1 is 54 pages in length, and the "Report Content" section is 13 pages. G2 is considerably longer: 96 pages in length, with 23 pages dedicated to the "Report Content" section. After receiving criticism for what many felt was an overlong document, the GRI reduced the length of G3 to a more manageable 41 pages, with 17 pages devoted to the "Standard Disclosures" section.

Categories. Categories represent the sub-moves of the reporting move that is the object of design. The types of sub-moves have changed between the versions of the Guidelines, and these changes have prioritized certain elements of the sub-moves while deemphasizing others. Change within the categories between Guidelines versions were represented by change level scores. The analysis section of the study explicated the levels of change observed based on change within features of the categories. The overall change level for each category has been calculated, and this resulted in a hierarchical assessment of overall change, from most to least changed categories for each version of the Guidelines. These rankings are shown in Appendix F. The following points summarize the main category-level changes that took place across versions.

- G1 contained one more category than G2, which combined the "CEO Statement" and "Vision and Strategy" to form a single category. Additionally, G2 placed the "Statement from the CEO" second in the report instead of first, where it had been positioned in the G1. G3 likewise had only five categories, but it did return the "Statement from the most-senior decision maker" to the

first position. The change in the Naming feature of the sub-move showed that

the CEO was no longer expected to be the one supplying the main statement;

rather, the choice to highlight the "most senior decision-maker" indicated that

organizations whose leaders were not CEOs were expected to become users of

the Guidelines.

- The "Executive Summary" category in G1, which the GRI called a "key

  component" of sustainability reporting, was eliminated altogether in G2 and

  replaced with the "GRI Content Index." G3 not only maintained the Index but

  also increased the number of items to be included from five to eight. G3 also

  instructed reporting organizations to provide page numbers and/or web links.

- A new concept of "in accordance" was introduced in G2 to ensure reporting

  organizations were following GRI reporting specifications. G3 built on this

  and added a new subcategory called "Assurance."

Indicators. Indicators represented specifications for what organizations need to

disclose regarding their economic, environmental, and social performance. Changes in

indicators within performance categories showed which topics were positioned by the

GRI as more or less important. Indicators were also used strategically as a means to

gradually introduce and consequently embed topics into the business-stakeholder

dialogue about sustainability. Developments within and between the three main types of

indicators specified are discussed below; however, a separate point should be made about

the silent disappearance of the Integrated subcategory of indicators.

Integrated indicator type. Although the initial stated premise of the GRI was to

develop Integrated indicators, and organizations were specifically called upon in G1 to

provide recommendations and examples of such cross-cutting indicators, the subcategory never materialized. The elimination of any mention of Integrated indicators in G3/3.1 is not explained or commented on in any way. However, the analysis reveals that there are two plausible explanations for this significant change in specification for the reporting move, in the form of abandonment of an entire indicator type.

The first explanation is that the GRI began to recognize that many indicators were already interrelated and chose to position those indicators themselves. To illustrate: in G2, the GRI started integrating indicators through restructuring. For example, several indicators from the Products and Services aspect under the Environmental subcategory in G1 were subsequently moved under the Social category in G2. In another example, indicators for Child Labor and Compulsory Labor, initially placed under the Workplace aspect of the Social subcategory in G1, were placed under a different aspect (Human Rights) within same subcategory (Social) in G2. In yet another example, G2 developed the Labor aspect within the Social subcategory even though Labor concerns are arguably under the purview of Economic indicator type as well as Social. G3 was characterized by even greater indicator overlap. For example, EC2 (Economic indicator 2) in G3 asked organizations to report on risks and opportunities due to climate change, a traditionally environmental concern.

These types of micro and macro level changes in indicator placements and especially changes between versions suggest that the GRI had been thinking through Integrated indicators in earlier versions and incrementally weaving them into the three main types. This point is relevant for explication of the second plausible explanation for elimination of the Integrated category, which is about the GRI's overall focus and

incremental embedding of Core indicators. Integrated indicators are probably the ultimate *organization-specific* ones (i.e., Additional), since those that are relevant for all three aspects of performance are bound to be linked by the specific context of the particular organization that develops them. The potential for having to incorporate a large number of organization-specific indicators would have likely been something the GRI would have preferred to avoid, given its tendency toward building up Core categories, and replacing Additional ones with Core (this point discussed elsewhere). This second explanation for the elimination of the Integrated type is likely the better one because the number of "naturally" Integrated indicators described earlier is still not large enough to suggest that the GRI has been moving toward integration. Instead, they appear to be moving toward creating a robust set of universally applicable indicators.

Changes in Environmental, Economic, Social indicator types. The following points describe the main changes that have taken place.

- While G1 had the most categories, G2 had the most indicators (97). G3 had the fewest number of indicators (79), but as was explained in the interpretation of the results, G3 would often condense multiple indicators from previous versions into a single indicator in G3. In this way, the G3's simple formatting changes, which did not contribute to ease of use but arguably impeded it, obscured the fact that the amount of information requested was quite similar to that in the earlier versions, even though (seemingly) fewer indicators were put forth.

- Four types of indicators were introduced in G1: Environmental, Economic, Social and Integrated. G2 kept these four indicator types but presented them

in a different order: Integrated, Economic, Environmental and Social. G3

reduced the number to three types of indicators, eliminating the reference to

the Integrated type.

- The terms "Generally Applicable" and "Organization-specific" in G1 were

  changed to "Core" and "Additional" in G2; and these new classifications were

  applied to all performance indicators, not simply the Environmental indicators

  as in G1. G3 kept G2's terminology but wrote the words using all caps

  ("CORE") and abbreviated "Sdditional" to simply "ADD."

- The numbering of the indicators changed considerably. In G1, the indicators

  were numbered (6.1, 6.2…all the way to 6.93), with the first number before

  the decimal point representing the category, and the one following it

  representing the specific indicators. This changed in G2; the indicator was

  assigned two letters and a number (EC1, EN1, LA1, HR1, and so on), with the

  letter representing the aspect (EC=Economic), and the number corresponding

  to the position of an indicator in the series. G3 maintained G2's numbering

  system.

- The way indicators were presented also changed. In G1, the indicators were

  essentially presented chronologically (see Appendix D). In G2, a new table

  chart was developed that placed "Core" indicators on the left side and

  "Additional" indicators on the right side (see Appendix D). This framing

  model served to highlight which indicators were "Core" and which ones were

  "Additional." This reconceptualization of framing was not minor. Both G1

  and G2 called upon organizations to present a "full picture" of their

operations. The layout of indicators in G1 was analogous to a "paint by numbers" exercise. In contrast, the layout in G2 was more akin to the pre-drawn images one might find in a coloring book. G3's presentation of indicators essentially split the difference (see Appendix D). It presented the indicators in a linear and chronological fashion like G1, but maintained the structural headings and organization of G2. The key difference from the earlier versions was that G3 placed the classification codes "CORE" and "ADD" in color-coded vertical boxes to the left of the indicator. However, because the color shades selected – light blue for "CORE," gray for "ADD" – were difficult to distinguish in a color copy and nearly impossible in a black and white photocopy, these indicator classifications became blurred. If G2's layout highlighted an indicator's classification, G3's layout obscured it and made all of the indicators appear equally important.

Functional changes in G1, G2, G3/3.1.

G1: discussion of type of tool. Changes to the content and organization of the Guidelines were significant indicators of overall change in the function of the reporting move as exemplified by the Guidelines. In many ways, a sustainability report using the G1 Guidelines would have resembled a typical financial report in terms of layout (starting with a CEO statement, then an organizational profile, etc.). In G1, the GRI alluded to the comparability between sustainability and financial reporting, though emphasized the importance of the sustainability reporting by explaining that the impacts organizations have on economies "are not fully captured and disclosed by conventional financial accounting and reporting" and that "additional measure are required to capture

the full range of an organisation's economic impacts" (p. 31). Yet the information

solicited in the Economic indicators in G1 looked remarkably like that in a financial

report, with organizations reporting on profits, investments, wages, suppliers and so on.

In fact, there was only one aspect in this subcategory that one would not necessarily

expect to find in a financial report – "Community Development." However, even the two

indicators in this category (jobs by type and country; philanthropy) would not be out of

place in a financial report. This bridging could have been simply a matter of

convenience: the GRI was not certain what Economic indicators to include (this is

supported by GRI's solicitation of feedback for the purposes of "enhancing future

revisions") and so relied on the more familiar form of the financial report. Alternatively,

the bridging could have been done intentionally to rely on this type of *genre bridging* to

encourage buy-in, seeing as most if not all the reporting organizations would have

already possessed the necessary information to complete that section of the report.

Whatever the basic rationale, this genre bridging materialized in generating

uptake of the Guidelines. This success can be understood conceptually by invoking one

of the seven facts about communication described in the earlier review of design

principles: effective design draws upon culturally shared assumptions about effective

communication (Aakhus & Jackson, 2005). The rationale for and instantiation of the

next step in GRI's development can be understood in terms of another fact about

communication design: the interactionally emergent nature of the design practice

(Aakhus & Jackson, 2005). Following the introduction of G1, in which feedback about

further developments was solicited, the GRI revised the Guidelines and introduced the

G2. In this way, the G1 represented the initial intervention that was responded to by

users, and the new version was redesigned with the goal of correcting functions of G1 that did not work with the users' experience. This type of reflection, as valuable aspect of design rationality, was consequential for successful redesign as it afforded the opportunity to change the design for communication – alter the specifications for the reporting move – in ways that were responsive to users' demands (Schön & Rein, 1994).

Following this process of reflection and redesign, G2 emerged as a decidedly dissimilar document, with an altogether different set of specifications for how companies ought to engage in the reporting move, and a different set of commitments solicited from the reporting organizations.

G2: discussion of type of tool. The structure of G2 did not resemble the financial report nearly as much as G1. The "CEO Statement" was no longer the first category in the report. The "Executive Summary" was replaced by the "GRI Content Index." The Economic indicators were substantially revised, with nearly two-thirds of the indicators present in G1 eliminated (mostly those having to do with profits and investments). Even the overview to this subcategory revealed a different way that the Economic indicators were conceptualized. G1 stipulated, "Organisations affect the economies in which they operate in many ways, including through their use of resources and creation of wealth" (p. 31). In G2, this was revised to read, "The economic dimension of sustainability concerns an organisation's impacts on the economic circumstances of its stakeholders and on economic systems at the local, national, and global levels" (p. 45). This represented a significant shift in the way the GRI perceived organizations' impact and responsibilities: G2 positioned organizations as having greater influence over not only "economies in which they operate" but broadly at the "local, national, and global levels."

G2 then represented a marked shift away from a focus on aspects of the organization's own sustainability and toward thinking about how organizations affect the sustainability of economic as well as environmental and social systems both locally and globally. This was especially evident in the restructured and greatly expanded Social indicators subcategory, which eliminated one aspect and 30 indicators from G1 and replaced them with three new aspects and 43 new indicators (see Table 13A). Arguably the most significant new addition in this subcategory was the introduction of "Labor Practices and Decent Work," with its emphasis on unions and collective bargaining, as the first aspect. Whereas G1 positioned the Economic and Social dimensions from the perspective of an organization's upper management, G2 conceived them from the working man's perspective. (G3.1 will later correct this oversight and conceive it from the working woman's and man's perspective.) G2 also became increasingly political in its overtones, as evidenced not only by the aforementioned focus on union membership and collective bargaining rights, but also by the inclusion of a Core indicator about HIV/AIDS programs provided by the organization, an indicator that was eliminated in G3.

The types of changes observed in G2 illustrate the changing nature of the reporting move put forth by the GRI. One distinct difference from G1 lies in the fact that the nature of specifications for how to engage in the reporting move changed from being oriented strongly toward usability by reporting organizations in G1 to being oriented more toward usability by the reporting organizations' stakeholders. The design for communication that is G2 makes a number of forward-looking claims about the nature of sustainability and aims to expand the boundary of the domain of CSR to topics that G1

left unexplored. No longer a companion to the financial report, G2 breaks away from that genre and attempts to establish the genre of sustainability reporting as distinct. G2 essentially pushes the organizations to take seriously their role as powerful actors in society and to begin to embrace their responsibilities to society and community. The significant expansion in size of the G2 document, evident in the increased number of indicators, addition of new aspects, and overall increased amount and differentiation of topics, instructions, rationales, and justifications is illustrative of this ambitious design move on the part of the GRI to re-envision not only sustainability reporting but also the very definition and nature of corporate social responsibility. This re-envisioning figures only more prominently in G3.

G3/3.1: discussion of type of tool. Earlier it was shown that the GRI's intent in G1 was to connect one genre (sustainability reporting) to a different but related genre (financial reporting) via the bridge of Economic indicators. That effort was clearly abandoned in G2 and all but forgotten by G3. Ten separate indicators that were of a financial reporting nature from G1 were conflated into a single indicator (EC1) in G3 (see Table 12). The second Economic indicator in G3 focused on the financial impact of climate change (a global concern), and two more indicators focused on the issues of using "local" suppliers and hiring "local" population, none of which would be the kind of information one would expect to find in a financial report.

Ultimately, G3 can be viewed as a didactic tool whose main purpose was to evoke positive social and political change on an increasingly global scale. Comments such as, "There is a growing global consensus that organizations have the responsibility to respect human rights" (p. 32), and, "Social Performance Indicators focus attention on the impacts

organizations have on the communities in which they operate, and disclosing how the

risks that may arise from interactions with other social institutions are managed and

mediated" (p. 36) revealed the GRI's emergent position that organizations have an ethical

responsibility and moral imperative to address social ills. There is a shift from CSR

practice being about accounting for an organization's own actions (although this is still a

central concern), to CSR being a means to promote and invest in the well-being of

communities at large. This perspective can be seen in the individual indicators

themselves. For example, in the Environmental indicators subcategory, six new

indicators were introduced in G3. Three of these indicators asked organizations to report

on specific initiatives to reduce indirect energy usage, to reduce greenhouse gas

emissions and to mitigate the impact of products and services. The other three indicators

addressed recycling, energy conservation, and habitat protection and restoration efforts.

More than this, however, the indicators not only asked about existence of current

initiatives, but they also asked about how successful those initiatives had been. These

types of requests in G3 can be seen as evidence of meaningful interconnectedness

between the versions of the Guidelines: a number of indicators in G1 solicited

information regarding an organization's future targets, as well as plans to implement

programs to minimize negative externalities, and then G3 asked about those programs'

success. In G3, the future was yesterday.

This shift was representative of the fact that the GRI had changed significantly the

specification for the focus of "what" organizations had to communicate to the

stakeholders about their ESG performance, from instructing the organizations to report

about what they were *planning to do* in G1, to what they *were doing* in G2, to what they

had done in G3/3.1. At first glance, this simply shows that G3 was more focused on

accounting about past behavior. However, it is worth highlighting that the focus of the

indicators on previous commitments has great potential for threatening organizations'

face in case commitments promised went unrealized, or in case such commitments were

never made. A consideration of the fact that participants' face concerns are important to

consider in communication design (Aakhus & Jackson, 2005) leads to a speculation that

concerns for one's own face may have affected some organizations' desire to use this

voluntary standard for sustainability reporting. Although for some this may have turned

them off the GRI, perhaps also the high expectations for organizational commitment to

CSR and sustainable business practice prompted some to reconfigure their governance

models and increase commitments to sustainability as a way to manage threats to own

face. The significantly increased uptake of the GRI following the introduction of G3

suggests that the latter may have been the case. In either case, the G3 was clearly secure

in that it had found the key to a sustainable utopia, at least for the time being, as no

changes were made to this version of the Guidelines for the five years following its

introduction.

Most recently in March 2011, the GRI issued an amended version of G3 – G3.1 –

with an expanded content within the Social indicators subcategory. Version G3.1 closely

resembled G3, with only minimal modifications. The bulk of the changes focused on

three issues: a concern for gender equality in the workplace, increased attention to local

communities, and an even greater emphasis on the power of organizations to effect

change with regard to human rights. G3.1, more than any prior version of the Guidelines,

focuses on the development of the Social indicators. G3.1 is most clearly not simply

intervening into the ongoing dialogue about the role of business in society, but is rather introducing new topics into the conversation.

Although the topics themselves are certainly not new (i.e., gender equality in the workplace has been an important issue in most developed countries for at least several decades), the emphasis they are given in G3.1 frames them in new light – not as simply something to discuss but as something that is omnipresent and actionable. For example, as the results demonstrated, G3.1 called for the organizations to provide data for many indicators separated "by gender." Most organizations presumably do not collect information categorized by gender, and some may not report such information due to liability and other concerns (e.g., as stated in the Alcoa GRI Content Index [2010]: "Processes for collecting the data on a global level do not exist currently. In addition, the information is of a sensitive nature and open to privacy concerns and other issues"). However, as has been the case with incremental introduction of other indicators, introducing a new concept will yield its eventual representation in future reports, while in the meantime raising awareness about the issue.

Having remained unchanged from G3 except for the introduction of the aforementioned topics, G3.1 represents a clear stepping stone to G4, scheduled for release in 2013. At the present time, companies have the option to continue to report using G3, although the use of G3.1 is encouraged. Because of the recency of the introduction of G3.1, data about its uptake, or lack thereof, is unavailable. At the very least, however, G3.1 can be viewed as a harbinger of what is to come, a preview of the future of sustainability reporting and of important topics for the field of CSR and the arena of civil regulation.

The discussion of topics that have been highlighted by the GRI necessitates a discussion of what has remained hidden or obscured by virtue of omission or lack of emphasis. Several observations can be made about the GRI's evolving concern with human rights, which has been a concern from its inception. Human Rights has been an aspect of the Social indicators in every version of the Guidelines, and it has only grown in importance and stature as a key moral concern that organizations can and should do something to address. Furthermore, various indicators of diversity have been present in all versions of the Guidelines. Yet, interestingly, an area that has been neglected by the GRI is the role of faith as an aspect of diversity. While it is clear that the GRI is attentive to representations of women and minorities within organizations, to date no indicator in any version of the Guidelines has referenced faith-based practices let alone made them a prominent concern of sustainability. Another area that has not received mention but is likely important to the stakeholders of numerous organizations is animal rights. With the lone exception of one Environmental indicator that addresses endangered species, the GRI has not addressed that issue.

Chapter 9

Discussion: Evolutionary Change in Specifications for Stakeholder Dialogue

Since the first version of the Guidelines, the GRI has found it necessary to outline

its prescription for how companies should interact with their stakeholders via a dedicated

sub-category called Stakeholder Relationships. The sub-category was referenced as

"central" (p. 26) amidst others such as Policies and Organisation, and Management

Systems. G2 further elaborated the "central" positioning of the sub-category by

specifying that it is "a key part of any description of governance structures and

management systems" (p. 41). Following such build-up about the importance of

stakeholder engagement, G3/3.1 essentially downplayed stakeholder engagement.

Alternatively, the more matter-of-fact approach may have been motivated by higher

expectations/ reliance on the organizations' familiarity with the reporting process. This

expectation is further evident in the G3/3.1 stipulation that the organizations should

"determine which groups to engage and *which not to engage* [emphasis added]" (p. 24);

potentially one could only know who not to engage once a robust system for such

engagement had already been stipulated.

G3/3.1 further asked for organizations to specify whether any stakeholder

engagement was undertaken "specifically as part of the report preparation process" (p.

24). A possible reason for the GRI soliciting this information was to remind

organizations that they had been instructed to consult their stakeholders during report

preparation in G1/G2. This type of heightened expectation for follow-through on behalf

of the reporting organizations has been a recurring feature of G3/3.1 (i.e., requests in

certain indicators for organizations to report about the outcomes of their programs and

initiatives, as suggested in previous Guidelines versions). This type of request – follow-up sequence can be understood as an important feature of the design for communication put forth by the GRI. The design enterprise allows for the interpretation of the design rationale for crafting the intervention into the business-society relationship. The example just described can be viewed in terms of one of seven facts about communication design: "Turn-taking formats vary in the methods provided for generating and displaying relevant contributions" (Aakhus & Jackson, 2005, p. 427). The observed structure of request—follow-up utilized by the GRI in the design of the reporting Guidelines contributed to reporting continuity, which in turn helped secure buy-in and institutionalize the practice of sustainability reporting.

From Stakeholder Relationships to Stakeholder Engagement

In indicator 5.11 from the "Stakeholder Relationships" subsection of G1, the GRI identified possible "major" stakeholders for an organization. The list included: employees, investors, suppliers, managers, customers, local authorities, public interest groups and non-government organisations. The first four groups listed represented internal stakeholders, individuals who had a vested interest in an organization's financial sustainability. G2 did not provide such a list, thereby leaving an organization to identify its own stakeholders. G3, however, did provide a list in the "Stakeholder Engagement" subsection. The list identified the following stakeholders: communities; civil society; customers; employees, other workers, and their trade unions; shareholders and providers of capital; and suppliers.

Though employees, shareholders and suppliers were all included in G3, their

positional rank was downgraded; they did, however, fare better than managers who were excised from the revamped list. What is significant here was that communities and civil society were identified as the primary stakeholders of an organization. These "external" stakeholders did not represent any specific individuals or groups, and therefore any sort of "relationship" with them was improbable, which might explain why the GRI began using the term "engagement" in G2 instead of "relationship." The reframing of the company-stakeholder interaction as "engagement" also suggested an increased level of formality as well as a more systematic approach that by G3 the organizations were expected to adapt in interacting with the stakeholders. The change in stakeholders from G1 to G3 to community and civil society reflected the shifting outlook of the GRI, which, as the last section detailed, was becoming increasingly concerned with how organizations could sustain the broader communities and societies in which they operate.

From Stakeholder Feedback to Stakeholder Compliance

The idea of company-stakeholder relationship is also important to consider in relation to the GRI's own stakeholder relationships and engagement. As the provider of the expert communication and information service in the form of the reporting Guidelines, whose very existence and continued development have been predicated on the uptake of the Guidelines, the GRI has had to carefully manage its relationship with its own primary stakeholder group: the reporting organizations.

Over the course of the results analysis and interpretation, it was discovered that statements of justification, function, utility, and instruction for executing the reporting sub-moves demonstrated two types of change relative to GRI's approach to its stakeholders: (1) the ways that the GRI was framing its relationship with its stakeholders,

and (2) the ways that the stakeholders' roles as users of GRI's expert service were defined. Analysis also revealed that the standpoints and rationales evident in the GRI's own communication with its own stakeholders were closely intertwined with the premises and rationales the GRI had put forth for the way that reporting organizations should engage with *their* stakeholders regarding ESG matters. Those findings are relevant for explicating the nature of the communication design practice under investigation and can be discussed in terms of the changes in GRI's premises and idealizations regarding stakeholder interaction.

The analysis showed that the GRI's view of the reporting organizations' role had changed from seeing them as *partners* in G1, to *clients* in G2, to *subjects* in G3. Those orientations were consequential for the product of design put forth by the GRI, and for the ways that the GRI advocated the use of their Guidelines. The following discussion outlines the premises and idealizations about the GRI's interaction with its stakeholders discovered in the analysis of its design for communication, with a focus on the changes that were observed between Guidelines' versions.

G1 rationales, premises and idealizations. In G1, the main GRI stakeholders were the organizations themselves. Throughout that version of the Guidelines, the GRI framed organizations as stakeholder *partners*. The GRI sought the feedback from these partners, with the intent of using that feedback to produce a better product in the future. The second and third paragraphs of the overview to the "Report Content" section of G1contained the following rationale for why a reporting organization should remain faithful to the structure provided by G1:

The GRI believes that a report that follows the order presented below will be logical and complete, and will facilitate comparability and benchmarking. Thus, the GRI strongly recommends that reporters follow this order. Nevertheless, an organisation may choose to present certain information in a different order if it believes that is necessary to best address the needs of report users. However, to facilitate comparability and benchmarking GRI asks all reporters to follow the guidance provided on the Executive Summary of their report. In addition, GRI strongly recommends reporters include an index to their reports.

The GRI recognizes organisations are at widely different stages in reporting. Thus, incremental adoption on an interim and transitional basis is encouraged to reflect such difference. (p. 23)

Beyond revealing the reporting qualities that the GRI advocated organizations employ – i.e., logic and completeness; comparability and benchmarking (referenced twice); and, most significantly, satisfying the report users' needs – this passage also reflected the organization's own sense of tolerance toward its stakeholders ("an organisation may choose to present the information in a different order…") and understanding ("The GRI recognizes organisations are at widely different stages…"). The language, while prescriptive ("GRI strongly recommends…" "GRI asks…"), was not dictatorial. In effect, the GRI used this overview to set the tone for the section to follow. The significance of the GRI's adoption of this particular ethos and tone was more than a simple framing strategy intended to generate buy-in among a greater number of reporting organizations (though no doubt that was part of the rationale for this decision). Rather, by doing so, the GRI had put forth its G1 Guidelines as a kind of model for the preferred

form of organization-stakeholder dialogue it wanted the reporting organizations to adopt. The GRI's requests for feedback and its framing of sustainability reporting as an emergent and collaborative process of universal benefit represented the approach that the reporting organizations were advised to follow with their own stakeholders. The GRI's specifications for how this type of communication could be achieved were presented through several features that defined the sub-moves (reporting of content called for by categories) of the broader reporting move.

The GRI's standpoints and rationales for how the preferred form of company-stakeholder interaction can be achieved were evident in the way the GRI built the rationale for every content category of G1, and most categories in G2 and G3/3.1. As was discussed in the analysis, the GRI provided statements to address the questions what (function), how (instruction), why (justification), and so what (utility). The following breakdown of the frequency of use of those features within all six reporting categories illustrates that the GRI G1:

- always (6/6) stated the *function* of a given category;

- almost always (5/6) supplied *instruction* to complete a given category;

- usually (4/6) provided *justification* to explain why the information in a given category was important; and

- sometimes (3/6) described the *utility* of a given category to stakeholders.

The G2 frequency of features of the sub-moves used for each category remained similar to those in G1. In fact, the figures from G2 mirror those from G1 almost perfectly. The GRI G2:

- always (6/6) elucidated the *function* of a given category;

- usually (4/6) supplied *instruction* to complete a given category;

- usually (4/6) provided *justification* to explain why the information in a given category was important; and

- sometimes (3/6) described the *utility* of a given category to stakeholders.

By addressing these features in earnest within its own document, the GRI provided a framework for organizations to follow in their own reporting. In this way, implicit in the structure and rationales embedded within the design for communication is a model for communication that the GRI advocates in order to achieve the preferred state of company-stakeholder interaction. As was suggested earlier, the GRI encouraged user input about all aspects of their Guidelines and in this way framed the reporting organizations as partners in designing a sustainable world. No doubt this approach was one reason behind prompt voluntary uptake of the Guidelines.

The GRI encouraged reporting organizations to consult with stakeholders about certain indicators (pp. 28, 32, 33) or to include additional information that stakeholders may value (pp. 25, 28, 33). [It should be noted that in spite of important differences in G2 concerning the way GRI addressed the reporting organizations, discussed elsewhere, in G2 the GRI likewise encouraged reporting organizations to engage/consult with *their* stakeholders (pp. 42, 44, 52), to consider the needs and interests of stakeholders (pp. 40, 42, 46, 48, 52), and to foster collaborative relationships with stakeholders (not directly stated but implied).]

Next to consider are all the places in G1 where the GRI did exactly what it encouraged the reporting organizations to do. For example, the GRI explained that "organisation-specific" indicators "emerge[d] from consultation with internal and

external stakeholders" (p. 28). Later, it noted that certain indicators were selected based on the "strong concerns identified by GRI stakeholders" (p. 28). Still later, it remarked that the Economic and Social indicators "originate[d] from various sources, including a working group of non-governmental organisations and a selection of company reports" (p. 31). There were also numerous instances in which the GRI solicited feedback from the reporting organizations "to provide the basis for enhancing future versions of the Guidelines" (pp. 27, 31, 32, 33, 36). Finally, just as the reporting Guidelines put forth that organizations should include additional information that stakeholders would find helpful, so too did the GRI provide information that reporting organizations would find helpful. For instance, in Category 4: "Vision and Strategy," organizations were directed to a website for supporting documents that could provide additional direction (p. 25), and in the discussion of Integrated Indicators, organizations were directed to the GRI website for "updated and expanded" examples (p. 36).

These many examples from G1 revealed three key GRI premises/ idealizations evident in their framing of communication between an organization and its stakeholders:

1. Soliciting feedback from stakeholders is important in helping an organization better understand the needs and interests of the stakeholders;

2. Understanding the needs and interests of stakeholders helps an organization better present a "full picture" of itself; and

3. Consulting with stakeholders fosters a collaborative relationship based on shared interests and goals.

It is this final premise/ idealization that best explained the GRI's framing of its own standpoints and their rationales within G1. In short, the GRI attempted to foster a

collaborative relationship with reporting organizations, and one way it did so was by presenting itself as knowledgeable but not all-knowing, as firm but not inflexible. The tone used throughout matched these standpoints, with the GRI "recommending" certain actions while simultaneously "recognizing" that exceptional situations existed. In every way, the G1 appeared to practice what it preached.

G2 rationales, premises and idealizations. In G2, the GRI approached the "Report Content" part of the Guidelines quite differently. No longer did the GRI appear to model the kind of communication it advocated between organizations and their stakeholders. Unlike the approach in G1, in G2 the GRI no longer exhibited such a collaborative spirit; as noted previously, it can be claimed that the GRI had ceased thinking about the reporting organizations as their collaborative partners and began orienting toward them as *clients*. It is possible that the GRI's "demoting" of reporting organizations to a client status in G2 was motivated by a (latent) belief that the input of the reporting organizations was no longer needed because the revamped indicators in G2 were more than adequate. Whatever the rationale underlying this change might have been, one point was clear: G2's representation of the rationale for its standpoints was radically different than what was observed in G1. The resultant model for organizations-stakeholder interaction was likewise changed.

Nowhere was this change more evident than in the GRI's decision to remove all requests for feedback from this section. The only instance in G2 where the GRI made any reference to future enhancements based on feedback received did not, in fact, solicit input from the reporting organizations; rather, it was written as a simple statement of fact: "The GRI social indicators will be continually enhanced over time as the field of

performance measurement progresses and GRI receives further feedback on the Guidelines" (p. 52). This was a marked difference from the kind of sentiment conveyed in the following statement, typical of G1: "The GRI welcomes input from reporters and report users on such indicators" (p. 27). These quotes illustrate the changing focus away from stakeholder relationships and toward stakeholder engagement, away from partnerships and toward patronage.

In G1, the GRI presented itself as a collaborative partner of the reporting organizations, offering guidance and direction, but also highly receptive to external input. In this way, the GRI assumed a stature equal to its own stakeholders, the organizations who chose to use the G1 Guidelines. By eliminating all of these solicitations in G2, the GRI implicitly suggested that it had moved beyond the role of equal partner working collaboratively with reporting organizations for the purpose of "enhancing future versions of the Guidelines."

By assuming this elevated stature, one now positioned above its former partners, the GRI also began employing a more authoritative voice throughout G2. This was most evident in the shift from the indicative to the imperative mood. It was noted earlier that G1 was prescriptive without being dictatorial. By contrast, G2 was prescriptive *and* dictatorial. As noted in the analysis, the change in verb mood has been observed consistently throughout the analysis. On the scale of auxiliary verbs that can be used to express modality in the imperative mood, "should" (communicates *advisability*) falls in-between "may/could" (weakest; communicates *possibility*) and "must" (strongest; communicates *necessity*). Nowhere in any version of the Guidelines was the word "must" used in association with the Report Content category. However, it can be argued

here that the use of "should" was intended to convey "must" in most instances. To

analyze what is going on here, it is useful to consider Searle's (1975) taxonomy of

illocutionary acts: the speech acts listed above are *directives*, which are commands aimed

at getting someone to do something. Even though the GRI has used directives liberally

throughout each version of the Guidelines, the illocutionary force (degree and manner of

request) of those directives has markedly increased in each version of the Guidelines.

    G3/3.1 rationales, premises and idealizations. The described shift from

positioning the reporting organizations as partners in G1 to clients in G2 culminated in

G3 with organizations repositioned in the role of stakeholder *subjects*. Nowhere in the

G3's "Standard Disclosures" section did the GRI suggest that any return engagement on

the part of the organization was desirable or even necessary. Instead, G3 included the

following comment:

> Core Indicators have been developed through the GRI's multi-stakeholder
>
> processes, which are intended to identify generally applicable Indicators and are
>
> assumed to be material for most organizations. An organization should report on
>
> core indicators unless they are deemed not material on the basis of the GRI
>
> Reporting Principles. (p. 24)

Precisely who the stakeholders were in these "multi-stakeholder processes" was never

mentioned, but this passage made clear that the organization's duty was to report on the

specific indicators the GRI had deemed material, not to participate in the actual processes

of making this determination. Again, this was far removed from G1's request for "the

recommendation of alternatives" (p. 33).

The question to address, therefore, becomes, "If business organizations are no longer the primary stakeholders participating in this process, then who are?" The answer to this question began to emerge in G2 where the GRI identified three international agencies it had consulted while preparing the Social Indicators. They were the International Labor Organisation (ILO), the United Nations (UN), and the Organisation for Economic Cooperation and Development (OECD). This shift from less reliance on the reporting organizations for feedback and more on international labor groups and political agencies as primary stakeholders became even clearer in later versions of the Guidelines. The following list of international organizations, declarations, charters and conventions referenced in G3 and G3.1 (listed in chronological order in which they appeared) demonstrates this point:

- Article 15 of the Rio Principles

- IUCN Red List

- The Basel Convention Annex I, II, III, and VIII

- United Nations Universal Declaration of Human Rights

- United Nations Convention: International Covenant on Civil and Political Rights

- United Nations Convention: International Covenant on Economic, Social, and Cultural Rights

- ILO Declaration on Fundamental Principles and Rights at Work of 1998

- The Vienna Declaration and Programme of Action

- The ILKO Tripartite Declaration Concerning Multinational Enterprises and Social Policy

- The Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises

G3.1 added the following to this list:

- Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)

- The International Bill of Rights

- The African Charter on Human and Peoples Rights

- The Arab Charter on Human Rights

- The American Convention on Human Rights

- The European Convention on Human Rights

- The Convention on the Rights of Children

- The International Convention on the Elimination of All Forms of Racial Discrimination

- ILO Convention 107 Indigenous and Tribal Populations Convention

- ILO Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries

- United Nations Declaration on the Rights of Indigenous Peoples

- Convention on the Rights of Persons with Disabilities

- Declaration on the Right to Development

This extensive list shows that as the GRI grew in stature and became increasingly institutionalized, their primary stakeholder groups changed considerably. The extensive requests for feedback in G1 were supplanted with directives for action of greater illocutionary force in G2, followed by international organization-driven invocation of

standards and expectations in G3/3.1.

Overall in terms of its standpoints and rationales, in G3 the GRI continued to build on the types of changes evident in G2, with some notable changes. G3 employed the same imperative mood used throughout G2 but with even greater frequency (e.g., "The strategy and analysis should consist of…" [p. 20], "The statement should present…" [p. 20], "Section One should focus on…" [p. 20], "The reporting organization should indicate…" [p. 21]). There were, in fact, more occurrences of the word "should" (120) in G3 document than there were in G2 (117) (see Appendix E), despite G3 being considerably shorter in length (49 pages compared to G2's 95 pages).

Additionally, the implied "you" form of the imperative was used regularly as well (e.g., "Identify page numbers…"[p. 22], "Include reference to processes…" [p. 23], "Explain the degree to which…" [p. 23]), which was not the case in G2. This (even) stronger voice of authority in G3 was reflective of the GRI's heightened self-assurance and newfound institutionalized status.

What was quite noticeable in G3, however, was the way it largely abandoned all of the premises/ idealizations present in G1 and G2:

- G3 did ask about the types of stakeholder engagement practiced by the reporting organization, including whether stakeholders were consulted while preparing the sustainability report, but specific recommendations to consult with stakeholders were eliminated;
- References to understanding stakeholders' needs and interests in order to present a "full picture" were largely eliminated, as was the phrase "full picture." The lone exception was found in the exposition of the

"Description of key impacts, risks, and opportunities," where reporting

organizations were asked to "take into account the range of reasonable

expectations and interests of the organizations stakeholders," which

included "stakeholders' rights as defined by national laws and the

expectations of internationally-agreed standards and norms" (p. 20);

- The notion of reporting organizations fostering collaborative relationships

  with stakeholders was excised, replaced with an indicator that asked about

  the key topics and concerns raised by stakeholders and how the

  organization responded (p. 24). The GRI also asked for information about

  how an organization determined which stakeholder groups to engage and

  which not to engage (p. 24).

G3/3.1 also diverged from their predecessors by significantly reducing the

number of features used to characterize and provide guidance for carrying out the sub-

moves (reporting on the Categories) as constitutive parts of the larger reporting move.

Specifically, the results showed that the GRI G3:

- almost always (5/6) elucidated the *function* of a given category; and

- almost always (5/6) supplied *instruction* to complete a given category.

However, the GRI G3:

- never (0/6) provided *justification* to explain why the information in a

  given category was important; and

- never (0/6) described the *utility* of a given category to stakeholders.

It follows then that a relevant question to address is, "If the premises/idealizations

found in G1 and G2 were abandoned in G3, what new premises/ idealizations replaced

them?" The findings showed that one answer is provided by the observation that the GRI came to value "internationally-agreed upon standards and norms" as forming the foundation for defining and prioritizing the performance indicators. The seeds of this premise that foregrounded the expertise of international standard-setting authorities were visible in G2, but in G3 and later in G3.1, they blossomed fully, as the previous section's list of international organizations, declarations, charters and conventions demonstrated.

The other main premise that began to emerge in G2 and was fully embraced in G3 was the GRI's growing sense of its own importance as the leading authority in the field of sustainability reporting, indeed the institutional entrepreneur (Etzion & Ferraro, 2009). Quite simply, G3 was self-assured in a way that the previous versions were not. Perhaps this explains why there were no statements of justification or utility found in the "Standard Disclosures" section; the GRI simply believed it had moved beyond having to justify or explain itself. The use of the imperative mood, which in G2 sounded dictatorial, had a different effect in G3: it communicated conviction and confidence. The references to international groups and documents helped solidify the GRI's position as the primary authority in the field of sustainability reporting – one that enjoyed increased affiliation with and patronage by said groups. The expanded "GRI Content Index" conveyed a sense of security in the overarching structure of the report content specifications put forth in G3. The inclusion of "Assurance" as a subcategory as well as the expectation that organizations should solicit such third-party assurance reinforced the impression of GRI's credibility. In short, the G3 was distinctly far removed from the G1: no longer was the GRI soliciting feedback from reporting organizations; instead, the primary message conveyed was to trust the GRI's methodology and indicators, which had

been developed through "multi-stakeholder processes" (p. 24) and perfected over time.

No doubt some could have perceived this self-assuredness as arrogance, but when a global organization of high stature such as the United Nations as well as recognized spokespeople in the field of sustainability such as Al Gore (who delivered the keynote address at the launch of G3 in 2006) endorsed and encouraged organizations to use the Guidelines, the GRI could risk seeming intractable. Yet, interestingly, despite its commanding ethos, the G3 still provided reporting organizations with a certain amount of latitude and flexibility, as evidenced by statements like the one immediately following the introduction to Part 2: Standard Disclosures, which read: "Reporting organizations are encouraged to follow this structure in compiling their reports, however, other formats may be chosen" (p. 19). A different passage in G3 made clear that organizations could elect not to follow the GRI protocols, but if they chose not to, they needed to "explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols" (p. 22).

G3's tolerance for deviation from the GRI norm as demonstrated in above examples was more akin to G1 than G2. Of course, such tolerance only extended so far: additional tools such as the Application Level checks have been developed to ensure increased levels of adherence to the Guidelines. Moreover, the observed changes in language used and the report content structure provided contributed to the document's robust design. Throughout the previous discussion, design stance was used to explicate the findings in this study; the discussion chapter concludes with a more overarching "story" of the GRI told from the perspective of design.

Design for Communication: Evolution

Analysis of the GRI's Guidelines over time has allowed comment about the commitments that the GRI and the reporting organizations enter into relative to their participation in the reporting conversation. The design stance takes seriously the idea of speech as action (Winograd & Flores, 1986) that is accompanied by commitments, and "because commitments have varying levels of definiteness and accountability, variations in how explicitly they are formulated are important design features with important practical consequences" (Aakhus & Jackson, 2005, p. 428). The GRI's expectations for organizations' compliance have clearly grown with each version of the Guidelines and became par for the course by the introduction of G3. If the original goal of the organization was to increase the instance, quality, and comparability of social reporting, then the continuous increase in the number of reporting organizations utilizing the Guidelines can be seen as a measure of success.

The design analysis underpinning this study has shown that the GRI has engendered organizational uptake of its Guidelines by continuously introducing new ways to facilitate organizational commitment to action. As a provider of this voluntary communication and information service, the GRI has also been building its own credibility as an expert by entering into commitments revolved around being able to facilitate the creation, revision and review of the reporting process. Actions such as entering into agreements with well-established NGOs and civil society groups, soliciting feedback from different types of stakeholders and producing a tool that is professional and purposeful have contributed to the "validity claims" (Habermas, 1979, p. 60) the GRI can make. Doing so has not been an easy task because a delicate balance must have been maintained by the GRI: allowance for flexible reporting on the one hand engenders the

participation of more reporters yet risks a decrease in quality and comparability across reports. High expectations for rigor, quality and transparency on the other hand result in greater usefulness of the reports yet might alienate potential new clients.

Whereas the GRI had started off more flexible (G1), their standards have grown progressively more rigid (as illustrated by the tendency to transform Additional indicators into Core, discussed earlier) by G3/3.1 and no doubt will continue on that path. The timing of its move toward greater structure was perhaps accidental but certainly fortuitous. While G1 was characterized by a friendlier collaborative tone and ample requests for feedback, the main reason behind that approach was GRI's relative inexperience and inability to offer substantive guidance on key issues such as Social and Economic indicators. Still, the more flexible tone and approach of G1 likely contributed to the Guidelines' initial uptake and generated much positive publicity among a variety of stakeholders interested in the GRI's service, including organnizations themselves. Following the receipt of stakeholder feedback, G2 then came out with a significantly revamped document that was not taken up by many because the length, amount of guidance, and the imperative mood must have simply overwhelmed.

Even though the content of G2 and the length may not have contributed greatly to their uptake, another important change made by the GRI at the time of the release of G2 was significant, especially so when viewed as a design move. Beginning with G2, the GRI introduced the concept of GRI-based reports being "in accordance" with the Guidelines. In order to be recognized as such, reporting organizations had to report on all numbered elements in categories 1, 2 and 3; include a GRI Content Index; and respond to each Core indicator or provide an explanation for omissions. This decision to introduce

the "in accordance" distinction was an important design feature (Aakhus & Jackson, 2005) because it stipulated a formal approach to assessing an organization's level of commitment to reporting. The move was also important in its consequences for the reporters in that it led to other actions and greater commitments to future actions (cf., Habermas [1979] discussed that speech acts can be characterized this way). Indeed, G3 then went further by increasing differentiation for application levels (A, B, C), arguably assigning letter grades, and encouraging reporting organizations to seek outside accounting "assurance" for the report's truthfulness and completeness (presence of assurance would have yielded an A+, B+, or C+).

By that point the GRI's design for communication was characterized by an iron-clad "commitment set" (Hamblin, 1970, as cited in Aakhus & Jackson, 2005, p. 428) comprised of systematic rules for adherence to the GRI's exacting standards of Core indicator sets, which organizations had to comprehensively address by completing the Content Index in order to claim a high-grade Application Level Check and secure the "+" for external assurance. The "flexibility" appeal remained but was unlikely to have been overused; the formalized content, format, structure, language, and overall expectations for compliance left little room for organizations to maneuver if the impression of credible transparency was the goal. The design works by the slightest of standards because the "speaker… engage[s] himself" (Habermas, 1979, p. 61) – that is, the GRI is likewise committed to a course of action that can be counted on by the reporting organizations, and the mutuality of commitment is achieved.

The concluding section outlines the study's limitations; a story about communication follows; then implications of this study's findings for theory and method.

Chapter 10

Conclusion

Study Limitations

This study drew upon the design stance to understand how a communication

practice develops. The design orientation alerts the researcher to examine the premises

implicit in designs for communication and communication design work. Also, any

design can be analyzed for its consequentiality for what is received; such analysis is made

possible by attending to the constraints and affordances that a design has on the nature of

the interaction. This study can be analyzed as an object of design in order to facilitate

discussion of its limitations.

First, it is important to consider that the affordances and constraints of a design

can reflect intentional choices and represent necessary moves put forth in order to

highlight some things and not others, in order to allow for certain insights to emerge and

take center stage. Inherent in these choices is the obscuring of other things that could

have emerged but did not because of the nature of the design. The insights that other

paths could have produced may or may not have been significant; regardless, a

recognition of what the choices were that have led to the design used is vital.

Data. One such consequential choice was the decision to analyze only the report

content part of the GRI Guidelines document. The decision was explained earlier and

represented the best way to focus on the very tool that is for GRI the object of design. A

single focus on the report content allowed for a detailed multi-layered analysis of its

features; however, this also meant that other aspects of the GRI's main product were

unexplored. For example, the first section of the Guidelines documents contain

discussion of reporting principles – analysis of that section could have uncovered how the GRI's vision of these principles has changed over the versions of the Guidelines, and how they were manifested in the report content part of the Guidelines. Also, further analysis could consult the GRI's auxiliary documents that are part of the reporting framework, such as technical protocols and indicator protocols, for a more thorough picture of the GRI's design for communication. While a single focus on the report content was parsimonious and appropriate for the analysis of the design for communication aimed at instructing companies how to talk to their stakeholders about ESG matters, analysis of other documents could have revealed what the GRI has been doing more generally in terms of its intervention into the exigence of civil regulation.

Another limitation of this study was that only written documents were consulted. Again, although that decision was justified because of the specific focus of the analysis, interviewing those involved in the Guidelines creation process would have yielded additional insight about the underlying structure of premises and idealizations about reporting that may or may not have been seen in the Guidelines. For example, based on the interpretation of the analysis conducted in this study, it was concluded that international organizations have become the primary stakeholders of the GRI. Data about input and participation of organizational stakeholders would be valuable in testing that claim. Other documents about the process of Guidelines revision as well as in-depth interviews with participants would allow for the study of communication design work.

Method. The data analysis in this study yielded a significant number of results in the form of observed changes between Guidelines versions. A thorough effort was made to record and analyze those changes; however, not all changes observed were interpreted

or discussed. The large number of changes observed, both at a micro (linguistic) and macro (content and organization) levels precluded a detailed discussion of every point. Essentially, decisions were made about which points to highlight. These decisions were guided conceptually by the study design and hence should have helped uncover main important themes; however, it is possible that some important details did not receive due consideration.

Methodologically, the study makes a contribution to studying a design for communication through an analysis of written documents over time. The methods used were guided conceptually by the design stance and a modified version of Grounded Theory. The analysis and interpretation undertaken were iterative, and many decisions had to be made throughout the process regarding data representation, data reduction, and other data management choices. In this way, this study helped develop theory but also because of this, some methodological issues that arose could have been addressed differently, potentially better, potentially worse. The following is an illustrative example of a methodological dilemma and the discussion of the way it was addressed.

A central method for detecting change over time across performance indicators involved classifying indicators in G2, G3 and G3.1 as "new," "eliminated," or "retained" – seemingly clear distinctions. However, the actual assessment of how to classify some indicators was rather complicated. To illustrate: indicator 6.30 Advertising and Product Labeling, under Products and Services aspect, Environmental performance category, was eliminated from G2. Further analysis revealed that a version of this indicator was moved to the Social performance category, Product Responsibility aspect, sub-heading Products and Services; whereas Advertising became its own subheading of the aspect, and

indicator PR2: Policy on Product Info and Labeling. This complicated type of transition was difficult to trace. For this analysis, the decision was made to categorize indicator 6.30 as "eliminated" from the Environmental performance category, and label it as "new" in the Social performance category. Creation of some type of fourth classification category, such as "altered," "split," or others, were considered but abandoned because such types of classifications would not have been meaningful for analytic purposes.

Overall, the limitations of this study are the "opposite sides of the coin" from its strengths. Certain choices made about data, method, and analysis precluded potential others. The limitations cited above also represent avenues for future research. The following section elaborates such future directions. Also, the findings of the study are summarized, an important story about communication is told, and implications for theory and method are discussed.

Summary of Research Steps

The research steps undertaken in this study aimed to describe the design proposal for the reporting move put forth in the GRI reporting Guidelines, and that description has shed light on why the GRI Guidelines have been taken up worldwide, as opposed to competing possibilities. A basic premise expressed by the GRI Guidelines, at least early on in their development, is that dialogue between reporting organizations and stakeholders requires transparency by business organizations, which leads to accountability, and that accountability in terms leads to socially and environmentally desirable business conduct. In addition, the GRI Guidelines have been initially designed on the premise that the democratic principle of inclusivity should yield engaged and successful use of the GRI reporting model. The analysis conducted in this study allowed

for the reconstruction of the GRI's communication design practice by focusing on one expression of it found in its design proposal for the move of reporting, and a design story was told. The move is a complex action that is characterized by a number of sub-moves, conceptualized in this study as the main content categories of the Guidelines. The over-time analysis of the features of the move was conducted by examining the report content sections of the four versions of the GRI Guidelines. The analysis was guided by the design stance, which helped orient toward the design features apparent in the design for communication. The GRI is a third-party that has intervened into the conversation between business and society about the organizations' economic, environmental, and social performance by stipulating how a move needs to be made in order to achieve the preferred business-stakeholder dialogue.

The nature of the reporting move was unpacked using the design approach, which focused the researcher's attention on the details of the GRI design proposal for the sustainability reporting move. The genre theory provided a link to the institutional approach and provided conceptual framework for understanding how a design for communication comes into its own as a genre of organizational communication and becomes institutionalized. The design approach was aided methodologically by grounded theory, which was useful for identifying specific components of the reporting move such as reporting submoves and their features. In this way, the design stance, informed by genre theory conceptually and grounded theory methodologically, was used to explicate a practical theory of communication put forth by the GRI Guidelines.

Procedurally, it was decided that the sub-moves of the reporting move can be identified as the Categories that appear in the report content section of the GRI

Guidelines; comparison of the Guidelines over time then was facilitated by the initial comparative structure set-up. Changes to consecutive versions of the Guidelines were identified and noted because of the comparison that could take place. Several features of the sub-moves were identified: naming, positioning, justification, function, utility, instruction. These features represented the ways in which the GRI described the sub-moves that organizations needed to make as they embarked on painting the "full picture" of sustainability.

The analysis consisted of two parts: Part I delivered the comparison between the categories' content over time. Analysis was systematic and helped reveal changes in micro-level matters such as syntax, diction, tone and word choice, as well as macro-level matters such as content, formatting and organization. Any observed changes were noted in the analysis for each category and further made sense of through interpretation that followed each category. Guidelines version 3.1 was not interpreted separately due to no or negligible amount of change that took place in any of the main report content categories. Part II of the analysis focused on comparison between the Performance indicators in each version of the Guidelines. A new coding procedure was developed that helped classify the indicators as new, retained, or eliminated. The comparison was facilitated in several ways: first, the indicator lists for each sub-category were made positioning the indicators side-by-side and noting comparison between each version. Next, each indicator was coded as new, eliminated, or retained (relative to the prior version's set of indicators. This resulted in a real sense of change and ideas about how these changes could be represented. The changes were described and explicated through analysis and interpretation. Particular attention was paid to what was highlighted and

what was hidden by virtue of the changes observed. Basic questions such as *what is going on here* and *what is the nature of this tool* oriented analytic thoughts about the results and the interpretation, so that patterns in change over time could be detected and the story of the design for communication told.

The analysis aimed to uncover standpoints and rationales, premises and idealizations evident in the GRI's specifications for how and through what means companies should engage with their stakeholders regarding their ESG performance. The role of the GRI as the third-party orchestrating such engagements was attended to, and new important focal points of discussion emerged about the GRI's positioning of self as an expert service that is equipped to provide credible guidance. The GRI's relationship with its own stakeholders in the face of the reporting organizations became important to consider, as it was observed that the GRI appeared to have been framing its advice for how companies should talk to their stakeholders in the same way that they were framing their own conversation with the reporting organizations about the preferred form of interaction about ESG matters.

…Story About Communication

A number of findings emerged through data analysis and interpretation, and these were consequential for understanding the communicative basis of civil regulation as well as the communicative basis for GRI's institutionalization of its expert service. The expert service it provided engendered a path to civil regulation that could transform the role of business in society. In essence, the analysis showed that an answer to the simple question of *what is going on here* was of course complex, and in ways not anticipated at the start of this investigation. In this way, discussion focused on explicating specific answers that

emerged relative to the research questions in this study, as well as other questions that emerged as relevant over the course of data analysis and interpretation.

One of the first findings that emerged in the analysis of the evolutionary path of this design for communication was the role of genre in the conversation about the role of business in society. Whereas a clear link between the financial and sustainability reporting had been observed in G1, that link all but disappeared in the consecutive versions of the Guidelines. This was primarily seen in the structure and content of the Economic indicators, which was the main "location" of financial information a company was asked to provide. This category underwent dramatic change between G1 and G2 by having been substantially condensed, while the Environmental and Social indicator sections flourished. This type of change indicated that by 2002, the GRI no longer considered Economic performance to be an integral part of the sustainability reporting practice. The puzzle of civil regulation described earlier is shaped by the finding above: in light of the GRI Guidelines becoming progressively more structured, imperative, and increasingly removed from the emphasis on economic aspects of sustainability and becoming increasingly concerned with the social aspects of sustainability, how is it that the Guidelines have become the de facto sustainability reporting standard worldwide? This question is explored further in the Practical Implications section of this study.

This move away from Economic indicators clearly characterized a move away from the financial and toward the social and environmental indicators of performance as vital to sustainability. This change also illustrated important change from a focus on organization's own sustainability, historically regarded as a healthy bottom line, to the organization's role in shaping sustainability of larger communities, both within and

outside its direct reach. Theoretically, this evolutionary path has shown a clear development of sustainability reporting as a genre of organizational communication (Yates & Orlikowski, 1992) whose emphasis was on the need for organizations to engage with the sustainability of local and global communities. Moreover, the results of the analysis showed that the reporting move put forth by the GRI has changed from being ultimately about *the sustainability of the reporting organization* in G1, to being primarily about *reporting organizations sustaining larger environmental, social, and economic systems* in G3/3.1.

In line with this general finding, it was observed that *the GRI's specifications for what organizations should report have changed over time from flexible requests to provide factual information about current activities (G1) to more imperative requests to account for past and present behavior while embracing a global view of expansive civic responsibilities (G3).* Inherent in this finding is the realization that the shift toward increased CSR has been accompanied by an increasingly dictatorial tone adopted by the GRI in the way it communicated to the reporting organizations about what was important to focus on in their communication with their stakeholders. Not only had the GRI defined the content of what was to be communicated and what was to be downplayed, the GRI had also provided advice about who those stakeholder groups really are. As explained in the discussion, the stakeholder groups the GRI advocated that the organizations focus on have changed from ones internal to an organization (i.e., managers, investors, and employees) to external constituents whose connection to a particular organization was less clear (i.e., "communities").

One observation that was made in the course of the analysis and interpretation was that in talking about the GRI's expert communication and information service and in considering the broader question of *what is going on*, many things were going on at the same time, and in a way that makes it somewhat challenging to describe in a linear fashion allowed by this medium. For example, the point just made about the GRI moving toward greater emphasis on social and environmental issues (although social was clearly at the forefront of all three sustainability concerns) needs to be understood more as an overarching phenomenon than as an individual observation. Specifically, everything about the GRI was changing to accommodate this newfound take on sustainability: some things were being intentionally obscured and downplayed, while others simultaneously highlighted. Moreover, findings showed that the GRI was never "just" making small changes – indeed, it has been engaged in constituting the field of CSR. The micro- and macro-level changes observed were all contributing to the institutionalization of the GRI, while also shaping the future of civil regulation and the domain of CSR.

An interesting observation that emerged was that the GRI's advice was by no means limited to providing reporting advice, as advocated by the GRI and taken for granted in this study. Indeed, the study evidence has shown that the GRI's larger ambition has been to, for the lack of a more appropriate term, revolutionize the ways that organizations function in society. As described in the discussion, the way that the indicators in the performance category of the Guidelines were framed has shifted from "tell us what you are doing" (G1) to "tell us what you are going to do" (G2) to "tell us what you have done" (G3). This overarching theme in the ways the indicators were presented indicated a sense of continuity established by the Guidelines, and also an

expectation of continuous commitment on behalf of the organizations. Overall, the GRI may have been providing fewer indicators in G3, but the expectation for the degree of an organization's involvement with the world has only been increasing. As an increasingly skilled designer of interaction, in its later versions of the Guidelines the GRI began to manipulate organizations' face by establishing means of external review and assurance. Here, again, the addition of a strongly advised "suggestion" to obtain assurance, the GRI was also specifically asking an organization to report how much it donated, what type of positive infrastructure changes the company made, and generally how far out if its way has the company gone in bettering the communities around them.

A related major development observed (and, indeed all the developments have been related) has been the GRI's increasing reliance on outside international standard-setting organizations for guidance on what the organizations should be expected to include in their reports. As was highlighted in the discussion chapter earlier, the GRI's move toward drawing credibility from external NGO's has come at the expense of *lack of once-robust emphasis* on the reporting organization's feedback as main mechanism of change within the Guidelines. Concurrently, the GRI has shifted from viewing the reporting organizations as its *partners* in crafting a dialogue of sustainability in G1, to *clients* who need to follow well-crafted instructions to engage with the field of sustainability, to *subjects* who need to adhere to and abide by an increasingly sophisticated plan for a sustainable utopia. At the same time, the organization, as seen through the lens of the GRI, has transitioned from being a simple profit-driven entity that needs to learn to follow a simple sequential ordering of steps, to being more creative and able to engage in earnest with a robust reporting process, to most powerful and able agent

of change in society whose power needs to be directed by the increasingly powerful set of systematic structures.

It was suggested earlier that an analysis of what is going on cannot be easily presented in one straight line; instead, a web of stories has to be told and woven together as constitutive elements of the larger whole. The design stance has been uniquely useful in providing the tools for the researcher to observe the multiple stories. An important plot point to be added to the story of the design for communication is the designer's own evolution through the process. Indeed, the GRI's development of its vision has gone hand in hand with its development of specifications for how companies should interact with their stakeholders. The findings showed that the GRI has stimulated organizational uptake of its Guidelines by itself continuously reinventing itself and its vision. Earlier, the discussion highlighted that in G1, the GRI essentially modeled the type of communication it wanted for the organization to share with their stakeholders, but later moved away from doing so. Analysis of the data leads one to believe that is what happened. However, upon further reflection, it could be argued that indeed the GRI has continued to model the type of behavior it wants to see exhibited by organizations globally, but on a larger plane. Just as the GRI has been expanding its knowledge, reach, and network connections in its path to institutionalizing a holistic way of engaging *business practice* that is socially responsible in a way not many CSR literatures have tackled, so too does the GRI expect the organizations to follow suit and fully exercise their powers for the greater good. The GRI, being "ahead of the game," just thinks it has a better view of that greater good. The following section proceeds with a discussion of the implications that this study's findings have for theory and method.

Implications for Theory, Practice and Method

This study utilized the design stance as a conceptual and methodological guide for the investigation. The central goal of the study was to examine how the GRI, as a third party, has intervened into ongoing activity of business-stakeholder interaction by constructing a technology that is meant to discipline such interaction in particular ways. The study's central goal was indeed accomplished, and at the same time more was accomplished in certain ways. The design approach proved to be a useful tool for understanding how the social world, in particular the world of civil regulation, is constituted communicatively. The analysis of a design for communication has revealed the evolutionary path that the design has had, and has commented on the way complex communication in the global arena has been the object of design. Certain definition has been given to the shape of the puzzle of civil regulation outlined at the beginning of the study; at the same time, the findings have uncovered new puzzling aspects of the field of CSR.

Implications for understanding Communication Design. Specific explication of this design path then has provided a foundation for discussing the development of the native theory of communication about how business should interact with their stakeholders as promulgated by the GRI. Description of this design path also helped situate standpoints for how civil regulation has developed, and how the role of business in society has been defined and redefined over the years. At the heart of the discussion was the recognition of the role of the design stance as an explanatory framework for the build-up human environment, which was constructed in response to the demands of

interaction and communication. Design has been viewed as a type of instrumental activity key to describing phenomena within communication's constitutivity.

This study has been consequential for understanding modern processes of institutionalization vis-à-vis standard accounts of such processes. Drawing upon genre theory, the case of GRI has been used to illustrate a way that microfoundations of an institution are formed through introduction of a design meant to address the exigencies of CSR and civil regulation, and to show how such micro event contributes to the formation of macro phenomena such as CSR and civil regulation. This study has built on existing theoretical premises of the design stance and genre theory by showing how design can be used to describe and explain evolution and institutionalization of a new genre of communication by analyzing a particular type of activity such as the activity of sustainability reporting. Further, the design stance has shown how the field of civil regulation has been communicatively constructed over time through the GRI Guidelines' design proposal for the reporting move.

The design stance illuminates the consequentiality of decisions made by communication designers in constructing a design for communication. This analysis provides an example of how the design stance can be used as the prism that orients the researcher toward a detailed analysis of language, and then propels that analysis forward by providing an orientation toward studying the evolution of a design for communication. The design analysis yielded important observations on the ways the micro constructs the macro and the macro constructs the micro. Language, tone, format, structure choice are generative of institutionalization; international standard-setting organizations, NGOs, other external stakeholders contribute to the latent design work. In this study,

institutionalization of a communication practice is observed in the continuous adaptation

of the Guidelines. The way that the language is used, changed, adopted and adapted also

has shown how the GRI is institutionalizing an approach to sustainability by requiring

attention paid to the constitutive parts that in their view comprise sustainability.

The "report content" part of the GRI Guidelines consists of five to six categories.

These categories were conceptualized as sub-moves that the GRI has specified need to be

made in order to transform the given state of the company-stakeholder dialogue about the

ESG aspects of their performance into a preferred state of dialogue about these matters.

Therefore, sub-moves are flexible yet characterized by several key structural elements

adapted to the goal of an activity. Sub-moves are characterized by the constraints they

impose on the contributions that can be made. The central concern, then, is with

construction of action, meaning and coherence as an ongoing, contextual communicative

accomplishment of the interactants, much like the central concern of the communication

design stance has been making explicit tools, procedures and techniques that are put forth

in the efforts to constrain allowable contributions in interactions, with the aim of

disciplining said interaction in particular ways.

The design stance has provided the tools to examine the design proposal for the

reporting move. The detailed attention paid to analyzing features of the moves enables

the description of the moves that constitute the design for communication. The design

for communication thus explained is consequential for understanding the nature of the

puzzle of CSR, which, if scaled up, could be used to characterize the exigence of civil

regulation. The design analysis then provides definition for the ill-defined role of

business in society and enables explanation of how the larger exigence of company-

stakeholder communication regarding ESG performance is addressed via this design for communication. By scaling up from micro to macro, description of the features of the moves leads to an understanding of the moves as larger category, the reporting move, which essentially constitute the design for communication. The resulting design for communication is an intervention that is characterized by affordances and constrains it specifies for the reporting move, which is engaged in by relevant parties as they address the exigence of civil regulation and understand the role of business in society. In this way, the design stance has theoretical promise for all levels of analysis in that it enables the researcher to identify, analyze, and put together any number of pieces that constitute the puzzle of civil regulation.

Implications for method. The method developed for the study drew upon some foundational aspects from Grounded Theory while also relying on the orientation for analysis afforded by the design perspective. Mainly, the design approach underpinned this study's use of the analytic concepts that organized analysis: the idea of move, sub-moves, and features of the moves. These concepts allowed for a reconstruction of a design for communication that was thorough, systematic, and generative of significant findings. The GT approach in its turn proved useful in this study. The modified approach used resonated with its founders stated beliefs regarding potential developments of the GT: a) researchers in a variety of disciplines will be able to adapt the methodology for their needs; b) adaptation will be facilitated by combining GT with other methods; and c) researchers will revise the procedures outlined in the GT literature in order to make the method applicable for a wider range of phenomena (Strauss & Corbin, 1994).

The decision in this study to observe the documents themselves was motivated by the belief that specifications put forth by the GRI about how the company-stakeholder dialogue is supposed to evolve can best be made explicit by examining the actual documents. Doing so focuses attention on what the companies are actually supposed to do by adhering to the GRI Guidelines, and the content of the Guidelines is the one document that represents the manifestation of GRI's design for communication. The premise that has so far remained unquestioned is that the Guidelines promulgate a world in which all companies are contributing to a brighter future by disclosing their social, environmental, and economic standings and activities. The Guidelines accomplish this by creating prescriptions for what economic, environmental, and social performance means, and by stipulating that their approach is the best way for companies to proceed.

The methodological contribution of the study to design stance is that it demonstrates a way to describe a design for communication in terms of the moves, sub-moves, and features of the moves put forth to manage organization-stakeholder interaction regarding ESG. The design proposal for making a particular kind of reporting move has been observed in the documents advocated by the GRI as the symbolic representation of a solution to the business-society relationship and as an instantiation of an idealized solution for transparency and accountability. This study has demonstrated how CSR can be understood as an essentially communicative phenomenon whose features are determined by a communication and information service that prescribes particular ways CSR should be communicated; the nature of affordances and constraints for what should and should not be a part of the conversation is consequential for what civil regulation is becoming.

The design stance utilized has shown how sustainability reporting, as CSR practice that is consequential for civil regulation, becomes institutionalized through communication. Whereas much discussion about CSR and civil regulation has been based on managerial and economic rationales, the present study used the design stance, genre theory, and elements of GT to provide a communication-based description and explanation for the emergence, development, and institutionalization of CSR by studying communication artifacts previously unexplored, in new ways. As Strauss and Corbin (1994, p. 283) astutely proposed, "No inventor has permanent possession of the invention… a child once launched is very much subject to a combination of its origins and the evolving contingencies of life. Can it be otherwise with a methodology?" The discussion of the implications of the study proceeds with theory-practice implications for civil regulation.

Theory-practice implications for civil regulation. This study's findings and the design story consequently told lead to important insights about what type of design for communication the Guidelines represent, as well as about what type of third-party actor is the GRI. The premise of the GRI as initially promulgated by the organization has been that organizational transparency will yield productive dialogue about ESG aspects of performance. Through its design proposal for how organizations should engage in sustainability reporting, the GRI's point of view about the role of organizations in society has been made visible. In this way, analysis of the design for communication aimed at intervening into the role of business in society allows comment about the role of this third-party actor.

Over the past eleven years, the GRI's view of the role of organization has changed from the organization being a partner who is consulted and asked for feedback to the organization becoming a client/ user of the Guidelines whose feedback is not solicited. At the same time that the GRI has greatly reduced the role of reporting organizations in shaping the reporting Guidelines, the GRI has simultaneously called upon organizations to position themselves as important change agents in the political and social arenas. This call has manifested itself in the increasingly imperative demands for disclosure of and accounting for past behaviors as well as actions regarding sustaining local and global communities, advocating for human rights, and developing proactive measures to minimize negative externalities.

On the one hand, such didactic approach illustrates a notable departure from the more welcoming, less certain, casual approach to engaging potential reporters that was exhibited in the first version of the reporting Guidelines (G1). As that approach was tenuously adopted by organizations, it was in fact the emergence of the later more authoritative, demanding tone of the Guidelines that most companies responded to, as indicated by the rapid uptake of the Guidelines by companies worldwide that has taken place particularly since the introduction of G3 in 2006. New practical puzzles emerge from this study's findings and have to do with rationales for increased organizational uptake of the GRI.

The analysis showed that the GRI has been growing progressively more authoritative in its positioning, more demanding in its tone, and more distant from the reporting organizations. Yet, these changes have engendered significant uptake. Understanding of this rapid uptake of the GRI reporting Guidelines requires a

consideration of the phenomenon from a neo-institutional perspective as well as from the perspective of design rationality. Potential explanations for the GRI Guidelines' uptake from this perspective are in contrast to other explanations that are cited as reasons for GRI's success, especially the organization's thoughtful approach to engaging stakeholders in an open democratic process (e.g., Etzion & Ferraro, 2006; Szejnwald Brown, de Jong, & Lessidrenska, 2007). Whereas prevailing explanations for rapid GRI Guidelines' uptake have been situated by these researchers in discussions of the organization's effective managerial approach (i.e., discourse-bridging, ambiguity reduction, multi-stakeholder participatory democratic process of decision-making relative to indicator inclusion), the findings of the present study suggest that instead alternative explanations for the GRI Guidelines' institutionalization are more feasible. By examining the changing nature of the Guidelines, it has become clear that the success of the GRI has come about not through effective problem-solving or astute decision-making, but rather through design rationality. Design rationality as well as neo-institutional theory and resource dependence perspective (Pfeffer & Salancik, 2003) offer explanations for the GRI Guidelines' puzzling success, particularly in light of a number of surprising findings that emerged in the course of this investigation.

At the onset of this investigation, a number of expectations about possible findings were reasonable in light of the review of existing literature. These expectations included gaining evidence about the GRI's approach of democratic inclusivity (evidence in the form of feedback solicitations from reporting organizations and accounts of feedback used and/ or explanations of feedback discharged); evidence of discourse-bridging between financial and sustainability reporting as a helpful means to encourage

reporting organizations to use the familiar format; evidence of G3 being a more clear, concise, and streamlined version of both G1 and G2; evidence of ambiguity reduction in consecutive versions of the guidelines; evidence of an overarching concern with the reporting organizations' economic sustainability and an explicit link between social, environmental, and economic sustainability. However, detailed analysis of the report content sections of the Guidelines documents did not produce evidence for any of those expectations.

Instead, the picture that emerged painted the GRI Guidelines as an increasingly prescriptive and normative tool, progressively more structured, complex, and comprehensive in the information it solicited from the reporting organizations relative to social and environmental performance, while as the same time progressively *less* concerned with reporting organizations' economic performance. At the same time, emphasis on GRI-reporting organization dialogue, as well as emphasis on the dialogue between the reporting organization and its stakeholders have significantly diminished. The GRI Guidelines, initially soliciting feedback and even advice from the reporting organizations in G1, have instead been aligning with international standard-setting organizations as primary sources of input for indicator inclusion in the Guidelines.

This orientation away from reporting organizations as primary stakeholders toward other regulatory national and transnational bodies as primary stakeholders has shown that the GRI has emerged as an important macroactor in the arena of civil regulation, one that has been perpetuating a new type of bureaucracy for reporting organizations to engage with as opposed to directly offering an instrumental solution for achieving a more sustainable world. Still, the fact of rapid and "successful" uptake of the

GRI remains. This state of affairs illuminates the puzzle of civil regulation described

earlier in important ways. The findings suggest that the success of the GRI has been

predicated on the symbolic value of its Guidelines, as guidelines that have been

ostensibly created under the auspices of other internationally-recognized governing

bodies, and as such allow reporting organizations to appear in compliance with a number

of voluntary as well as mandated standards. Further, while the Guidelines have been

progressively comprehensive in soliciting information, the documents have also allowed

for companies to report on certain indicators by stating reasons for omission of certain

data points. In this way, a reporting organization may appear to closely adhere to the

GRI standard, while in effect revealing quite little about its actual social and

environmental performance. Recognition of this type of flexibility represents a plausible

reason for organizations' uptake of the Guidelines in lieu of actual transformative

practices relative to their CSR. Overall, the design stance employed in the study has

provided tools to explain the puzzle of civil regulation from a communication

perspective. The perspective of design rationality in particular has provided the means to

understand the evolution of this third-party expert service.

 As Schön and Rein (1994) discussed, policy controversies can well be understood

by observing and reflecting on the policy frames from within the policy predicament

itself. Such frame reflection leads to reframing of policy controversies – such as the

puzzle of civil regulation in this case – and this reframing and its analysis are integral to

design rationality, described as "the kind of limited reason that is feasible and appropriate

in policy making" (p. 165). The authors further stipulated that "in designing, as distinct

from instrumental problem-solving, something is being made under conditions of

uncertainty and complexity, so that it is not initially clear what the problem is or what it would mean to solve it. … As the process goes on, the designer sees what he has made, listens (more or less) to back talk from the materials, and thereby constructs new opportunities or problems. … design rationality involves reflection – on materials, seeing-moving/seeing, unintended effects, emergent intentions, and the form and character of the evolving object" (Schön & Rein, pp. 166-167). The analysis of over-time changes of the GRI design proposal for the reporting move showed that the development of the Guidelines can be best understood as a process of evaluation, reaction and response to the emerging context of civil regulation, as opposed to careful forethought.

Whereas the traditional institutional approach argues that coercive and normative processes help explain organizational behavior, the present study elucidates how the imperative normativity put forth by the GRI actually "fit" the time and place of the global context of public accountability. The uniform normative standard supplied appears to call upon much greater levels of transparency and accountability on behalf of the organizations, while at same time providing cover to those who officially embrace the standard. The GRI's increasing reliance and emphasis on increasing its global presence and coordinating with other international standard-setting organizations, at the expense of building strong ties with the for-profit community of organizations, has resulted in greater ease for the reporting organizations to simply comply with the *de facto* standard. The GRI Guidelines are then perceived as useful because they fulfill a purpose and allow organizations to alleviate possible outside pressures they might face regarding more responsible corporate behavior. This situation is characteristic of a symbiotic

environment in which most parties get what they want, and hence the relationship is

sustained. The compromise being made is that the promise of engaged worldwide

dialogue between companies and their stakeholders regarding ESG factors remains

unrealized. The GRI has thus been successful in increasing ESG-related dialogue among

other like-minded parties while systematically disengaging the companies from the

conversation.

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Appendix A

Screenshots of Manually-entered Excel Indicators

Appendix B

Category 2, Indicator 2.7: "Scale of Activity" (G1)

G1	G2	G3	G4
(from p. 24)	(from p. 39)	(from p. 21)	(from p. 21)
2.7	2.8	2.8	2.8
Relevant information on the scale of activity of the reporting organisation, including measures that may be or are used as normalising factors for creating ratios from absolute values provided in the report. Examples of the measures include:	Scale of the reporting organisation:	Scale of the reporting organisation, including:	Scale of the reporting organisation, including:
• Number of employees	• number of employees;	• Number of employees;	• Number of employees;
• Net sales	• products produced/services offered (quantity or volume);	• Net sales (for private sector organizations) or net revenues (for public sector organizations);	• Number of operations
• Products produced (mass/amount/quantity)	• net sales; and		• Net sales (for private sector organizations) or net revenues (for public sector organizations);
• Value added	• total capitalization broken down in terms of debt and equity.	• Total capitalization broken down in terms of debt and equity (for private sector organizations); and	
• Total assets		• Quantity of products or services provided.	• Total capitalization broken down in terms of debt and equity (for private sector organizations); and
• Other relevant measures indicating activity level (e.g., gross margin, net profit	In addition to the above, reporting organisations are encouraged to provide additional information, such as:		• Quantity of products or services provided.
	• value added;	In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as:	In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as:
	• total assets; and	• Total assets;	• Total assets;
	• breakdowns of any or all of the following:	• Beneficial ownership (including identity and percentage of ownership of largest shareholders); and	• Beneficial ownership (including identity and percentage of ownership of largest shareholders); and
	o sales/revenues by countries/regions that make up 5 percent or more of total revenues;	• Breakdowns of any or all of the following:	• Breakdowns of any or all of the following:
	o major products and/or identified services	o Sales/revenues by countries/regions that make up 5 percent or more of total revenues;	o Sales/revenues by countries/regions that make up 5 percent or more of total revenues;
	o costs by country/ region; and	o Costs by country/ region that make up 5 percent or more of total revenues; and	o Costs by country/ region that make up 5 percent or more of total revenues; and
	o employees by country/region	o Employees	o Employees
	In preparing the profile information, organisations should consider the need to provide information beyond that on direct employees and financial data. For example, some organisations with few		

	direct employees will have many indirect employees. This could include the employees of subcontractors, franchisees, joint ventures, and companies entirely dependent on or answerable to the reporting organisation. The extent of these relationships may interest stakeholders as much or more than information on direct employees. The reporting organisation should consider adding such information to its profile where relevant. Reporting organisations should choose the set of measures best suited to the nature of their operations and stakeholders' needs. Measures should include those that can be used specifically to create rations using the absolute figures provided in other sections of the report (See Annex 5 for information on ratios). All information cover that position of the organisation that is covered by the report.		

Rationale: This table was developed to show how a single indicator from G1

experienced significant content and organizational change in subsequent

versions.

Appendix C

Screenshots of Category-based Excel Tables

Table 1 — Category 1: "CEO Statement" (G1)

	2000 G1 — Original Description	Present	2002 G2 — Description & Changes (if any)	Level of Change	Present	2006 G3 — Description & Changes (if any)	Level of Change	Present	2011 G3.1 — Description & Changes (if any)	Level of Change	Present
	Stand-alone category, item 1, "CEO statement."	Yes	Item 1.2, "Statement from the CEO" (renamed)		Yes	Item 1.1, "Statement from the most senior decision-maker of the organization" (renamed, combines 1.1 & 1.2 from G2)		Yes	[No change from G1]		Yes

Rationale for item inclusion: "While the GRI does not specify the content of the CEO statement, it believes such statements are most valuable when they explicitly refer to the key elements of the report, particularly the mission and vision sections, and the organization's recent and future challenges in relation to sustainability (p.23).

Information to be provided in the statement is presented in five (5) bullet points following the rationale. (See below.)

Recommended elements include the following:
- Highlights of report content and commitment to targets
- Declaration of commitment to economic, environmental, and social goals by organization's leadership
- Acknowledgement of successes and failures
- Performance against benchmarks, previous years' performance, targets, and industry sector norms
- Major challenges for the organization and its business sector in integrating responsibilities for financial performance with those for economic, environmental, and social performance, along with the implications of this on future business strategy

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2002 G2:

Item has been merged into a new category called "Vision and Strategy" and follows 1.1 "The statement of the organization's vision and strategy."

Rationale for item inclusion nearly identical to G1, save the opening sentence has been rewritten as a compound sentence instead of a complete sentence. (The change is noted in BOLD): "GRI does not specify the content of the CEO statement; however, it believes such statements are most valuable when they explicitly refer to the key elements of the report, particularly the mission and vision sections, and the organization's recent and future challenges in relation to sustainability" (p.38).

Information to be provided in the statement is presented in six (6) bullet points following the rationale. There are changes (from G1 noted in BOLD).

Recommended elements of a CEO statement include the following:
- Highlights of report content and commitment to targets
- Declaration of commitment to economic, environmental, and social goals by organization's leadership
- **Statement of successes and failures**
- Performance against benchmarks such as previous year's performance, targets, and industry sector norms
- **The organization's approach to stakeholder engagement**
- Major challenges for the organization and its business sector in integrating responsibilities for financial performance with those for economic, environmental, and social performance, along with the implications of this on future business strategy

---

2006 G3:

No Rationale provided, just context instruction: "The statement should present the overall vision and strategy for the short-term, medium term, and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance" (p.20).

Information to be provided in the statement is presented in six (6) bullet points following the rationale. There are a number of minor changes in the phrasing and specific diction used. (See below.)

The statement should include:
- Strategic priorities and key topics for the short-term/medium term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success
- Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities
- Key events, achievements and failures
- Views on performance with respect to targets
- Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years
- Other items pertaining to the organization's strategic approach

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2011 G3.1: [No change from G3]

Table 5

Category 5: "Policies, Organisation, and Management Systems" (G1)

	2000 G1	2002 G2		2006 G3		2011 G3.1	
Present	**Original Description**	**Description & Changes** (if any)	**Level of Change**	**Description & Changes** (if any)	**Level of Change**	**Description & Changes** (if any)	**Level of Change**
Yes	Category 5: "Policies, Organisation, and Management Systems"	Yes — Category 5 "Governance Structure and Management Systems [renamed]		Yes — Category 4 "Governance, Commitments, and Engagement" [renamed]		Yes — [No change from G3 regarding category]	

2000 G1 — Original Description:

"In this section, the organisation is asked to provide an overview of its governance structure and the management systems that are in place to implement its vision. Central to this section is a discussion of stakeholder engagement" (p. 26)

Structurally, this category is subdivided into three areas: "Policies and Organisation" (5.1-5.6), "Management Systems (5.7-5.10), and "Stakeholder Relationships" (5.11-5.14).

2002 G2 — Description & Changes:

"This section provides an overview of the governance structure, overarching policies, and management systems in place to implement the reporting organisation's vision for sustainable development and to manage its performance. …Discussion of stakeholder engagement forms a key part of any description of governance structures and management systems" (p. 41).

Content/instructions: "Some of the information listed in this section may overlap with information in other publications from the organisation. GRI is sensitive to the need to avoid unnecessary duplication of effort. However, for the sake of ensuring full and complete contextual information for users of sustainability reports, it is important to cover the items listed below in combination with other information on the organisation' economic, environmental, and social performance. Organisations may wish to cross-reference between different documents, but this should not be done at the expense of excluding necessary information in a sustainability report" (p. 41)

Structurally, this category is subdivided into three areas: "Structure and Governance" (3.1-3.8), "Stakeholder Engagement" (3.9-3.12), and "Overarching Policies and Management Systems" (3.13-3.20).

2006 G3 — Description & Changes:

[No introductory overview provided.]

Structurally, this category is subdivided into three areas: "GOVERNANCE" (4.1-4.10), "COMMITMENTS TO EXTERNAL INITIATIVES (4.11-4.13), and "STAKEHOLDER ENGAGEMENT" (4.14-4.17).

2011 G3.1 — Description & Changes:

This is the first category where substantial changes are made to the 3.0 version of the document. In total, four (4) indicators have been augmented (4.1, 4.3, 4.7, and 4.14).

Total Change Points	Total Change Rank
0	0

(left column, repeated per section: Total number of words in section)

Notes:

• There has been considerable change within this category as well, most notably with the title. G1 emphasizes policies and management systems, G2 introduces the notion of governance structure but keeps management systems as its secondary focus. G3 makes governance even more central by changing it from an adjective to a noun by eliminating the word "structure" and likewise eliminates the notion of management systems altogether.

• Another example of organizational and diction change can be found in the order and names of the three subcategories present. Both G1 and G2 begin with "Policies and Organisation". G1 then focuses on "Management Systems" followed by "Stakeholder Relationships". G2 renames both subcategories and inverts this order, placing "Stakeholder Engagements" second followed by the renamed "Overarching Policies and Management Systems." In contrast, G3 adopts the original pattern of G1, with "Stakeholder engagement" presented last.

• Also worthy of not is that whereas G1 provides a brief explanatory introduction to this category and G2 expands this overview substantially, G3 does not provide any overview at all.

• The final notable observation is that this …

Appendix D

Screenshots of Indicator Formatting in G1, G2 and G3

from G1

Energy (joules)

Generally Applicable

6.1 Total energy use.

6.2 Amount of electricity purchased, by primary fuel source, where known. Amount self-generated if applicable (describe source).

Organisation-Specific

6.3 Initiatives to move towards renewable energy sources and energy efficiency.

6.4 Total fuel use. Vehicle and non-vehicle fuel, by type.

6.5 Other energy use (e.g., district heat).

from G2

Environmental Performance Indicators

Core Indicators	Additional Indicators
Materials	
EN1. Total materials use other than water, by type. Provide definitions used for types of materials. Report in tonnes, kilograms, or volume.	
EN2. Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organisation. Refers to both post-consumer recycled material and waste from industrial sources. Report in tonnes, kilograms, or volume.	
Energy[4]	
EN3. Direct energy use segmented by primary source. Report on all energy sources used by the reporting organisation for its own operations as well as for the production and delivery of energy products (e.g., electricity or heat) to other organisations. Report in joules.	**EN17.** Initiatives to use renewable energy sources and to increase energy efficiency.
	EN18. Energy consumption footprint (i.e., annualised lifetime energy requirements) of major products. Report in joules.
EN4. Indirect energy use. Report on all energy used to produce and deliver energy products purchased by the reporting organisation (e.g., electricity or heat). Report in joules.	**EN19.** Other indirect (upstream/downstream) energy use and implications, such as organisational travel, product lifecycle management, and use of energy-intensive materials.

from G3

Environmental Performance Indicators

ASPECT: MATERIALS

CORE **EN1** Materials used by weight or volume.

CORE **EN2** Percentage of materials used that are recycled input materials.

ASPECT: ENERGY

CORE **EN3** Direct energy consumption by primary energy source.

CORE **EN4** Indirect energy consumption by primary source.

ADD **EN5** Energy saved due to conservation and efficiency improvements.

ADD **EN6** Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

ADD **EN7** Initiatives to reduce indirect energy consumption and reductions achieved.

Appendix E

The Guidelines have used a number of key words. A word count of those terms is a significant indicator of change. A table representing these changes is provided below.

Frequency of "Key Word" usage in G1, G2, and G3/3.1

Word	G1	G2	G3/3.1
Consensus	12	12	3
Consultation	14	28	1
Experimentation	10	1	0
Feedback	17	8	0
Need	40	44	22
Should	39	117	120
Encouraged	12	16	4
Require*	14	38	25
General	27	30	20
Specific	45	53	43
Integrated	26	17	1
Expect*	18	35	30
Inclusive*	3	15	5
Dialogue	5	10	1
Process	53	105	55
Stakeholder	75	167	133

Appendix F

Change Level (CL) between G1»G2

Category Rank in G2 (from most to least CL)	CL: G1»G2
Category 3: Executive Summary and Key Indicators	18
Category 6: Performance	15
Category 5: Policies, Organisation, and Management Systems	12
Category 4: Vision and Strategy	10
Category 1: CEO Statement	10
Category 2: Profile of Reporting Organization	6

Change Level (CL) between G2»G3

Category Rank in G3 (listed from most to least CL)	CL: G2»G3
Category 1: CEO Statement	14
Category 2: Profile of Reporting Organization	14
Category 6: Performance	14
Category 5: Policies, Organisation, and Management Systems	13
Category 3: Executive Summary and Key Indicators	10
Category 4: Vision and Strategy	8

Frequency of Feature Usage within 6 Categories in G1, G2 and G3/3.1

	G1	G2	G3/3.1
Justification (J)	4	4	0
Function (F)	6	6	5
Utility (U)	3	3	0
Instruction (I)	5	4	5