The Essence of Context-Based Sustainability

Managing impacts on capitals with stakeholder well-being in mind!

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What is Context-Based Sustainability?

* A compelling approach to corporate sustainability management that:
  – Assesses performance relative to organization-specific sustainability norms or standards
  – Defines such standards relative to thresholds in the carrying capacities of vital capitals (i.e., resources people rely on)
  – Measures and reports performance in terms of an organization’s impacts on such capitals, but only those for which corresponding duties or obligations to stakeholders can be shown to exist (i.e., for material areas of impact)
A hallmark of CBS is its focus on capital thresholds and allocations
– Begins by defining levels in the stocks and flows of vital capitals required to ensure stakeholder well-being (i.e., capital thresholds) – for material areas of impact only
– Then defines fair, just and proportionate shares of the responsibility to create and/or maintain such capitals to individual organizations – be they shared or exclusive (i.e., allocations) – for material areas of impact only
The logic of defining organization-specific sustainability standards of performance

1. Identify vital capitals an organization is and/or should be having impact on in ways that can affect stakeholder well-being
2. Determine responsible populations for maintaining the carrying capacities of the capitals involved
3. Allocate fair, just and proportionate shares of the responsibilities to produce and/or maintain the capitals involved to specific organizations

Understanding the carrying capacities of capitals is key!

Organization-Specific Standards of Performance

e.g., water resources impacted by an org’s manufacturing activity; the stakeholders involved are everyone else who relies on the same resources

e.g., the entire population of people who share and rely on the water resources in question, including the manufacturer

\[ \begin{align*}
\text{e.g., first determine the carrying capacity of the water resources involved; then account for natural loss (evapotranspiration); then allocate a share to ecological functions/needs; then fulfill all household needs; and then, last, allocate the remainder to organizations based on their respective contributions to GDP.}
\end{align*} \]
CBS is inclusive of science-based considerations whenever possible, but is not the same as ‘science-based’

- CBS also takes justice and ethics into account when making normative allocations of duties to maintain vital capitals
- Science-based goal-setting and performance evaluations rarely include such normative considerations, but even when they do, it is ethics they are relying on, not science

See the [MultiCapital Scorecard](#) for state-of-the-art CBS measurement and reporting
Thank you!

For more information, visit us at:

www.sustainableorganizations.org

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