



Creating the Future: "Triple Bottom Line"

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A Sustainable Future

The **Sustainable Future** agenda has been long understood to address both **economic prosperity** and **environmental quality**, but was more complex than anticipated by some organisations that embraced it.

The Sustainable Future agenda encompasses a third dimension, that is **social responsibility**, and hence the "**Triple Bottom Line**" (TBL) concept emerged.

Some traditionalists have argued that a company should focus only on its responsibility to its shareholders in terms of ROI. Business on the whole has accepted, however, responsibility for environmental impacts of their organisation's operations.

While environmental, health and safety reports are common, reports that focus on the social performance of an organisation are less common and perhaps are more challenging.

Some industry sectors such as mining, petroleum and chemicals are making significant headway with the application of the TBL.

In primary industry, the approach to sustainable land use requires a sound understanding of the risk profiles of key business elements. The impact of risk profile management will be on market acceptance and community endorsement. The reality is that Agriculture as an industry is changing, in pursuit of the TBL.

Triple Bottom Line Monitoring and Reporting

It is reported that there are now over 3000 companies worldwide producing triple bottom line reports.

Greg Bourne, BP Australia's Regional President, said in relation to BP Australia's first TBL report (2000)...*"I'm convinced this report is the beginning of a process which will help us in our goal of continuous improvement, and at the same time, improve how we communicate with customers, investors and other stakeholders"*.

The Shell Company in 1995 experienced two major global incidents: one in the North Sea when it planned to sink the Brent Spar oil rig, and the other with drilling in Nigeria.

Following these events, Shell published "**Profits and Principles: Does there have to be a choice?**"

In its 2000 Report, Shell outlined a framework of key performance indicators that it has been developing with its stakeholders that encompass the triple bottom line. This framework will form the basis for future monitoring and reporting on the progress and commitment to sustainable development.

The Dow Chemical Company is integrating the use of tools such as the **Balanced Scorecard** to measure the company's progress on the TBL.

Other tools such as the Global Reporting Initiative (GRI) and AccountAbility 1000, an accounting standard, have encouraged the use of the TBL.

Most international organisations, including the United Nations and the OECD, have taken a strong lead in encouraging more comprehensive reporting by nations. TBL in business and other organisations is now a serious expectation. Australian organisations have been slower to adopt TBL reporting when compared with their international counterparts.

Adopting the Triple Bottom Line Approach

The implementation of a TBL approach to organisation monitoring and reporting is premised on:

- A strategic approach to economic, environmental and social considerations
- The definition of values associated with economic, environmental and social matters
- Identifying and measuring performance areas of importance to key stakeholders
- Using 3rd parties to verify and validate performance.

Key outcomes and benefits from the TBL approach include:

- Reducing risk exposures and liabilities
- More efficient use of resources
- Enhanced marketplace and community perceptions.

The Key Elements of the Triple Bottom Line

