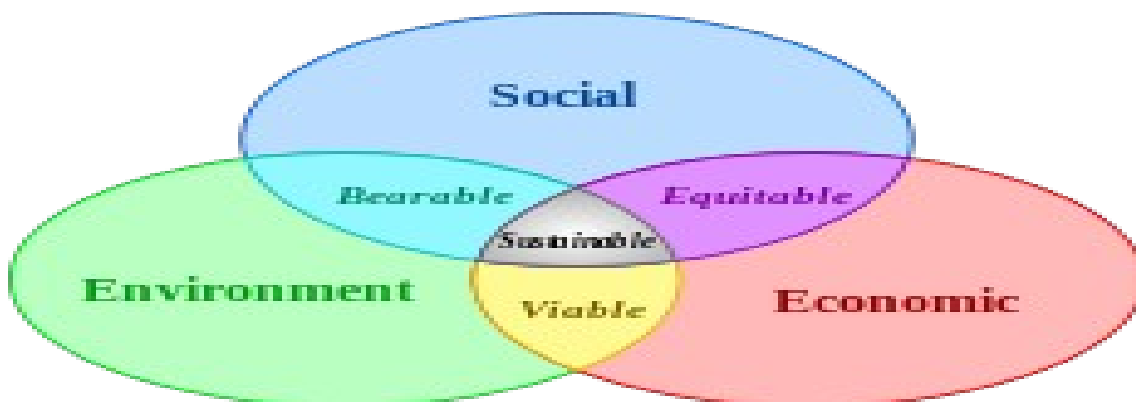


TRIPLE BOTTOM LINE (TBL)

INTRODUCTION:

In 1999 Elkington developed the concept of the Triple Bottom Line which proposed that business goals were inseparable from the societies and environments within which they operate. Whilst short-term economic gain could be chased, a failure to account for social and environmental impacts would make those business practices unsustainable. While each of the three pillars of sustainability i.e., economic, social and environment is independently crucial and urgent in the short run, but in order to reach the goal of sustainability in the long-run, the three pillars must be satisfied simultaneously. These three dimensions are deeply inter-connected and they influence and support each other. Three key aspects of sustainable Development



Source: Wikipedia

The Triple Bottom Line is made up of "Social, Economic and Environmental" aspect and indicated by the phrase "People, Planet, Profit"

"People" means Human Capital. It implies fair and beneficial business practices toward labour and the community and region in which a corporation conducts its business would create long term value. Well being of a corporate, its labour and other stakeholder interests are interdependent. For example policy retraining use of child labor, fair pay to workforce, health and safety at work place, tolerable working hours etc and would not otherwise exploit a community or its labor force.

The second aspect of TBL is "Planet" - the Natural Capital. It refers to sustainable environmental practices. A company which decides to follow TBL always keep in mind that it does no harm nature or create negative environmental impact. Reduction of ecological footprint by efficient energy consumption and use of nonrenewable assets as well as by reduction of manufacturing waste are the core components.

A TBL company as a corporate policy debars itself from manufacturing harmful or destructive products such as weapons, toxic chemicals etc. those are injurious to the society as well as nature. Even if they are involved in such activities they ensure to protect nature as well as human society from its hazardous process and the products. Simultaneously a TBL company avoids ecologically destructive practices, such as overfishing or other endangering depletions of resources.

The third aspect of triple bottom line is “Profit”. The concept of profit for TBL company is somehow more wider in all perspective. It is the reflection of economic impact the organization has on its business activities and that too after meeting all social and environmental cost. It somehow indicates real value addition a corporate made through its various activities. Worldwide many corporates are now adopting Triple Bottom Line under vision and mission and practicing the same through aligning their corporate policies in that direction. Many countries worldwide are now contemplating how to integrate this triple bottom line under their legal system .

CONCLUSION

Leading sustainability companies display high levels of competence in addressing global and industry challenges in a variety of areas: Strategy: Integrating long-term economic, environmental and social aspects in their business strategies while maintaining global competitiveness and brand reputation. Financial: Meeting shareholders' demands for sound financial returns, long-term economic growth, open communication and transparent financial accounting. Customer & Product: Fostering loyalty by investing in customer relationship management and product and service innovation that focuses on technologies and systems, which use financial, natural and social resources in an efficient, effective and economic manner over the long-term. Governance and Stakeholder: Setting the highest standards of corporate governance and stakeholder engagement, including corporate codes of conduct and public reporting. Human: Managing human resources to maintain workforce capabilities and employee satisfaction through best-in-class organisational learning and knowledge management practices and remuneration and benefit programs. The emergence of corporate responsibility, from being a niche interest of environmentalist and pressure groups to one public. Concern, has in part, stemmed from the realization that corporate governance and social and environmental performance are important elements of sustained financial profitability.

Source: Wikipedia, Various books on Corporate Governance

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