

The Triple Bottom Line

What is the Triple Bottom Line?

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The triple bottom line (TBL) focuses corporations not just on the economic value they add, but also on the environmental and social value they add – and destroy. At its narrowest, the term ‘triple bottom line’ is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters.

At its broadest, the term is used to capture the whole set of values, issues and processes that companies must address in order to minimize any harm resulting from their activities and to create economic, social and environmental value. This involves being clear about the company’s purpose and taking into consideration the needs of all the company’s stakeholders – shareholders, customers, employees, business partners, governments, local communities and the public.

1. The triple bottom line.

The three lines represent society, the economy and the environment. Society depends on the economy - and the economy depends on the global ecosystem, whose health represents the ultimate bottom line.



2. Instability.

The three bottom lines are not stable; they are in constant flux, due to social, political, economic and environmental pressures, cycles and conflicts.



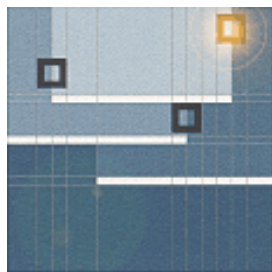
3. Continental plates.

Think of each bottom line as a continental plate, often moving independently from the others.



4. Shear zones.

As the plates move under, over or against each other, 'shear zones' emerge where the social, economic or ecological equivalents of tremors and earthquakes occur.



Economic/environmental

In the economic/environmental shear zone, some companies already promote eco-efficiency. But there are greater challenges ahead, e.g. environmental economics and accounting, shadow pricing and ecological tax reform.

Social/environmental

In the social/environmental shear zone, business is working on environmental literacy and training issues, but new challenges will be sparked by e.g. environmental justice, environmental refugees, and the inter-generational equity

agenda.

- [Social Reporting.](#)

Economic/social

In the economic/social shear zone, some companies are looking at the social impacts of proposed investment, but bubbling under are issues like business ethics, fair trade, human and minority rights, and stakeholder capitalism.

- [The Business Case.](#)

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