

WHOLIVES CORPORATE



CEOs Should Adopt a Triple Bottom Line 30 Seconds of Business information you should know

– Bob Pritchard, Nov 29, 2018



Social consciousness is at peak levels. Individuals are energized as are companies. **The role of companies engaged in corporate social responsibility (CSR) signals a longer-term shift.** More than ever before, the global C-Suite finds itself with a unique platform, and an expectation from growing numbers of employees, to shape societal discourse, going beyond traditionally-defined CSR to address societal issues at every stage of their value chains.



So why do it? There are two primary reasons:

- **The first is that investors increasingly want companies to adopt a triple bottom-line. There is a growing number of socially conscious investors who see environmental, social, and governance issues as criteria for investing, in addition to meeting financial performance goals.**
- Secondly, investors are avoiding putting their money into industries that do not align with their values and are also using their investment positions to push for what they see as positive corporate change with broader societal impact.

While 78 percent of investors think business leaders should publicly advocate for policy positions that would improve economic and social outcomes, even more of them—81 percent—think executives should work directly with government leaders on developing these policies. Furthermore, 75% of investors believe businesses are more efficient than governments at achieving positive outcomes.

The 2018 Edelman Trust Barometer, shows that citizens expect business leaders to be proactive about social change and employees are increasingly turning to CEOs for guidance on broader social issues. Younger consumers are increasingly voting with their wallets for values-based, sustainable, and socially conscious brands. In turn, brands that are more closely associated with these values—like TOMS, Brilliant Earth, and Starbucks—are more likely to carve out a competitive advantage.

The benefit of the triple bottom-line, measuring fiscal, environmental and social performance, is clear. Companies making decisions to benefit not only their shareholders, but also their employees, customers, suppliers, and the global community more broadly will over the longer term maximize both stakeholder and shareholder value.

The sooner you fall behind, the more time you'll have to catch up.