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Challenges and Practical Approaches to Implementing Triple Bottom Line Strategies

From Theory to Practice

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Abstract

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This thesis examines the implementation of the Triple Bottom Line (TBL) framework within businesses, emphasizing its integration with the Sustainable Development Goals. Understanding the strategies, challenges and practical approaches to TBL becomes crucial, as corporations are increasingly adopting sustainability as a core aspect of their operations. The methodology of the study combines a literature review with case studies of companies like Toyota, Tokmanni and Safaricom, offering insights into the diverse application of TBL across different sectors and regions. These case studies highlight the practical challenges and innovative strategies companies employ to balance economic, social and environmental goals. Each of these three companies has adopted a unique approach to sustainability, tailored to their specific circumstances, including their size and geographic location. Toyota North America, for instance, invests millions to restore rivers and ecosystems across the United States. On the other hand, Safaricom contributes with funds and technology to enhance access to educational and healthcare services in Kenya. Although this might seem like an uneven comparison, it is important to recognize that each company addresses the Triple Bottom Line based on the community needs they aim to serve. While Safaricom's environmental sustainability efforts might be less noticeable, both Toyota and Tokmanni primarily focus on environmental initiatives. Nonetheless, they all share a common commitment to fostering a better environment. The findings reveal that while Triple Bottom Line provides a valuable framework for performing sustainability, there are significant challenges in measurement, reporting, and aligning corporate financial strategies with sustainability goals. Moreover, the integration of TBL with SDG showcases the potential for businesses to contribute meaningfully to global sustainability efforts but also underlines the need for improved measurement tools and greater transparency in sustainability reporting. This thesis contributes to the academic discussion on sustainable business practices by exploring the effectiveness and limitations of the framework and proposing areas for further research in measurement techniques.

Keywords: Sustainability, Business, Framework, Reporting, Data, Triple Bottom Line

The originality of this thesis has been checked using Turnitin Originality Check service.

Contents

Glossary

1	Introduction	1
2	Methodology	2
2.1	Research Design	2
2.2	Data Analysis Methods	4
2.3	Limitations	5
3	The Evolution Of The Triple Bottom Line Concept	5
3.1	Early Origins and Development of TBL	5
3.2	Impact on Business and Society	6
3.3	Evolution of Measurements and Reporting Practices	7
4	Measuring The Triple Bottom Line	9
4.1	Review of Most Used Existing Reporting Standards	9
4.2	AI Based Reporting Tool	10
4.3	Future Directions of TBL	12
5	Triple Bottom Line and Sustainable Development Goals	12
5.1	Overview of the Sustainable Development Goals	13
5.2	Implementation Process	14
5.3	Integrating Sustainable Development Goals into Business Practices	16
6	Challenges and Criticism	18
6.1	Criticisms and Limitations of the TBL Framework	18
6.2	Criticism and Limitations of the Measurement Tools	19
7	Case Studies of TBL Implementation	23
7.1	Toyota Motor North America Inc.	23
7.1.1	Sustainable Development Goal 13 (Climate Action)	24
7.1.2	Sustainable Development Goal 6 (Clean Water and Sanitation)	24
7.1.3	Sustainable Development Goal 12 (Responsible Consumption and Production)	25
7.1.4	Sustainable Development Goal 15 (Life On Land)	25
7.1.5	Results Fiscal Year 2023	26

7.1.6	Challenges and Criticisms	26
7.2	Tokmanni	27
7.2.1	Sustainable Development Goal 8 (Decent Work and Economic Growth)	28
7.2.2	Sustainable Development Goal 12 (Responsible Consumption and Production)	28
7.2.3	Sustainable Development Goal 13 (Climate Action)	28
7.2.4	Results Fiscal Year 2022	29
7.2.5	Challenges and Criticisms	29
7.3	Safaricom PLC	30
7.3.1	Sustainable Development Goal 3 (Good Health and Well-being)	30
7.3.2	Sustainable Development Goal 4 (Quality Education)	31
7.3.3	Sustainable Development Goal 7 (Affordable and Clean Energy)	31
7.3.4	Sustainable Development Goal 10 (Reduced Inequalities)	31
7.3.5	Results Fiscal Year 2023	31
7.3.6	Challenges and Criticisms	32
7.4	Summary	33
8	Conclusion	33
	References	35

Glossary

AI	Artificial Intelligence
CER	Corporate Environmental Reports
CO ₂	Carbon Dioxide
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
EAR	Environmental Annual Reports
ESG	Environmental, Social and Governance
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
SDG	Sustainable Development Goals
TBL	Triple Bottom Line
TMC	Toyota Motor Corporation
TMNA	Toyota Motor North America
UK	United Kingdom
UN	United Nations

WWF

World Wildlife Fund

1 Introduction

The Triple Bottom Line (TBL) concept, introduced by John Elkington three decades ago, became an important phenomenon in the business world. This concept encourages companies to rely on more than the traditional financial performance to measure the overall well-being of the entity. The idea is that a company should take responsibility not only for the generated profits (financial bottom line), but also for its impact on people (social bottom line) and on environment (environmental bottom line).

Therefore, TBL is more than a set of goals, it is a business guide for a better and sustainable approach in the reporting of companies' performance. In practice, the adoption of TBL means the implementation of policies and practices, such as measurements and reporting on CO₂ emissions, the impact on the local communities, the work conditions, diversification and inclusion of employees, as well as other non-financial factors which contribute to the long-term success of a business.

The main question this study aims to answer is how companies measure the TBL. The paper also evaluates the problems companies might face when trying to follow TBL, such as internal issues, rules, and market challenges.

Beginning with the "Methodology" chapter, which sets the foundation by outlining the basic principles and methods used to answer the research question. Thereafter, the thesis evaluates the "History of Triple Bottom Line," which traces the origins and evolution of TBL from an innovative idea to a key element in modern sustainable business practices. The analysis continues with a chapter on "Measuring TBL," which addresses the ways of quantifying companies' sustainability efforts, illustrating the challenges involved in this evaluation process.

The narrative progresses to "TBL and Sustainable Goals," where the alignment between TBL principles and global sustainability targets is examined. This leads to the "Challenges and Criticism of TBL" chapter, which offers a critical look at the obstacles and critiques associated with the topic, ensuring a balanced perspective on its effectiveness.

"Case Studies of TBL Implementation" provides examples of how TBL is applied in various organizations, showcasing both successes and lessons learned. Each chapter

logically builds upon the previous, presenting a comprehensive overview of how TBL is reshaping business practices towards a more sustainable future.

2 Methodology

This chapter outlines the methodological choices and the research design used in the thesis. It will discuss the tools and techniques used to collect and analyse data, which are essential for validating the findings of the study.

Understanding the relationship between the methods chosen and the research design is key as it explains the decisions made throughout the study, including how companies and data collected were picked.

Methodology's purpose, as described by Saunders, is "to review literature, assess the quality and relevance of studies, and report findings to conclude about what is known and unknown in a particular area of interest" (Saunders, Lewis and Thornhill 2019:181).

2.1 Research Design

A research method is a plan that a researcher follows to answer questions and find out new things in an organized way. It includes choosing the right ways to gather information, deciding who or what to study, and figuring out how to make sense of the data. This plan helps make sure the answers the researcher finds are solid and can be trusted (Bairagi V. & Munot, M. V. 2019:70).

This section is dedicated to the specifics of the methods, detailing the steps and strategies to ensure that the research was conducted accurately.

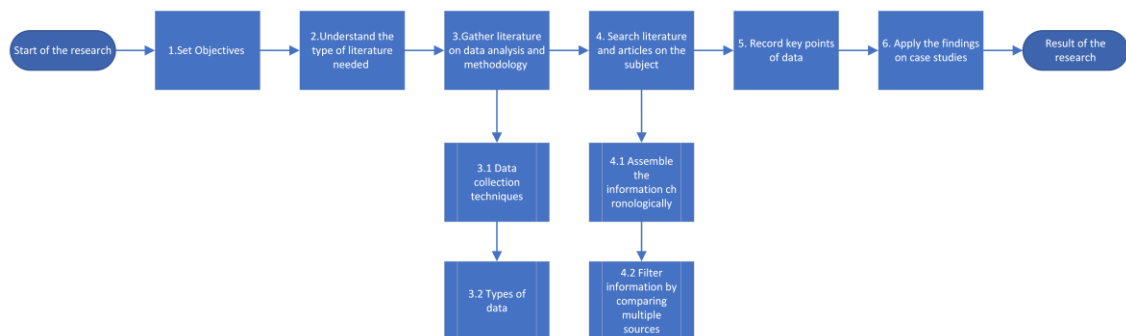


Figure 1. Research Design Map 2024. (Metropolia University of Applied Sciences, Student Alexandru Birsan 2024)

This flowchart outlines a structured approach to conducting research, beginning with establishing clear objectives for the study. Once the goals are set, it is important to identify the area where there is a lack of knowledge.

After determining the kind of literature required, the collection of resources on various data analysis techniques and methodologies applicable to the field of study is mandatory. These include a detailed look into specific data collection techniques that may be used, such as reports or articles, and the types of data these techniques will yield, whether quantitative, qualitative, or a combination of both.

The next phase involves a literature search for articles and scholarly works directly related to the research topic. The information from this search is then organized chronologically, helping to trace the evolution of the subject and research on the topic. Additionally, the information were filtered by cross-referencing multiple sources, which underlines the credibility of the research by ensuring the data`s accuracy and relevance.

Furthermore, key data points and significant findings were recorded. These findings are then applied to case studies, testing their validity and applicability in real-world scenarios. This application to practical examples helps to ground the research in reality, providing a clear view of how theoretical findings hold up when confronted with actual cases.

The final step in the research process, as depicted in the flowchart, is the synthesis of all the data, analysis, and the validation of case studies . Given the exploratory nature of the research question, case studies provide qualitative data necessary for understanding the "how" behind TBL implementation. This method is well-suited for uncovering the mechanisms through which companies balance economic performance with social and environmental stewardship. The most significant advantage of employing case studies in this research is their ability to capture the diversity of TBL implementation practices across different industries and organizational contexts. By selecting a varied set of companies as case studies, this research not only investigates the implementation processes in depth, but also allows for the comparison of these processes across different settings. Such comparative analysis reveals patterns, common challenges, and effective strategies that fulfil the initial objectives set.

2.2 Data Analysis Methods

Research can be classified in various categories including applicability, the mode of investigation and the major objectives. Qualitative research has its emphasis on the quality and types of parameters rather than quantity (Bairagi, V. & Munot, M. V. 2019: p.6-8).

In the context of TBL, qualitative research could examine how different organizations interpret and implement sustainability practices. It recognizes that the corporate world is dynamic and that companies may approach the TBL concept differently, influenced by varying factors such as corporate culture, stakeholder expectations, and market pressures. Therefore, qualitative research in the context of TBL is less about generalizing findings across all businesses and more about gaining insights into individual organizational practices and the depth of their commitment to social, environmental, and financial sustainability.

By asking how and why companies integrate the TBL concept into their operations, qualitative research highlights the quality and their genuine impact on achieving a balance between profitability, social and environmental responsibility.

“Qualitative data consists of spoken words, written text, and visual images. This includes audio or transcribed speech, interview notes, diaries, and documents, as well as drawings and video. Such data is gathered through interviews, observations, and recordings, often in natural settings, providing context that experiments or questionnaires might miss. On the other hand, quantitative data is split into categorical and numerical types. Categorical data is sorted into groups or ranks, like vehicle types or survey responses, and counts occurrences without using numbers. Numerical data, on the other hand, is measured or counted and includes interval data, for stating differences, and ratio data, for stating differences and relative comparisons, allowing for more accurate results (Saunders, Lewis and Thornhill 2019:776-866).

The decision to use both types of data was made to leverage the strengths of each methodological approach, thereby providing a richer, more complete picture of how companies implement TBL into their operations. Qualitative data forms the backbone of the study, offering depth and context, while quantitative data supplements these findings, providing a basis for comparison and generalization. Together, these data types enable

a more comprehensive examination of TBL practices, capturing both the detailed processes and outcomes of implementation.

2.3 Limitations

During the research, the most frequent limitation was the accuracy of the information. This aspect became more critical when analysing the sustainability reports of companies. There is a risk that these entities manipulate data towards their benefit. Without a rigorous check of the information, the results of the research can be compromised, and the conclusion inaccurate. As a result, it is essential to have a critical thinking towards the evaluation of data.

An additional limitation is that the case study approach prioritizes depth over width, providing detailed understanding of the complex processes and dynamics within each case but not necessarily offering a foundation to deduce that these findings apply universally to all companies.

3 The Evolution Of The Triple Bottom Line Concept

The Triple Bottom Line concept, introduced by John Elkington in 1994, represents a change in how businesses evaluate their performance. Moving beyond the traditional financial measurements, TBL incorporates environmental and social dimensions, encouraging companies to measure their impact on the world in a more realistic manner. This approach shows commitment to sustainability and acknowledges that long-term prosperity and success of a business is directly linked to the well-being of the planet and its people (Loviscek 2021).

3.1 Early Origins and Development of TBL

The origins of TBL can be traced back to the rise of environmental awareness of the late 20th century, alongside calls for more ethical business practices. The notion that corporations should be held to account for any damage they cause to the environment or any inequalities they create comes from a number of influential movements from this period, including the environmental and social inequality movements. Elkington's TBL framework suggested that businesses should prepare, and be accountable for, three

different bottom lines: one detailing the standard financial performance, one for their environmental performance, and one for their social impact.

Over the years, TBL has evolved from a novel idea into a guiding principle for sustainable business practices. Indeed, its adoption illustrates a greater trend toward corporate social responsibility (CSR) in the business world, in which businesses of all sizes and types are coming to have a greater recognition of their role in addressing global challenges such as climate change, resource depletion, and social inequality. Global Reporting Initiative (GRI) standards have been an imperative tool in the functionality of TBL, offering to business frameworks in measuring and disclosing their environmental and social impacts alongside financial results.

As TBL concept was developing, Environmental, Social, and Governance (ESG) criteria also began to take shape, providing a framework to measure corporate sustainability. Where TBL aims to represent a framework about impacts on business, the ESG criteria give a set of more particular metrics that managers and investors may use to evaluate the extent of environmental pollution, social responsibility, and governance in the corporation. ESG considerations are increasingly becoming key factors to investment strategies, reflecting a growing consciousness about environmental issues among consumers, investors, and corporations alike. From 1993 to 2017, ESG reporting grew from 12 percent to 75 percent in the hundred largest corporations in forty-nine countries (4,900 companies). By 2025, ESG funds are predicted to grow to \$53 trillion. Fueling this growth is increasing demand from investors across all demographics”(Ivey 2022).

Contrary to John Elkington's reflections on the Triple Bottom Line (TBL) concept suggesting a potential decline in its credibility, the evidence from a systematic review of literature done by Loviscek reveals a different narrative. The TBL concept has actually seen a growth in acceptance and scholarly interest, particularly noted by an increase in related publications between 2015 and 2019. This trend indicates not a loss, but a growing credibility and relevance of the TBL framework in understanding and implementing sustainability within various sectors (Loviscek 2021).

3.2 Impact on Business and Society

The effect of TBL has been felt by businesses and society. It has caused a rethink in the operations, supply chains, and product offerings across firms to align with sustainability

considerations. TBL has also been a source of policy and regulatory influence in how to base mechanisms that guide and promote sustainable development. In this way, the integration of TBL into the core of their business practice not only contributes toward the long-term viability of their own company but, in the broader view, to the goal of a more sustainable and equal global economy.

Elkington emphasizes that for businesses to adapt and thrive in the 21st century, there is a need for a significant shift in business thinking, education, and training towards sustainability. The TBL approach is meant to generate a vast number of new business concepts. However, for these concepts to be successfully integrated and become mainstream, businesses must actively engage in reshaping their strategies and practices to align with sustainable development principles (Elkington 1997).

On the other hand, Vittoria Loviscek critiques the framework for its often hidden approach to these ideals, which can set back its effectiveness in fostering true sustainability. The review highlights the need for a more integrated and realistic approach that can better capture the connection between the pillars. It also suggests that future research should focus on refining the TBL model to overcome these limitations and more effectively guide organizations towards sustainable development (Loviscek 2021).

3.3 Evolution of Measurements and Reporting Practices

“The first corporate environmental reports (CER) or environmental annual reports (EAR) were published in 1990. Since then, the number of these reports has increased dramatically. This has led to a wide diversity in the indicators used and the presentation of performance data, making comparisons challenging”(Elkington, 1997). Elkington also discusses the progression of companies in adopting environmental reporting and measurement practices, highlighting an unusual sequence in their approach. Companies focused on environmental auditing and reporting without having a reliable environmental management systems in place. This means they started by reviewing their current practices and reporting their findings publicly before ensuring they had the management infrastructure to accurately track and improve their environmental performance. In an ideal scenario, companies would begin by establishing solid environmental accounting practices and identifying key performance indicators. These indicators would help in measuring their environmental impact accurately. With this foundation, they would then develop environmental management systems designed to monitor, manage, and

improve their performance based on these indicators. Auditing would come next to assess the effectiveness of these systems, followed by reporting the findings to the public. Verification of these reports through external checks would ensure their accuracy and reliability, and would help in evaluating their performance relative to others (Elkington 1997).

John Elkington reflects on its 25-year journey. Initially, it was meant to expand corporate responsibility to include social and environmental impacts, alongside economic ones. However, Elkington feels the concept has not achieved the deep change in capitalism he hoped for. He points out that although the idea has been widely incorporated into corporate reporting and sustainability indices, it has not led to significant shifts in business practices. Elkington suggests recalling and rethinking the framework to push for a more radical transformation that genuinely addresses global challenges (Elkington 2018).

The initial TBL framework provided a foundational approach for companies to report on but the need for more detailed and standardized reporting mechanisms became apparent. This led to the development of ESG criteria, which offered a more concrete set of metrics for evaluating a company's approach to managing environmental risks, social responsibilities, and governance practices. The ESG does not come from TBL. Because TBL was offering mainly unreliable narrative reports, the shareholders needed something more measurable, which led to the creation of ESG in 2004. Since then, companies use ESG quantitative measurements to assess TBL practices, which in turn are decision factors for investments (Annan 2004).

In 2004, the term ESG was first used in the "Who Cares Wins" report, which encouraged financial markets to pay more attention to environmental, social, and governance issues. Initiated by Kofi Annan, this effort aimed at getting finance leaders to work alongside the United Nations (UN) to find ways to include ESG in market practices, making markets more stable and predictable. The report played a key role in starting a movement towards considering ESG factors in investments for the benefit of companies and market stability (Annan 2004).

The evolution of TBL into the broader adoption of ESG and other sustainability measurements reflects a growing interest on the importance of sustainable business

practices. From corporate goals to deciding factors of investments, the principles of TBL are increasingly becoming integral to decision-making processes.

4 Measuring The Triple Bottom Line

This chapter will delve into the methodologies of evaluating the Triple Bottom Line within organizations. It will examine the evolution of measurement practices, while analysing its effectiveness and challenges.

4.1 Review of Most Used Existing Reporting Standards

A number of standars have been developed over time to measure the Triple Bottom Line, enabling organizations to evaluate their performance towards sustainability in a broader perspective. This analysis will focus on The Global Reporting Initiative, Environmental, Social and Governance Criteria, and Corporate Social Responsibility.

The Global Reporting Initiative offers a set of global standards for the voluntary reporting of a company`s economic, environmental, and social impact. The aim is to promote transparency and accountability in business, offering an overview of sustainable performance. The GRI standards are used by companies, governmental organizations and other entities to develop sustainability reports which are accessible online to everyone interested. Its focus is on offering common global standards applicable to any business in any sector. It is less about directly assessing financial risk (as ESG) and more about measuring and communicating long-term impact on society and environment (GRI Sustainability Report 2023).

On the other hand, ESG refers to three central dimensions of assessing a company`s sustainability and impact. These criteria are primarily used by investors to evaluate potential risks and opportunities associated with a company`s sustainable performance. ESG criteria are utilized in financial analysis and investment to identify companies that not only have a positive impact, but also present a reduced long-term financial risk. ESG concentrates more on aspects that can directly impact a company`s financial value, such as energy efficiency (which can lower the costs), ethical labor practices (which can improve reputation), and solid governance (which can minimize legal and compliance risks).

In essence, ESG and GRI address sustainability from different angles. ESG focuses on assessing and managing sustainability-related risks and opportunities from an investor perspective, while GRI focuses on organizational transparency through detailed sustainability performance reporting. Using both frameworks can offer a more complete and nuanced view of a company's sustainability performance (GRI Sustainability Report 2023).

Unlike ESG and GRI which focus mainly on specific quantitative indicators, CSR measurements may sometimes be more subjective and based on the quality and the impact of CSR initiatives. There are a few methods to evaluate the efforts of CSR: investments in communities (the amount of financial contributions in charities, community development projects, sustainable initiatives etc.), environmental projects (waste management measured in the progress towards the reduction, reuse and recycling of the waste generated by the operations of companies), business ethics and transparency (measured in anti-corruption initiatives, transparency in the annual reports), work practices and engagement towards the employees (measured by statistics regarding the diversity of work force and the implementation of inclusion policies, employee satisfaction via interviews etc.), as well as aiming to satisfy customers (can be measured via customer feedback). These measurements can vary from company to company, but it offers a view of the way the companies assume social responsibility. The evaluation of successful initiatives requires sometimes the collection of qualitative data, in order to really understand the impact of actions of companies on society and environment (via <https://www.unido.org/> (accessed on 15 March 2024)).

4.2 AI Based Reporting Tool

“Pavan Sukhdev, an environmental economist and head of the international arm of WWF, introduced I360X, an investor-focused platform aiming to assign monetary values to companies' non-financial externalities. Using advanced data gathering technologies like “cognitive” search engines with artificial intelligence, I360X collects data on several factors, including air pollution. For instance, it considers wind conditions, populations, and World Health Organization data to estimate the potential impact of a company's emissions on respiratory health. The platform then attaches a monetary cost to the probability of illness, incorporating factors like local healthcare fees and lost productivity. The I360X platform comprises more than 17,000 equations and can draw on more than 15 million data points. This technology allows for a quick assessment of the health cost

associated with a company's air pollution. Sukhdev emphasizes that the platform's capability results from years of preparation in developing algorithms, modeling, databases, and valuation methodologies. Furthermore, the interest of investors for this data system is explained by what Sir Ronald Cohen said about the system and its impact on stock markets. Using the example of two major chemical groups, Sasol and Solvay, each with annual revenues of \$12 billion, Cohen illustrates that despite being favored by investors, their profitability significantly changes when considering environmental impacts. With revenues of \$12bn a year each, he said both were portfolio stalwarts for mainstream investors. Cost in their environmental impacts, \$17bn and \$4bn were wiped off their respective bottom lines. The primary objective of the initiative is to generate entries on financial statements that enhance the representation of a company's financial health and performance. These entries are intended to reflect both the positive and negative impacts that a company has on employees, customers, the environment, and the broader society. Carmine Di Sibio, the global chief executive of professional services firm EY, expresses appreciation for the emergence of tech-enabled efforts to evaluate corporate externalities. According to him, these efforts provide valuable means for chief financial officers and investors to assess not only a company's current profitability but also its power to evolving social and environmental risks. Mr. Di Sibio emphasizes the importance of establishing an "accepted method" for monetizing such impacts, and he notes ongoing work in this direction. He underlines that investors increasingly consider a company's total impacts and emphasizes the significance of articulating these impacts in a language understandable to investors, business leaders, and political figures, facilitating comparisons with other financial metrics" (Balch 2021).

After reviewing both standards, a question arises. Is ESG reliable enough, since there is the I360X system, which seems to be more technologically advanced, offering a more comprehensive and reliable set of data? One of the primary concerns with ESG lies in their reliance on self-reported data from companies. Companies may strategically present false information to enhance their ESG profile, potentially undermining the credibility of the report. In contrast, "the I360X system utilizes advanced data gathering technologies, including cognitive search engines driven by artificial intelligence, ensuring a more objective and accurate representation of a company's non-financial externalities" (Balch, 2021) . ESG often focus on a limited set of criteria, creating a potential blind spot in assessing a company's overall impact on sustainability. "The I360X system, however, considers a broader range of factors. For instance, it gathers data on wind conditions and population density to show where pollutants emitted by a company may land and

whom they might affect” (Balch 2021). This level of detail goes beyond the conventional ESG metrics, providing a better understanding of environmental impacts.

Another critical aspect is the real time nature of the I360X system. ESG criteria is typically static, offering a picture of a company’s sustainability efforts at a specific point in time. In contrast, the I360X system continuously adapts to changing circumstances, providing dynamic and up-to-date information. This real time functionality is crucial for a more in-depth measurement.

4.3 Future Directions of TBL

The future of Triple Bottom Line is steering towards the integration of Artificial Intelligence (AI), which presents a dual-edged sword. On one hand, AI promises to revolutionize the way measurements are determined, making the analysis more qualitative. This could lead to more accurate assessments. On the other hand, there lies a potential risk that AI could be used to manipulate these measurements, presenting a more favorable outcome than reality. This manipulation could undermine the integrity of TBL reporting, leading to misinformed decisions and potentially compromising sustainability efforts.

5 Triple Bottom Line and Sustainable Development Goals

This chapter examines how TBL initiatives align with the Sustainable Development Goals (SDGs) set by the United Nations in 2015, aiming to guide global efforts towards sustainability by 2030. The chapter will explore the connection between TBL and SDGs, highlighting how businesses can integrate these goals into their strategies to achieve sustainability.



Figure 2. The Sustainable Development Goals set by the United Nations in 2015.

5.1 Overview of the Sustainable Development Goals

The Sustainable Development Goals consist of 17 global objectives designed to address the world's most pressing challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice. For businesses embracing the TBL framework, several SDGs are particularly relevant. These include goal 7 (Affordable and Clean Energy), goal 8 (Decent Work and Economic Growth), goal 12 (Responsible Consumption and Production), and goal 13 (Climate Action), among others. Each of these goals corresponds to aspects of the TBL, underlining the importance of sustainable practices that benefit not just the economy, but also society and the environment.

The Division for Sustainable Development Goals in the United Nations Department of Economic and Social Affairs plays a crucial role in supporting and building capacity for the SDGs, supervising their implementation, and facilitating engagement among all stakeholders to ensure the success of the 2030 Agenda. The annual High-level Political Forum on Sustainable Development serves as the central platform for reviewing progress towards the SDGs (<https://sdgs.un.org/goals>, accessed on 11 March 2024).

5.2 Implementation Process

Annually, the UN delivers a report on the progress of the SDGs, created in collaboration with the United Nations System. This report keeps track of the global indicator framework advancements, utilizing data from national statistical systems.

The latest report available is from 2023. It provides a critical view of global progress on all the goals. In this analysis, the focus will be on Goal 7 (Affordable and Clean Energy), Goal 8 (Decent Work and Economic Growth), Goal 12 (Responsible Consumption and Production), and Goal 13 (Climate Action) due to their link with TBL. By analyzing the report, the reader can deduce that the TBL is not merely a sustainability concept that can be overlooked, but rather, it is a concept that must indeed be applied.

For “Goal 7” (Affordable and Clean Energy), the report indicates a steady but insufficient pace towards ensuring universal access to affordable and clean energy. Even though renewable energy installations are growing, particularly in developing countries, the financial flows for clean energy projects are declining, putting at risk the achievement of goal 7 targets. By 2030, without accelerated efforts, around 660 million people will still lack access to electricity, and nearly 2 billion will depend on polluting fuels for cooking. The growth of renewable energy in the electricity sector is promising, but the transition in heating and transport is slow, highlighting the need for broader policy actions and investment in clean energy technologies .

“Goal 8” (Decent Work and Economic Growth) indicates that the global economic outlook presents a mixed picture, with recovery from the COVID-19 pandemic leading to reduced unemployment rates, but still facing challenges such as slow GDP growth and increasing informal employment. The youth unemployment rate remains high, underscoring ongoing difficulties in securing jobs for young people. Digital adoption has surged, improving access to finance. To realize Goal 8, a change of the financial system is necessary to address rising debts, economic uncertainties, and trade disputes. This reform should also focus on ensuring fair wages and quality employment opportunities for the youth.

For “Goal 12” (Responsible Consumption and Production), the report highlights the unsustainable nature of current consumption and production patterns. Despite a global increase in sustainability reporting by companies, progress towards halving food waste

and reducing fossil fuel subsidies is far off track. The increase in support for fossil fuels usage and massive amounts of food being thrown away, even as more people around the world go hungry, highlight the immediate need to adopt sustainable habits and separate economic development from the use of natural resources.

The findings on “Goal 13” (Climate Action) place a big warning. The current scale and pace of efforts are insufficient to combat climate change effectively. With extreme weather events becoming more frequent and intense, immediate, and sustained reductions in greenhouse gas emissions are essential across all sectors.

The Sustainable Development Goals Report 2023 calls for transformative policies, increased investment, and international cooperation to overcome the challenges and secure a sustainable future for all (DESA 2023).

The findings from the Sustainable Development Goals Report 2023 align closely with the Triple Bottom Line concept, emphasizing the need for sustainable development. Here is how these findings relate to each pillar of the TBL:

Economic bottom line align with Goal 8 (Decent Work and Economic Growth): the global economic recovery, while showing signs of progress, highlights persistent challenges such as slow GDP growth and rising informal employment. This underlines the TBL's emphasis on fostering economic sustainability through decent work and equitable growth. It reflects the need for economic systems that not only generate wealth but also distribute its benefits fairly, ensuring long-term economic resilience and stability.

Social pillar of TBL is also aligning with Goal 8 (Decent Work and Economic Growth) because it touches on social sustainability by addressing unemployment and the need for decent work, especially among youth. This aligns with TBL's focus on creating equitable opportunities and enhancing the well-being of all community members.

Environmental bottom line links to Goal 7 (Affordable and Clean Energy) because it debates about the push for a transition to renewable energy and the challenges in reducing dependence on polluting fuels. This goal highlights the importance of adopting sustainable energy solutions to mitigate environmental degradation and combat climate change.

Goal 12 (Responsible Consumption and Production) can be linked to the environmental pillar of TBL as well. The emphasis on reducing material footprints, cutting down food waste, and moving away from fossil fuel subsidies directly relates to environmental sustainability. It calls for a systemic change towards more sustainable consumption and production patterns.

Goal 13 (Climate Action) with the urgent call for rapid, deep, and sustained reductions in greenhouse gas emissions embrace the TBL's environmental focus. Addressing climate change through transformative action is essential for protecting the planet and ensuring a sustainable future for generations to come. (<https://sdgs.un.org/goals>, accessed on 11 March 2024)

The TBL concept's integration into these goals illustrates an approach to sustainability, where economic, social, and environmental objectives are pursued simultaneously for a balanced development. The report's findings emphasize the connection of these pillars, highlighting that progress in one area often depends on and influences outcomes in the others.

5.3 Integrating Sustainable Development Goals into Business Practices

Businesses can integrate the Sustainable Development Goals into their activities by adopting strategies that align with the TBL.

For goal 7 (Clean and Affordable Energy), companies can invest in renewable energy. They can transition to renewable energy sources for their operations, reducing carbon footprints and promoting sustainability. They can also use less energy by making their operations more efficient.

For goal 8 (Decent Work and Economic Growth), businesses can ensure fair wages, safe working conditions, and invest in employee development to foster economic growth and employee satisfaction. Companies can also engage more with local suppliers and invest in community projects which can stimulate economic development and create job opportunities for people coming from less favorable regions.

For goal 12 (Responsible Consumption and Production), implementing waste reduction strategies, such as recycling and sustainable packaging, can minimize environmental impact. Besides positive impact on environment, developing and selling products that are sustainable and eco-friendly can be used as a marketing tool to attract customers interested in sustainability.

For goal 13 (Climate Action) businesses can set targets to reduce greenhouse gas emissions and invest in carbon offset projects. Moreover, educating employees and customers about climate change and sustainable practices can foster a culture of environmental responsibility.

“The next listing will show a road map of steps businesses can follow to approach the integration of these goals into their operations:

1. Assessment and alignment: assess which SDGs align closely with the business's core activities and values. Develop strategies that integrate these goals into business operations, supply chain management, and product development.
2. Stakeholder engagement: engage with stakeholders, including employees, customers, suppliers, and local communities, to understand the needs and expectations regarding sustainability. Collaboration can lead to more effective and inclusive solutions.
3. Innovation and adaptation: develop new products, services, and business models that contribute to the SDGs. Adapt business practices to be more sustainable, considering the long-term impacts on the environment and society.
4. Measurement and reporting: establish metrics to measure progress on the SDGs and report on these efforts transparently. This can attract like-minded investors and customers and demonstrate the company's commitment to sustainability.
5. Partnerships: collaborate with other businesses, governments, and non-profit organizations to amplify impact. Partnerships can provide access to additional resources, knowledge, and networks, facilitating the achievement of shared goals.” (<https://sdgs.un.org/goals> accessed on 11 March 2024).

By integrating SDGs goals into their operations, businesses show commitment to the TBL concept. This approach helps companies address global challenges and build resistance against future risks.

6 Challenges and Criticism

When companies try to follow the Triple Bottom Line concept, they often run into a sea of challenges. This chapter aims to show what kind of problems they face and why some people are not sure if the TBL really works as intended. Companies have a tough time measuring how well they are doing in all three sustainability pillars or finding the right balance between them. Some critics argue that TBL does not quite achieve making businesses truly responsible for their impact on the world. By looking into both the struggles and the successes, readers will see the real picture of what it is like for businesses trying to do good for both people and the planet, highlighting the ongoing effort to make the idea of TBL a reality.

The next paragraphs collectively provide an understanding of the difficulties businesses encounter in their efforts to adopt and implement TBL practices, including governance, operational, and reporting challenges.

6.1 Criticisms and Limitations of the TBL Framework

The article by Makena Coffman and Karen Umemoto (2010) critically looks at how the TBL framework is used in making sustainability plans, specifically with the Hawaii 2050 Sustainability strategic action plan. They point out several problems and limitations with using TBL for planning sustainable development, especially because it forces people to choose between economic, social, and environmental goals.

The authors believe that using popular concepts of sustainability, like TBL, without closely examining them can create circular logic where the definition of sustainability just repeats itself, meaning that it might end up just repeating the same ideas over and over again, assuming the concept is universally applicable without actually proving or demonstrating the effectiveness in all contexts. In Hawaii's case, TBL became the main focus, leading to discussions that often opposed economic goals.

Moreover, implementing TBL in planning often meant focusing on the trade-offs between economic growth and taking care of the environment right from the start. This makes people assume that sacrifices are necessary, dividing stakeholders into opposing groups instead of encouraging them to work together and come up with innovative solutions.

By shifting from a focus purely on ecological sustainability to a balanced TBL approach, the planning process started to pay less attention to crucial environmental concerns. The need to balance economic, social, and environmental goals meant that the environment's health wasn't always the main focus. For Hawaii 2050, this approach ended up causing disagreements among stakeholders, which might be why the plan struggled to get public support and legal approval.

Coffman and Umemoto's review (2010) suggests that the TBL framework might not be the best for planning sustainability because it tends to frame issues as needing trade-offs and divides people into competing sides. They recommend a planning approach that puts ecological health first, with economic and social objectives aligned in support of this goal. This would help create more unified, practical, and widely accepted plans for tackling sustainability challenges (Coffman, Umemoto 2010).

6.2 Criticism and Limitations of the Measurement Tools

The article by Milne, Gray (2013) criticizes how companies report their sustainability efforts, especially focusing on the TBL method and its use alongside frameworks like the Global Reporting Initiative. The authors believe that while these methods aim to include environmental care in business practices, they often miss tackling the big, root problems related to the environment.

The authors believe TBL only lightly touches on sustainability and ignores critical environmental issues that are vital for earth's survival. The widespread adoption of TBL and tools like the GRI has set certain standards for how companies report sustainability. However, this often leads to practices that do not fully capture or address real environmental sustainability, focusing more on making operations efficient and involving stakeholders, rather than reevaluating the business's impact on the planet.

Moreover, the critique points out a gap between the act of sustainability reporting and the broader goal of maintaining the ecosystems that support life. Current sustainability

reporting, even with the GRI, often lacks a full approach to understanding and acting on ecological crises. There's a continuous need to improve both the theory and practice of TBL and sustainability reporting. This means dealing with the conflict between the desire for economic growth and the limits set by ecological sustainability.

While TBL and standards like the GRI have pushed companies to think more about sustainability, there are big challenges ahead. These include moving from just being eco-efficient to really understanding ecology, tackling the fundamental issues of ecological sustainability, and rethinking how companies operate and their effects on the planet (Milne, Gray 2013).

Looking into more recent research papers, the critique brought to GRI remains the same. Published in 2023, the paper by Ahmad (2023) focuses on ESG and their influence on business investment and sustainability. The reference to GRI standards in this context is because GRI is a tool used for ESG reporting.

The paper's main criticism centers on the superficial way companies adhere to GRI standards rather than fully integrating them into their business operations. It suggests that many companies follow the GRI guidelines primarily for image management instead of a genuine commitment to environmental or social change. This superficial compliance raises doubts about the authenticity and effectiveness of the reporting process, potentially leading stakeholders to overestimate a company's dedication to sustainability.

Additionally, the article discusses the complexity of the GRI's guidelines. These issues can cause inconsistencies in how different companies report, making it difficult for stakeholders to compare the sustainability practices of these companies accurately. This lack of clarity and consistency weakens the effectiveness of the GRI as a tool for assessing corporate sustainability.

The study further explores the tension between economic and non-economic goals in companies that adhere to GRI standards. It points out that financial goals often overshadow the environmental and social objectives set by the GRI framework, indicating a misalignment between business motivation and sustainability goals.

Lastly, the paper critiques the impact of gender diversity on governance under the GRI framework. Despite the initiative's focus on promoting inclusivity and diversity, the actual

impact of gender diversity on GRI disclosure practices is minimal. This finding highlights a significant gap between the initiative's goals and the practical outcomes, especially in governance practices where diversity should lead to better disclosure and accountability (Ahmad 2023).

These insights emphasize the urgent need to revise and strengthen the GRI standards to ensure they promote full disclosure and drive effective sustainability practices across all adhering companies.

The limitations of ESG are discussed in an article from The Financial Times by Siobhan Riding (2021) talks about the European Union setting new rules, called " Sustainable Finance Disclosure Regulation", to make it clearer how funds focused on being good for the environment, society, and governance are performing. These new rules are designed to make these funds more transparent, meaning they must share more information about how they are considering risks related to these ESG factors. The idea is to encourage more money to flow into projects and activities that are genuinely good for the planet and people, by making sure the ESG market is more transparent.

However, the article points out some big challenges with these new rules and with the whole idea of investing in ESG. It is really hard for experts to figure out which investments are truly sustainable. This is because there is no clear, agreed-upon definition of sustainability, making it tough to separate the truly green investments from the not-so-green ones. As ESG investing has gotten more popular, there is a worry that some investment funds might exaggerate how green or ethical they are just to attract investors. It can trick investors and hurt the goal of getting money to real, sustainable projects.

With the EU's new rules, investment managers have to report a lot more information to show they are really considering ESG risks. This is a good thing for transparency but can be really challenging because it means they need to collect a lot of data and make sure they're following all the new rules correctly. Since there's no global standard for how companies report this kind of information, the quality and availability of data can vary a lot.

The article mentions that it's going to be tough to follow these new rules right away because there's so much information to gather, and some parts of the regulations are being rolled out slowly. This could slow down the growth of ESG investing. (Riding 2021)

On the other hand, the Corporate Sustainability Reporting Directive (CSRD), which builds on and replaces the earlier rules, requires companies to provide more detailed reporting on sustainability matters. This directive is newer (2023), and it aims for more comparability and reliability in sustainability reporting.

In the next paragraph, the criticism brought to the EU CSRD will be discussed. A key issue identified in the study written by Baumüller (2021), is the CSRD's potentially overwhelming requirements, which could burden companies with excessive administrative tasks. The required level of detail could cause practical and financial challenges, making it difficult to implement such extensive rules.

The article also discusses the basic principles of the reporting framework suggested by the CSRD, pointing out that these principles need clearer definitions and justifications. Without this clarity, the effectiveness and purpose of the guidelines might be weakened.

There are also operational challenges, especially with the "double materiality" concept that requires companies to report both the financial impacts of sustainability issues and their wider social and environmental effects. This complex concept, coupled with unclear guidelines, could create significant challenges for companies.

The effect on small and medium-sized enterprises is another concern. Even with extended deadlines for compliance, the new reporting demands could be particularly tough on smaller companies that do not have the resources of larger firms.

Additionally, there is a risk that the CSRD could promote a "tick-box" mentality, shifting the focus from real sustainability actions to just meeting requirements. Highly specific demands might limit innovation and genuine sustainability efforts within companies.

Lastly, the practical value of some CSRD provisions is questioned due to their vague or overly specific nature. This could reduce the directive's effectiveness and pose challenges for companies trying to comply.

Overall, while the CSRD aims to improve sustainability reporting, it faces significant obstacles that could reduce from its ability to promote sustainable business practices. The critique highlights the need for careful evaluation and possible adjustments to ensure

the directive aids true sustainability efforts without adding unnecessary burdens (Baumüller 2021).

7 Case Studies of TBL Implementation

This chapter's objective is to analyze a selection of companies that appear to have successfully integrate TBL into their operations. The criteria for selecting case studies is based on sector diversity, geographical location, size and maturity and innovation in sustainability. The diversity shows insights into how TBL is applied across various industries. The different geographical locations will give insight into how cultural and regulatory environments impact TBL integration. By including both large multinational corporations and small-medium sized enterprises, the study also explores the scalability and adaptability of TBL practices.

The study will compare key takeaways from each case study, focusing on effective strategies, common challenges, and best practices. The companies picked are: first company included is Toyota, a worldwide company activating in the automotive industry, with factories and technical centers across the world. Due to the size of the company, the analysis will focus on the Toyota operations from North America. Toyota's approach to sustainability is heavily influenced by the Japanese principles of Kaizen (continuous improvement) and Monozukuri (the art of making things), which emphasize efficiency, waste reduction, and respect for the environment. The second company is Tokmanni, from Finland. It operates in the consumer goods industry and is known in Finland for their efforts to offer discounted prices and source the products from within the borders of Finland. The third company is Safaricom, a telecommunication company from Kenya, noted for its community investments. A common factor in all three sustainability reports is their stated willingness to align with SDG's goals.

7.1 Toyota Motor North America Inc.

Toyota Motor North America Inc. (TMNA), headquartered in Plano, Texas, is a subsidiary of Toyota Motor Corporation (TMC), based in Japan. TMNA, along with Toyota Canada Inc. (TCI), focuses on Toyota and Lexus brands activities across the United States, Canada, and Mexico. TMNA's efforts emphasize environmental stewardship as a core organizational value.

Toyota is dedicated to aligning with the United Nations Sustainable Development Goals to contribute to a better, safer, and healthier world. This commitment is channeled through Toyota's ambitious Environmental Challenge 2050, which sets six goals guiding the company's global environmental initiatives. In North America, Toyota's environmental actions are structured within four main pillars: carbon, water, materials, and biodiversity (Toyota Sustainability Report 2023).

7.1.1 Sustainable Development Goal 13 (Climate Action)

Toyota is actively contributing to Sustainable Development Goal 13 (Climate Action), which focus on sustainable energy adoption and climate change mitigation. The company's strategy focuses on the entire vehicle lifecycle, aiming to enhance the use of renewable energy and eradicate greenhouse gas (GHG) emissions, thereby advancing the shift to a low-carbon future. Toyota Motor North America (TMNA) is tackling carbon emissions through a three steps approach. First, TMNA is dedicated to reducing vehicle CO₂ emissions by expanding its range of electrified vehicles, including fuel cell, hybrid, plug-in hybrid, and battery electric models, while also improving the fuel efficiency of internal combustion engines. This diverse vehicle portfolio enables the company to maximize the environmental benefits of its limited battery resources by placing more low-emission vehicles on the road. Second, TMNA is working towards eliminating GHG emissions from its operations with the aim for its North American facilities to achieve carbon neutrality by 2035. This objective is being pursued through investments in solar and wind energy projects, enhancing energy efficiency, and exploring methods to decrease thermal energy demands. Third, the company is engaging with its supply chain to address GHG emissions. Toyota mandates its suppliers to aim for a yearly CO₂ emissions reduction of at least 3%. For logistics suppliers, TMNA has set a goal to cut emissions by 15% by the fiscal year 2026. Additionally, dealers are being encouraged to participate in Toyota's Dealer Environmental Excellence Program, which focuses on environmental performance, including energy use and GHG emissions reductions (Toyota Sustainability Report 2023).

7.1.2 Sustainable Development Goal 6 (Clean Water and Sanitation)

Toyota is driving efforts towards meeting Sustainable Development Goal 6 (Clean Water and Sanitation), which focuses on ensuring the availability and sustainable management of water and sanitation for everyone. The company is committed to enhancing water

efficiency across its operations, including the use of recycled and reused water. In addition to its own operations, Toyota is influencing its supply chain to make water sustainability a priority. With the introduction of the Green Supplier Requirements, Toyota now requires suppliers to measure and report their water usage, create water reduction plans, and set targets for conservation. The company's commitment extends beyond its immediate network to include partnerships with communities. A notable collaboration involves supporting The Nature Conservancy's efforts to revitalize water flows in the Colorado River Delta. To quantify its ambitions, Toyota has set a target to reduce its water use per unit of vehicle production by 11% between fiscal years 2022 and 2026, using FY2021 as a new baseline for a more accurate reflection of post-pandemic production levels. While there was a slight increase in water usage in FY2023, Toyota continues to prioritize finding and implementing new ways to enhance water conservation (Toyota Sustainability Report 2023).

7.1.3 Sustainable Development Goal 12 (Responsible Consumption and Production)

Toyota is focused on advancing Sustainable Development Goal 12 (Responsible Consumption and Production), aimed at ensuring sustainable consumption and production patterns. The company is taking strides toward a circular economy by conserving resources, minimizing waste, and managing materials in a sustainable manner. Toyota is working towards establishing a closed-loop battery recycling program to complement their new battery manufacturing plant in North Carolina. This initiative reflects their broader goal to reduce reliance on natural resources and improve resource efficiency, particularly with the rise of electric vehicles necessitating rare earth metals. Toyota's efforts are also seen in their participation in industry workgroups that develop guidelines to minimize waste and enhance the recyclability of automotive packaging and materials (Toyota Sustainability Report 2023).

7.1.4 Sustainable Development Goal 15 (Life On Land)

Lastly, Toyota is actively contributing to Sustainable Development Goal 15 (Life On Land), which focuses on stopping biodiversity loss and restoring ecosystems. To support this goal, Toyota aims to develop at least 26,000 acres of pollinator habitat in North America. This number mirrors the acreage of Toyota's facilities in the region, acknowledging the potential adverse effects manufacturing plants can have on local

ecosystems. In the fiscal year 2023, the company has made notable progress by developing 7,599.4 acres of pollinator habitat in collaboration with Pollinator Partnership and an additional 2,738.5 acres with the National Environmental Education Foundation, culminating in a total of 10,337.9 acres. These efforts are part of Toyota's broader commitment to protecting biodiversity through the support of various species, such as bees and butterflies (Toyota Sustainability Report 2023).

7.1.5 Results Fiscal Year 2023

In fiscal year 2023, Toyota and Lexus have made significant steps in sustainability, with 66% of their models offering an electrified option, and plans for more in the future. The company is on track to convert 279 diesel shunt trucks to electric by 2026 and is projected to consume over 400,000 Megawatt hour of renewable electricity by TMNA in 2024. Notably, the Toyota Port Vehicle Processing Facility in California has become the first in the world to operate entirely on 100% renewable electricity generated on-site. In terms of water conservation, 158 million gallons of water were released to the Hardy River in collaboration with The Nature Conservancy, aimed at restoring the water levels in the Colorado River Delta. Progress in material usage has also been made, with a 15% reduction in the weight of single-use plastic packaging between FY2018 and FY2023. Additionally, 93% of all waste was recycled, reused, or repurposed in 2022. Biodiversity initiatives have seen the development of 10,337.9 acres (about twice the area of JFK Airport) of pollinator habitat, a project undertaken with the Pollinator Partnership and National Environmental Education Foundation, further showcasing TMNA's commitment to environmental stewardship (Toyota Sustainability Report 2023).

7.1.6 Challenges and Criticisms

In terms of SDG 13, TMNA must handle the high costs and infrastructural demands associated with scaling up the production and adoption of electrified vehicles and transitioning to renewable energy sources. For clean water and sanitation (SDG 6), the challenge lies in implementing sustainable water management practices across diverse geographical areas and ensuring suppliers meet water sustainability standards. In pursuing responsible consumption and production (SDG 12), TMNA aims to redesign product life cycles to support a circular economy, which involves significant changes in sourcing, manufacturing, and waste management. The integration of bio-based and recycled materials into production also presents technical and performance challenges.

Toyota's sustainability report shows the positive progression in many ways, but it also raises several question marks that reflect larger issues with corporate sustainability efforts. The report does not clearly specify whether the ESG metrics have undergone independent auditing or verification. The lack of third-party validation could raise doubts about the accuracy and reliability of the data presented. Another point of contention arises from Toyota's requirements for supplier compliance with its sustainability standards. While ensuring supply chain sustainability is crucial, imposing such standards can be challenging, particularly for smaller suppliers or those in developing regions. These suppliers might not have the resources to meet Toyota's standards, suggesting a possible oversight in the company's responsibility to ensure fair and practical sustainability practices across different economic situations. Finally, Toyota's selective focus on specific SDGs lead to criticisms of cherry-picking SDGs that align more closely with Toyota's operational priorities and public image, rather than a balanced commitment to all relevant SDGs.

In sum, while Toyota's sustainability initiatives demonstrate a significant commitment to environmental and social responsibilities, the report itself could benefit from a more transparent approach that includes independent verification, considers the capabilities of all suppliers, and adopts a more inclusive approach to the SDGs. These enhancements would not only strengthen the report but also align Toyota more closely with the evolving expectations of corporate sustainability.

7.2 Tokmanni

Tokmanni is Finland's largest variety discount retailer, serving customers through an extensive store network and online platforms. With its headquarters and logistics center located in Mäntsälä, Finland, Tokmanni is a significant employer within the Finnish retail sector. A notable aspect of Tokmanni's business model is its commitment to keeping prices low through domestic sourcing, long-term supplier relationships, process optimization, and stakeholder engagement. This approach allows the company to maintain low prices for its customers by reducing intermediary costs. Building long-term relationships with suppliers is central to this strategy, as it ensures a steady supply of products and contributes to mutual growth.

Tokmanni emphasized three principal SDGs within their business operations.

7.2.1 Sustainable Development Goal 8 (Decent Work and Economic Growth)

SDG 8 is strongly reflected in Tokmanni's operations. As a significant employer in Finland, Tokmanni provides stable employment and focuses on creating a workplace that upholds safety and equality. The company places a high priority on employee training and development, facilitating career advancement and enhancing economic growth through a skilled and satisfied workforce. This commitment not only promotes individual professional growth but also contributes to the broader economic stability by supporting a competent labor market. Furthermore, Tokmanni's commitment to sourcing approximately 70% of its products from within Finland enhances its sustainability efforts and supports local economic development. This strategic choice not only boosts the Finnish economy by supporting local businesses and manufacturers, thereby helping to sustain and create jobs, but it also reduces the environmental impacts associated with long-distance transportation of goods (Tokmanni Sustainability Report, 2022).

7.2.2 Sustainable Development Goal 12 (Responsible Consumption and Production)

Tokmanni adopts sustainable sourcing policies that encourage the consumption of products manufactured from recycled and bio-based materials. By implementing recycling programs and waste management strategies, Tokmanni aims to minimize its environmental footprint and promote sustainability across its value chain. These efforts ensure that product safety and ethical marketing are maintained, helping customers make responsible consumption choices that are aligned with environmental sustainability (Tokmanni Sustainability Report, 2022).

7.2.3 Sustainable Development Goal 13 (Climate Action)

The company is proactive in reducing its carbon emissions, guided by science-based targets. Investments in renewable energy sources, such as solar panels, and improvements in energy efficiency across its operations exemplify Tokmanni's dedication to combating climate change. Moreover, the focus on maintaining transport emission levels at reduced rates highlights Tokmanni's commitment to sustainable logistical practices, reinforcing its role in promoting environmental stewardship. A significant aspect of Tokmanni's environmental strategy is its utilization of renewable energy. The

report highlights that solar panels provided 9% of Tokmanni's electricity consumption in 2022, showcasing the company's investment in clean energy solutions. This shift towards renewable energy sources not only reduces Tokmanni's carbon footprint but also sets a precedent for sustainable energy use in the retail sector (Tokmanni Sustainability Report, 2022).

7.2.4 Results Fiscal Year 2022

The 2022 Sustainability Report from Tokmanni showcases significant achievements across various dimensions of sustainability. A notable accomplishment is the reduction of emissions from their operations by 78% compared to the 2015 baseline, surpassing their 2025 target ahead of schedule, largely due to increased energy efficiency and expanded use of renewable energy sources like solar panels. In waste management, Tokmanni has successfully reused or recycled 82% of its waste. The report also highlights that 70% of Tokmanni's products are sourced from Finland, supporting local suppliers and reducing the environmental impact of transportation. On the social front, Tokmanni implemented initiatives to promote employee well-being and development, alongside donating €300,000 to various charitable causes. Collectively, these highlights reflect Tokmanni's proactive approach to sustainability, contributing significantly to operational efficiencies and aligning with broader societal and environmental goals (Tokmanni Sustainability Report, 2022).

7.2.5 Challenges and Criticisms

The main challenges are in supply chains, aggravated by external factors such as the shortage of truck drivers, the Russian invasion of Ukraine, congestion at commercial ports, and the transportation industry's lacking younger generations, all pose significant risks to Tokmanni's operational efficiency and cost structure. Other challenges are posed by the opening of new stores. As Tokmanni opens new stores, the increased energy consumption and emissions from the new stores themselves and expanded logistics operations present significant sustainability challenges. The growth in product selection further complicates this by increasing the volume of goods transported, thus elevating logistics emissions. Another challenge is the accuracy of the data on emissions and supply chain impacts. The challenge of poor data quality and availability can damage Tokmanni's ability to measure, report, and reduce its environmental footprint accurately.

From a critical point of view, the report relies heavily on data provided by business partners, such as transport service providers and travel agencies. This can raise concerns about the accuracy of the data, as Tokmanni is dependent on third parties for critical environmental impact information. Secondly, the report states that the emissions information has been externally verified and that the report complies with the GRI Standards, but at the same extent, Tokmanni admits that the data on emissions is poorly collected.

These points suggest that while the report seems to adhere to several best practices, there is room for improving data reliability.

7.3 Safaricom PLC

Safaricom PLC is a leading telecommunications company in Kenya, recognized for its commitment to sustainability and innovation. As of their 2023 Sustainable Business Report, the company has evolved towards becoming a purpose-led technology entity, dedicated to transforming lives across Kenya.

Safaricom's strategic alignment with the United Nations Sustainable Development Goals showcases its commitment to driving positive change in society, the economy, and the environment.

7.3.1 Sustainable Development Goal 3 (Good Health and Well-being)

Safaricom has made significant moves in improving health outcomes through mobile technology. Their M-Tiba service, for instance, provides a mobile health wallet that enables users to save, send, and receive funds to pay for medical services, ensuring greater access to health care. This platform has over 3.8 million active users and is integrated into 6,021 approved health facilities nationwide. Another initiative, Daktari Smart, is a telemedicine program that offers remote consultation services, bridging the gap for rural populations with limited access to doctors. These efforts underline Safaricom's dedication to leveraging technology to enhance healthcare accessibility and efficiency across Kenya (Safaricom Sustainability Report, 2023).

7.3.2 Sustainable Development Goal 4 (Quality Education)

Education is another critical area where Safaricom employs its resources to make a substantial impact. Through their digital platform, such as Zeraki Learning app, they provide interactive and accessible education tools to students across Kenya. Zeraki Learning, is an app that provides video lessons and assessments to help secondary school students improve their academic performance (Safaricom Sustainability Report, 2023).

7.3.3 Sustainable Development Goal 7 (Affordable and Clean Energy)

Safaricom's approach to energy involves a transition towards renewable sources to power their operations. This shift includes installing solar power systems at their sites, which has led to a significant portion of their energy mix being derived from clean sources (Safaricom Sustainability Report, 2023).

7.3.4 Sustainable Development Goal 10 (Reduced Inequalities)

Safaricom works to reduce inequalities by providing inclusive services that serve to all segments of society. Their initiatives aim to empower marginalized communities by offering affordable internet and financial services. The expansion of M-PESA, a mobile money platform, has been pivotal in providing financial inclusion for millions, enabling transactions that facilitate economic activities even in remote areas. By prioritizing accessibility and affordability, Safaricom strives to ensure that technological and financial benefits reach a broad demographic, thereby reducing inequality within the Kenyan society (Safaricom Sustainability Report, 2023).

7.3.5 Results Fiscal Year 2023

In 2023, Safaricom achieved significant milestones, demonstrating its commitment to leveraging technology for economic, social, and environmental development across Kenya. The company made substantial progress in renewable energy by upgrading 23% of its base transceiver stations to utilize solar power, with a strategic goal to convert 40% of all its sites to solar by 2030. The expansion of M-PESA continued to play a pivotal role in driving financial inclusion, now serving over 32.1 million customers and expanding its international payment capabilities. Additionally, the spread of 5G technology marked a

significant advancement, with 205 active sites now providing coverage to 23 of Kenya's 47 counties, enhancing high-speed connectivity across the region. Educational initiatives also saw remarkable growth, with digital platforms like Zeraki Learning app reaching approximately 500,000 unique users monthly. Zeraki alone has attracted over 352,923 downloads, indicating a strong demand for accessible educational content. The expansion of the company's fiber network was also notable, now extending over 14,000 kilometers.

In the realm of community health, the M-Tiba service, which offers health savings capabilities, expanded to 3.8 million active users. The Uzazi Salama initiative is set to benefit around 90,000 women and children annually by improving access to quality maternal and child health services.

These efforts reflect Safaricom's ongoing commitment to integrating sustainability into its core business strategies, emphasizing growth, social impact, and corporate responsibility (Safaricom Sustainability Report, 2023).

7.3.6 Challenges and Criticisms

In 2023, Safaricom faced a range of challenges while pursuing its strategic and sustainability goals. As detailed in its Sustainable Business Report, the company navigated complex regulatory environments and compliance requirements, which demanded adaptability. Safaricom also encountered logistical and technical challenges in deploying advanced technologies across diverse and sometimes difficult terrains, particularly in its efforts to expand its 5G network and integrate renewable energy sources like solar power. Additionally, security concerns were also prominent, as the expansion of digital services necessitated enhanced measures to protect customer data. These challenges highlighted the complexities of operating within a rapidly evolving telecommunications industry and underlined Safaricom's commitment to overcoming obstacles to maintain growth and sustainability.

While the report showcases substantial contributions to community development and environmental stewardship, one might argue that these efforts are also strategically aligned with Safaricom's business objectives, potentially blurring the lines between altruism and profit-driven reasons. Safaricom's wide reach into various social, health, and educational programs undoubtedly brings significant benefits to the communities

they serve. For example, their M-PESA platform not only fosters financial inclusion but also enhances Safaricom's market presence and customer base, contributing to its profitability. This dual benefit raises questions: Are these initiatives primarily driven by a desire to uplift communities, or are they a strategic path to boost the company's image and market dominance?

7.4 Summary

A stand out result for all three of these companies is their different approach towards sustainability. Each of them makes different financial efforts, some smaller, some larger, depending on their size and location. While Toyota North America spends millions of dollars to revitalize rivers in United States and rebuild ecosystems, Safaricom donates money and technology to create access to education and health systems for people in Kenya. This might sound like a harsh comparison, but it should be considered that both companies approach TBL depending on the needs of the communities they serve. While Safaricom may not make considerable efforts in environmental sustainability, Toyota and Tokmanni focus mainly on this matter. However, they all share a common will, to create a better environment.

8 Conclusion

The study of the TBL within various business environments reveals not only the growing acceptance of sustainability as a crucial part of business strategy but also underlines the complex challenges of implementing it. This thesis has traced the evolution of TBL from its theoretical foundation to its practical applications, revealing both its transformative potential and the obstacles that corporations encounter in striving for a balanced approach to economic, social, and environmental goals.

Throughout this research, the integration of TBL with the United Nations' Sustainable Development Goals was highlighted, emphasizing the global shift towards more sustainable business practices. Aligning with these goals reinforces the importance of sustainable development in the corporate world and provides a roadmap for companies looking to implement these principles into their core operations.

Case studies from diverse industries and geographic locations provided real-world insights into the application of TBL principles. Companies like Toyota, Tokmanni, and

Safaricom have demonstrated that while the path to sustainability meets challenges, it is also filled with opportunity for innovation.

However, this thesis also discussed the criticisms and limitations of TBL, noting that without standardized measurement tools, assessing the real impact of these sustainability efforts can be challenging. The investigation into advanced frameworks, such as AI-based systems for measuring corporate externalities, suggests a future where technology plays a key role in enhancing the accuracy and reliability of sustainability reporting.

In conclusion, the journey towards fully implementing TBL principles continues. As businesses keep navigating the complexities of integrating sustainability into their models, the insights gained from both successes and challenges are crucial. For future research, focusing on developing and refining measurement tools that can accurately capture the sustainability efforts of companies will be essential. Additionally, fostering a culture of transparency and accountability remains essential for the TBL framework to not only survive but thrive in the evolving business landscape.

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