

## **The danger lies in obscuring the real issues**

Why am I so often underwhelmed by the trend towards ‘triple bottom line’ reporting?

Let’s take a look at the big issue behind the trend. The Living Planet Report 2002 showed how humanity is using around 2.3 hectares of the biosphere per person, compared to about 1.9 hectares estimated available – a 20% overshoot. We are living off the Earth’s capital, not its income. It looks likely that by 2050 around 2 Earths would be required to support the world’s growing population. This is clearly impossible.

Moreover, countries like the UK typically use five or six times as many resources per head as countries like the Gambia. Our lifestyles are being paid for both by future generations and by the poor of our own generation.

By how much do we need to reduce our demands on the biosphere? Probably to the level that can be supported by renewables – living off the Earth’s income, not its capital. We need to transform our infrastructure – hospitals, schools, agriculture, homes and the like – so that we can meet human needs much more fairly and within the biosphere’s constraints. How rapidly? No one can say for sure but it is clearly urgent.

This is the origin of the triple bottom line: radical changes in our relationship with the Earth, much greater justice for the poor of the world, and transformation of our economic systems. A thrilling – or a daunting – challenge. And it is one that most current reports fail to take on.

When launching Shell’s first triple bottom line report, Chairman Dr Chris Fay said: ‘When others talk about the three pillars of sustainable development, they sometimes ignore or overlook the fundamental economic factors which are so central to human progress. For us, wealth creation and economic prosperity remain at the heart of all that we do’. The question which Shell still needs to answer is – what is the role of an oil company in the context of the swingeing and rapid reductions in use of fossil fuels that are widely thought to be necessary.

Another problem is that the terms have become debased. In that statement, Dr Fay ruled out withdrawal from the petroleum industry – but gave lots of statistics on reductions in refinery flaring. This trivialisation of the issues is also true of the social and economic dimensions. The UK Government measures how healthy we are, or the fear of crime, as social indicators of sustainable development. Important domestic issues, but they miss the magnitude of the inequalities between nations. No surprise that in corporate reports there is rarely a sense of these issues.

There are many such problems.

The truth is that neither the UK Government nor Shell has a clue how to make the transition to sustainability. They don’t need to feel too bad about that, because if such a person exists, I have not heard of him or her! But the devotion to measuring the

triple bottom line, to consistency in reporting, serves mainly to obscure that fact, to avoid the hard discussions. So the drive to report can very easily get in the way.

We need reports that experiment, that get things wrong, that buzz with the excitement of the front line. We need reports that raise questions and we don't need reports that pretend that we have adequate answers. We need to drop the façade of competence and get real.

The Global Reporting Initiative has raised the learning agenda in reporting. But corporate practice is still far too conservative. We need to ask ourselves: what type of reporting does the next generation, do the world's poorest, need us to be doing now?

As a manager, David Ballard produced a prize-winning corporate environmental report in the 1990s. He is now a sustainability consultant and Joint Editor of [www.changingclimate.org](http://www.changingclimate.org) and a Visiting Fellow at Bath University. He writes here in a personal capacity.

*This article appeared in the European Business Forum/International Herald Tribune series on sustainability in the corporate sector on 2<sup>nd</sup> September, 2002.*