

# Sustainability and the Three Bottom Lines



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The concept was introduced by John Elkington in the 1990s to measure business success beyond financial profit. It encourages companies to evaluate their performance in relation to society and the environment, not only economic results.

For businesses, this translates into considering Three Bottom Lines:

- **People / Social** – impacts on people and communities
- **Planet / Environmental** – effects on nature and ecosystems
- **Profit / Financial** – the economic performance of the company

The approach supports long-term value creation by balancing financial growth with social responsibility and environmental protection.

Today, the Triple Bottom Line is widely used in sustainability strategies and ESG frameworks.



# People / Social Bottom Line

The company considers employees' working conditions and rights both internally and across its supply chain.

## Why is it important?

An engaged and inclusive workforce is typically more productive, innovative, and resilient. Human rights violations can lead to reputational damage, legal risks, and loss of market trust.

## What can be measured?

Employee well-being: sick leave, staff turnover, job satisfaction, etc.

Working conditions and rights: equal pay, workplace injuries, training and professional development.

**Societal impact:** creation of local jobs, diversity and inclusion, and ethical practices in the supply chain.



# Planet / Environmental Bottom Line

The company considers its environmental impact and use of natural resources.

## Why is it important?

Effective environmental actions can drive innovation, create new market opportunities, and reduce long-term risks such as rising energy costs, resource scarcity, regulatory pressure, and loss of customer trust.

## What can be measured?

- Carbon footprint: CO<sub>2</sub> emissions (Scope 1–3), energy consumption, etc.
- Resource use: water, raw materials, waste and chemical management, recycling rates.
- Nature and biodiversity: land use, ecosystem impacts, etc.
- Circularity: product design for reuse, repair, and recycling.



# Profit / Financial Bottom Line

The company considers its economic performance and financial sustainability.

## Why is it important?

Without a healthy economy, social and environmental initiatives cannot be sustained. Poor economic decisions can threaten profitability, local employment, and long-term development.

Strong economic performance enables SMEs to invest in innovation, sustainability, and new market opportunities.

## What can be measured?

- Revenue and growth: turnover, contribution margin, profitability, etc.
- Capital efficiency: return on invested capital, investment efficiency, etc.
- Risk and resilience: liquidity ratios, diversified revenue streams, seasonality management.



# Case Example: GreenTrail Adventures

GreenTrail Adventures is a small outdoor tourism company offering guided hiking and nature experiences. The company has chosen to integrate the Triple Bottom Line into its business strategy.

## People (Social)

GreenTrail employs local guides, offers fair wages, and provides regular training in safety and nature interpretation. The company also collaborates with local communities and suppliers.

## Planet (Environmental)

Tours are designed to minimize environmental impact. The company limits group sizes, promotes low-impact travel, and works with partners who follow environmental standards.

## Profit (Financial)

By focusing on sustainable tourism, GreenTrail attracts environmentally conscious customers and strengthens its brand. This helps the company maintain stable revenue while supporting long-term business growth.

Key takeaway: Integrating the Triple Bottom Line helps SMEs create value for people, the environment, and the business at the same time.



# Exercise: Apply the Triple Bottom Line to Your Business

In this exercise, you will reflect on how your organization affects people, the environment, and financial performance. Think about your company's activities, products, services, and partnerships.

For each column in the table:

## People

Identify social impacts of your organization.

Examples: employee well-being, working conditions, local employment, or community engagement.

## Planet

Identify environmental impacts of your activities.

Examples: energy use, waste, transport, materials, water consumption, or biodiversity.

## Profit

Identify the key financial factors that support a sustainable business.

Examples: revenue sources, cost efficiency, investment priorities, or risk management.

Start with 2–3 key variables in each column. Focus on the areas where your organization has the largest impact or influence.

# Triple Bottom Line



**People** – The social variables such as community, education, health, wellbeing and quality of life that will be impacted as a result of your organization.

**Planet** – The environmental variables such as natural resources, water/air quality, energy use and land use that will be impacted as a result of your organization.

**Profit** – Your bottom line that relies upon and what variables can be altered for a more sustainable approach to operations.

Review the definitions and questions for People, Planet, and Profit. Based on your business vision and mission, outline how your organization will impact each of these elements as it delivers its products and services in the market.

 <b>People</b>	 <b>Planet</b>	 <b>Profit</b>
What social variables are impacted by your organization?	What environmental variables are impacted as a result of your organization?	What does your bottom line rely on and what variables will drive sustainability?
<ul style="list-style-type: none"> <li>• Enter social variable here</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Enter environmental variable here</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Enter profit variable here</li> <li>•</li> <li>•</li> </ul>



# Actions

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Based on your Triple Bottom Line analysis, define a few practical actions your organization can implement.

For each action, specify:

- What needs to be done
- Who is responsible
- When it should be completed

Focus on 3–5 realistic actions that improve your impact on People, Planet, and Profit and can be implemented within the next 6–12 months.

Actions	Owner	Due Date
Enter action here	Enter owner	Enter due date

# Get in contact



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