Week 1: Introduction to "The Triple Bottom Line"

The phrase was coined by John Elkington in his 1997 book *Cannibals with Forks: the Triple Bottom Line of 21st Century Business*. The concept of TBL demands that a company's responsibility lies with stakeholders rather than shareholders. This is an important difference since "stakeholders" refers to anyone who is influenced, either directly or indirectly, by the actions of the firm. This includes employees, the communities in which the company has operations, its suppliers, its customers, etc. According to the stakeholder theory, the business entity should be used as a vehicle for coordinating stakeholder interests, instead of maximizing shareholder (owner) profit.

This reading by Andrew Savitz is an excellent introduction to the TBL concept. Sustainability is "the art of doing business in an interdependent world." He draws on his experience as head of PricewaterhouseCoopers' sustainability practice and makes a compelling case for moving businesses toward "a sustainability sweet spot" where shareholders, environmental interests and other stakeholders can all feel satisfied.

If you would like to hear an interview with the author, please click on this link:  
<http://getsustainable.net/audio/big-picture-podcast.mp3>  
[Transcript](https://lmscontent.embanet.com/NEU/MGMT6226/Files/BigPicturePodcast_Transcript.pdf)

**Readings:**

* Savitz, [Triple Bottom Line](https://lmscontent.embanet.com/NEU/MGMT6226/Readings/MGMT6226_Savitz_Triple_BottomLine.pdf)
* Is sustainability a realistic objective for society? (*A Primer on Sustainability, Chapter 3*)

**Presentation:**

* [Podcast](https://lmscontent.embanet.com/NEU/MGMT6226/Media/Podcasts/NU_MBA_MGMT6226_W1_L2.mp3)[Transcript](https://lmscontent.embanet.com/NEU/MGMT6226/NEU%20MBA%20MGMT6226%20W1_L2.html)

**Week 1 Assignment 2: Carbon Fee White Paper    
Due: Read assignment by Day 7  
Value: Participation**

**White Paper Assignment**

Please review this assignment by Week 1, Day 7.

This class covers multiple topics on sustainability in the business environment. One innovative approach to sustainability that businesses are implementing is an internal carbon fee. Microsoft’s internal carbon fee is much studied because of its success. Other companies are implementing an internal carbon fee ahead of a possible and pending international carbon tax. In fact, globally, 40 countries and 20 cities now have some version of carbon pricing. A carbon tax sets a carbon price by imposing a tax rate on greenhouse gas emissions. Basically, the more carbon a company or manufacturer emits, the higher the carbon tax on that company or manufacturer. The goal of the tax is to drive down GHG emissions.

An internal carbon fee works similar to a carbon tax; it is applied internally to spur innovation on how a company can reduce and eliminate GHG emissions, fund environmental conservation projects, and drive sustainability initiatives further into the company’s organizational culture. Businesses do not want to be caught off guard if a carbon tax becomes regulation in countries where they do business. Implementing an internal carbon fee acts as a practice in compliance, and it’s strategically smart.

**Week 2 Assignment: Submit white paper topic**

**Your assignment for Week 2 is to submit to your instructor for review and comment an abstract of 150-200 words describing your paper’s focus and identifying three companies that you will review. Provide at least five proposed sources in APA format.**

**Week 4: Assignment: White Paper**

Based on your white paper topic submission, research and write a five-page white paper to your company’s executive team on how your business can implement an internal carbon fee. The paper must include at least three examples of businesses that have an internal carbon fee, which will help to support your argument. To provide depth and background, the paper should analyze the external carbon tax. A white paper provides recommendations for action at the end of the document. You will need to provide at least 5 and a maximum of 10 recommendations on how the company can implement an internal carbon fee. The paper will give you the opportunity to practice your research and analytical skills.

**Consider these questions as you conduct your research:**

* Why are some companies successful at implementing an internal carbon fee? What sets them apart?
* What are the similarities and differences between an internal carbon fee and an external carbon tax?
* How do companies factor in direct and indirect carbon emissions, identified as Scope 1, Scope 2, and Scope 3 GHG emissions?
* What are the challenges/obstacles and environmental impacts involved in applying an internal carbon fee?
* How can you consider the social cost of carbon in your recommendations?
* Why are countries, internationally, moving toward a carbon tax?

**Resources**

This assignment requires a deep dive into the world of internal carbon fees and its external counterpart the carbon tax. Below are several resources that will help to jumpstart your research.

* Find and carefully read company Corporate Sustainability Reports, environmental reports, or the most recent report submitted to the CDP (Carbon Disclosure Project) or Global Reporting Initiative (GRI).
* Carbon Disclosure Project. [Use of internal carbon price by companies as incentive and strategic planning tool](https://www.cdp.net/CDPResults/companies-carbon-pricing-2013.pdf).December 2013
* Carbon Disclosure Project. [Global Corporate Use of carbon pricing](https://www.cdp.net/CDPResults/global-price-on-carbon-report-2014.pdf)
* UN Global Compact *Executive Guide to Carbon Pricing Leadership*: <https://www.unglobalcompact.org/docs/issues_doc/Environment/climate/CarbonPricingExecutiveGuide.pdf>
* *Triple Pundit* article: What is an internal carbon price, and should my business implement one? <http://www.triplepundit.com/2015/12/what-is-an-internal-carbon-price-and-should-my-business-implement-one/>
* *New York Times* article: [Microsoft Leads Movement to Offset Emissions with Internal Carbon Tax.](http://www.nytimes.com/2015/09/27/business/energy-environment/microsoft-leads-movement-to-offset-emissions-with-internal-carbon-tax.html?_r=0)  September 2015.
* *The Guardian*. [Disney, Microsoft and Shell opt for self-imposed carbon emissions taxes](http://www.theguardian.com/sustainable-business/carbon-emissions-tax-microsoft-disney-shell). June 2013
* Stonyfield Organic. [Designing an Internal Carbon Fee Program](http://mitsloan.mit.edu/actionlearning/media/documents/s-lab-projects/Stonyfield_Farm-Report-2015.pdf). MIT Sloan School of Management Sustainability Lab. May 2015

**Assignment Details**

The paper should be 2,000-2,500 words or five pages and include an executive summary, introduction, three main sections with examples, and a conclusion with 5-10 bulleted or numbered recommendations. Extra pages outside the word count include a title page and a reference page. All references and in-text citations should be APA format. Please use 1.5 space and a standard font like Times New Roman, Calibri and so on. Make sure that you utilize professional document formatting with headers and subheads, charts or graphs or illustrations, and an engaging design.

You will be evaluated on how well you have argued the case for implementing an internal carbon fee as well as explain its relationship to the external carbon tax. Making the business case for the internal carbon fee is your main goal. Providing insight and background on the external carbon tax is expected.

Base your research on peer reviewed journal articles, articles from professional research organizations, company documents, government reports, and reliable and reputable sources.