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#### MEASURING TRIPLE BOTTOM LINE PRACTICES OF UCO BANKS OF INDIA

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#### Abstract:

TBL allows participants to learn more about the company and strengthen relationships with other stakeholders. Participation in a learning environment helps a firm attain sustainability. Building a sustainable environment may provide new opportunities for businesses to help protect decreasing natural resources. Beyond efficiency and profit, unifying staff around common goals may outweigh the downsides of greater public scrutiny and regulatory changes. A united front is stronger. Stakeholders now have a strong sense of organisational purpose and identity. For year 2020-21 the environment disclosure score has been with the value of 22. The UCO bank as also started reporting the emission reduction initiatives in their non-financial reports in qualitative terms starting from year 2018 to 2021.

Keyword: Triple Bottom Line, UCO bank, Indian Banks.

#### **INTRODUCTION**

TBL reporting is a mechanism used in corporate accounting to educate stakeholders about the organisation. It demonstrates the company's effect on the world around it. TBL has three key objectives: "people, planet, and profit" (GRI, 2006)<sup>i</sup>. It's a "concerted effort to incorporate economic, environmental and social considerations into a company's evaluation and decision making processes" (Wang & Lin, 2007)<sup>ii</sup>. This sort of reporting offers guidelines for a corporation to focus on the whole impact of their activities (both positive and negative.).

For gauging sustainability, John Elkington invented the term triple bottom line in the late 1990s. Economic, environmental, and social aspects are commonly employed in performance assessment. The specific dimensions utilised for performance measurements are not well-defined in the literature. Other elements include community development, environment, entrepreneurship, education, stakeholder involvement, organisational integrity, and stakeholder activism. Companies' current and future impacts on society are used to assess performance. TBL is a societal and ecological association between businesses and their communities. Disseminating information about a company's impact on sustainability issues has both positive and negative consequences. Reporting by TBL emphasises both the company's positive and negative aspects, stressing the likelihood of further expansion for the business.

To prepare three distinct bottom lines, he said, corporations need. One is the typical profit and loss account metric. On the other hand, an organization's "people account" reflects how socially responsible it has been throughout its existence. Its environmental stewardship is measured by its "planet" account bottom line. Profit, people, and planet make up the TBL. Over time, it tries to assess a company's financial, social, and environmental performance. Only a TBL producer considers all costs. The triple bottom line includes social, economic, and environmental aspects. Sustainable development is defined as "people, planet, and profit." After Elkington's death in 1997, the term "people, planet, profit" became the title of Shell's first sustainability report.

# Impact of Triple Bottom Line (TBL) on Sustainability in banking

According to the study, three of the subject matter experts and often utilised The International Financial Corporation (IFC) and the United Nations Environment Program (UNEP) are examples of organisations that define sustainable banking, and the authors of Sustainable Banking (Bouma, Jeucken and Klinkers, 2008)<sup>iii</sup>.

Traditional financial reporting frameworks have been replaced by the 'Triple Bottom Line' approach that incorporates financial, environmental, and social aspects into performance evaluation. This has resulted in a radical change in reporting practises. The triple bottom line (TBL) initiative seeks to go beyond traditional profit-based performance assessment methods by including environmental and social aspects into corporate performance evaluation. The banking sector must use a TBL strategy to account for the environmental and social impacts of their activities, given the crucial role they play in an economy.

Bouma et al., (2008) <sup>iv</sup> refer to the "International Financial Corporation (IFC)" study "Banking on Sustainability" from 2007. According to the research, sustainability includes two components for financial institutions: In strategic decision-making and financing, managing social and environmental risks is an important consideration, as is recognising the potential for innovative product development in new sectors related to sustainability. As a result, this includes producing financial products and services that help in commercialising items or activities that offer social and environmental benefits.

The "United Nations Environment Programme" (UNEP, 2007)<sup>v</sup>, The African Task Force Report on Banking Value: A New Approach to Credit Risk in Africa defines sustainable banking as the process through which banks evaluate the impact of their operations, products, and services on the ability of current or future generations to meet their needs. Banking, when seen in this manner, may have both direct and indirect repercussions on a financial institution, including issues like energy efficiency and waste recycling. The products and services that banks offer have indirect consequences, and they are generally associated with the banking industry's financing and investment activities. Sustainable banking, according to Bouma et al., is the provision of financial capital and risk management, as well as goods, to projects and businesses that promote or do not harm economic growth, environmental protection, and social justice. As far as environmental and social concerns in banking are concerned, the definitions are very much same. Depending on the definition, the appropriate quantity varies (Bouma et al., 2008)<sup>vi</sup>.

### TRIPLE BOTTOM LINE AND FINANCIAL PERFORMANCE

Financial measurements have long been used to assess the performance of banks. However, evaluating banks' performance only on financial parameters provides only a limited perspective. Expectations that long-term prosperity in the banking industry would go hand in hand with social justice and environmental protection are gaining traction. Furthermore, given the critical role that the banking sector plays in global economic and development activities, banks' contribution to long-term development is critical. As a result, financial, social, and environmental performance evaluation in banks must be comprehensive in order to be long-term sustainable by using the triple bottom line method. According to the findings of the study, banks that make decisions based on the needs of people and the earth beat traditional banks (Global Alliance for Banking on Values, 2012). Furthermore, the triple bottom line strategy used by banks promotes better clarity, which aids in the development of trust, integrity, and visibility among a varied range of stakeholders, and leads to increased profitability for the bank (Climate Action in Financial Institutions, 2015). Prior study also shows that straightforward communication of activities via triple bottom line reporting in banking not only benefits the greater community and the environment, but also fosters a bank's long-term success and profitability (Watson and Larson, 2009).

### **REVIEWS OF LITERATURE**

Srinivasa (2015) in his paper on "Environmental accounting and pollution control strategies: costs benefit analysis in cement companies," expressed that the Earth's environment was provided to us by

the previous generations with a rich heritage handed. The present civilization has involved us in varied activities these activities have caused waste with potential ingredients. The eventual dumping of the waste have caused pollution to environment. In many countries, the degree of environment pollution has touched shocking levels. Environment Protection was the ethical accountability of all residents as our future existence depends on it. Dangerously mounting mechanization has been reason of many environmental problems like land degradation, soil erosion, loss of bio-diversity, deforestation, population explosion, over exploration of non-renewable natural resources, pollution of all kinds such as water, noise, air, marine etc. A large part of pollution was created by corporate houses. They are like-wise accountable for social and environmental development. Emerging countries like India were facing the difficulty to protect the environment and promote financial development and suitable balance between environmental protection and economic development in the need of the day.

Tseng et al. (2020) study conducts a comprehensive literature review of articles on the triple bottom line (TBL) published from January 1997 to September 2018 to provide significant insights and support to guide further discussion. There were three booms in TBL publications, occurring in 2003, 2011, and 2015, and many articles attempt to address the issue of sustainability by employing the TBL. This literature analysis includes 720, 132, and 58 articles from the Web of Science (WOS), Inspec, and Scopus databases, respectively, and reveals the gaps in existing research. To discover the barriers and points of overlap, these articles are categorized into six aspects of the TBL: economic, environmental, social, operations, technology, and engineering. Examining the top 3 journals in terms of published articles on each aspect reveals the research trends and gaps. The findings provide solid evidence confirming the argument that the TBL as currently defined is insufficient to cover the entire concept of sustainability. The social and engineering aspects still require more discussion to support the linkage of the TBL and to reinforce its theoretical basis. Additionally, to discover the gaps in the data sources, theories applied, methods adopted, and types of contributions, this article summarizes 82 highly cited articles covering each aspect. This article offers theoretical insights by identifying the top contributing countries, institutions, authors, keyword networks, and authorship networks to encourage scholars to push the current discussion further forward, and it provides practical insights to bridge the gap between theory and practice for enhancing the efficiency and effectiveness of improvements.

**Goh et al. (2020)** reported that the concepts of Triple Bottom Line (TBL) and sustainable construction were first introduced in the mid and late-90s respectively. However, there is limited research that addresses the integration of TBL principles within the social, environmental and economic dimensions of sustainable construction. This paper intends to (a) revisit and review the concept of TBL within the context of sustainable construction, thereby establishing the current research position, and (b) develop an integrated framework for TBL to help support improved sustainability practices within the sector. A systematic review of outputs published between 1980 and 2018 was carried out by examining three major research databases. Subsequent to filtering, eighty-six journal papers were selected for this review. Results show a growing research interest in, and awareness of, TBL. The challenges and drivers for both TBL and sustainable construction have been analysed and discussed based on current developments. The proposed framework integrates the principles of TBL, and enables new theoretical and practical solutions to help improve the integration of sustainability within the construction industry.

**Singh & Srivastava (2021)** aims to address the conceptual and practical challenges in integrating triple bottom line (TBL) sustainability in the agriculture supply chain (ASC). It identifies the key enablers for each of the three dimensions of TBL sustainability, analyses their causal relationships as well as cross-dimensional interactions under each TBL dimension. Further, it develops a decision support framework (DSF) for the assessment of TBL sustainability practices and policies in ASC and validates it through a case study.

**Birkel & Müller (2021)** reported that industry 4.0 has been studied in the existing literature from the perspective of supply chain management or the triple bottom line of sustainability, but both perspectives have not yet been sufficiently combined. In response, this paper summarizes the current state of the literature on Industry 4.0-related potentials in the context of the triple bottom line with

respect to supply chain management. To do so, the study conducts a systematic literature review, based on 55 academic articles, which are thematically analyzed and categorized according to supply chain management processes in industrial value creation. First, this study elaborates a holistic perspective on the potentials of Industry 4.0 for supply chain management with respect to the triple bottom line. Second, the interrelations between the dimensions of the triple bottom line are analyzed concerning potential conflicts and enabling technologies. Research gaps and implications for managerial practice are highlighted, such as the role of small and medium-sized enterprises within Industry 4.0, developing economies, multi-tier supply chain management, information sharing across the supply chain, and the interplay of ecological and social dimensions with economic benefits, reflected in new forms of business models, which must still be better understood.

**Lerman et al. (2021)** reported that Renewable energy systems (RES) have been proposed as an effective solution for sustainable development. However, the impact of municipal contextual conditions on the development of RES is still unclear. One of the literature gaps is the lack of understanding of whether the balanced development of economic, social, and environmental aspects of sustainability – the triple bottom line (TBL) perspective – can support RES policy. We conducted a quantitative analysis of 727 medium- and large-sized German municipalities to understand whether municipalities should create contextual conditions around the TBL dimensions to support RES policy. Furthermore, we applied a cluster analysis to establish the patterns of RES adoption supported by the TBL. Our results document that advanced adopters of RES are more advanced regarding the economic and environmental aspects of the TBL, and their RES development outperforms in the development of knowledge-base and social cooperation. In contrast, regions with less RES development primarily emphasize reducing energy dependency and increasing social acceptance. As the main contribution, the study provides a novel view on how sustainability and RES development work together by providing details about the connection between specific TBL dimensions and elements with different maturity levels of RES policy implementation.

Khan, Ahmed & Khattak (2021) commented that Organizational citizenship behavior for the environment (OCBE) is vital for manufacturing firms' ability to improve their triple bottom line (TBL) performance. This study's objective was to examine the direct relationship between three OCBE key dimensions, i.e. eco-initiatives (EIs), eco-civic-initiatives and eco-helping (EH) and TBL performance, i.e. economic (ECOP), social (SOP) and environmental (ENP). The quantitative design was used based on the positivist approach. A sample of 350 manufacturing firms was targeted using random probability sampling via a survey questionnaire. The data were analyzed through the structural equation modeling (SEM) technique employing AMOS 24 software. Research findings confirmed a significant direct positive relationship between components of OCBE, i.e. EIs, eco-civic- initiatives and EH and TBL performance within ISO14001-certified Malaysian manufacturing firms.

**Yip & To (2021)** reported that substantial improvements in sustainable micro-manufacturing are explicitly addressed based on the triple bottom line (TBL) concept. However, strong criticisms are leveled for the applications of TBL as immense complexities of inner relationships of items and dimensional relationships within TBL, which they cause an inefficacy of accessing critical information in introducing the TBL concept to sustainable micro-manufacturing. In this study, social network analysis (SNA) is used for developing a TBL network of sustainable micro-manufacturing to find out precise meanings of individual items of various dimensions of TBL and the relationships between them. The main metrics of the dominant items of TBL such as in-degree, out-degree, betweenness centrality and closeness centrality are detailly discussed with 16 nodes for three dimensions in the TBL networks. The related findings are further analyzed to reveal the current situation, technical gaps and chances for the sustainable development of the micro-manufacturing, and delivers the significant roles of the items of TBL according to the findings of metrics and visual analyses for sustainable micro-manufacturing, supporting micro-manufacturing sectors to implement effective sustainable strategies for production activities.

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Pedroso et al. (2021) commented that Suppliers play an important and strategic role in the supply chain as they are critical providers of inputs to other supply chain members. Sustainable supplier development is key to improve suppliers' sustainability capabilities and it is highly effective to provide a sustainable supply chain. Supplier development for Triple Bottom Line (TBL) outcomes is a relatively new topic in the literature and lacks both academic and managerial expertise on the subject. Understanding the triple bottom line supplier development strategies that should be adopted to improve suppliers' sustainable results is critical to improve sustainability across the supply chain. Thus, the overarching goal of this research is to provide an overview of the TBL supplier development practices aiming to investigate the primary strategies that can deliver triple bottom line outcomes. Thus, a systematic literature review was conducted, and data analysis was performed based on content analysis, with an inductive category building approach. The qualitative software, QDA Miner, supported the literature analysis. The results of this paper include: (i) TBL supplier development practices are categorized into managerial, evaluation and technical aiming to reflect the different nature of TBL supplier development; (ii) implications of these categories in TBL supplier development are illustrated according to their effectiveness, organizational criteria and risks; (iii) a conceptual model that supports TBL supplier development implementation that reflects both the buying organization's and the suppliers' perspective in the process is proposed; (iv) a research agenda is developed, delineating the main research gaps that need to be covered and guiding opportunities for future research.

# **RESEARCH METHODOLOGY**

The research design of the current study is first exploratory and then descriptive. The population selected for this particular study is on United Commercial Bank (UCO). For the purpose of study, primary and secondary data were taken into consideration. Secondary data will be collected from annual report & websites of selected banks. In addition, magazines, newspaper and other reports of selected banks will be used. In order to meet out the objectives of the study various accounting tools likes- ratio analysis, trend analysis, z-test, T test, F test, regression analysis will be used for analysing the information collected will be taken into consideration.

	Identity	TBL reporting
1	Sector(s) that the Company is engaged in (industrial activity code-wise)	UCO Bank is established under Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. UCO Bank with a network of 3086 branches spread across the country, participate actively in the growth of all segments of the economy - Agriculture, Industry, Trade & Commerce, Service Sector, Infrastructure Sector etc., with a mission to achieve sustained growth of business and profitability and fulfilling socio-economic obligations with excellence in customer service by making use of state-of-the-art technology and skilled human resources.
2	List three key products/services that the Company manufactures/provides	UCO Bank is engaged in providing wide range of banking and financial services including Retail Banking, Corporate Banking and Treasury Operations.

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3	Total number of locations where business activity is undertaken by the Company Number of International Locations Number of National Locations	As on 31.03.2019, UCO Bank has a net-work of 3086 branches spread across India and 2 overseas branches situated at Hong Kong and Singapore centres.
4	Markets served by the Company - Local/State/National/International	UCO Bank has clients in National and International locations.

Financial details of the company include Paid up Capital of Rs.5423.39 crores, Total Turnover of Rs.317479.79 Crores, Total Loss after taxes Rs. 4321 Crore

Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax Rs. 5.18 Crore. Bank took up several activities under Corporate Social Responsibility. Few of the activities are listed under Principle.

The Table below represents the analysis of UCO bank on Environment domain. The numbers are in Millions of INR except Per Share.

# Table-1

Environmental Performance	

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
ESG Disclosure Score	14.063	19.7767	21.6276	22.4122	22.5531



### Figure-1: Environmental Disclosure score-UCO

From the given table it can be concluded that the environmental disclosure school for UCO bank has increased over a study period from 2017 to 2021. the table reported is core of 14.06 in here 2017 which has been increased over a period of time up to 21.62 in 2019. for year 2020 and 21 this score has been with the value of 22.

### Table-2

### Climate Change Disclosure-UCO

Climate Change	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Emissions Reduction Initiatives	n/a	Yes	Yes	Yes	Yes
Climate Change Policy	n/a	No	No	No	No
Climate Change Opportunities					
Discussed	n/a	No	No	No	No
Risks of Climate Change					
Discussed	n/a	No	No	No	No



Table on climate change disclosed that the UCO bank has not reported any climate change policy in their non-financial reports from the year 2017 to 2021. Moreover, the bank has not discussed any climate change app opportunities also the risk involved in climate change from year 2017 to 2023. However, in similar language the UCO bank as also started reporting the emission reduction initiatives in their non-financial reports in qualitative terms starting from year 2018 to 2021.

#### Table-3

#### **Biodiversity and Energy Disclosure- UCO**

Ecological & Biodiversity Impacts	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Biodiversity Policy	n/a	No	No	No	No
Energy					
Energy Efficiency Policy	n/a	Yes	Yes	No	Yes

#### Table-4

#### Waste Reduction Policy- UCO

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Materials & Waste	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021		
Waste Reduction Policy	n/a	Yes	Yes	Yes	Yes		



Figure-3: Waste Reduction Policy- UCO

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The above table clearly indicate that UCO bank has started its closing their waste reduction policies in year 2018 and continue to disclose their material and waste reduction initiatives in the non-financial reports up to year 2021.

# Table-5

#### Water Management Policy-UCO

Water	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Water Policy	n/a	No	No	No	No

From that above able it can be predicted that the UCO bank is not at all providing any kind of information regarding their water management policy. the bank is not provided any kind of quantitative and quadratic information regarding water consumption and management policy in the non-financial reporting this closest from the study period from 2017 to 2021.

### CONCLUSION

Various factors which need to be analysed for making a sustainable accounting reporting of sustainable activities and finally the various variables have matched with the TBL reporting guidelines and it has found that the all of them were covered in the TBL reporting by same or different name. The review of the literature indicates that there have been only limited attempts to study the environmental disclosure practices of the companies in India. The present study contributes to the literature by examining the existing status of environmental reporting by some of the polluting industries in India. The result revealed that the UCO Bank is engaged in providing wide range of banking and financial services including Retail Banking, Corporate Banking and Treasury Operations. As on 31.03.2019, UCO Bank has a net-work of 3086 branches spread across India and 2 overseas branches situated at Hong Kong and Singapore centres. Further, environmental disclosure school for UCO bank has increased over a study period from 2017 to 2021. It is reported that the core of 14.06 in here 2017 which has been increased over a period of time up to 21.62 in 2019. For year 2020-21 the environment disclosure score has been with the value of 22. The bank as also started reporting the emission reduction initiatives in their non-financial reports in qualitative terms starting from year 2018 to 2021. The bank has started its closing their waste reduction policies in year 2018 and continue to disclose their material and waste reduction initiatives in the non-financial reports up to year 2021. The bank is not at all providing any kind of information regarding their water management policy.

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