

Nau's legally enforceable Triple Bottom Line

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I'm interested in how businesses can be more responsible, and one of the challenges is the presumption that a corporation acts ONLY for the benefit of its shareholders. In many jurisdictions, directors can get sued if they look after the environment in a way that detracts from shareholders value. I found this interesting piece on [Green Counsel](#), about clothing company Nau.... Corporate attorney Robert Hinkley influenced Nau's founders. Hinkley incorporated the work of management expert W. Edwards Deming and systems theorist Peter Senge to develop new ideas pertaining to the notion of a corporation as citizen. Deming had written that "most of the time it's the system that causes the problem, not the people in the system." He combined this idea with the insight of Senge, who said that to change any system you should "look to make the smallest change possible that will generate the biggest effect." From these theories, Hinkley created a code for corporate citizenship. In only 28 words, it stated that henceforth the "duty of directors shall be to make money for shareholders but not at the expense of the environment, human rights, public health and safety, dignity of employees, and the welfare of the community in which a company operates." Nau chose to follow Hinkley's guidance and include similar language in its corporate bylaws. Get the full article from

[Green Counsel](#)

or there is also material on

[Grist](#)

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