


Piloting the MultiCapital Scorecard™

The world's most advanced (and open-source)
Triple Bottom Line performance accounting system*

A Methodology Created By
Thomas & McElroy LLC

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Sample implementation of the ...



Vital capitals:**

- Natural (Grey)
- Constructed (Red)
- Human (Yellow)
- Social & Relationship (Orange)
- Internal Economic-Financial (Dark Blue)
- Internal Economic-Nonfinancial (Light Blue)
- External Economic-Financial (Blue)
- External Economic-Nonfinancial (Light Grey)

BOTTOM LINES	AREAS OF IMPACT**	CAPITAL IMPACTS	Progression Performance Scores					A	
			Weightings (1-3)**						B
			Weighted Scores (AxB)					C	
			Fully Sustainable Scores (Bx3)					D	
			Gaps to Fully Sustainable (D-C)					TRIPLE BOTTOM LINE (TBL) SCORES	
			Individual Area of Impact Scores (C/D)						
SOCIAL	Worker safety	■ ■ ■ ■ ■	3	3	9	9	0	100%	50%
	Product safety	■ ■ ■ ■ ■	-1	3	-3	9	12	-33%	
	TBL reporting	■ ■ ■ ■ ■	3	2	6	6	0	100%	
ECONOMIC	Living wage	■ ■ ■ ■ ■	2	2	4	6	2	67%	87%
	Shareholder returns	■ ■ ■ ■ ■	3	1	3	3	0	100%	
	Debt	■ ■ ■ ■ ■	3	2	6	6	0	100%	
ENVIRONMENTAL	Climate	■ ■ ■ ■ ■	1	3	3	9	6	33%	53%
	Solid waste	■ ■ ■ ■ ■	2	1	2	3	1	67%	
	Water use	■ ■ ■ ■ ■	3	1	3	3	0	100%	
GRAND TOTALS & TBL SCORE			18	33	54				61%

*Intellectual Capital is typically embedded in most of the others.
**Weightings are assigned from a budget of 18 total points. Total number of Areas of Impact (3 in this case) x 2 (the mid-range score) = 18.
Note: The Areas of Impact shown here are purely illustrative and are always organization-specific, as determined by a materiality analysis.

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Executive Summary

- * The MultiCapital Scorecard (MCS) is the world's most advanced integrated measurement and reporting system
 - * Applies common principles to the quantitative measurement and reporting of Triple Bottom Line performance
- * Meets or exceeds requirements set forth in leading international standards (e.g., GRI) and also endorsed by B Lab for B Corps
- * Managers interested in exploring the possibility of using the MCS in their own organizations are invited to consider piloting the method
- * This presentation provides guidance on how such pilots can be scoped and carried out

Background on the MCS

- * The MCS is an advanced *open-source* integrated measurement and reporting system developed by Thomas & McElroy LLC
 - Open-source for end-user application
 - Licensed for 3rd-party commercial use
- * The MCS is an extended application of [Context-Based Sustainability](#), which previously was limited to social and environmental sustainability accounting
 - The MCS thereby constitutes the world’s first fully integrated, context- and capital-based Triple Bottom Line accounting system!
- * All parties interested in piloting the MCS should be sure to review the online [Overview of the MCS](#) briefing for more info



The Steps Involved in an MCS Pilot

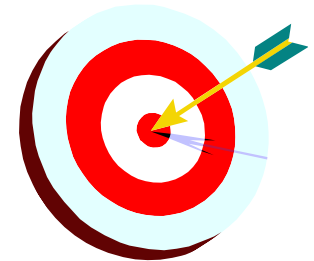
A 3-step process:

1. **Scoping and Materiality** – This step consists of determining what the entity-specific social, economic and environmental Areas of Impact (AOIs) are that should be addressed in the development of a MultiCapital Scorecard
2. **AOI Development** – This step consists of researching and developing sustainability norms, interim goals, measurement models and data collection protocols for each of the material AOIs identified in the preceding step so that context-based metrics can be defined
3. **Scorecard Implementation** – This step consists of all steps required to fully deploy a MultiCapital Scorecard in an organization and to measure, manage and report performance relative to its own material AOIs



Choosing a Target for a Pilot

- * The issue here is what the scale of a pilot should be and how to select a viable target for one
- * We suggest the following considerations:
 - Financial performance data for the target should be readily available (e.g., gross margins, returns on equity, etc.)
 - Data for environmental impacts of two to four kinds should also be available (e.g., GHG emissions, water use, etc.)
 - Data for social impacts of two to four kinds should be available as well (e.g., living wages, product safety, gender balance, etc.)
- * Targets can also be geographic (e.g., region-based), such as the country-specific operations of a firm



Contact Information

For more information about the MultiCapital Scorecard™, including opportunities to pilot the method in your own organization, feel free to contact us at the coordinates below:

In the UK:

Martin Thomas
Thomas & McElroy LLC
Green Lane House, The Mount,
Guildford, GU2 4RH
Surrey, UK
PHONE: +44 (0) 01483 808105
MOBILE: +44 (0) 7899 064 956
EMAIL: martin@call4change.com
Skype: martinthomas

In the US:

Mark McElroy
Thomas & McElroy LLC
P.O. Box 766
Woodstock, VT 05091, USA
PHONE: 1 (802) 457-4222
MOBILE: 1 (802) 296-1928
EMAIL: mmcelroy@vermontel.net
Skype: mwmcelroy
Twitter: @mwmce

Click here for a presentation on [Materiality in the MCS](#)

Click here for an [Overview of the MCS](#)

<http://www.multicapitalscorecard.com/>