

**Green Employment Practices:
Using Sustainability To Improve Your Bottom Line¹
Employment Roundtable**

By Stacey Mark

*Chair, Labor & Employment Group and
Chair, Sustainable Practice Advisory Group*

February 17, 2005

In the wake of Enron, WorldCom and other business scandals of the last decade, investors, customers, and other businesses are demanding that companies with whom they do business offer more than just a good product or service. These stakeholders are demanding corporate social responsibility. As a result, sustainable development is becoming an integral part of many companies' business plans.²

“Sustainability is doing business with an eye to the triple bottom line - economy, community and environment.”³ In other words, sustainability requires a business strategy that goes beyond maximizing profits in the short term.⁴ It requires a long-term view that takes into account the economic, environmental, and social impact of a company's business practices, both internally and externally.

¹ This memorandum contains a summary of information obtained from laws, regulations, court cases, administrative rulings and legal publications, and should not be viewed or relied upon as legal advice. Ater Wynne LLP urges readers of this memorandum to consult legal counsel regarding specific legal issues and factual circumstances.

² The idea of sustainable development is not new. In 1983, the United Nations appointed an international commission to propose strategies for addressing the environmental effects of economic development on a global scale. The commission recognized the interrelationship of economic development with environmental and social concerns (in particular, poverty), and in 1987 issued a comprehensive report now widely known as the Brundtland Report. That report defined sustainable development as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." Report of World Commission on Environment and Development, "Our Common Future" (1987) (also known as the "Brundtland Report" after the Commission's chairwoman, Gro Harlem Brundtland); *see*

http://www.are.admin.ch/imperia/md/content/are/nachhaltigeentwicklung/brundtland_bericht.pdf.

³ Theodore R. Kulongoski, Governor of Oregon, 2003 Sustainability Executive Order 03-03.

⁴ Economic growth is often fueled by the exploitation of particular social or ethnic groups and "results in the equitable distribution of income and wealth, creates social tensions and dislocations that can erupt into industrial conflict, community violence, and civil strife. As the experience of many countries has shown, these will negate and destroy all the gains of past economic growth." A. Tolentino, Productivity Management for Sustainable Development (1995). http://www.ilo.org/dyn/empent/docs/F111PUB91_01/PUB91_01.htm.

The “triple bottom line”⁵ is gaining wide recognition as a framework for measuring business performance. More and more companies are choosing to report on their environmental and social performance in addition to financial results.⁶ Why? For one thing, the public is starting to demand it. For example, investors want to know about environmental impacts of a company’s business practices to help evaluate long-term risks and liabilities, such as the need for pollution controls, pollution clean-up, and associated litigation and fines. Communities are interested in the long-term impact that businesses will have on the environment and the local economy. Many customers (including business customers) only want to support companies that engage in socially responsible business practices.

At the extreme, the failure to address non-financial issues (as well as dishonesty in financial reporting) has, for some companies, resulted in significant adverse publicity, criminal investigations, fines, and a negative impact on brand value. As a result, businesses are becoming increasingly aware of the need to be accountable for all aspects of their performance and to report on it.

In contrast to our usual format where we provide an explanation of the legal framework in which employers must operate, this memorandum provides an overview of voluntary employment practices that may be used to improve a company’s triple bottom line. We discuss some of the criteria by which employment practices are evaluated, sustainable practices that affect worker satisfaction and productivity, the economic benefits of green employment practices, and how some local employers are incorporating sustainability into their day-to-day operations.

I. What are Green Employment Practices?

In business, the word “green” is commonly understood as a policy or practice that has positive environmental objectives. “Green” is not typically associated with employment practices. Our purpose in using the word “green” in this memorandum is to introduce and expand upon the concept of sustainable development as it pertains to business practices affecting employees. We are using green as a catch-all that encompasses sustainability, best employment practices, and out-of-the box thinking.

Green employment practices support the cultural shift toward managing the triple bottom line by creating and maintaining workplaces that are safe, healthy, and functional, and embody sustainability principles. Although the results are often hard to measure, such practices can lead to demonstrable economic benefits that result from attracting desirable employees, reducing turnover and sick time, improving overall productivity, and reducing costs. At the same time,

⁵ The phrase “triple bottom line” was coined by John Elkington in his 1998 book entitled “Cannibals with Forks: the Triple Bottom Line of 21st Century Business.” The European Communities often use the term “corporate social responsibility” or “CSR.” In July 2001, the Commission Of The European Communities presented a Green Paper, entitled “Promoting a European Framework for Corporate Social Responsibility,” which defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

⁶ Far ahead of the United States on this issue, most European countries have formulated their own sustainable development strategies and some have published an initial progress report.

companies may benefit by enhancing their reputation and their brand, not only with employees, but with customers and the communities in which they operate.

While there are currently no laws mandating that businesses practice sustainable development (beyond existing regulatory requirements), there is clearly government support for it.⁷ Federal, state, and local governments offer a wide array of subsidies, tax credits, and other benefits for locating businesses in economically depressed areas, reducing energy consumption, developing renewable energy resources, employing green building concepts⁸ and building products, and engaging in other socially responsible conduct, all of which may directly or indirectly affect a company's employees and employment practices.

II. Criteria Used to Evaluate Employment Practices and Social Performance

There are literally hundreds of official and unofficial codes of conduct addressing various aspects of corporate social responsibility. Thus far, only one code has been adopted as a performance standard in the employment area: Social Accountability International's SA8000 on working conditions. A related issue is the standard used for reporting on social performance. The Global Reporting Initiative's Sustainability Reporting Guidelines for Performance Indicators provide one proposed reporting method applicable to employment practices. However, these constructs tend to be more relevant to multinational companies, particularly those doing business in developing countries without the same level of regulation that we have in the U.S.

A. SA8000

The Council on Economic Priorities Accreditation Agency (CEPAA) was created in 1997 in response to public concern about inhumane working conditions in developing countries. CEPAA's purpose was to develop a standard for labor conditions in the manufacturing industry, so that consumers could be confident that the goods they purchased (in particular clothes, toys, cosmetics and electronics) had been produced under humane working conditions. In 2000, CEPAA became known as Social Accountability International (SAI), a new entity whose charge is to develop voluntary standards for social responsibility and to provide certification to companies that meet those standards. The first such standard is SA8000, which governs working

⁷ The state of Oregon has codified its support for sustainability practices:

[I]t is the intent of the Governor and the Legislative Assembly, in pursuit of goals for state government, that the state should employ the knowledge, expertise and creativity of Oregon's citizens, build upon existing private and public efforts throughout the state to ensure efficient and complementary results, develop voluntary, incentive-based and performance oriented systems to supplement traditional regulatory approaches, use good science to measure resource use, environmental health and costs to determine progress in achieving desired outcomes, and establish clear measurable goals and targets to guide state efforts toward sustainability....

Oregon Sustainability Act, House Bill 3948 (2001).

⁸ For example, the city of Portland offers a grant program through its Green Investment Fund to help offset the incremental costs of building projects "that achieve a high level of environmental performance through multifaceted design, progressive technologies and best practices." The grant will fund up to \$150,000 per project based on a 3 to 1 cost share ratio. See, *The Business Journal of Portland*, January 24, 2005; <http://www.portland.bizjournals.com/portland/stories/2005/01/24/daily6.html>.

conditions. It was modeled after the ISO⁹ 9000 quality standard, but includes specific performance standards in nine key areas and incorporates international labor agreements, including International Labour Organization (ILO) conventions, the Universal Declaration on Human Rights, and the UN Convention on the Rights of the Child. The following summarizes the key provisions of SA8000¹⁰:

- Child Labor – prohibits employment of workers under the age of 15, or under 14 in countries operating under the ILO Convention 138 developing-country exception; requires remediation of any child found to be working.
- Forced Labor – prohibits forced labor, including prison or debt bondage labor; prohibits requirement that workers deposit identity papers with employers or recruiters.
- Health and Safety – requires a safe and healthy work environment and injury/accident prevention measures; requires regular health and safety training; requires system to detect threats to health and safety; requires access to bathrooms and potable water.
- Freedom of Association and Right to Collective Bargaining – requires respect for the right to form and join trade unions and bargain collectively; where the law prohibits these freedoms, requires facilitation of parallel means of association and bargaining.
- Discrimination – prohibits discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, and age; prohibits interference with the exercise of rights relating to the observation of tenets or practices relating to those protected classes; prohibits sexual harassment.
- Discipline – prohibits corporal punishment, mental or physical coercion or verbal abuse.
- Working Hours – requires compliance with the applicable law but, in any event, prohibits more than 48 hours of work per week on a regular basis; requires at least one day off for every seven day period; requires payment for overtime at a premium rate; permits overtime solely on a voluntary basis unless required under a collective bargaining agreement, but in no event more than 12 hours per week.
- Compensation – wages paid for a standard work week must meet the legal and industry standards and be sufficient to meet the basic need of workers and their families; prohibits deductions for disciplinary reasons.
- Management Systems – requires management to put systems in place that go beyond mere compliance and integrate the AS8000 standard into their management systems and practices.

⁹ ISO is the International Organization for Standardization, a network of the national standards institutes of 148 countries. ISO promulgated the ISO 9000 and ISO 14000 standards for quality and environmental management, and certifies member compliance with its standards. See <http://www.iso.org/iso/en/ISOOnline.frontpage>.

¹⁰ The full text is available at <http://www.sa-intl.org/Document%20Center/2001StdEnglishFinal.doc>.

B. Global Reporting Initiative

The Global Reporting Initiative's (GRI)¹¹ Sustainability Reporting Guidelines are not a code of conduct, but rather a reporting standard intended for global applicability. The GRI is an independent institution that works in cooperation with UN Secretary-General Kofi Annan's Global Compact. The Guidelines are for voluntary reporting on the economic, environmental, and social dimensions of an organization's activities, products, and services.

The Guidelines promote reporting on a variety of topics, one of which is Performance Indicators. This topic is broken down into the three bottom line categories: economic, environmental, and social. Social indicators concern the company's impacts on the social systems in which it operates. These include labor practices (diversity, employee health, and safety), human rights (child labor and compliance issues), and broader social issues affecting consumers, communities, and other stakeholders (bribery and corruption, community relations). Labor and human rights reporting include disclosures in the following areas:

- employee demographic information
- job creation and turnover
- status of employee representation
- hours of training per employee
- programs providing assistance to displaced workers
- provision of benefits beyond those required by law
- enforcement of child labor laws
- policies and procedures to prevent discrimination in operations, including monitoring systems and results of monitoring
- consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors

III. Reasons to Adopt Green Employment Practices

Although sustainable development and triple bottom line reporting may sound a bit daunting, many companies insist that sustainability practices and reporting pay off on many levels:

Companies that manage and report on sustainability issues typically cite improved financial performance, reduced operating costs, improved operational efficiency, enhanced brand image and reputation, increased sales and customer loyalty, increased ability to attract and retain employees, reduced regulatory oversight and improved access to capital. A growing body of academic evidence suggests the benefits are tangible.¹²

¹¹ See <http://www.globalreporting.org/about/brief.asp>.

¹² See Pricewaterhouse Coopers, Geoff Lane and Melissa Carrington, *Measuring the Triple Bottom Line*, EBF on Sustainable Development by (2002).
[http://www.pwcglobal.com/extweb/manissue.nsf/2e7e9636c6b92859852565e00073d2fd/dee94804c6db148685256cdf0036db78/\\$FILE/TripleBtmLine.pdf](http://www.pwcglobal.com/extweb/manissue.nsf/2e7e9636c6b92859852565e00073d2fd/dee94804c6db148685256cdf0036db78/$FILE/TripleBtmLine.pdf).

Compliance with the employment laws already in place in the U.S. covers most of the ground required by SA8000, and many companies provide compensation and benefits far beyond what the law requires (although the U.S. is way behind when it comes to maximum hours and time off). However, sustainable development practices can go much further than what the existing standards promote. Adopting some of these practices can produce tangible economic benefits.

For example, there is scientific evidence that the work environment affects productivity.¹³ As labor costs constitute the major cost of operating most businesses, even a minor improvement in productivity can result in substantial savings.

A 1991 study showed that worker productivity increased 16% in connection with a move to a newly constructed office building. Of that increase, 2.8% was attributable to the installation of individual comfort control systems at workstations that enabled employees to control temperature, ventilation, lighting, and sound masking to suit their personal preferences.¹⁴ Another study showed that decreasing airborne pollutants could improve the performance of office tasks such as typing, proofreading, and addition, by up to 6%. In that study, the source of the pollutants was a 20-year old swatch of carpet from a building with a history of sick building symptoms.¹⁵

In another study on the effects of daylight, view, and ventilation on call center employees, it was shown that employees processed calls 6% to 12% faster when given the best possible view out of a window, as compared to no view. Higher rates of outside air delivery were also associated with faster handling of calls. Office workers performed 10% to 25% better on tests of mental function and memory recall with the best possible view versus no view. The office workers self-reported better health conditions with views and increased fatigue associated most strongly with lack of view. On the other hand, increased glare from windows resulted in a decrease of 15% to 21% in worker performance. Overall, the study showed the effects of potential influences of light, view, and ventilation varied employee performance up to 20%, better or worse than average and, on the whole, accounted for a 2% to 5% variation in productivity.¹⁶

In addition to negatively impacting productivity, the work environment can actually make employees sick. Harmful pollutants and HVAC systems that are improperly operated or maintained can result in illnesses like Legionnaire's disease or sick building syndrome (SBS).¹⁷ Commonly reported symptoms of SBS include headaches, unusual fatigue, varying degrees of

¹³ See, e.g., Judith Heerwagen, *Sustainable Design Can Be an Asset to the Bottom Line*, http://www.edcmag.com/CDA/ArticleInformation/features/BNP_Features_Item/0,4120,80724,00.html.

¹⁴ See *Green Buildings and Worker Productivity: A Review of the Literature*, SF Environment (*Green Buildings*) (2001) (Building a Case for Building Performance), http://temp.sfgov.org/sfenvironment/aboutus/innovative/greenbldg/gb_productivity.pdf.

¹⁵ *Id.*

¹⁶ *Windows and Offices: A Study of Office Worker Performance and the Indoor Environment (Windows and Offices)* (2003), <http://www.h-m-g.com/Daylighting/summaries%20on%20daylighting.htm>.

¹⁷ "Sick Building Syndrome" (SBS) is a term widely used in reference to a variety of symptoms attributed to a building itself, based on the fact that the occupants' symptoms are alleviated when they leave the building. See National Institute for Occupational Safety and Health (NIOSH) Indoor Environmental Quality (IEQ) Fact Sheet (1997), <http://www.cdc.gov/niosh/ieqfs.html>.

itching or burning eyes, skin irritation, nasal congestion, dry or irritated throats, and nausea. These disorders lead to increased employee sick days and reduced work efficiency.¹⁸

The dramatic increase in complaints about indoor environmental quality (IEQ) over the last decade is likely attributable to changes in ventilation requirements in the 1970s to conserve fossil fuels (resulting in virtually air-tight buildings), and the introduction of computers and other technologies into the office environment.

NIOSH investigators have found IEQ problems caused by ventilation system deficiencies, overcrowding, offgassing from materials in the office and mechanical equipment, tobacco smoke, microbiological contamination, and outside air pollutants. NIOSH has also found comfort problems due to improper temperature and relative humidity conditions, poor lighting, and unacceptable noise levels, as well as adverse ergonomic conditions, and job related psychosocial stressors.”¹⁹

It is believed that improved air quality could result in significant reductions in illness and absenteeism associated with respiratory disease, asthma and allergies, and sick building symptoms. Other environmental considerations are equally important to employee health. The results of multiple research studies suggest that building environments containing the essential features of preferred natural settings are more supportive of human well-being and performance than environments lacking in these features.²⁰ The preferred features include:

- Opportunity to engage in spontaneous social encounters
- Freedom to move between one social phase and another (from solitary work to group interaction)
- Opportunity to engage in a full range of species typical behaviors (creativity, self expression, cooperation, exploration)
- Opportunity for regular exercise
- Noise levels not much above or below that in nature
- Meaningful change and sensory variability
- An interesting visual environment²¹

The physical environment in which we work can have a profound effect on how we perceive and function within our surroundings. Environmental studies consistently show that, apart from natural light, views of natural elements outdoors (grass and trees), as opposed to built elements (roads and buildings) or no view at all, result in stress reduction and better health. An

¹⁸ *Id.*; see also U.S. Environmental Protection Agency, Fact Sheet: Ventilation and Air Quality in Offices (1990) <http://www.epa.gov/iaq/pubs/ventilat.html#Health%20Problems%20and%20Ventilation>.

¹⁹ See NIOSH Fact Sheet at note 18, *supra*.

²⁰ See *Green Buildings (Buildings, Human Performance, and Well Being: A Conceptual Framework)*, note 13, *supra*; *Windows and Offices*, note 15, *supra*.

²¹ *Id.*, *Green Buildings*.

aesthetically pleasing environment is thought to reinforce these influences.²² Light can have a positive effect on sociability. Spatial organization can facilitate creativity. In contrast, harmful stimuli caused by the physical environment, or environmental stressors, can have a negative effect on productivity and health. Crowding, lack of differentiation in the physical environment, and noise can contribute to mental fatigue, disorientation, anxiety, and a decreased ability to read and concentrate. Employees exposed to such environmental stressors tend to make significantly more mistakes on complex tasks than employees who are not exposed to the same environmental stressors. Poor lighting can cause eyestrain and headache, and also contribute to accidents and stress.²³

Seasonal lighting changes are another consideration. “Winter blues leads to diminished morale and higher absenteeism, alcohol/substance abuse, turnover and workplace accidents.... Winter blues directly affect employers’ medical insurance costs as well. The winter months--December, January and February--are historically the heaviest months for medical claims.”²⁴

IV. Getting Started on a Green Path

A. Make Sustainability Part of Your Core Values

The first step in sustainable development practices is deciding what you want to do. Companies generally find it helpful to come up with a mission statement addressing sustainability or incorporating such concepts into their existing mission statement. Establishing sustainability goals and deadlines helps encourage follow-through.²⁵ Goals should include benchmarks for ensuring that sustainability contributes to the company’s financial bottom line.²⁶

Both large and small Oregon businesses are already serving as models for sustainable development practices. Norm Thompson, a local Oregon retailer, revised its mission statement in 1998 by incorporating “Norm Thompson Outfitters will be a leader in developing business practices that sustain, restore and move in harmony with the natural environment.”²⁷ The company also incorporated sustainable development into its employees’ job descriptions:

From this day on, sustainability is part of your job. This means you can share in a common mindset, earn recognition and contribute to the health of the world. Think outside the box, challenge yourself and feel good about your efforts to improve our business and help our planet and future generations. Each of us, no

²² *Id.*; see also, Christina Danielsson, *Environmental Stressors and Their Effects on Health, Creativity and Interaction*, <http://www.syd.kth.se/forskning/dash/Christina/tillbehor/PaperEnStrPart2.pdf>; Judith Heerwagen, Ph.D., *Green Buildings, Organizational Success, and Occupant Productivity* (January 22, 2004),

²³ See *Environmental Stressors*, note 14, *supra*.

²⁴ Society for Human Resource Management, HR News Briefs (Dec. 10, 2003).

²⁵ See, e.g., *Appendix of Sample Sustainability Goals and Deadlines*, Norm Thompson, Oregon Natural Step Case Study: Norm Thompson (Oct. 2002).

²⁶ *Id.* (establishing a \$500,000 one year net contribution to the company’s bottom line and a \$5 million net contribution over five years).

²⁷ Oregon Natural Step Case Study: Norm Thompson (Oct. 2002).

matter what department we're in, can do things--small or large--that will help us achieve our goal of sustainability.²⁸

Hot Lips Pizza (50 employees) similarly incorporated environmental concerns and values in its company manual.²⁹ BOORA Architects, Inc. (85 employees), introduced sustainability goals to its staff as part of its annual business plan, including its expectations for employee involvement.³⁰ TriMet included a copy of its new environmental policy with employee paychecks and imprinted it on computer mouse pads.³¹

Although businesses tend to think of sustainability primarily in connection with green buildings and changes in environmental practices, core values can be incorporated into many day-to-day decisions that affect employees. For example, flexible work schedules, telecommuting options, transportation support (bus passes, bike parking, carpooling), job sharing, and benefits options (e.g., health care options, dependant care assistance, and section 125 plans) may have significant impacts on employees' work/life balance and/or ability to work at all. "Socially responsible investment" options can be considered as part of a 401K plan.³² Norm Thompson adopted a volunteer match program that allowed employees time off to volunteer in the community. It also started an organic garden and recycling center that are open to employees.³³ Employees are more likely to feel good about working for a company that cares about them and their community.³⁴

Sustainability can also mean establishing core values that promote employment opportunities for the long term. If the goal is to attract employees who have a commitment to the company that goes beyond just getting a paycheck, it is important to identify the specific traits essential to success and the commitments the company is willing to make to attract and retain employees with those traits, and then incorporate those concepts into policies and practices that affect hiring, training, compensation, discipline, retention, and layoffs. Communicating expectations and commitments is key.

²⁸ *Id.*

²⁹ Oregon Natural Step Case Study: Hot Lips Pizza (Oct. 2002).

³⁰ Oregon Natural Step Case Study: BOORA Architects (Jan. 2002).

³¹ Oregon Natural Step Case Study: TriMet (May 2003).

³² William Baue, *Socially Responsible Investment Through 401K Plans Comes of Age*, www.socialfunds.com. The Oregon Natural Step Network has a Peer Learning Investment Group. <http://www.ortns.org/docs/TNS%20Peer%20Learning%20Groups.PDF>.

³³ Oregon Natural Step Case Study: Norm Thompson (Oct. 2002).

³⁴ Norm Thompson reported an increase in employee morale and an improved ability to recruit workers as a result of its sustainability efforts. It has reported that candidates for significant positions have sought it out specifically because of its commitment to sustainability. *Id.*; see also, Oregon Natural Step Case Study: Hot Lips Pizza (Oct. 2002) (sustainability "saves...money while attracting high caliber employees and loyal customers"; "We have found that many of our new employees have come to us because of our commitment to the environment, and our employees are enthusiastic, looking for ways to help the effort."); Oregon Natural Step Case Study: Gerding/Edlen Development Company, LLC (Jan. 2004) ("One of the biggest benefits is the publicity and visibility").

B. Improve Environmental Conditions That Affect Employee Health

Taking steps to improve employee health also factors into a sustainability program. Two examples of employer best practices proposed by the Occupational Safety & Health Administration (OSHA) are the Indoor Air Quality and Ergonomics Standards.³⁵ While these standards were never implemented (*i.e.*, they are not mandatory), they are available as a guide to promote better employee safety and health which, in turn, may improve the bottom line by reducing occupational illnesses and injuries, sick time, and turnover.

Other basic and inexpensive ways to improve employee health and well-being are to insure the workplace is well lit and ventilated. Employers can also adopt policies that allow employees to go outside, discourage excess caffeine use (which may be somewhat problematic in the land of Starbucks), promote exercise, and create programs to bring energy and excitement into the workplace.³⁶

C. Incorporate Green Building and Design Concepts that Promote Health, Well-Being, and Improved Productivity

A core feature of green buildings is to reduce the use of materials that emit toxic and noxious fumes to enhance indoor air quality. Other common green building

features that are likely to influence indoor environmental quality include:

- Advanced ventilating and mechanical systems to increase air flow and reduce occupant contact with air borne microbial agents;
- Selection of furnishings that have low toxicity;
- Increased use of natural light to reduce energy demands and enhance interior lighting quality;
- Inclusion of high quality, energy efficient lighting to reduce computer glare and increase visual comfort;
- Increased contact with the natural environment through more open views to the outdoors (also associated with daylight) and through the inclusion of plants indoors for psychological reasons and for air quality enhancement;
- Greater attention to construction, maintenance and operation of buildings to reduce build up of microbial agents, especially in HVAC systems and construction materials.³⁷

Employers can incorporate such concepts into planned remodeling, retro-fitting and/or redecoration. Landscaping, furniture reconfiguration, artwork, incorporation of natural features, moderation of noise, and other non-structural modifications may all provide benefits to

³⁵ Indoor Air Quality, Federal Register 59:15968-16039; Final Ergonomics Program Standard, 29 CFR § 1910.900 et seq. (2001).

³⁶ See note 23, *supra*.

³⁷ *Green Buildings, Organizational Success, and Occupant Productivity* (2004); http://www.wgba.org/artman/publish/printer_124.shtml.

productivity by reducing environmental stressors.³⁸ Studies suggest that sustainable design and operations may:

- Reduce legal and insurance costs
- Reduce regulatory inspection burden
- Provide better company image and reputation
-
- Provide for process innovation as employees participate in the quest for resource efficiency³⁹

D. Providing Training & Education

Education is an essential component of any sustainability program. The purpose of education is to advance the concepts of sustainability within the company and provide essential leadership and resources to employees. Education encourages both employees and managers to rethink how sustainability concerns affect their individual decisions. It also emphasizes the company's intent to follow through on implementing its core values and increases the feeling of cooperation throughout the organization.

In November 2004, Multnomah County issued a Sustainability Report⁴⁰ in which it identified four major goals for its educational component: (1) provide effective information to employees; (2) motivate and inspire employees to take action; (3) remove perceived or real barriers to sustainability actions; and (4) make change easier for employees. To meet these goals, Multnomah County sponsors courses and workshops, provides monthly sustainability "tips," and prepares displays.

Norm Thompson developed a four-hour training program that provides an overview of sustainability concepts, examples of the company's commitment to sustainability, and case studies of other companies' use of sustainability concepts. All new hires go through the training.⁴¹

An employer can also support sustainability by simply informing employees of outside sustainability lectures or providing a forum for programs and communication internally.⁴²

E. Follow Up Auditing and Reporting

Audits are necessary to measure performance and stimulate thought about how things can be done better. In addition, reporting is necessary to demonstrate the benefits of change and remain

³⁸ See, *Environmental Stressors*, note 20, *supra*.

³⁹ See *Green Buildings (Potential Links Between Highly Effective Facilities and Organizational Success)*, note 13, *supra*.

⁴⁰ <http://www.sustainableoregon.net/documents/MultCoSustainabilityReport2004.pdf>.

⁴¹ Oregon Natural Step Case Study: Norm Thompson (Oct. 2002).

⁴² See, e.g., Oregon Natural Step Case Study: BOORA Architects (Jan. 2002) (monthly "green bag" lectures open to staff; providing ongoing communication via e-mail to staff regarding outside "green lectures").

accountable for business practices. Tracking financial and other effects of sustainability practices is, therefore, essential.⁴³

The centerpiece of accountability is transparency. In the case of financial reporting, disclosure rules require that users are fully informed of the processes, procedures, and assumptions embodied in the reported information. This increases the transparency of the reporting process to insure that investors are given a clear picture of the company's financial condition. The same need for transparency underlying financial reporting applies equally to reporting on sustainability, regardless of the format and content of reports. The processes, procedures, and assumptions embodied in the reported information should be disclosed.⁴⁴

V. Case Studies on Sustainable Development in Oregon

- **Case Study: Multnomah County⁴⁵**

The County adopted Travel Smart Policy Recommendations to “reduce the need to drive, promote biking, promote walking, use transit, support carpooling, provide education, create incentives, manage parking, pursue funding and measure progress.” The goal is to “[e]ncourage employees to reduce auto trips to their work sites by 10 percent in three years,” and to reduce air pollution emission and reduce traffic.

Supporting Policies:

- Alternative work schedules to reduce the need to drive to work
- Offering TriMet bus passes
- Establishing a fleet bike program
- Discounted carpool parking
- Providing information to employees to support the use of commute options
- Conducting employee surveys regarding commute options
- Evaluating the cost-effectiveness of automobile sharing programs such as Flexcar⁴⁶
- Establishing a competition to encourage staff to try alternatives to single-car occupancy commuting

⁴³ See generally, *TNS Eco-Indicators: Findings from the TNS Eco-Indicators Peer Learning Group* (Oregon Natural Step Network Feb. 2003) (“being able to show the value of actions taken to reduce environmental impact is the most important and yet the most difficult part of measuring environmental performance.”)

⁴⁴ GRI, Sustainability Reporting Guidelines, <http://www.globalreporting.org/guidelines/2002/b24a.asp>.

⁴⁵ Multnomah County's Sustainability Report issued November 11, 2004, <http://www.sustainableoregon.net/documents/MultCoSustainabilityReport2004.pdf>. Other companies have adopted more modest plans. See e.g., Oregon Natural Step Case Study: BOORA Architects (Jan. 2002) (increasing subsidy of TriMet passes, purchasing a company bicycle, etc.).

⁴⁶ “Flexcar is the largest and oldest provider of car-sharing programs in the country providing cars on demand for business use. Companies can reduce the cost of parking, mileage reimbursements and reduce the complexity of fleet car management.” http://www.actionstudio.org/news/ortns/article_2496.cfm. Oregon Natural Step members receive incentives to try Flexcar. Flexcar's website is <http://www.flexcar.com>.

- **Case Study: Hewlett Packard⁴⁷**

At Hewlett Packard (HP), a small group of employees began meeting over lunch several years ago to talk about sustainable development, and how it might be applied at HP. The lunch meetings evolved to include email discussions, then specific actions which could be taken to improve the environmental and social impacts of company operations. HP now likes to refer to it as their "spontaneous sustainability network" and it has explicit support from HP management.

- **Case Study: Norm Thompson⁴⁸**

Norm Thompson developed a program rewarding employees for coming up with sustainability-related "great ideas." Employees are eligible to be nominated for an award, and the results of their ideas, including both environmental and financial savings, are documented. The awards are presented at quarterly meetings. This program results in many employee suggestions and keeps employees interested in sustainability.

- **Case Study: Nike⁴⁹**

NIKE, Inc., undertook initiatives addressing the environmental lifecycle of its products, from design, to manufacturing, to sales, to post-consumer use. It started by eliminating hazardous petrochemical-based solvents from its shoes. NIKE introduced new machine technology that allows it to produce lighter boxes that deliver the same strength, reducing its use of raw materials by 4000 tons. Consumer catalogs are printed on recycled paper. Used shoes are ground into surface material for basketball courts. NIKE is also incorporating organic cotton into its T-shirts and knit products. In addition to the environmental benefits, these initiatives save millions of dollars a year.

Then in 2003, PGE announced:

NIKE Inc., a longtime user of renewable power, plans to buy Clean Wind. "Our customers and our employees want to live in a cleaner environment, and this is something that NIKE can do to show that we are committed to making a difference," said Jim Petsche, director of corporate facilities. "Buying green power is another way to show that the triple bottom line of 'natural capitalism' really matters: What is good for people and the planet can also be good for business." "The new program's customers also receive marketing support from PGE, ranging from window decals to promotion of their names in advertisements."⁵⁰

⁴⁷ <http://www.sustainability.com/services/tools-SD-implementation.asp>.

⁴⁸ Oregon Natural Step Case Study: Norm Thompson (Oct. 2002).

⁴⁹ Oregon Natural Step Case Study: NIKE, Inc. (January 2001).

⁵⁰ http://www.portlandgeneral.com/about_pge/news/archives/business_cleanWind.asp?bhcp=1.

Resources

Sustainable Oregon (State of Oregon web site): www.sustainableoregon.net

Portland's Office of Sustainable Development: www.green-rated.org

- Information on April 1 event: "Ecotrust-Green Materials for a Healthy & Productive Workplace"

Oregon Natural Step Network: www.ortns.org

- Provides detailed case studies of many local employers' attempts to incorporate sustainability into their overall business objectives.

SustainAbility Online (International): www.sustainability.com

Sustainable Industries Journal Northwest: www.sijournal.com

Oregon Environmental Council's Forum for Business & Environment Events:

www.orcouncil.org/Events/0405%20BusinessForum.htm

- "The Forum is the most highly attended, statewide series, and has featured over 80 events and reached more than 5,000 of Oregon's business and community leaders. The series is unique in its goal of engaging Oregon's business leaders in a dialogue on emerging "triple bottom line" industries, while providing a forum to discuss business and public policy strategies in a non-threatening setting."

University of Oregon Sustainability Leadership Academy:

<http://center.uoregon.edu/sustainability>

Northwest Earth Institute: <http://www.nwei.org>

Tidepool: <http://www.tidepool.org/greentide/index.cfm>

National Institute for Occupational Safety and Health:

<http://www.cdc.gov/niosh/homepage.html>

U.S. Environmental Protection Agency: <http://www.epa.gov/iaq/index.html>

Ater Wynne LLP's Web Site -- Coming Soon!: www.triplebottomlinelaw.com