

**Law Firms Respond to Corporate Move  
Toward Sustainable Development**

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A new focus for law firms has grown out of the recent change in expectations about corporate conduct. At the same time investors, customers, businesses, and government agencies are demanding that companies practice corporate responsibility in addition to providing a good product or service, law firms' business clients are demanding legal solutions that incorporate the triple bottom line -- economy, community and environment. Sustainable development is now an integral part of many companies' business plans and a critical new component of legal strategy.

The idea of sustainable development is not new. In 1987, the World Commission on Environment and Development defined "sustainable development" as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability requires a business strategy that goes beyond maximizing profits in the short term. 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.

As the "triple bottom line" gains 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. While there are currently no laws mandating that businesses practice sustainable development, there is clearly government support for it. 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 concepts and building products, and engaging in other socially responsible conduct.

A few law firms are beginning to provide counsel that recognizes sustainable development as a key component of their clients' business goals. A sustainable development practice is generally comprised of lawyers from diverse practice areas typical of a business law firm -- tax, employment, corporate finance, regulatory, environmental. The unique aspect of such group practices is the desire to help clients find solutions that embrace or explore sustainable development options. Advice for a traditional investor might be different from that for a venture capital fund that finances sustainable businesses and projects. A client with organic farming operations may wish to consider legal alternatives different from those recommended for a non-organic farming operation.

Lawyers familiar with laws, regulations and opportunities that support the triple bottom line can better help client companies embrace their sustainable development philosophy, incorporate sustainability concepts into their business plans, and reap the financial and other rewards of sustainable practices. Triple-bottom-line-friendly firms can also help traditional clients explore ways to begin incorporating sustainable development into their business practices.

The reasons for pursuing sustainable development vary. Businesses have discovered that sustainable practices can save money, for example, by reducing the consumption of resources like paper and power, increasing productivity, reducing employee turnover, and enhancing brand recognition. In addition, the public is starting to demand accountability. 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 and government customers) are starting to limit their support to 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.

Oregon is a perfect place for a sustainable development practice to thrive. Many Oregon businesses already serve as models for sustainable development practices. Multnomah County adopted Travel Smart Policy Recommendations to reduce driving and promote biking, walking, use of transit, and carpooling. NIKE, Inc., undertook initiatives to address the environmental lifecycle of its products, from design, to manufacturing, to sales, to post-consumer use. Norm Thompson, a local retailer, made sustainable development part of its core values and adopted a variety of employee, community, and environmentally-friendly policies.

In a state this green with opportunity, there's no reason law firms can't make it greener by helping clients achieve their sustainable development goals.

**Note:** For information about Ater Wynne's Sustainable Development Advisory Group, watch for [www.triplebottomlinelaw.com](http://www.triplebottomlinelaw.com).