

# Go green

Reaping the benefits of green workplace practices **Interviewed by Leslie Stevens-Huffman**

**T**he business case for going green is rapidly growing. Not only is the green movement good news for the environment, but it's even better news for the bottom line as customers, suppliers and job seekers are showing a clear preference for companies that demonstrate green workplace practices. But the pressure to go green is beginning to migrate beyond the voluntary, as legislators gear up to tackle green building, sustainability and renewable energy issues. These efforts will lead to new policies and new laws. The choice for CEOs might come down to this: Go green and save now or pay later.

"No one knows for sure how far the legislation will go, but I've never seen as much momentum behind environmental issues as there is around the issues of going green, climate change and global warming," says John Lormon, partner and leader of the Environmental, Land Use and Governmental Affairs Practice Group at Procopio, Cory, Hargreaves & Savitch LLP. "There are currently six bills before Congress and another 15 to 20 in front of the California Legislature, many relating to sustainability of the environment, climate change, renewable energy and carbon footprint concerns. Going green is the way to do business."

*Smart Business* spoke with Lormon about how companies can meet the green challenge.

## What are the benefits of going green?

Going green speaks to our core values as a society, and it is a way for businesses to demonstrate social responsibility through preservation of our natural capital in the way they conduct business. There's plenty of evidence to show that companies can enhance their brand in the marketplace by employing sustainable practices. Today, recycling and reduced energy consumption and greenhouse gas emissions (GGEs) are part of the green movement in the workplace, but I think we'll see an even broader definition in the future.

## How far will future legislation go?

It's hard to say how far the penalties and reporting requirements will go or what



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might be just encouraged behavior through incentives or mandated by law, but already we're seeing some impact from recently adopted legislation. A city of San Diego recycling ordinance that took effect in January of this year imposes sanctions including criminal penalties for non-compliance, and new building construction and tenant build-outs are being impacted by Leadership in Energy and Environmental Design (LEED) standards as well as the U.S. Green Building Council's benchmarks for building design, construction and operation.

California's landmark Global Warming Solutions Act of 2006 (AB 32) is a comprehensive program of regulatory and market mechanisms to achieve 1990 GGE levels by 2020 starting in 2012. The California Environmental Quality Act (CEQA), which requires public decision makers to submit documentation of a project's potential environmental impact, will soon require an assessment of GGE. Companies may face third-party lawsuits related to their emissions, and companies will have to report to the investors if material financial liabilities arise out of GGEs.

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## How should companies prepare for the new legislation?

Be sure to keep good records, especially concerning voluntary and mandatory emission reductions, since you might need that data for compliance and defense purposes under these new laws and regulations. Look at everything you can do to reduce GGE, including the possibility of buying more local products so they do not cause excess impact to the environment when they are transported. You want to identify your company's carbon footprint as soon as possible to establish a baseline, then initiate and document your efforts to use renewable energy and to reduce and offset your emissions. Try to use renewable energy sources, such as solar or wind energy, and consider acquisition of carbon cap and trade credits. I think CEOs will benefit greatly if they take steps not just to protect their business but to enhance it by developing a green strategic plan.

## What other steps can CEOs take?

CEOs can take on a leadership position in the community by gaining a better understanding of the issues. When making purchasing decisions, look at the carbon life cycle of the products that the company purchases. Recycle, allow your employees to telecommute, and develop and follow a green plan that sends a signal to your customers and employees that your company is taking steps to minimize the depletion of our natural capital and to make for a more sustainable planet.

Here in San Diego, working through Scripps Institution of Oceanography, I started a Climate Club, and we meet for informal dinners where local business leaders can connect with Scripps scientists in an interactive forum to better understand the state of the science concerning GGE and their impact on global warming. A program such as this is an excellent way for CEOs to develop strategic thinking about what is best for their corporate programs. <<