

OREGON LAWYERS FOR A SUSTAINABLE FUTURE

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New Law Embeds “Sustainability” in Oregon Business Corporation Act

Salem, Oregon – Governor Ted Kulongoski signed HB 2826 into law today, permitting the articles of incorporation to direct a corporation “to conduct the business of the corporation in a manner that is environmentally and socially responsible.” With the passage of HB 2826, Oregon’s Business Corporation Act became the first state corporate code to expressly acknowledge the goal of sustainable business practices.

“I firmly believe that a commitment to sustainability is the best vehicle for creating long-term prosperity in Oregon, while also helping enrich our communities and our environment,” said Governor Kulongoski. “With this legislation, Oregon is pioneering efforts to create more sustainable business structures and I am confident that it will assist Oregon businesses in attracting investment and economic opportunities to the state.”

The icon of sustainability is the three-legged stool: economy, ecology, and equity (society). In business, this focus involves pursuit of the “triple bottom line.” Because profitability is built into the DNA of a corporation, HB 2826 simply confirms that environmental and social responsibility can also be pursued to achieve corporate success.

The statute makes it clear that anyone forming an Oregon corporation can include a provision in the articles authorizing or directing the corporation to be operated in a sustainable manner. Moreover, any existing Oregon corporation can take that step by amending its articles of incorporation, which will then govern operations after the date of the amendment.

The legislation was drafted by Oregon Lawyers for a Sustainable Future. According to James M. Kennedy, a member of the drafting team, “this landmark legislation is in line with both Oregon’s national reputation as a leader in the sustainability movement and the theme of sustainability selected by the 2007 Oregon Business Summit. It will be followed with great interest by other states and corporate law professors across the nation.”

With this step, Oregon Lawyers for a Sustainable Future continues to build its reputation as the national leader in engaging the legal profession in the sustainability movement. OLSF first gained national prominence by developing four tools for use of the sustainable law office. They can be downloaded directly from the OLSF Web site, www.earthleadershipcenter.org/OLSF, or accessed through the Sustainable Law Office page of the American Bar Association Web site.

Oregon Lawyers for a Sustainable Future is a project of the Center for Earth Leadership. It is guided by a steering committee of ten Oregon lawyers.

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