

A Strategic Part of Running the Business

An Interview with Laurence H. Midler,
Executive Vice President and General Counsel, CBRE

EDITORS' NOTE Larry Midler is Executive Vice President and General Counsel for CBRE. He also serves as the company's Chief Compliance Officer, overseeing the Corporate Compliance Program, which was initiated in late 2004, and as the executive in charge of corporate responsibility efforts for the firm. Since joining CBRE in 2004, Midler has been engaged in a process of continual improvement of CBRE's legal, corporate governance, and compliance functions, as well as providing legal support for some key transformational events in the company's history.



Laurence H. Midler

He led the legal efforts on the company's initial public offering in 2004 and its \$2.2 billion acquisition of Trammell Crow Company in 2006, which transformed CBRE from primarily a transaction sales & leasing company to one with balanced revenues from both transactional and contractual businesses. Prior to joining CBRE, Midler served as General Counsel to Micro Warehouse, Inc., before the acquisition of its North American businesses in 2003 by CDW Corporation. Earlier, he was an associate at Latham & Watkins, a global law firm, in their New York City office. Midler holds a Juris Doctor degree from the New York University School of Law and a Bachelor of Arts, with distinction, from the University of Virginia.

COMPANY BRIEF A Fortune 500 and S&P 500 company with approximately 34,000 employees (excluding affiliates), CBRE Group, Inc. (www.cbre.com) serves real estate owners, investors, and occupiers through more than 300 offices (excluding affiliates) worldwide. Headquartered in Los Angeles, CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities, and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting.

How critical has community engagement been to CBRE?

We have been focused on corporate responsibility as a defined initiative for the past five years, but it reflects the sum total of a lot of different things the company already does or stands for.

Five years ago, we decided there were six different areas that make up our corporate responsibility ethos or program: environmental sustainability – as the largest manager of commercial real estate properties in the world, we have

a responsibility to be good stewards of the environment and to help our clients do the same; ethics – clients choose us because of our reputation for fair dealing and high standards of ethics; compliance and governance; philanthropy; diversity and inclusion – our relationship with our global employees; and health and safety. Each of those areas is supported by a particular executive or department within the company. My role is tying it all together. I organize conference calls with the leaders of those initiatives so we can bring them together and set goals and prepare for what we have to report each year.

In 2011, we conducted an employee engagement survey asking our employees what their most important reason was for staying at the company. More employees chose corporate responsibility as a factor than any other factor, including compensation. I believe this is indicative of a growing trend among a new generation of employees who value corporate responsibility more than ever before.

Late last year, our global operating committee asked me to take a more active role and to become the executive sponsor of our corporate responsibility programs, and to report back to the committee on a quarterly basis in terms of our progress. To me, this is good evidence that CBRE views corporate responsibility more as a strategic part of running this business and not as a marketing program or propaganda.

Is it challenging to track the impact and results of your efforts?

Our corporate responsibility report that we have published for the past four years contains metrics on a variety of things. On philanthropy, we look at the total dollar amounts and hours of time that our employees around the world donate to our foundation and to individual initiatives, and how many different organizations they support. For environmental sustainability, we look at the number of our brokers who have now been certified under LEED to give advice on environmental issues; we look at the amount of energy that is purchased from alternative sources or that is saved among clients we advise; and we measure our carbon footprint as a company. Tracking metrics in this area requires coordination on a global basis, which can be a significant challenge.

Is it important that philanthropic efforts align with the business strategy?

Before 2009, we had a philanthropy program where we chose a couple of very large institutional

charities, raised money for them through our foundation, and made large donations. But valuable feedback from our people indicated that we needed a more focused, more employee-driven program that reflected the goals and values of the company.

In 2009, we empowered our offices to make the giving decisions at a local level, and we began returning 75 percent of all funds raised through our annual campaign to our local offices and client account teams to be allocated to the causes most important to them. The CBRE Foundation supplemented these monies through its fund-matching program.

The remaining 25 percent that was raised benefits corporate giving to causes such as disaster relief, and our signature Birthday Cakes and More for Homeless Children Program. Our employees developed the latter in 2001 and last year delivered about 1,500 birthday cakes directly to children celebrating at a foster home or in local child care.

In 2010, CBRE launched the Shelter Program to align our philanthropic efforts with our business, and it's been an incredibly successful and popular initiative. We have partnered with Rebuilding Together and HomeAid, which work to improve housing opportunities for people in need across the country. The company has donated funds and our folks have volunteered at different sites; we did one of these BuildDays in Indianapolis in the days leading up to the Super Bowl.

So the nature of our philanthropy programs is not strictly tied to real estate-related causes, but we try to be first in giving the local offices more discretion, and on the corporate side, to be at least thematically aligned with what we do for a living.

How critical is it to have this driven from the top of the organization?

Leadership is critically important, because employees watch what the senior leaders do and say. In environmental sustainability, for example, it would be difficult to move the company towards being carbon neutral in our own operations or to advise all of our clients on environmental issues if that imperative didn't come from the top. Our CEO signed our Environmental Stewardship Policy and personally drove our efforts towards carbon neutrality. Now the GOC, which is the next executive layer, is going to hold itself accountable for the goals we set for our CR initiatives. But in the end, with 30,000 employees strong, these efforts could not be done just because leadership said they should be done; much of the innovation and follow-through happens because we have very well-meaning and innovative people in the trenches. They are the unsung heroes of CBRE's CR efforts. ●