



**LBG ASSOCIATES**

**THE GREEN EFFECT:**  
**HOW COMMUNITY INVOLVEMENT IS**  
**EMBRACING ENVIRONMENTALISM**

A RESEARCH STUDY OF THE ENVIRONMENTAL  
PRACTICES OF 51 MAJOR COMPANIES

*PLUS THE PERSPECTIVES OF NINE  
ENVIRONMENTAL NONPROFIT ORGANIZATIONS*

# ACKNOWLEDGMENTS



LBG Associates is very grateful to our sponsoring companies,  
whose generosity helped make this research report possible.

## GOLD - \$10,000

*BNP Paribas  
Con Edison  
IBM Corporation  
Pacific Gas and Electric Company (PG&E)  
TD Bank Financial Group*

## SILVER - \$5,000

*Public Service Electric and Gas Company (PSE&G)*

## CORPORATE - \$2,500

*BNSF Railway Company  
CSX Corporation  
El Paso Corporation  
Embarq Corporation  
Exelon Corporation  
Wyeth*

# EXECUTIVE SUMMARY

*LBG Associates' The Green Effect: How Community Involvement Is Embracing Environmentalism research study analyzes the environmental activities of 51 companies related to their business practices, operations, and community involvement. It also includes research on nine environmental nonprofits. Within this study we have distilled the key findings, trends, opinions, and case studies that we believe help shed light on today's critical issues in environmental community involvement. This Executive Summary highlights selected findings of this research.*

## Introduction

In corporations around the world, environmentalism is taking hold. The “inconvenient truth” is that being green, in business practices and operations, is now a necessity for a company’s long-term survival.

A large amount of data is available about how and to what degree companies are reducing their environmental footprints. But up until now, environmental *community involvement* has not been a major emphasis for research or thought leadership. LBG Associates designed this report to help fill that void.

To filter our research results among the respondents’ varying levels of environmentalism, we created a unique ranking system that results in three “shades of green”: Peridot, Jade, and Emerald. We also used the system’s community involvement (CI) criteria to create shades of *green CI*: CI Peridot, CI Jade, and CI Emerald.

Peridots are companies just beginning to go green; Jades are green in many of their operations and CI activities; and Emeralds are the green leaders, with a deep commitment to being environmentally responsible in all their business practices and CI initiatives.

(The study includes a **self-diagnostic tool** to allow users to determine their company’s shade of green.)

## Respondents’ Shades of Green

Using LBG Associates’ rating system, we found that the majority (65%) of the research participants are Jades; 21% are highly committed Emeralds; and 14% are Peridots.

Looking at how the respondents stack up in green community involvement, 51% are CI Jades; 31% are CI Peridots; and 18% are CI Emeralds.

## Business Practices

### *Perceptions, Attitudes, and Culture*

In regard to how companies view their commitment to the environment, the majority say they call themselves a “green company,” and they believe being green is part of their corporate culture.

### *Organization and Responsibilities*

The formal responsibility for the overall management of green initiatives rests with the Environmental Affairs, Environmental Management, or Environmental, Health & Safety departments.

### *Operations*

The respondents are well aware that their companies’ future success will be closely tied to their sustainability and environmental practices. Related to how they reduce the environmental impact of operations, some of the major findings are shown below.

### **How Do You Reduce the Environmental Impact of Operations?** *(totals more than 100% due to multiple answers)*

We measure/reduce waste material	92%
We measure/reduce energy use	88%
We measure/reduce emissions	86%

## Community Involvement

In LBG Associates’ opinion, a company can be considered “green” only if its commitment to the environment extends into its community initiatives.

To the research participants, however, being green still has a relatively narrow connotation, applying primarily to their business practices and operations.

And yet the reality is quite different. Many companies that say they are green in their operations are for the most part also embracing environmental community initiatives.

*Focus Areas and Funding Sources*

Two major findings pertaining to charitable giving focus areas and funding sources are that:

- ◆ The vast majority (73%) have the environment as a focus area<sup>1</sup> for giving; and
- ◆ The plurality (46%) say their green giving comes from both the foundation and the corporate sides.

*Senior Management Involvement*

All the respondents say their leaders are at least supportive of their green community initiatives, even if they are not personally involved. (See table below.)

<b>How Involved Are Your CEO &amp; Senior Managers in Green CI Programs?</b>	
Supportive and very involved	58%
Supportive and somewhat involved	28%
Supportive but not involved	14%

*Employee Involvement*

Companies are not only responsive to their leaders' desire for green CI, but are also greatly influenced by their employees' desire to volunteer for community greening projects. The vast majority (94%) of the respondents say their employee volunteerism includes environmental activities.

*Employee Giving*

In general, companies are more green in their charitable giving and in employee volunteerism than in their employee giving programs (Matching Gifts, Dollars for Doers/volunteer grants, workplace giving). Still, the majority of the research respondents say they include green causes in their Matching Gifts and Dollars for Doers/volunteer grants programs.

**Communication**

All the participants stress that communication of their environmental initiatives to stakeholders is extremely important. And they employ a wide range of vehicles to get their messages across to internal and external audiences.

**Research Findings: Nonprofit Organizations**

The top environmental issues for our nine green NGO participants are climate change and global warming. And the NGOs are unanimous in their belief that the for-profit world has the ability—and the responsibility—to help solve these and other environmental problems.

The overriding emphasis for most of the nonprofits is the need for Corporate America to clean up its act and become an environmental advocate.

All the NGOs are open to partnering with corporations on environmental projects, and a number of them use a set of partnering guidelines during the decision process.

The NGOs have slightly varying expectations when it comes to their for-profit partners, but among other things, a number mention wanting a long-term, sustainable commitment and a clear understanding of the expectations for the partnership.

**Conclusion**

*The Green Effect: How Community Involvement Is Embracing Environmentalism* reveals that the green movement is affecting our participating companies in regard to their community involvement strategy and commitments. This is a good sign, indicating that green messages are being heard and acted upon, and that companies recognize that their future success will be closely tied to how seriously they take their environmental obligations in their operations *and* in the community. ❖

---

<sup>1</sup> Although LBG Associates usually defines a giving focus area as representing at least 35% of total giving, for the purposes of this study and because environmental giving is still an emerging category, we are defining it as 25% of total giving.

## *The Participants*

*Thank you to the following organizations  
that participated in this study and shared their stories with us:*

### **Companies**

Abercrombie & Kent  
Alaska Airlines  
Alcoa  
AMD  
Ameren Corporation  
Applied Materials, Inc.  
Arch Chemicals, Inc.  
Aveda Corporation  
AT&T Inc.  
Ben & Jerry's  
BNP Paribas  
BNSF Railway Company  
Catalyst Paper Corporation  
CH2M HILL  
Citigroup Inc.  
Con Edison  
CSX Corporation  
The Dow Chemical Company  
Duke Energy Corporation  
Ecolab Inc.

El Paso Corporation  
Ernst & Young  
Exelon Corporation  
FedEx Corporation  
Ford Motor Company  
FUJIFILM  
Green Mountain Coffee Roasters, Inc.  
IBM Corporation  
Intel Corporation  
Interface, Inc.  
Kroger Co.  
L.L.Bean, Inc.  
The Lowe-Martin Group  
Morgan Stanley  
Northeast Utilities  
Pacific Gas and Electric Company  
Patagonia, Inc.  
Pitney Bowes Inc.  
Public Service Electric and Gas Company  
RBC (Royal Bank of Canada)  
Seventh Generation, Inc.  
Starbucks Coffee Company

Steelcase Inc.  
TD Bank Financial Group  
The Timberland Company  
Toyota  
Verizon Communications Inc.  
Waste Management, Inc.  
West Marine  
Wyeth  
Yahoo! Inc.

### **Nonprofit Organizations**

Arbor Day  
Audubon  
Climate Institute  
Ducks Unlimited  
Environmental Defense Fund  
Izaak Walton League  
Keep America Beautiful  
Wildlife Habitat Council  
World Wildlife Fund



Driving Social Change...

**LBG Associates**  
245 Long Close Road  
Stamford, CT 06902  
203-325-3154  
[www.lbg-associates.com](http://www.lbg-associates.com)

© 2008 LBG Associates