

MINUTES OF BOARD OF DIRECTORS MEETING

MARCH 11, 2014 | WASHINGTON, D.C.

Attendees: James Harmon – Chair, Harriet Babbitt – Vice Chair, Susan Tierney – Vice Chair, Frances Beinecke, Afsaneh Beschloss, Felipe Calderon, Robin Chase, Tiffany Clay, Daniel Doctoroff, Alice Emerson, Renee Jones-Bos, Jonathan Lash, Jaime Lerner, Preston Miller, Michael Polsky, Alison Sander, Andrew Steer, Lee Thomas, D. James Umpleby, Daniel Weiss, Caio Koch-Weser

Staff: Pankaj Bhatia, Manish Bapna, Steve Barker, Rachel Biderman, Elizabeth Cook, Holger Dalkmann, Arthur Droe, Craig Hanson, Emily Jagger, Kirsty Jenkinson, Chuck Kent, Clayton Lane, Lailai Li, Andrew Maddocks, Helen Mountford, Sara Nawaz, Michael Oko, Nitin Pandit, Neil Prakash, Janet Ranganathan, Kitty van der Heijden, Peter Veit,

Guest: Charlotte Matthews

The Chair called the meeting to order at 8:30 a.m.

CHAIRMAN'S WELCOME AND OVERVIEW

Mr. Harmon welcomed everyone to the meeting and introduced Emily Jagger, the new Board Liaison. Mr. Harmon also welcomed Renée Jones-Bos to her first Board meeting.

Dr. Steer gave an overview of the agenda and emphasized the importance of the strategic refresh. Dr. Steer also thanked the Directors who hosted Stories to Watch presentations around the world.

PRESIDENT'S REPORT: UPDATE ON WRI'S NEW STRATEGY

Dr. Steer reiterated the importance of WRI's six strategic goals and presented a program update on WRI's strategic refresh.

Mr. Koch-Weser, noting that the strategic plan is very ambitious, asked how WRI is going to manage the intersection between the international offices and the Signature Initiatives while continuing to develop and evaluate partnerships. Dr. Steer noted that the GHG Protocol is a good example of a strong, WRI-led partnership, and WRI will continue to forge similar partnerships.

Ms. Clay, in response to the presentation, said that she'd like to learn more on who is driving the conversations on climate change internationally.

BUILDING OUR DELIVERY CAPACITY

Mr. Bapna, Executive Vice President and Managing Director, said the real challenge facing WRI is its ability to deliver on its objectives, manage its growth, and balance a potential cultural shift inherently required in a globalizing organization. He also stressed that we will need common strategies and standards among the global offices. Maintaining a manageable number of Signature Initiatives and facilitating global information sharing will be critical. Mr. Bapna then gave a presentation on strategy setting recommendations for Signature Initiatives and countries.

Mr. Prakash, Director of Global Human Resources, gave a short presentation on actions that HR is taking on the strategic refresh, including implementing consistent hiring and performance review standards, a new staff orientation program, and a new training program. He also noted that he is about to launch a new online system that will be able to cascade WRI objectives down to staff goals.

Ms. Jenkinson, Director of the Business Center, explained the process of the institutional refresh, which accompanies the strategic refresh. A “Transition Team” led by Ms. Jenkinson, focused initially on identifying and finding solutions around “hotspots,” or areas staff identified as presenting particular challenges. She noted that the Transition Team has completed a road map to reflect work done to date and still needed. They are also working on how to engage with all stakeholders on the roll out of the institutional refresh. She noted the importance of the upcoming leadership retreat, which immediately followed the Board meetings.

Ms. Beinecke said the work done thus far is impressive. She said that WRI’s people must be the priority of such an institutional refresh - specifically, investing in HR systems and assessing staff on a regular basis are essential to ensuring the product quality that is WRI’s hallmark. She mentioned the importance of scaling up the administrative side of WRI to manage this growth and ensure that workloads are manageable. Ms. Tierney reiterated the importance of performance reviews being tied to WRI’s value system, and that you need multiple managers weighing in to an employee’s review.

Mr. Thomas underscored the centrality of remaining faithful to WRI’s core values. He reiterated the importance of all employees taking a stake in the success of the organization. We need to invest in making sure the values are internally focused and that they are “right” so we have buy-in. He also emphasized the importance of internal communications and regular updates on how we’re performing.

Ms. Chase said she was impressed with the progress since the last Board meeting. She emphasized the importance of encouraging staff to build connections across the international offices. Mr. Weiss noted that, in his own experience, organizations that are most successful are those that prioritize helping their sibling organizations before serving their clients or outsiders.

Ms. Ranganathan, Vice President for Science and Research, gave the instructions for a group exercise on mastering the matrix before the group split into sections for a brief discussion.

Returning to the plenary, Mr. Bapna said that the Transition Team would follow up with the discussion groups. He said he was struck by the recurring theme of WRI's values and their importance.

Ms. Babbitt noted that, at CH2MHill, every employee has a ten-page manual by one of the founders, illustrated by one of the founding fathers. She suggested WRI could consider producing such a booklet for its own employees during the institutional refresh.

Ms. Jenkinson thanked the group for their inputs and committed to incorporating this feedback into the Transition Team's recommendations to the Executive Team.

Dr. Steer, in response to the above comments, said that WRI should create a Board-level Management Committee and better utilize the Executive Committee to help guide WRI leadership through the institutional refresh.

SPECIAL FOCUS: PROPOSAL FOR A SUSTAINABLE CITIES CENTER

Mr. Lane, Chief Operating Officer of EMBARQ, said the goal of the Center for Sustainable Cities is to create a global network of experts who partner to catalyze change in cities. Mr. Lane then gave an overview of the proposal for the Center. Mr. Dalkmann, Acting Director of the Cities and Transport Program and Director of EMBARQ added, in closing, the advice that Jonathan Lash gave him years ago: that WRI is the place to make things happen.

Mr. Doctoroff said he strongly endorsed the Center. He suggested, however, that the proposal add a mission statement, which focuses on the Center being independent, having a local presence in developing world cities, and having cutting edge thought leadership around solving problems and be action oriented. Mr. Doctoroff said he believes WRI has the ability to develop cross-functional capabilities. He encouraged the team to foster a strong sense of investment among its partners by having its engagement model evolve over time.

Mr. Lerner also commended the proposal. He said he believes that the main issues the Center should address are mobility, sustainability, social diversity, and tolerance. He cautioned that the Center should avoid becoming a center merely of policy guidelines.

Ms. Chase said she now believes the moment is ripe for a WRI Sustainable Cities Center because of WRI's deep understanding of data analysis, its partnerships, and its commitment to urgency and scale.

Dr. Steer thanked Mr. Doctoroff and Bloomberg Philanthropies, as well as Jim Umpleby and Caterpillar Foundation, for their support of WRI's work on cities.

AUDIT COMMITTEE REPORT

Mr. Thomas, Chair of the Audit Committee, referred Directors to the auditor's final report in the Board Book. He noted that it was an unqualified report, which means it's a well-qualified report. He said WRI experienced an incident where an employee took advantage of insufficient controls on credit card expense approvals. He said that the employee in question is being prosecuted, and said that Mr. Barker and his staff have assembled an action plan to tighten these controls.

PRESENTATION OF GLOBAL FOREST WATCH

Mr. Hanson, Director of Food, Forests, and Water Programs, gave a presentation on Global Forest Watch (GFW). He said that since its launch, in February, GFW has been mentioned in over 500 major media stories, and GFW was used recently to brief Indonesia's Vice President.

Mr. Hanson said that WRI is discussing applying "radical transparency," to other domains. One idea that the team is exploring is a World Resources Watch, in which WRI could become the "go-to" place for information on, for example, forest, food, cities, and water.

EUROPEAN PERSPECTIVE ON WRI

Ms. Van der Heijden, Director of WRI Europe, gave a brief introduction on her professional background and why WRI is establishing a presence in Europe. She noted that WRI is in a crowded field and should play to its strengths. Unlike many others, we have a global orientation with offices in a number of countries. WRI's mix of environmental and economic issues and its strong relations with the private sector make it relatively unique in Europe, she said.

She also noted that fundraising will be a large focus for her, since almost all of WRI's flexible and institutional funding comes from Europe. She said she will not be delivering a program, but rather deepening relationships. She noted that the addition of our two new European Board members was essential to this, and thanked them for their contributions. Ms. Jones-Bos added that the political landscape will change over the next few months ahead of elections in May in Europe, and this may present temporary challenges for fundraising. Mr. Koch-Weser reiterated Ms. Jones Bos's comments, and

said that there is a sense of urgency around the multitude of energy plans in Europe and the need for countries to be competitive in the global economy.

FINANCE AND INVESTMENT COMMITTEE REPORT

Mr. Miller, Chair of the Finance and Investment Committee, began his report by noting that the conversation on sustainable investment was initiated by external pressure to embrace the divestment campaign, which triggered subsequent conversations. He thanked the finance staff at WRI, and noted the conversations the group had with David Blood and Goldman Sachs.

He said that the group has decided to not take the divestment route, and is recommending a phased approach to develop metrics, starting with the utility sector, based on output and impact. The goal is, over time, to develop investment products that are responsive to environmentally conscious investors, and to coordinate our initiatives narrowly within WRI's scope of work. He said that WRI should focus our attention on stranded assets.

Mr. Lash said that organizations need to consider their mission when making investment decisions, and noted it is a difficult question.

DEVELOPMENT REPORT

Ms. Cook, Vice President for Institutional Strategy & Development, noted that there are challenges in coordinating funding across the growing organization. She thanked Mr. Polsky for his generous commitment to WRI's energy work, and said this is an excellent example for building a culture of giving on the Board. She noted that WRI's making progress towards its fundraising targets, and has raised \$40 million to date.

Mr. Weiss noted that the Global Advisory Council (GAC) now has six members, and WRI is looking to double this number to increase unrestricted giving. All of the GAC members were suggested by WRI Directors, he said, and he would like to see this trend continue. She underscored that unrestricted revenue continued to be a challenge and asked all Directors to put Courage to Lead tickets and table purchases in their budgets.

NOMINATING COMMITTEE REPORT

Ms. Beschloss, Chair of the Nominating Committee, reviewed the names currently under consideration by the Committee. She encouraged the Board to bring additional names of candidates for consideration, including those who can help with our fundraising needs.

ELECTION RESOLUTIONS

Mr. Harmon led the Directors through a series of election resolutions, which were approved as drafted. The minutes from the WRI Board of Directors Meeting on December 10, 2013, were approved as drafted. The IRS Form 990 and audit resolutions

were approved as drafted. In addition, the Board Class of 2017 was elected: Mr. Cruise, Mr. Lash, Mr. Lerner, Mr. Richardson, and Mr. Vince; Mr. Thomas was elected to serve an exceptional one-year term on the Board; Ms. Tierney was elected to serve as Vice Chair; and the Board Chair and Vice Chair, the officers of WRI, and the officers of the WRI Fund were re-elected for 2014.

EXECUTIVE SESSION

The meeting went into Executive Session at 2:45 p.m.

The meeting adjourned at 3:15 p.m.

Steve Barker
Secretary and Treasurer
Chief Financial Officer and Vice President of Administration