

Minutes
WRI Board of Directors Meeting
March 8, 2011
Washington, D.C.

Attendees: James Harmon—Chair, Harriet Babbitt—Vice Chair, Tiffany Clay, Leslie Dach, Daniel Doctoroff, Alice Emerson, Jonathan Lash, Theodore Roosevelt IV, Alison Sander, Lee Thomas, Todd Thomson, Susan Tierney, Diana Wall, Daniel Weiss

Staff: Manish Bapna, Steve Barker, Elizabeth Cook, Vivian Fong, Craig Hanson, Kirsty Jenkinson, Clayton Lane, Jennifer Morgan, Robin Murphy, Janet Ranganathan, Allison Sobel, Oretta Tarkhani, Dan Tunstall, Jacob Werksman

Guests: John Disharoon, Charlotte Matthews

The meeting was called to order at 8:30 a.m. ET by the Chair, on Tuesday, March 8, 2011.

Chairman's Overview

Mr. Harmon welcomed everyone to the meeting and reviewed the agenda. He stated that the reports in the agenda book were particularly interesting and valuable. He reported that the Executive Committee decided to move the Fall Board meeting from the third week of September to the first week of October starting in 2012.

Mr. Lash explained the purpose of the WRI Fund and Mr. Barker explained the purpose of the WRI China – Ltd minutes. The minutes from Annual Meeting of the Corporation, March 9, 2010, the WRI Board of Directors Meeting, December 7, 2010, the WRIF Board of Directors Meeting, March 9, 2010, and the WRI China – Ltd. Board of Directors Meeting, March 9, 2010 were approved as drafted.

Mr. Barker explained the resolutions required for the WRI – China Ltd. Hong Kong Office. The resolutions for the Appointment of Corporate Representative, Annual General Meeting, Reports and Accounts, and Re-hire Grant Thornton International were approved as drafted.

Roundtable on Development Trends

Mr. Harmon and Mr. Dach served as panelists to discuss what trends in the developing world mean for WRI. Ms. Babbitt, who was serving as moderator, introduced the roundtable session and spoke about WRI's role in the developing world. Mr. Dach spoke about his

experiences with a large international business and reviewed where Wal-mart has operations, including China, India, and Brazil. Mr. Dach spoke about the company's five-year strategy including their work to increase sustainable agriculture and energy efficiency in the developing world.

Mr. Harmon relayed the history of how he began working in developing countries, his work at the Export-Import Bank of the United States, and how he focused on increasing credit for the developing world. He spoke about U.S. policy towards developing countries, the role of international corporations, and the growth of the private sector in Sub-Saharan Africa and other places in the developing world. Mr. Harmon said he would like to help corporations from these regions catch up with sustainability issues. He also briefed the Board on the Obama Administration's work to restructure trade finance agencies. He thought that NGO's should be playing a stronger role with this work.

Ms. Babbitt and Mr. Dach agreed that there was also a tremendous need for policy, regulation, and enforcement from governments. Mr. Lash spoke about ways that NGO's can play a more influential role in developing countries. The Board spoke about the possibility of an increased role for WRI in Sub-Saharan Africa and whether the U.S. government should play an increased role in the development of the private sector. Ms. Tierney spoke about the work of the energy foundation in China and the opportunity to push for standards for appliances and business codes. She thought it was difficult to determine how to best influence the Chinese government.

Ms. Jenkinson asked for advice on ways to influence the private sector in the developing world. Mr. Dach noted that it is hard for an international corporation to advocate for change in a country in which they operate. Mr. Thomas thought that the key might be to leverage resources that the company needs to operate such as clean water and that WRI could play a role in negotiations. Ms. Sander spoke about the possibilities of leveraging technology and people to effect change.

The Board discussed whether WRI should be playing a more strategic role in Africa and ways to improve developing country sustainability without the traditional aid model. Mr. Harmon reported on his work in Rwanda and how he would like to replicate the achievements in other places in Africa.

Finance & Investment Committee Report

Mr. Thomson reported on the Finance and Investment Committee. He briefed the Board on WRI's operating budget and said that the endowment has grown from \$36.2 million on December 31, 2009, to \$39 million on December 31, 2010. Mr. Thomson reported that WRI is on track several months into the fiscal year and said that much of the growth is due to subgrants.

He spoke about investments and charted the decline and growth. The Board discussed how WRI measures growth, gender percentage, and turnover.

Audit Committee Report

On behalf of Roberto Artavia, the Audit Committee Chair, Mr. Roosevelt IV reported that once again WRI has received a clean audit. He asked everyone to sign the conflict of interest form and return it to Mr. Barker. He spoke about some of the issues that arose during the audit, mostly due to WRI's expansion. Mr. Barker noted that he has the Audit Capacity Report if anyone would like to see it. Mr. Barker spoke about how WRI reviews the China office and how expenses are monitored.

The resolution of the Ratification of Audit was approved as drafted.

President's Report & Discussion

Mr. Lash spoke about why he still has faith in his work and why he thought that eventually environmentalism will prevail. He compared the movement to pass a climate bill and move to a carbon free economy to the abolitionist and suffrage movements and noted that it took a long time for society to move on those issues. He spoke the achievements of the climate change movement and why he didn't see it as a failure; just something that hadn't happened succeeded yet. He thought that it will probably take a major crisis for the U.S. to move.

The Board discussed the politics surrounding energy policy and why WRI was well suited to continue this work. The Board spoke about what the impending crisis might look like and about climatic changes already apparent. Mr. Doctoroff thought it was dangerous to compare climate change to the abolitionist and suffrage movements, and noted that they were about human rights, but did not include a temporal imperative element. He thought the climate crisis was too urgent to let time take its course as it had for the other movements. The Board discussed strategy for WRI moving forward, and thought that many changes were happening all over the world, at the grass roots level.

Communications Committee Report

Mr. Murphy spoke about how the External Relations team functions globally in a multi-media world to address the urgency of WRI's issues. He introduced his colleagues Christina Deconcini, Michael Oko, and Tim Herzog.

Mr. Oko reported on his work and spoke about recent successes. Mr. Herzog spoke about WRI's online communications strategy and about the rise in WRI's use of social media. Ms.

Deconcini spoke about how WRI has adjusted the legislative strategy since the failure of climate bill.

Ms. Babbitt worried about WRI's focus on moderates and thought we should be trying to reach the most conservative. She urged the team to think about how to change the minds of key deniers. Mr. Dach complemented the team on their work with social media and thought that Mr. Lash was underutilized and needed to become a bigger voice for WRI's issues.

WRI Aqueduct Project

Mr. Lash introduced Kirsty Jenkinson, Director of WRI's Markets and Enterprise Program (MEP) and Piet Klop, a Senior Associate at MEP who presented on their new project for assessment of water risk aimed at reducing corporate water use particularly in strained ecosystems. Ms. Jenkinson reported on the current water scarce conditions and Mr. Klop demonstrated WRI's new tool to visually show constraints, a water risk map.

The Board spoke about strategies to take Aqueduct to a greater level of influence. Mr. Disharoon reported on how Caterpillar takes water into account in their work in developing countries.

WRI Reefs at Risk Project

Jonathan introduced Craig Hanson, Director of the People and Ecosystems Program (PEP) and Laretta Burke, a Senior Associate at PEP, who presented the findings from WRI's new publication *Reefs at Risk Revisited*. Ms. Burke spoke about the various ways that coral reefs are threatened and where she sees reasons for some hope. She said that reefs are more likely to recover from warming events if local threats are low. Mr. Hanson reported on their outreach strategy. The team asked for feedback on their action strategy to achieve positive changes in the world.

The Board spoke about their experiences with reefs and thought that when the environment suffers tourism is way down. Mr. Harmon thought that monitoring was the most critical, but wasn't sure how to fund that. Mr. Doctoroff thought that the Bloomberg Foundation would be interested in this work and offered to set up a meeting. Ms. Babbitt praised the work and said that every NGO she met with in the field was using WRI data for their own reef work. The Board spoke about possibilities for increased funding for this work and for further partnerships.

Nominating Committee Report

Mr. Roosevelt IV reported on the work of the Nominating Committee.

The resolutions electing the Members of the Corporation, Class of 2014, the WRI Board of Directors, Class of 2014, the Officers of the Corporation and WRI Board of Directors, the WRI Fund Board of Directors and Officers, and WRI Officers were approved as drafted.

Mr. Roosevelt and Mr. Lash spoke about Clinton A. Vince and discussed why they thought he would be a valuable addition to the WRI Board. The resolution to elect Mr. Vince to the WRI Board was approved as drafted.

Update on India and China

Mr. Bapna reported the status of setting up and independent legal trust in order to open an office in India. He spoke about the recent WRI Management Team retreat in India, the guiding principles they developed to position WRI in India, and the Indian Governing Board. He then reported on the next steps in the process and spoke about the critical role that Jamshyd Godrej was playing in all aspects of this work.

Mr. Bapna then reported on the some key outside developments in China including the release of the new 12th five year plan and reviewed the government priorities for environmental protection. Mr. Doctoroff said that inflation was a primary topic of conversation right now in China and that could create a lot of supply chain disruptions. Mr. Roosevelt IV thought that China's industry was overinvesting which could lead them to hit a wall. Mr. Bapna said that WRI was monitoring the great dissent around environmental impacts on the ground.

Mr. Bapna also reported on WRI China's new work on urbanization and how that project was also leading to changes in the way that WRI operates. He also reported on funding for the China office and the projects.

Development Report

Ms. Cook reported on recent fundraising successes and challenges, in particular where WRI stands on efforts to reach the \$2.5 million unrestricted revenue goal for the year. She thanked the many Board members who had sent in contributions and asked those who had not yet this year to please do so. She reported on plans to raise funds in Asia for the China and India offices and said she was optimistic that their work would bear fruit. Ms. Cook spoke about her team's work so far on the next *Courage to Lead* fundraising dinner and asked for ideas for

honorees and an MC. Ms. Cook spoke about the upcoming New Ventures Global Investor Forum in New York thanked the directors who agreed to serve on the host committee.

The meeting went into Executive session at 3:15 p.m.

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