

collaborations like the one between TNC and Dow in order to ensure that they genuinely pursue positive results. If projects go awry, if transparency is lacking or if environmental organizations are naïve or make mistakes, they indeed need to be called out. This kind of criticism ultimately leads to progress: better strategies, savvier NGOs, more successful approaches to protect nature. In the broad ecosystem that makes up the environmental movement, there is a constructive role for a variety of organizational strategies.

For example, in 2009, Greenpeace published a report with the rather inflammatory title *Carbon Scam*. The report was critical of a forest carbon project in Bolivia that had been led by TNC with the support of General Motors and American Electric Power. TNC was proud of the environmental accomplishments of the deal—including the fact that it represented the first major effort to pay for carbon

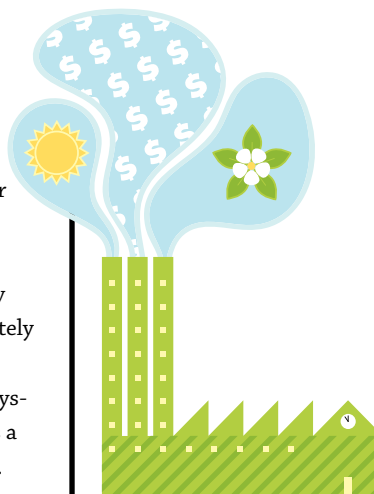
sequestration by protecting a forest. Greenpeace, however, raised tough questions about whether the project fulfilled its commitments to the local people who depended on the forest for their livelihoods. What resulted from Green-

peace's report, once everyone got past the initial mistrust, was constructive thinking about how to make such projects work even better in the future.

This kind of dialogue between environmental organizations—even when it leads to tough criticism—is an essential part of the effort to scale up environmental progress. But it should not discourage attempts to try new partnerships or innovative strategies. Environmentalists should take full advantage of the opportunity that partnerships with forward thinking companies provide.

Imagine a future in which global corporations routinely neglect the importance of nature to their enterprise—in which they fail to see that their investments will be undermined if certain thresholds are crossed and ecosystems are so injured that degraded water, depleted soils, and extreme weather create a world that is hostile to business productivity. No one concerned with the natural world should allow that to happen. ■

Criticism should not discourage attempts to try new partnerships or strategies.



NATURE CONSERVANCY HEAD MARK TERCEK AIMS TO TURN BUSINESS GREEN.

In a way, you're aiming to redefine how we see nature.

I'm arguing that people—environmentalists, businesspeople, everyone—shouldn't just love nature. It's more important to *value* nature, understanding that nature is the infrastructure that produces clean air to breathe, good food and fish to eat, clean water to drink, atmosphere that provides stable living conditions. Everybody is in favor of those things, but we've all taken them for granted for a very long time.

If you think about the best way to ensure they'll continue, investing in nature looks pretty darn attractive. If you're a CEO, the benefits are accrued by your business; if you're a citizen or government leader, the benefits are accrued by society across the board. And this is especially true in the developing world, where nature is not a luxury good. Vulnerable people are even more dependent on natural capital.



It behooves you to pay as close attention to the natural capital you depend on as you should to your man-made capital, the stuff that's on your balance sheet right now.

When you talk with executives about moving forward with green initiatives, what's the biggest sticking point why they don't?

To be honest, there aren't many sticking points anymore; just about everybody's business is getting caught up in the environmental challenges the world faces. In the universe I'm working in, most folks get it, and they just want to figure out what's the right strategy for them.

But from the outside, companies undertaking major green initiatives, such as Dow Chemical and Walmart, still seem like exceptions.

Well, some companies are ahead of others—they've invested more, and the CEO really gets it and is pushing hard. Walmart and Dow, thanks to great senior leadership and a pronounced commitment—along with some early activities that went well and built some momentum—are definitely out in front. If you work at those companies, it's obvious that this is a high priority there.

Beverage companies, too, have been ahead of the curve, because they know they depend on water, that there will be water issues in the future, and that investments in ecosystems that protect the water supply are good deals. *Nature's Fortune* talks about Coca-Cola and also about Colombian sugarcane growers and the municipal water company in Quito, the capital of Ecuador, who all concluded that the lowest-cost way to secure the clean water they need is investing in ecosystems.

Do executives tell you that they *would* take on initiatives but can't afford to right now?

There's some of that. These kinds of programs can be complicated; they take a lot of effort and engagement. So not everybody has placed the same emphasis on sustainability initiatives, especially if a company faces big business challenges in the near term.

What we're really trying to do is get CEOs and their senior-management teams to understand that this isn't just a nice thing to do or a worthy corporate-social-responsibility program—rather, it will enhance their business position; it will enhance shareholder value.

Your book argues that sustainability efforts can benefit companies directly, as with water and natural resources—it's more than a general societal good.

It's a business *necessity*—those businesses that aren't on the cutting edge and being smart about these issues are going to be at a competitive disadvantage. It behooves you to pay as close attention to the natural capital you depend on as you should to your man-made capital, the stuff that's on your balance sheet right now. Of course, companies take good care of the plant equipment that's on their books—that's just good business, right? They should think about natural capital in the same way.

Business leaders are good at stealing each other's good ideas and pursuing what will work, and if we can help them understand that doing the right thing environmentally, being a better steward of natural capital, will help their business, we'll really see movement in the right direction.

Plus, it will be a great shot in the arm for the environmental movement. Environmentalists don't always do ourselves favors; sometimes we come across as tree-hugging troublemakers. Now, there are occasions when we *should* make trouble, to be sure. You need tough critics; you need watchdogs; you need to put heat on companies. But there are all kinds of environmentalists, and sometimes executives seem surprised to find that organizations can be tough-minded but are willing to partner to make big things happen.

There's a lot of noise in our sector, a lot of interest in labeling companies good or bad. I don't have much time for that. I want to find companies interested in looking for new ways to go forward. The Nature Conservancy isn't a debating society—we're trying to get stuff done, now, before it's too late. It's a cop-out to stand on the sidelines and debate; it's trickier for an environmental organization to build alliances with controversial companies to try to make things happen, but it'd be irresponsible of us not to do that. We have to deal with reality.

Are you seeing an increasing sense of urgency?

Environmental emergencies and challenges have heightened everyone's efforts to be smart about all this. Sometimes there's a silver lining in bad news. It's a wake-up call. A storm like Hurricane Sandy gets people's attention, and issues of extreme weather and the sea level rising will not go away. New York purports to be the financial capital of the world, and the world is not going to be happy continuing to have its financial capital in a place that's vulnerable.

—MATTHEW BUDMAN