

2005 ANNUAL REPORT



THE CENTER FOR
**ENVIRONMENTAL
LEADERSHIP**
IN BUSINESS



table of contents

- 1 Message from CI's Chairman & CEO
- 2 Vision, Strategy, & Impact
- 4 Protecting Priority Regions
- 5 CI & CELB Around the Globe
- 8 CELB Milestones 2000–2005
- 10 Improving Business Practices
- 14 Investing in Conservation
- 18 Raising Awareness & Convening Leaders
- 22 CELB Partners
- 24 CELB Staff
- 25 Built on the Experience of CI
- 26 Executive Board & Advisory Committee

message from CI's chairman & CEO



Peter Seligmann

Peter A. Seligmann
Chairman and Chief Executive Officer
Conservation International

We will succeed only if business is our ally at the forefront of this effort. Effective conservation requires the ingenuity and resources of the private sector.

Natural disasters such as the tsunami in Asia and Hurricane Katrina in the Gulf Coast of the United States remind us of nature's awesome power. Sadly, humanity's own power to transform nature left us even more vulnerable. In those parts of the world, poor communities suffered greater damage than would have been the case had coral reefs, mangroves, and wetlands been maintained as natural barriers to the giant waves.

These tragic events brought into sharp focus the work that Conservation International (CI) does to protect and restore the critical ecosystems that provide food, medicines, fresh air, clean water, flood and climate control, minerals, energy, and recreation. We are also more convinced than ever of the vital role that business can play. Just as the private sector helped to aid and rebuild damaged communities, so too can it help to restore degraded ecosystems.

Five years ago, CI partnered with Ford Motor Company to launch *The Center for Environmental Leadership in Business (CELB)*. This partnership has allowed CI to apply our innovations in ecological science and deliver conservation results in more than 40 countries, demonstrating that business can be a positive force for protecting biodiversity and therefore increasing human well-being. We have engaged the industries with the greatest impact on ecosystems—agriculture, energy, fisheries, forestry, mining, and tourism—and we have worked with industry leaders to protect biodiversity in ways that benefit their businesses.

Over the next five years, our work with the private sector, along with other key stakeholders, will be a crucial component of CI's newly launched **Future for Life** campaign. Through this strategic plan, CI has ambitious goals to protect threatened ecosystems, to work with community and indigenous leaders to safeguard their lands and waters, and to help establish a new global agenda for conservation.

Over the next five years, our work with the private sector, along with other key stakeholders, will be a crucial component of CI's newly launched **Future for Life** campaign.

Through this strategic plan, CI has ambitious goals to protect threatened ecosystems, to work with community and indigenous leaders to safeguard their lands and waters, and to help establish a new global agenda for conservation.

We will succeed only if business is our ally at the forefront of this effort. Effective conservation requires the ingenuity and resources of the private sector. Visionary companies see opportunities to grow and become more profitable by addressing the environmental concerns of the communities where they do business. CELB is bringing environmental and corporate leaders together to help achieve ambitious common goals. I hope you will join us in making this vision a reality.

vision, strategy, & impact



A handwritten signature in black ink, appearing to read 'Glenn'.

Glenn Prickett
Executive Director
The Center for Environmental Leadership in Business

In all that we do, we will continue to strive not only for tangible conservation results, but also for concrete business benefits to our corporate partners. This is the only way to ensure that the gains we make can be sustained over time and replicated by others.

Conservation International (CI) and Ford Motor Company launched The Center for Environmental Leadership in Business (CELB) in 2000 with a vision to make business a force for biodiversity conservation. We believed that the environmental and business communities must move beyond confrontation and conflict and learn to partner effectively in order to solve the critical environmental challenges of our time.

Our strategy was to engage leading firms in key industries that have the biggest impact on the Earth's critical ecosystems and to demonstrate innovative business practices that reduce companies' ecological footprint, contribute to conservation, and create value for the businesses themselves. With initial support from Ford Motor Company, we have formed partnerships with dozens of leading companies and organizations worldwide that share our vision.

Five years later, we are proud of the progress we have made:

- With groups of industry leaders in the energy, forestry, mining, and tourism sectors, we established new standards to integrate biodiversity conservation into companies' operations.
- With leading retailers such as Starbucks, McDonald's, and Office Depot, we have created incentives for suppliers of agriculture, fisheries, and forestry commodities to adopt better environmental and social practices.
- With a unique alliance of businesses and non-governmental organizations (NGOs), we developed the Climate, Community, and Biodiversity (CCB) Standards to integrate biodiversity conservation into emerging markets for reductions in greenhouse gas emissions.
- And true to CI's motto—"head in the sky, feet in the mud"—we worked with our field programs and other local partners to pilot these global initiatives in 25 critical ecosystems around the world (see map on pages 5–6).

In 2005, CI adopted a new strategic plan with specific and ambitious conservation goals to underpin our Future for Life campaign. We are committed to working with partners to protect over one million square kilometers of critical habitat in biodiversity hotspots, wilderness areas, and marine regions. We will help to prevent extinction of thousands of

threatened species in these areas. We will support indigenous peoples and local communities in these areas to safeguard their natural resources. Globally, we will build capacity and catalyze a stronger public ethic for conservation.

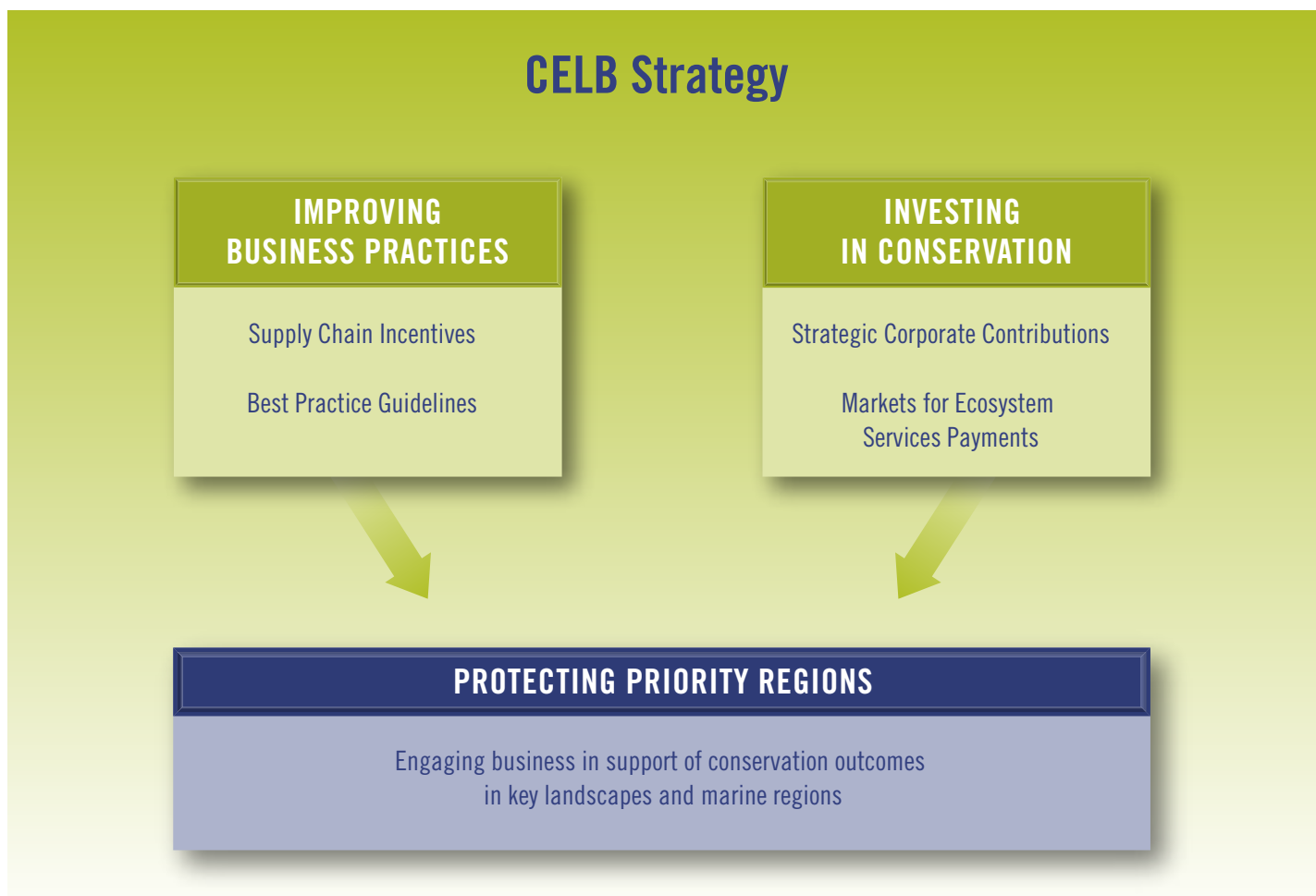
CELB is refining its strategy to help achieve these ambitious goals. With CI's regional programs, we are identifying *priority regions* where our business partnerships can help to achieve CI's conservation outcomes. These areas will provide a focus for our continued work with key industries and leading retailers to integrate biodiversity conservation into their *business practices*. These areas will also be the focus of our efforts to motivate businesses to *invest in conservation*, to protect biodiversity in its own right, and to secure the valuable services that natural ecosystems provide, such as freshwater and carbon sequestration. These strategies are described more fully in the following pages.

In all that we do, we will continue to strive not only for tangible conservation results, but also for concrete business benefits to our corporate partners. This is the only way to ensure that the gains we make can be sustained over time

and replicated by others. We will also continue to work in partnership with other organizations because we believe that CELB should be a resource for the entire conservation community, not just for CI.

This has been a year of historic environmental challenges, but also of promising new commitments. Terrible storms in Asia and the Gulf Coast of the United States, torrential floods in Central America, and a tragic chemical spill in China underscored how connected all societies remain to nature. The entry into force of the Kyoto Protocol, the reaffirmation of the Millennium Development Goals, and the launch of the Millennium Ecosystem Assessment signaled a growing, if still inadequate, response by the international community. Even more encouraging were initiatives by some of the world's largest companies, including Wal-Mart, General Electric, and JP Morgan Chase, to make their businesses a force for conservation.

CELB is proud to be part of this growing trend. We look forward to working with all of our partners to make it an even more powerful one in 2006 and the years to come.





~ Mission ~

To engage the private sector worldwide in creating solutions to critical global environmental problems in which industry plays a defining role.



protecting priority regions

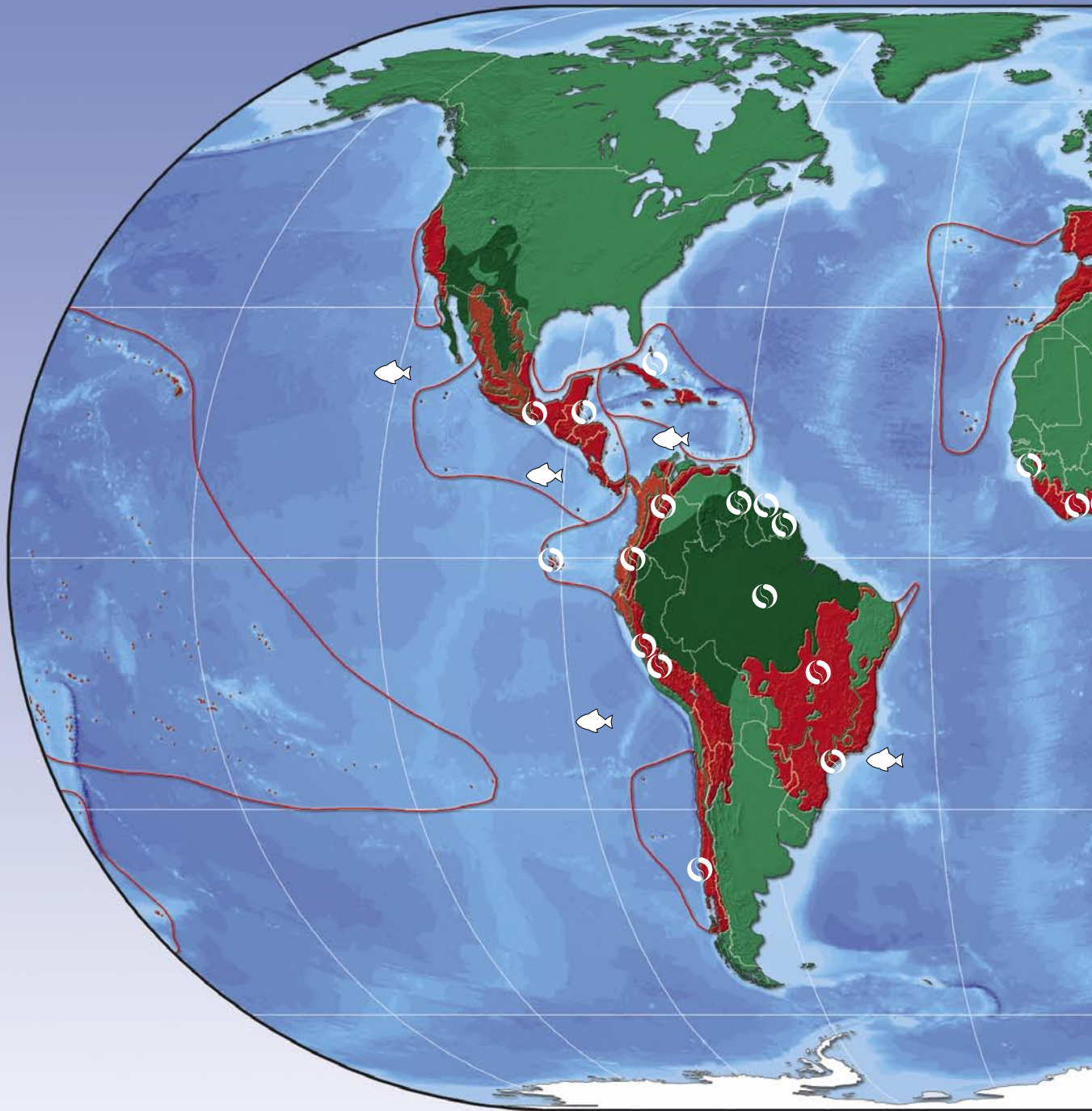
Engaging industry leaders to make conservation investments and adopt business practices that are strategically focused to support conservation outcomes in key landscapes and marine regions.

Engaging the private sector globally and locally has always been a pivotal aspect of CI's conservation strategy. This map demonstrates where initiatives led by CELB have had a positive impact for biodiversity and local communities since our inception in 2000. CELB will continue to work in those countries where we can have a lasting effect. As part of our new strategic direction, we will concentrate our efforts further in those priority terrestrial and marine regions where we can have large impacts on biodiversity conservation with industry partners. Examples of these priority regions include:

- **China:** China's rapid growth is putting pressure on its own environment and on ecosystems worldwide from which it imports natural resources. CI is working with business, government, and NGO partners in China to protect the Mountains of Southwest China and to promote

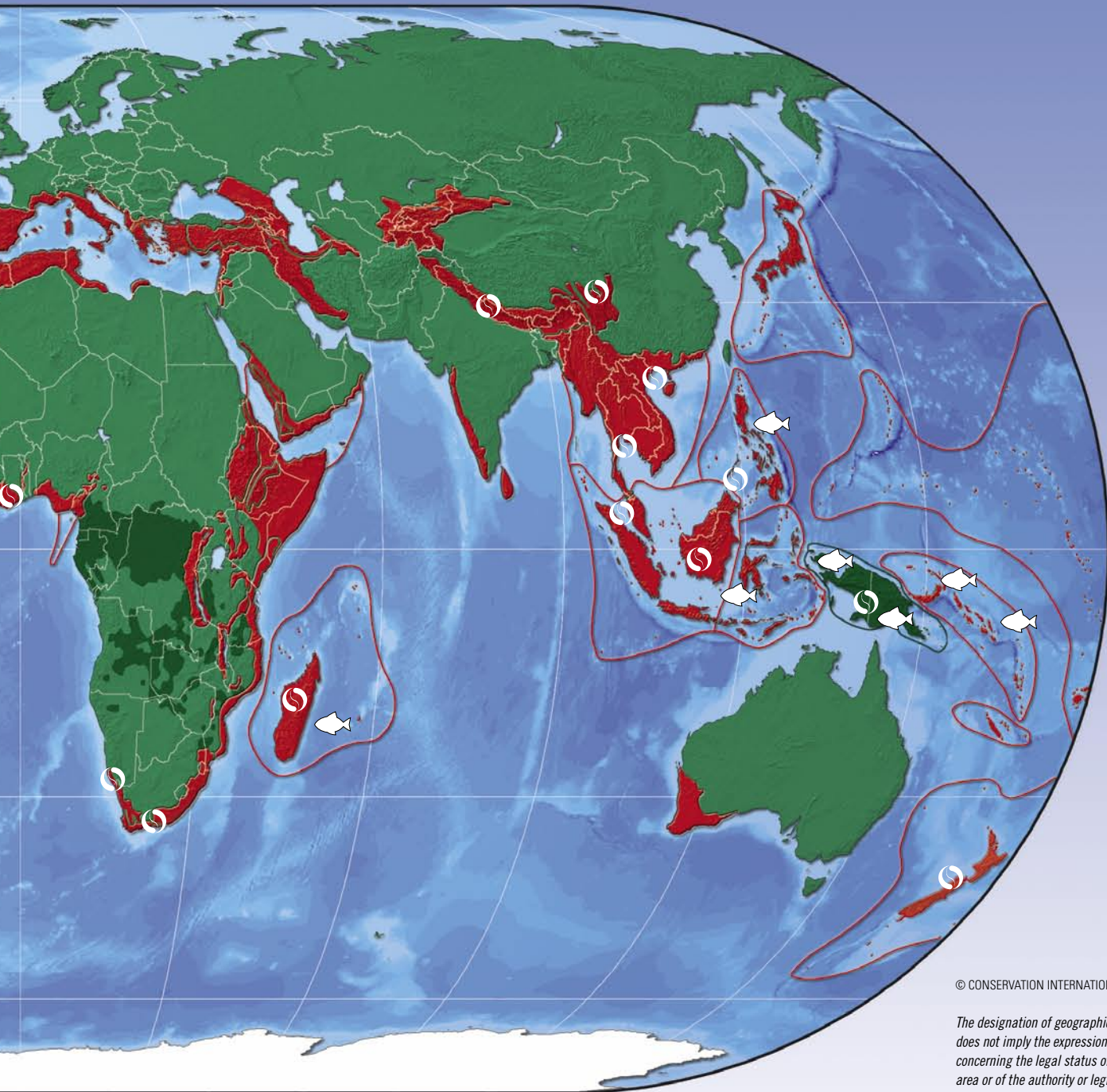
sustainable development to reduce China's global environmental footprint.

- **Brazil:** One of the biologically richest nations on Earth, Brazil's rain forests, savannahs, and coral reefs are threatened by the expansion of agriculture, forestry, mining, and other natural resource industries. CI is engaging these industries to help in the establishment of large conservation corridors to protect biodiversity and ecosystem services in the Atlantic Forest, Cerrado, Pantanal, and Amazon biomes.
- **Africa:** Across the African continent, nations are exporting oil, minerals, forest products, and agricultural commodities to lift their people out of poverty. CI is working with mining and energy companies and agricultural producers to integrate biodiversity conservation into their operations in the Guinean Forests, Congo Basin, Succulent Karoo, Cape Floristic Province, and Madagascar.



CI & CELB around the globe

CI focuses its resources and operations strategically in global biodiversity hotspots, high-biodiversity wilderness areas, and key marine regions in order to maximize conservation efforts. In 2005, our mission acquired a new sense of urgency as nine additional hotspots were added, increasing the total number to 34.



© CONSERVATION INTERNATIONAL, 2005

The designation of geographic entities on this map does not imply the expression of any opinion whatsoever concerning the legal status of any country, territory, or area or of the authority or legitimacy of any delineation of frontiers or boundaries and may not be used in support of any political claim or position.

Biodiversity Hotspots

Earth's biologically richest places, hotspots face extreme threats and have already lost at least 70 percent of their original natural vegetation. The 34 hotspots make up just 2.3 percent of the Earth's land surface, yet house an estimated 50 percent of all vascular plants and 42 percent of terrestrial vertebrates, which exist only in these threatened regions.

High-Biodiversity Wilderness Areas

Relatively intact with at least 70 percent of their original land cover, wilderness areas cover just over six percent of the planet's land area, yet provide the only habitat for 17 percent of Earth's vascular plants and eight percent of Earth's land animals. CI recognizes a window of opportunity to save these areas today before they become the threatened hotspots of tomorrow.

Key Marine Regions

The world's most biologically rich ocean ecosystems ranging from coral reefs to deep-sea habitat. In addition to our work in these regions, CI is beginning implementation of conservation strategies within large-scale, multi-use "seascapes," and is initiating new protected areas for marine wildlife and critical habitats.

CELB Project Sites

Countries where CELB is engaging the private sector in conservation projects.

Information regarding specific projects can be found throughout this report as well as online at www.celb.org.

CELB milestones 2000–2005



2000

June 15, 2000

Building on a five-year partnership, Conservation International and Ford Motor Company launch the *Center for Environmental Leadership in Business*, made possible through a five-year, \$25 million contribution from the Ford Motor Company Fund

CI and Aveda launch a renewed three-year, \$225,000 partnership to strengthen conservation and community enterprise in Peru's Tambopata-Candamo reserve zone

2001

United Airlines provides CI with financial support, travel credits, and includes CI in its Charity Miles and Change the World with Your Change programs

CELB makes its public debut with articles appearing in the *Washington Post*, *Associated Press*, and *New York Times*

McDonald's and CELB launch initiative to integrate conservation into the management of McDonald's food supply chain

Starbucks Coffee Company announces new environmental and social coffee purchasing guidelines developed in partnership with CI

2002

CI launches its first carbon-offset with an investment by the Climate Trust to support reforestation in Ecuador

Intel and CI launch Biodiversity Hotspots, a comprehensive Web-based resource on the Earth's biologically richest and most threatened places

Three CELB initiatives receive 2002 World Summit Business Awards for Sustainable Development Partnerships

CI joins the BP Conservation Programme, a consortium that supports student projects that address global conservation priorities locally

CI's Public Service Announcement featuring Harrison Ford appears in print and video on every United Airlines flight in September

Rio Tinto and ConocoPhillips pilot a regional planning tool to help companies reduce their impact on ecosystems and contribute to conservation

2003

First "Practical Guide" covering 10 environmental and social issues critical to the long-term success of the hotel sector is launched

Former President Bill and Hillary Clinton open CELB-convened meeting of tourism industry leaders to develop sustainable tourism action plan for the Caribbean

CI and four Brazilian companies launch Instituto Bio-Atlântica, an alliance focused on biodiversity conservation in Brazil

The Business & Biodiversity Council, a forum to support member organizations in taking concrete conservation action, is inaugurated in Wisconsin

CI and Bunge establish a program to support soybean farmers in setting aside farmland for conservation in Brazil



2003 Contd.

The Energy & Biodiversity Initiative, convened by CELB, issues comprehensive recommendations for integrating biodiversity into oil and gas development

CI launches a \$1.1 million alliance with International Council of Cruise Lines to protect biodiversity and promote industry best practices

2004

CI and Starbucks renew and expand partnership and launch Coffee & Farmer Equity Practices (C.A.F.E.)

CI, Office Depot, and other NGOs launch \$2.2 million Forest & Biodiversity Conservation Alliance to reduce the environmental footprint of the pulp and paper industry while contributing to biodiversity conservation

SC Johnson contributes to CI's Conservation Carbon project in Ecuador to offset carbon from the printing of annual reports dating back to 1991

CELB releases its second "Practical Guide" to help marine recreation providers minimize environmental impacts of their operations

3M commits \$3 million to CI to restore and demonstrate the benefits of natural vegetation in the Mountains of Southwest China Hotspot

CELB engages with Wal-Mart to develop practical tools and approaches for the company to incorporate environmental sustainability into its business

CI, Starbucks, and USAID launch the Conservation Coffee Alliance to promote private sector approaches that are environmentally sensitive, socially responsible, and economically viable

Alcoa and CI launch an Initial Biodiversity Assessment and Planning process to incorporate regional biodiversity information into planned expansion in Guinea

CI and Fundación Moisés Bertoni work with Royal Dutch Shell p.l.c. to divest its forestry assets in Paraguay as a means of expanding the Tapytá Private Natural Reserve

CI's decade-long partnership with Anheuser-Busch continues with company's support of workshop to save China's critically endangered river dolphin

2005

CI and the American Forest & Paper Association launch the Alliance to Combat Illegal Logging to support improved detection, enforcement, and governance in countries facing severe tropical deforestation pressures

Both Mitsubishi Group and SC Johnson offset carbon impacts by investing in CI's Conservation Carbon project to protect forests in Madagascar


Building on its "Vanishing Species" checks, Bank of America invests in CI's efforts to engage energy and mining companies on environmental issues

CI, Disney, and Discovery Networks launch a scientific expedition of the Himalaya and Mountains of Southwest China Hotspots

CI, World Wildlife Fund (WWF), and the American Forest & Paper Association forge an alliance in support of the Timber for Aceh Initiative to promote tsunami rebuilding efforts with wood products from responsibly managed forests

The Climate, Community, & Biodiversity Alliance releases standards to fight climate change, protect biodiversity, and support communities. Standards are adopted by China's State Forestry Administration

improving business practices



Integrating biodiversity conservation into the policies, practices, and management systems of businesses that have a major impact on critical ecosystems, either directly in their operations or through their supply chains.

Influencing Supply Chains to Benefit the Environment



As the world's largest retailer, Wal-Mart buys and sells tens of thousands of consumer products that originate from all corners of the world. The increasing demand for the raw materials necessary to manufacture these products adds stress on the Earth's ecosystems. Wal-Mart has a unique ability to work with its suppliers to promote methods of growing and processing these goods in ways that help to protect the environment and embrace the bottom line.

It is a vision captured by Wal-Mart CEO Lee Scott during an address to employees: "As one of the largest companies in the world, with an expanding global presence, environmental problems are our problems. The supply of natural products—fish, food, water—can only be sustained if the ecosystems that provide them are sustained and protected. There are not two worlds out there, a Wal-Mart world and some other world."

CI and others are working with Wal-Mart to take action on that vision by developing practical tools and approaches for the company to incorporate environmental sustainability into its business. Over the past year, CELB played a critical role in assessing Wal-Mart's environmental footprint, helping the company to develop a sustainability strategy, and identifying high impact actions to achieve environmental solutions.

In the coming year, CELB will continue to work with Wal-Mart on strategies to achieve environmental improvements in the company's merchandise supply chains, such as agricultural products, seafood, paper, and wood. We will also work with Wal-Mart to find creative ways to support conservation in China and other key international markets and to reduce greenhouse gas emissions from Wal-Mart's stores and distribution fleets.

Fostering Sustainable Tourism in Mexico's Maya Riviera

Tourism poses both a major threat to biodiversity and an opportunity for conservation. This is particularly true in the Mesoamerican Reef Ecoregion, a priority area for marine conservation, where tourism is a predominant revenue generator. The Maya Riviera, the stretch of coast between Cancun and Tulum, is the fastest growing tourism destination along Mexico's Caribbean coast.

Accelerated tourism growth in the Maya Riviera, however, is driving extensive land clearing for hotel development that is converting critical habitat to urban use, fragmenting coastal ecosystems, and smothering the reef with sediment. Inadequate solid waste management from hotels and tourism-dependent communities has led to a marked deterioration in water quality.

The Hotel Association of the Maya Riviera is collaborating with CELB to minimize the footprint of the hotel industry through the promotion of environmentally sound siting, design, construction, and operational practices.

Through a technical assistance program, we are helping 23 hotels identify and put into action low-cost and high-payback measures for water and energy conservation, solid waste reduction, and chemical management. This initiative has also introduced environmental management techniques and best practices to more than 125 hotel managers and has begun measuring environmental performance improvements over the past 10 months.

Our accomplishments to date position us to make further significant strides toward achieving our shared vision of tourism becoming a force for conservation in the Mesoamerican Reef Ecoregion.





Integrating Biodiversity into Mining Development

The Guinean Forests of West Africa represent a classic example of the delicate balance between development and conservation. The countries that make up this region harbor vast amounts of essential minerals, and the mining sector typically represents more than half of their exports. These nations are also home to more than one-quarter of Africa's mammals, including more than 20 species of primates, nearly 800 bird species, and several hundred species of amphibians and reptiles.

Employing its Initial Biodiversity Assessment and Planning (IBAP) methodology, CELB is demonstrating how companies planning large-scale development projects in high-biodiversity regions can play a role in protecting the environment and supporting local communities.

Developed with CI's Center for Applied Biodiversity Science, IBAP's science-based approach provides some of the preliminary data and community feedback necessary for companies to mitigate their environmental impacts while also using their influence to catalyze local support for conservation efforts.

CELB is piloting IBAP in several of CI's priority landscapes and marine regions, including the Northwest region of Guinea with Alcoa and Alcan, the world's leading producers of aluminum, and local partner Guinée Ecologie. As the companies prepare to build a new refinery, they are using the IBAP process to assess the region's biodiversity while engaging local stakeholders on strategies to curb major threats to biodiversity, such as slash-and-burn agriculture.



partner perspective

At McDonald's we view protecting our environment as important for our community and good for our business. We felt we could further advance our corporate strategy of being a socially responsible company by using our purchasing power through our supply chain to make a difference for the environment.

CELB has been an important partner in this regard. Their scientific expertise, willingness to collaborate, and market-based approach to conservation helped us advance our supply chain work and improve our fish and agriculture purchasing practices.

With CELB's expertise, McDonald's has developed a monitoring system for the fish that we purchase, and with this knowledge, we have been able to shift to more sustainable fisheries. These guidelines have become a big part of our purchasing strategy.

—Bob Langert, *Senior Director, Social Responsibility, McDonald's*

Linking Agribusiness with Conservation in Brazil

In Brazil's Cerrado region of savannah and dry forests, agriculture is expanding at ever faster rates to meet growing world demand for soybeans and other commodities. Unchecked agricultural growth in the region destroys the habitat of unique species found nowhere else and threatens the adjacent Pantanal wetlands.

To curb these threats, Brazil's Forestry Code states that private properties in the Cerrado must maintain 20 percent of their original vegetation cover and that steep slopes and riparian forests along rivers must be considered permanent protected areas and cannot be deforested. Compliance, however, remains low.

Through a unique collaboration with Bunge, the world's leading soybean processor, and local partner, Oréades, CI is helping local soybean producers comply with the law by setting aside lands that are the most critical habitat and the least valuable farmlands.

Nearly 230,000 acres of private land have been mapped, 30,000 acres are now protected as private reserves or permanent protected areas, and 24,000 acres are in process of restoration and legalization. Ultimately, this mosaic of lands will help link the Emas-Taquari Biodiversity Conservation Corridor and create protection for Emas National Park.

Balancing growth and conservation has become a win-win situation as more landowners are complying with the law, the Cerrado's unique biodiversity is increasingly being protected, and Bunge's business benefits through a stronger connection with its farmers and customers.

As one local landowner said, "When a company like Bunge gets involved in such an environmental initiative, it proves that they are not only concerned about profits, and increases its credibility with their clients."



investing in conservation

Making strategic contributions to the conservation of critical ecosystems and the natural services they provide.

An Environmental Crossroad in China



A massive chemical spill in China's Songhua River has drawn the world's attention to the daunting environmental impacts of China's rapid economic growth. Pollution and natural resource degradation from China's efforts to raise living standards for its 1.3 billion people extend well beyond China's borders. The Songhua River spill spread quickly to Russia's Amur River. Demand for wood by China's manufacturing

sector spurs illegal logging throughout Southeast Asia and beyond. Land degradation has resulted in massive sandstorms that degrade air quality as far away as the United States.

CI is working with partners in the Chinese government, the private sector, and a growing community of environmental organizations to tackle

these challenges head on. Within China, we are focused on the Mountains of Southwest China Hotspot. Home to Tibetan and other indigenous cultures, land of the Giant Panda and other endemic species, and headwaters for several of Asia's major rivers, the region is a focus of the Chinese government's plans for economic development.

In 2005, we teamed with China's State Forestry Administration, The Nature Conservancy, and others to launch the Forests for Climate, Community, and Biodiversity Initiative. With initial support of \$3 million from 3M Corporation, the initiative aims to demonstrate how reforesting degraded lands with native species can help reduce climate change, protect biodiversity, and provide economic opportunities for local communities.

Furthermore, 3M's leadership will leverage additional investment for reforestation projects from the Chinese government and international companies seeking to offset their greenhouse gas emissions and to secure watersheds critical for sustainable growth throughout China and Southeast Asia.

Seeking “Beauty” in the Brazil Nut

For generations, the people of Peru’s Tambopata region have supported their communities through the sustainable harvesting of Brazil Nuts from their surrounding forests. Living for 300 to 500 years and growing as high as 150 feet, Brazil Nut trees are important not only for local livelihoods but also for maintaining the economy and ecology of the Amazon. Harpy eagles, for example, make their nests in the tall branches, while the economic value of harvesting the nuts prevents the trees being cut for their timber.

Building on a partnership that began in 1997, CI and Aveda, the personal-care product company, launched a new three-year partnership in 2005, combining Aveda’s interest in sourcing plant-based ingredients for its commercial products with CI’s interest in strengthening local businesses that add value to natural resources rather than destroying them.

The renewed partnership focuses on three activities: expanding and strengthening local industries by creating demand for Brazil Nut-based materials, developing new markets for tropical oils and nectars, and creating markets for indigenous crafts.

The result: a unique ingredient for Aveda’s hair-care products, the protein Morikue. Morikue is created using a by-product of Brazil Nut oil processing, and is used in six Aveda hair-care products—linking consumers to conservation efforts.

In turn, the commercial viability of these enterprises supports expansion of concessions granted to Brazil Nut harvesters. Because standing forests remain intact, these concessions provide an important buffer zone to protect Peru’s Bahuaja-Sonene National Park from logging operations.





New Opportunities for Conservation Carbon

The year 2005 marked a milestone in the world's effort to meet the challenge of global climate change. The Kyoto Protocol took effect and bound most industrial nations—not including the United States and Australia—to cut greenhouse gas emissions six percent below 1990 levels. Yet despite this important pledge, actual emissions continued to rise. A record series of devastating storms underscored the need to act more decisively to protect poor communities and the ecosystems that support them from the impacts of global warming.

CI is working with a broad network of partners to draw attention to biodiversity conservation as a promising strategy to mitigate climate change. Burning and clearing of forests and other ecosystems account for more than 20 percent of global emissions. Protecting and restoring natural habitat removes carbon from the atmosphere while protecting biodiversity and providing local communities with clean water, protection from storms, and other ecosystem services.

In 2005, CELB coordinated the launch of the Climate, Community, and Biodiversity (CCB) Standards, an initiative of leading companies

and NGOs to promote land-based projects that deliver multiple benefits. Already, China's State Forestry Administration has endorsed the standard to attract foreign investment in restoration of degraded lands. As the world debates policies to improve on the Kyoto Protocol, our Climate, Community, and Biodiversity Alliance is making headway in promoting land-based solutions among policymakers in Europe, Japan, and other nations.

CI is putting the CCB Standards into practice in biodiversity hotspots. In Madagascar, a unique coalition including the World Bank, SC Johnson, Mitsubishi, Pearl Jam, Navigation Technologies, USAID, the Wildlife Conservation Society, and CI is supporting the Malagasy government and local communities in their efforts to protect rain forests and to develop agroforestry and other sustainable land uses. Over the next 30 years, these Conservation Carbon projects will offset or avoid the emissions of 17 million tons of carbon dioxide from the atmosphere, protect endangered lemurs and other wildlife, and provide development benefits to local people.



partner perspective

Over the past decade, China has undergone a major economic transformation, which has helped improve the lives of our people and supply the world with goods and services.

The future success of our economic growth depends, to some extent, on our ability to better protect our natural resources. Our forests not only provide raw materials but are also home to roughly 10 percent of the world's animals.

We are excited about working with 3M, Conservation International, and The Nature Conservancy through the Forests for Climate, Community, and Biodiversity Initiative to explore the model of restoring China's native vegetation.

This project will demonstrate the ecological and economic value of our forests by protecting wildlife, providing opportunities to sequester carbon, and hopefully improve the livelihoods for local communities through carbon trade activities.

—Wang Chun Feng, *Deputy Director,
Carbon Sequestration Office, Chinese State Forestry Administration*

Mission Himalayas: A Scientific & Cultural Journey



Bringing visibility to important conservation issues in far-off places is always challenging. By joining forces with two renowned storytellers, CI embarked on a unique opportunity

to raise awareness and conservation support for the mysterious and remote landscapes that surround Mount Everest.

CI, Disney, and Discovery Networks launched Expedition Everest: Mission Himalayas, a scientific and cultural journey to explore two of the planet's richest and most biologically diverse regions—the Mountains of Southwest China and Himalaya Hotspots. Led by CI's Rapid Assessment Program, a team of local and international biologists, botanists, and other technical experts set off into this remote region in search of plant and animal species not yet known to science. The data collected will help CI work with local communities, governments, and conservation organizations to develop conservation management plans for the region.

Disney Imagineers joined the expedition to gather stories about the region and to explore local cultures. The environmental, cultural, and spiritual experiences are being used to enrich the storyline for Expedition Everest™, a new attraction scheduled to open at Disney's Animal Kingdom® Theme Park in the spring of 2006. Discovery Networks documented the expedition's journey for broadcast to millions of viewers.

With the combined outreach of Disney and Discovery, this unique blend of entertainment and scientific discovery will help to broaden the understanding of conservation and biodiversity for millions of people.



raising awareness & convening leaders

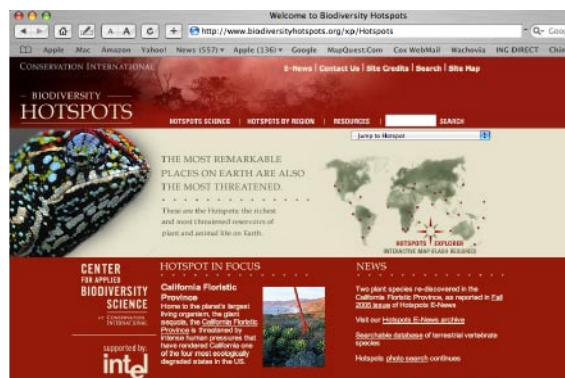
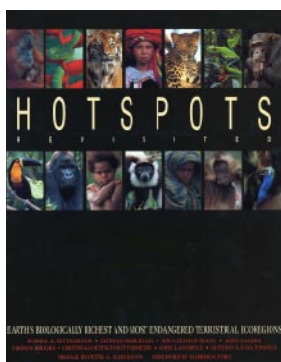


Creating dynamic dialogues and relationships with companies and key stakeholders to encourage the integration of biodiversity and social issues into private sector operations and the public discourse.

A New Look at the Hotspots

In 2005, CI completed a reappraisal of the global biodiversity hotspots and identified 34 regions worldwide, increased from the previous 25, where 75 percent of the planet's most threatened mammals, birds, and amphibians survive within habitat covering just 2.3 percent of the Earth's surface. As part of a global communications strategy, CI enlisted the support of key private sector partners to help draw attention to this important news.

To reach both general consumers and scientific audiences, CI collaborated with CEMEX, the Mexican NGO Agrupación Sierra Madre, and the University of Virginia to produce *Hotspots Revisited*. The richly illustrated book contains more than 300 stunning photographs by some of the world's most outstanding wildlife photographers and contains contributions from more than 200 scientific experts. *Hotspots Revisited* is the fourth volume of a series including *Megadiversity* (1997), *Hotspots* (1999), and *Wilderness* (2002).



With the support of Intel Corporation, CI re-launched www.biodiversityhotspots.org, a vividly designed, interactive resource that provides detailed information on each of the hotspots, including unique and threatened biodiversity, human impacts, and responses under way by the conservation community.

The most exciting feature of the new Web site is a searchable database of terrestrial vertebrate species in the hotspot areas. The advanced search function enables users to determine which species are endemic to hotspots or are facing risk of extinction. The updated Web site serves as a valuable educational resource for conservationists, regional planners, government policymakers, teachers, professors, and students.

Supporting the Next Generation of Science

Engaging and encouraging young conservationists is crucial to ensuring that we have a next generation of environmental leaders to contribute to long-term conservation solutions and sustainable development. Since 1985, BP has supported young scientists through its BP Conservation Programme. In partnership with Birdlife International, CI, Fauna & Flora International, and the Wildlife Conservation Society, the Programme provides young students with opportunities to gain practical skills and experience through a comprehensive system of grants, advice, and training.

This year, the BP Conservation Programme marked 15 years of environmental achievement with awards of \$600,000 to 28 teams working on biodiversity issues in 23 different countries. Projects range widely in scope from the conservation of the Trinidad Piping-guan bird, to the protection of Darevsky's viper snake in Armenia, to the reduction of the threats to nesting leatherback turtles in Gabon. At the award ceremony, BP announced a new 10-year commitment to the program as part of a \$500 million community program.



In the past five years alone, award winners have described approximately 25 species new to science, rediscovered three bird species thought extinct, and influenced the environmental awareness of countless local communities. Teams have frequently collected the first essential baseline data in areas overlooked by professional scientists or completed the first action toward significantly reducing a threat to a species or habitat. For 86 percent of past projects, work has continued in the areas where the BP Conservation Programme teams started their efforts.



Brewing Awareness for Farmers and Conservation



Starbucks Coffee Company and CI joined with the World Economic Center (WEC) to raise awareness about efforts to protect biodiversity and support coffee farmers worldwide. In June, WEC awarded Starbucks the 21st annual Gold Medal for International Corporate Achievement in Sustainable Development.

The award recognized Starbucks for its Coffee and Farmer Equity Practices (C.A.F.E. Practices), a set of environmentally, socially, and economically responsible coffee-buying guidelines created in conjunction with CI. C.A.F.E. Practices is designed to build long-term relationships with suppliers of high-quality coffee who demonstrate excellent performance on sustainability criteria, such as healthy workplace conditions and conservation of natural ecosystems. By 2007, Starbucks

intends to purchase 60 percent of its coffee from suppliers who successfully implement the C.A.F.E. Practices.

CI and Starbucks participated in a symposium for WEC's industry members to explain the program's business benefits and conservation impacts. Starbucks also took out a full-page advertisement in the *New York Times* to communicate the program to a wider audience.

Through our partnership, we are also reaching out to Starbucks customers by distributing educational materials to 3,000 Starbucks store managers. With information about our partnership and the coffees sourced from CI's Conservation Coffee project sites, employees at the retail level are able to inspire their customers with knowledge of how purchasing these coffees supports coffee farmers and helps our conservation efforts.



partner perspective

As a company that wants to lead on environmental issues—both forestry and manufacturing—Weyerhaeuser greatly values the collaboration with CELB. The Business and Biodiversity Council has provided a unique opportunity for open dialogue with company representatives from a variety of industries on complicated issues such as certification, supply chain management, and environmental policies.

Furthermore, Justin Ward (CELB's Director of Agriculture, Forestry, and Fisheries) and I are working together to advance sustainable development forest strategies as co-leaders of "The Forests Dialogue." The Forests Dialogue is a forum where the conservation community can work with leading forest products companies, landowners, and other stakeholders to develop strategies to conserve the world's forests while meeting society's needs for paper and forest products.

—Cassie Phillips, *Vice President, Sustainable Forestry, Weyerhaeuser*

Convening Leaders to Tackle Environmental Challenges

When struggling with complex environmental business issues, insights from others facing similar situations can be invaluable. With that in mind, CELB inaugurated its Business and Biodiversity Council (BBC) in 2003 as an action-oriented forum for corporate leaders to network with other like-minded individuals, share experiences, and discuss emerging challenges related to the environment and their businesses.

In 2005, the BBC grew to 13 companies: Cargill, Coca-Cola, Ford, Gap, Hyatt, International Paper, Limited Brands, McDonald's, Office Depot, SC Johnson, Starbucks, Weyerhaeuser, and Wal-Mart. Led by member companies, the Council has had dynamic conversations on a variety of topics, including addressing environmental issues in China, integrating biodiversity into the supply chain, and communicating environmental initiatives to customers, employees, and other stakeholders. In response to continued interest, the Council established a working group to develop concrete tools and measures for supply chain conservation initiatives.

CI's Special Events program also plays an important role in convening corporate leaders, top scientists, and policymakers to learn about and support conservation. Our events help serve as a valuable entry point for companies just learning

about CI's efforts, as well as a forum for established partners to highlight joint initiatives.

One example included then Starbucks CEO Orin Smith's opening remarks at our Seattle dinner illustrating the importance of private sector companies being proactive on sustainability issues. In New York, Bank of America hosted a pre-dinner reception to highlight its support for CI's work to integrate environmental criteria into oil and gas development through the Energy & Biodiversity Initiative.



CELB partners



In Appreciation of CELB's Founding Partner



Ford Motor Company Fund

In 1999, Bill Ford, Chairman of Ford Motor Company, and Peter Seligmann, Chairman of Conservation International, shared a vision that leaders in the private sector and the environmental community could come together to make business a positive force for conservation.

They believed that moving beyond confrontation to unite the expertise, ingenuity, and passion of these two vital communities was the only way to respond effectively to the global environmental challenges of our time.

With an unprecedented five-year, \$25 million grant from Ford Motor Company, this shared vision led to the creation of the Center for Environmental Leadership in Business. As we celebrate our fifth anniversary, this report highlights the many accomplishments that would not have been possible without the commitment of Ford. We thank Bill Ford and the other great leaders of Ford Motor Company for their vision and support.

Moving forward, we have developed deep relationships with a broad range of partners highlighted on the following page that will help us recognize continued private sector investment in our conservation efforts and achieve even greater benefits for biodiversity, business, and local peoples.

corporate partners

2d Ventures	ContiGroup Companies Foundation	Office Depot, Inc.	Starbucks Coffee Company
3M Worldwide	Environ UK Limited	Oracle Corporation	Statoil
Alcoa Foundation	Ford Motor Company	Ricoh Company, Ltd.	United Airlines Foundation
Anheuser-Busch, Inc.	Gannett Foundation	Rio Tinto p.l.c.	U.S. Bancorp
Aveda Corporation	Gap, Inc.	Royal Caribbean Cruises, Ltd.	Wal-Mart Stores, Inc.
Bank of America Corporation	Hyatt Corporation	SC Johnson	The Walt Disney Company
Bechtel Foundation	Intel Corporation	SeaWorld & Busch Gardens Conservation Fund	Webster Trust Company
BP p.l.c.	International Finance Corporation	Shell International Limited	Weyerhaeuser Company
Bunge Limited	International Paper		
Busch Entertainment Corporation	Keidanren Nature Conservation Fund		
Cargill, Inc.	Limited Brands, Inc.		
CEMEX, S.A. de C.V.	McDonald's Corporation		
Chevron Corporation	Mitsubishi Group		
Citigroup Foundation	Navigation Technologies		
The Coca-Cola Company			

organizational partners*

The Alliance for Environmental Innovation	Coral Reef Alliance	Lawyers Committee for Human Rights	Susan Sheppard Foundation
American Forest & Paper Association	Development Alternatives	Maquipucuna Foundation	Tour Operators' Initiative for Sustainable Tourism Development
Belize Hotel Association	Ecopar	Ministère de l'Environnement, Administration des Eaux et Forêts	United Nations Development Programme (UNDP)
Belize Tourism Industry Association	Ecuador Conservation Carbon	National Geographic Society	United Nations Environment Programme (UNEP)
Birdlife International	Environmental Defense	Natural Resources Defense Council (NRDC)	University of North Carolina
Blu Skye Sustainability Consulting	Fauna & Flora International	National Wildlife Federation	Virginia Polytechnic Institute and State University
Botanical Society of South Africa	Forest Trends	NatureServe	Wildlife Conservation Society
BP Conservation Programme	Friends of Nature (Belize)	Oréades Núcleo de Geoprocessamento	Winrock International
Business for Social Responsibility	Fundação SOS Mata Atlântica	Oxford University	World Business Council for Sustainable Development (WBCSD)
CARE International	Fundación Jatun Sacha	Pearl Jam	IUCN – The World Conservation Union
Caribbean Alliance for Sustainable Tourism	Global Reporting Initiative	Prince of Whales International Business Leaders Forum (IBLF)	World Resources Institute
Climate Trust	Hamburg Institute of International Economies	Rainforest Alliance	World Wildlife Fund (WWF)
Coalition for Environmentally Responsible Economies (CERES)	Hotel Association of the Maya Riviera	Research Institute for Systems Technology	Yale School of Forestry and Environmental Studies
Conservation Biology Institute	Institute of Sociology	Rocky Mountain Institute	
Consumer's Choice Council	Instituto BioAtlântica	Smithsonian Institution	
CORALINA	Instituto de Estudos Socio-ambientais do Sul da Bahia (IESB)	Smithsonian Migratory Bird Center	
	International Council of Cruise Lines	Stanford University	
	International Council on Mining and Metals		



CELB's organizational partners include NGOs, industry associations, foundations, and educational institutions.

CELB staff



Glenn Prickett
Executive Director

Inma Aldamiz-Echebarria
Executive Assistant

AGRICULTURE, FISHERIES, & FORESTRY

Justin Ward
Senior Director, Agriculture,
Fisheries, & Forestry

John Buchanan
Director, Agriculture &
Fisheries

Kai Robertson
Director, Food & Agriculture

Bambi Semroc
Manager, Agriculture
& Fisheries

ECOSYSTEM SERVICES

Michael Totten
Senior Director, Climate
& Water

Ben Vitale
Senior Director, Ecosystem
Markets & Finance

Sonal Pandya Dalal
Senior Manager, Carbon
Offsets

John O. Niles
Manager, Climate, Commu-
nity, & Biodiversity Alliance

Toby Janson-Smith
Program Advisor, Climate,
Community, & Biodiversity
Alliance

ENERGY & MINING

Assheton Stewart Carter
Senior Director, Energy
& Mining

Marielle Canter
Manager, Energy & Mining

Mahlette Betre
Coordinator, Energy & Mining

Robyn Dalzen
Coordinator, BP Conservation
Programme

TRAVEL & LEISURE

Jamie Sweeting
Senior Director, Travel &
Leisure

Seleni Matus
Director, Mesoamerican Reef
Tourism Initiative

Sarah Raposa
Manager, Travel & Leisure

David Krantz
Coordinator, Travel & Leisure

CORPORATE PARTNERSHIPS

Adam Schoenberg
Director, Corporate
Partnerships

Angie Prosek
Senior Manager, Corporate
Partnerships

Maggie Bowne
Manager, Corporate
Partnerships

Michael Stefanski
Manager, Corporate
Partnerships

Debbie Marcinkowski
Manager, Corporate
Relations & Special Events

Melissa Thomas
Coordinator, Corporate
Partnerships

MARKETING AND COMMUNICATIONS

Jason Anderson
Director, Communications
& Marketing

Julian Teixeira
Manager, Communications
& Marketing

Jessica Wechter
Graphic Designer

FINANCE AND OPERATIONS

Edith Mahi
Manager, Operations
& Finance

Robin Sawyer
Associate, Contact Manage-
ment & Communications

Vlasova Urrea
Associate, Operations
& Finance

ON ASSIGNMENT TO INSTITUTO BIOATLÂNTICA

Amy Skoczias Cole
Senior Director

built on the experience of CI



CONSERVATION
INTERNATIONAL

The Center for Environmental Leadership in Business operates as a division of Conservation International. With more than 800 employees on four continents, CI's success is built on a set of programs that contribute to conservation in effective and lasting ways.

conservation science

Much is unknown about the natural world. Increasing scientific understanding is key to stemming the tide of biodiversity loss. The Center for Applied Biodiversity Science (CABS) brings together leading experts in science and technology to identify and respond to threats through the collection and interpretation of data about biodiversity, forecasting increasing pressures on our environment, and developing strategic plans for conservation action.

field capacity

CI works in more than 40 countries to catalyze conservation across vast landscapes and marine regions. CI's Regional Programs Division provides technical and strategic support to our field programs and partners, which in turn use the information to design and implement specific initiatives. In the field, Centers for Biodiversity Conservation (CBC's) help develop conservation plans and build alliances across country borders at the regional level. As part of the Tropical Ecology Assessment and Monitoring Initiative (TEAM), a network of field stations serve as an early warning system and create the basis for unprecedented long-term monitoring shared with scientists around the world.

community engagement

Local understanding, support, and participation are key to the success of conservation. CI's Indigenous and Traditional Peoples Initiative and the People, Protected Areas, and Conservation Corridors Department enable us to better understand and deliver on the linkages between biodiversity conservation and human welfare through stakeholder engagement, socioeconomic assessments, enterprise development, and land-use strategies.

marine expertise

Increasing threats to the oceans require concentrated efforts to identify and safeguard important marine biodiversity sites. Working closely with and providing technical support to CI's international network of programs and partners, the Global Marine Division is working to support the creation of new protected areas, advancing science for strengthened management of marine managed areas, and establishing large-scale, multi-use "seascapes" in cooperation with stakeholders to achieve a shared objective of biodiversity conservation and sustainable development.

working with policymakers

Local and national governments are important partners in our fight to protect biodiversity. The Center for Conservation and Government (CCG) engages governments and public institutions to stimulate stronger political leadership on conservation issues, to shape key government policies affecting biodiversity, and to generate increased public funding for conservation activities.

conservation funding

A single organization has limited reach. Through strategic partnerships, we can achieve conservation results on a vastly larger scale. CI's Conservation Funding Division, comprising the Critical Ecosystem Partnership Fund, the Global Conservation Fund, and Verde Ventures, mobilizes financial resources to support conservation actions by CI and our partners. The division enables local groups to participate in conservation; finances the creation, expansion, and long-term management of protected areas; and funds enterprise development.

executive board

CHAIRMAN

The Lord Browne of Madingley

Group Chief Executive
BP p.l.c.

Frances G. Beinecke

Executive Director
Natural Resources Defense Council

H. Fisk Johnson, Ph.D

Chairman and CEO
SC Johnson

Peter A. Seligmann

Chairman of the Board and CEO
Conservation International

Rob Walton

Chairman of the Board of Directors
Wal-Mart Stores, Inc.

Ziad Ojaki

Group Vice President, Corporate Affairs
Ford Motor Company

EX-OFFICIO BOARD MEMBER

William Clay Ford, Jr.

Chairman of the Board and CEO
Ford Motor Company

advisory committee

Tom Burke

Environmental Policy Advisor
Rio Tinto, p.l.c.

Elizabeth Cook

Director, Sustainable Enterprise Program
World Resources Institute

Gretchen Daily, Ph.D

Bing Interdisciplinary Research Scientist
Stanford University

Linda Descano

Chief Operating Officer
*Women and Company, a member
of Citigroup*

James M. Graham

Community Renewal and
Heritage Program Manager
Ford Motor Company

James Griffiths

Director, Sustainable Forest Products
Industry & Biodiversity
*World Business Council for Sustainable
Development*

Stuart Hart, Ph.D

Professor of Sustainable Global
Enterprise
The Johnson School, Cornell University

Amory B. Lovins

Co-Chief Executive Officer, Research
Rocky Mountain Institute

Robert K. Massie

Senior Fellow
*Coalition for Environmentally
Responsible Economies*

Susan Mecklenburg

Vice President of Business Practices,
Corporate Social Responsibility
Starbucks Coffee Company

Norman Myers, Ph.D

Visiting Scholar
Oxford University

Timothy O'Brien

Vice President, Corporate Relations
Ford Motor Company

Michael Posner

Executive Director
Human Rights First

Jackie Prince Roberts

Independent Consultant
*Former Director, The Alliance for
Environmental Innovation*

S. Jacob Scherr

Director, International Program
Natural Resources Defense Council

Kathryn Shanks

Vice President, Health, Safety, and
Environmental Policies and Programs
BP p.l.c.

Haruki Tsuchiya, Ph.D

President
*Research Institute for Systems
Technology*

PHOTO CREDITS

Ccredits listed left to right and top to bottom.

FRONT COVER © Patricio Robles Gil/Agrupación Sierra Madre; © Photodisc by Getty Images, Inc.; © Jason Anderson/CI; © Photodisc by Getty Images, Inc.

BACK COVER © Justin Ward/CI; © Piotr Naskrecki/CI; © Celebrity Cruises, Inc.; © Photodisc by Getty Images, Inc.

TABLE OF CONTENTS © Haroldo Castro/CI

1 © Russell A. Mittermeier/CI

2 © Glenn Prickett/CI

4 © Russell A. Mittermeier/CI

7 © Disney Cruise Line

8-9 © Julian Teixeira/CI; © Jennifer Morris/CI; © Jason Anderson/CI; © Julian Teixeira/CI; © Frank Stewart/CI

10 © Timothy B. Werner/CI; © Photodisc by Getty Images, Inc.;

11 © Hotel Association of the Maya Riviera; © David Krantz/CI

12 © Jason Anderson/CI

13 © McDonald's Corporation; © John Buchanan/CI

14 © Haroldo Castro/CI; © Bill Konstant/CI

15 © Haroldo Castro/CI

16 © Russell A. Mittermeier/CI

17 © Chinese State Forestry Association; © Piotr Naskrecki/CI

18 © Piotr Naskrecki/CI

19 © Karumbé Project

20 © Justin Ward/CI

21 © Weyerhaeuser Company; © Jason Anderson/CI

22 © Haroldo Castro/CI


23 © Jason Anderson/CI

24 © Sterling Zumbrunn

MAPS All maps courtesy of the Center for Applied Biodiversity Science (CABS) Conservation Mapping Program, M. Denil, Chief Cartographer

DESIGN: MIYA SU ROWE / ROWE DESIGN HOUSE

© 2005, CONSERVATION INTERNATIONAL

NEW LEAF PAPER
ENVIRONMENTAL BENEFITS STATEMENT 

This Annual Report is printed on New Leaf Reincarnation Matte, made with 100% recycled fiber, 50% post-consumer waste, processed chlorine free. By using this environmental paper, Conservation International saved the following resources:

trees	water	energy	solid waste	greenhouse gases
8 fully grown	1,876 gallons	4 million BTUs	410 pounds	693 pounds

Calculated based on research done by Environmental Defense and other members of the Paper Task Force.
©2006 New Leaf Paper www.newleafpaper.com 888.989.5323

THE CENTER FOR
**ENVIRONMENTAL
LEADERSHIP**
IN BUSINESS



To learn more about CELB, please visit www.celb.org



The Center for Environmental Leadership in Business

Conservation International
1919 M Street, NW, Suite 600
Washington, DC 20036

www.celb.org