

PAGE 4: ALLIANCE BASICS

<b>Q11: Name of Alliance:</b>	TNC - Dow Collaboration
<b>Q12: Partner Companies (for purposes of this award) - List all significant companies involved:</b>	
The Nature Conservancy The Dow Chemical Company	
<b>Q13: Provide Key Highlights of Your Alliance:(Use the boxes below to provide a bulleted overview)</b>	
1.	With a \$10 million contribution from The Dow Chemical Foundation and The Dow Chemical Company (collectively referred to as “Dow”), Dow and The Nature Conservancy (TNC) have come together in a Collaboration that seeks to determine the value of ecosystems services and incorporate this value into decision-making business processes at Dow and other companies.
2.	Pilot projects in Freeport, Texas, and Santa Vitoria, Brazil, have sought to analyze natural infrastructure solutions and to optimize sugar-cane production and biodiversity within the local legal framework, respectively.
3.	Tools are being developed to support identification and quantification of ecosystem services
4.	Progress toward goals is maintained through executive-level oversight and governance, with quarterly in-person check-ins.
5.	Results and tools will be shared publicly to maximize value.
<b>Q14: Industry or Focus of the Alliance:</b>	The focus is 1) to develop a methodology to identify and measure (or value) the tangible benefits of ecosystem services and 2) to develop a framework for Dow and other companies to integrate that valuation methodology into corporate decision-making processes.

PAGE 5: ALLIANCE PARTNERS:

<b>Q15: Company Name 1:</b>	The Dow Chemical Company
<b>Q16: Its Industry:</b>	chemical manufacturing

**Q25: How is this Corporate Social Responsibility Alliance Exemplary?TIPS: • Summarize why the alliance is exemplary.**

This Collaboration is exemplary in its goal of incorporating the value of ecosystem services into business decision-making, thereby helping Dow and other companies, governments, and organizations make better informed decisions that will result in greater protection of nature.

Across all standard components of Corporate Social Responsibility, the TNC-Dow Collaboration is breaking new ground, including:

**Environmental:** Developing methods to value ecosystems services, including assessing how ecosystems benefit companies and the broader public. This valuation leads to greater investment in nature, both at Dow and among companies inspired by the Collaboration's work and case study examples.

**Social:** Assessing public ecosystem benefits, thereby enabling companies to be better informed concerning how their actions can potentially impact and benefit surrounding communities.

**Economic:** Defining a methodology to value resources that are often considered either "free" or low cost (i.e. not priced appropriately based on the scarcity of that resource). This methodology encourages companies, countries and organizations to include an appropriate value for those services in its various decision making processes.

**Technical/Scientific:** Applying ecosystem models in innovative new ways in a corporate context, and advancing ecosystem valuation to make it relevant for corporations, and developing technical tools for ecosystem quantification and valuation, such as the Ecosystem Service Identification and Inventory (ESII, pronounced "easy") Tool, developed with the expertise of Ecometrix Solutions Group.

**Political:** Engaging the Texas Commission on Environmental Quality and US Environmental Protection Agency (EPA) on implementation of reforestation as an air- quality mitigation tool, a concept that has a strong bottom line for business and conservation.

In addition to its broad environmental and social impact, the TNC-Dow collaboration is exemplary in its governance and management. Senior executives from both organizations are highly invested in the alliance and meet in person quarterly to review progress and revisit goals. Project teams, comprised of members of both organizations, are set up around each collaborative undertaking (tool development or pilot- site work,) and these teams check in weekly. There is integration and engagement at every level of Dow and TNC.

**Q26: How is this Alliance Innovative? TIPS: • Describe the innovative aspects of the alliance. • What differentiates this alliance from more standard practices? • What aspects offer new lessons to other companies?**

We believe this Collaboration is unique in its efforts to change the business practices of a Fortune 100 company. While there have been other collaborations that have encompassed a philanthropic effort to achieve great outcomes, this Collaboration is the first where staff from a non-governmental organization (NGO) and a major corporation have worked together not only for philanthropic purposes, but also to change corporate practices. TNC scientists work side-by-side with Dow engineers to identify natural-infrastructure solutions with both a strong business case and a substantial conservation case. As the Collaboration identifies solutions that meet both criteria, the funding for these solutions will shift from philanthropic to operational. As this information is shared more broadly, it is our expectation that this will encourage other companies to implement natural-infrastructure solutions purely because they make good business sense, and as a result companies will make more money. Simultaneously, substantial benefits will accrue for nature and society because these new solutions all have a nature-preserving component.

Also, the Collaboration is currently developing the ESII tool, which will allow novice users at company sites to collect information on the ecosystem services existent at their site. The outputs from the tool are metrics relevant to finance and engineering departments, which can be used to help make more informed, data-based decisions by taking into consideration various ecosystem-service values. This tool will be shared publicly after testing is complete.

**Q27: How is this Alliance High-Impact in the social, environmental, or other philanthropic dimension? TIPS: • It is not necessary for the alliance to be of a non-profit nature. If a for profit alliance, describe why it is high impact in the corporate value dimension. • High impact alliances are tightly aligned to company strategy and can be shown to create strategic value for the partner organizations, and may even extend to changing how the industry does business. • Please describe tangible measures of success - quantitative and qualitative as well as intangible impact.**

As companies understand and value the benefits that nature provides to their bottom line and society, they are more likely to plan, manage and invest in these resources in ways that provide both financial and conservation benefits. The science being developed could catalyze investment in natural solutions across an array of businesses. Dow is implementing a number of green infrastructure solutions across its facilities and has created an internal group focused on the roll out of these technologies.

**Q28: How is this Alliance Program Open? TIPS: • Particular value is placed on a company's willingness to share ideas and lessons from its alliance success without compromising competitive advantage or revealing confidential information. • Describe specific relevant examples of openness include publications and web pages, ASAP presentations and webinars, and sharing innovative practices related to this nomination.**

A core component of the TNC-Dow Collaboration is that the majority of the results are being shared publicly. The Dow Chemical Company Foundation is funding a majority of the project, and one of the base tenets was an agreement to share results in a variety of public fora.

The outcomes of pilot analyses have been and will be shared through peer-review journals, and supporting scientific analysis is being shared publicly on websites. An article around our work on reforestation to address ozone pollution can be found online at <http://www.pnas.org/content/111/40/E4204.abstract>. Additionally, the project teams at all levels are sharing results with a variety of stakeholders, including companies, NGOs and governments – including presentations at industry and environmental conferences – and through media. Recent examples include presentations to the World Business Council on Sustainable Development (WBCSD), Business for Social Responsibility's Ecosystem Services Working Group and Fortune Brainstorm GREEN. In December, TNC and Dow will deliver several presentations and posters at A Community on Ecosystem Services (ACES) 2014, the leading conference on ecosystem services. The TNC-Dow Collaboration also releases an annual progress report, which can be found on Dow's website at [http://www.dow.com/sustainability/change/nature\\_conserv.htm](http://www.dow.com/sustainability/change/nature_conserv.htm).