

2013
ANNUAL
REPORT



**Friends of
the Earth**

A YEAR OF IMPACT

BY THE NUMBERS

AS WE STAND FOR A HEALTHY & JUST WORLD



Our Mission

Friends of the Earth fights to create a healthier and more just world. Our current campaigns focus on promoting clean energy and solutions to climate change, keeping toxic and risky technologies out of the food we eat and products we use, and protecting marine ecosystems and the people who live and work near them.

CONTENTS

4 Climate & Energy

Saying NO to tar Sands
 Building a nuclear-free future for California
 Breaking the Nuclear Fuel Chain

9 Oceans

Defending our Fragile Oceans
 Key Victories

10 Food & Technology

Saving bees in our backyards and beyond
 Keeping genetically-engineered seafood off grocery shelves
 Keeping GMO apples off our children's plates
 Nanotech: Tiny ingredients, big risks

16 Economics

An economy for the Earth
 Fighting for fair economics
 The palm oil rush

20 Our Friends

Ways to make a difference
 Donor list
 Financials

A MESSAGE FROM OUR LEADERSHIP

2013 by the numbers

Welcome to Friends of the Earth's 2013 Annual Report. This year we achieved some especially significant victories, prevented some bad things from happening and continued to evolve our advocacy to act with the immediacy and impact required to create a more just and healthy world.

The capstone victory for Friends of the Earth in 2013 was the closure of the San Onofre Nuclear Power Plants in Southern California. For more than 40 years, Friends of the Earth campaigned to shut down these reactors, and in June 2013 we finally won. The effort was fueled by a tremendous collaboration of talented lawyers, nuclear reactor experts, vibrant grassroots activists and smart, tenacious campaign planning and execution by our staff. The operator of San Onofre, Southern California Edison Company, and the Nuclear Regulatory Commission were ill-prepared for the campaign we waged. In addition, we battled with Warren Buffet's Mid American Energy to prevent the creation of new nuclear reactor subsidies for a plant in Iowa.

While Friends of the Earth has opposed unsafe nuclear reactors since our founding, we also took the lead on several important new problems, personified by our pollinator protection campaign. The campaign is focused on eliminating the use of neonicotinoids, a pesticide contributing to bee and other pollinator die-offs, and has energized an entire new group of activists and grassroots supporters. The campaign is based on several successful campaigns implemented by our Friends of the Earth International sister group in England, Whales and Northern Ireland. In addition to our pollinator campaign,

we are expanding our food and agriculture campaign to ensure the production and consumption of safe, healthy and environmentally beneficial food.

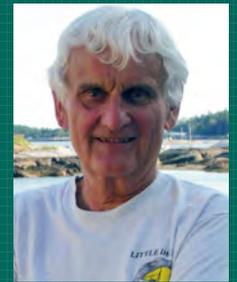
Internationally, we launched a campaign to protect tropical rain forests from illegal land-grabbing and polluting palm oil production. We also continued to champion the voices of communities around the world as they struggle to win financial commitments to cope with the steadily increasing damage caused by climate change.

As we work to create a better planet, we must also fight against harmful projects, programs and ideas. Our most significant effort on this front is the fight to stop the Keystone XL pipeline. In February, more than 40,000 rallied and marched in Washington, D.C., against the pipeline and called for strong climate action by President Obama. As of this annual report, the Keystone XL pipeline has not been approved, thanks to activists from around the country and specifically in Nebraska. We also continue to push against President Obama's "All of the Above" energy strategy. We do not believe our government should be promoting more oil, natural gas and coal exploitation in the United States instead of working harder to expand renewable energy and reduce our global warming emissions.

Finally, as Friends of the Earth studies the future and what is needed, we realize that what we are doing isn't nearly impactful enough. In looking at the power dynamics in Washington D.C., we see a system awash in money targeted at maintaining the status quo. And with Supreme Court decisions such as *Citizens United* and *McCutcheon*, which opened the doors



Erich Pica
President



Arlie Schardt
Chairman of the Board

for corporations and wealthy individuals to spend unlimited dollars on elections, Friends of the Earth created a democracy reform effort help reel in the dirty money in politics. This is new territory for Friends of the Earth and outside of our traditional campaigns, but it is indispensable if we are to protect the health of our planet.

On another front, because our campaigns urgently need greater on-the-ground support, we have launched a new door-to-door canvassing program. This enables us to engage directly with individuals and communities at a deeply personal level. We have launched small efforts in New York City, the metro Washington, D.C., area, and the twin city area of Minnesota. We plan to expand this highly effective organizing tool as well as growing our online activist base.

We are at a generational, if not historic, inflection point for our planet and its inhabitants. While we accomplished a great deal in 2013, we recognize that we must continually evolve in order to achieve even greater impact. This means all of us must do our part.

Thank you so much for being a vital part of Friends of the Earth.

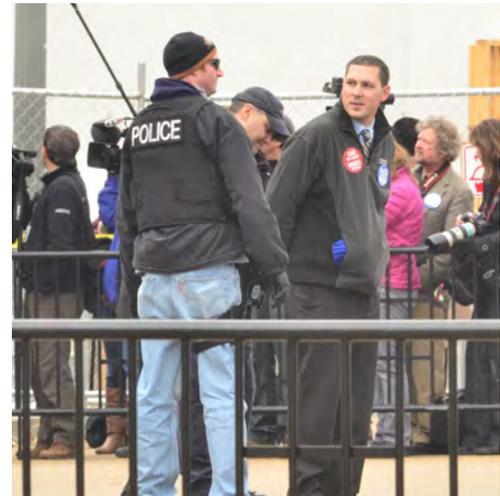
Warm Regards,

Erich Pica, President

Arlie Schardt, Chairman of the Board

3 million metric tons per year.

The minimum amount of carbon dioxide added to the United States' greenhouse gas emissions if the KXL pipeline is built.



Saying NO to tar sands

SAVING OUR CLIMATE

CAMPAIGN LEADER: Luísa Abbott Galvão

EMAIL: labbottgalvao@foe.org

WEBSITE: foe.org/climate



"Our national interest will be served only if this project does not significantly exacerbate the problem of carbon pollution."

—President Obama
June 28, 2013

If built, TransCanada's Keystone XL pipeline would bring dirty, tar sands oil from Alberta, Canada to the Gulf of Mexico, where it can be refined—resulting in three million metric tons of carbon dioxide emissions. Research by Friends of the Earth exposed several conflicts in the U.S. Department of State's contract process; most notably that the contractor lied to the State Department about their conflicts of interest. This resulted in an Inspector General inquiry.

In July, Friends filed a suit in federal court alleging the State Department's failure to turn over records detailing the contacts between lobbyists for the Keystone XL tar sands pipeline and the Obama administration. This was the second time Friends of the Earth sued the agency for withholding information about the Keystone XL pipeline review process.

In a New York Times interview, President Obama announced that the decision would be made based on its climate impacts. This followed a speech where he said, "Our national interest will be served only if this project does not significantly exacerbate the problem of carbon pollution." ●

Climate solutions

- In a June speech at Georgetown University, President Obama announced the implementation of a Climate Action Plan including power plant pollution regulations for new and existing sources, under the Clean Air Act.
- In an important, early test of President Obama's Climate Action Plan, the board of the U.S. Export-Import Bank voted to reject financing for a 1,200-megawatt Thai Binh II coal plant in northern Vietnam's Red River Delta.
- In November, the Environmental Protection Agency proposed a scale back of the Renewable Fuel Standard's corn ethanol mandate. This decision followed years of education by Friends of the Earth to Congress and the administration about the consequences of using this dirty fuel.
- In the most ambitious attempt to eliminate subsidies to the fossil fuel industry, Senator Sanders (I-Vt.) and Representative Ellison (D-Minn.) reintroduced the End Polluter Welfare Act. This bill would remove tax breaks, close loopholes, end taxpayer-funded fossil fuel research and prevent companies from escaping liability for spills or deducting cleanup costs. Under current law, these subsidies are expected to cost taxpayers more than \$100 billion in the coming decade.

Building a nuclear-free future for California

VICTORY

CAMPAIGN LEADER: Damon Moglen EMAIL: dmoglen@foe.org WEBSITE: foe.org/climate-and-energy

8,500,000.

The number of California residents who are safer now that the San Onofre nuclear reactors are finally offline.





Legendary environmentalist and author David Freeman with campaign leader Damon Moglen.

On June 7, Southern California Edison announced the closure of their two nuclear reactors in San Onofre, California. This victory was the result of nearly four decades of effort by Friends of the Earth to close the controversial nuclear reactors perched on the Pacific coast, atop active seismic faults and within miles of the homes of some 8.5 million people.

Closing half of the commercial reactors in California is one of Friends' greatest accomplishments. It propels us toward a more ambitious goal: making California completely nuclear-free.

Since Edison admitted to a "minor" radiation leak in January 2012, Friends of the Earth mounted an intense campaign to force the utility to come clean with federal regulators and surrounding communities. We exposed shocking equipment failures and the utility's pursuit of profits at the expense of public safety. Working with a world-class team of experts, Friends of the Earth released a series of technical reports proving that Edison botched the design of replacement steam generators at the nuclear reactors. Mistakes with the steam generators led to a radiation leak and equipment failure only months after new components were installed; a far cry from the decades of safety promised by the utility.

Citing these reports, Friends of the Earth filed a complaint with the Nuclear Regulatory Commission, demanding that they force Edison to undergo a license amendment process with full public review before being allowed to restart the crippled reactors. Despite fervent opposition from Edison and NRC staff, a three-judge NRC panel ruled in our favor in April 2013.

Concurrently, Friends of the Earth commissioned an economic analysis of the hundreds of millions of dollars that Edison unethically charged consumers to pay for the utility's mistakes at San Onofre. Thanks in part to our economic report, the California Public Utilities Commission launched a special investigation to determine who would be held liable for the massive costs associated with repairing San Onofre. Friends of

the Earth unearthed incriminating letters from Edison which proved crucial to the investigation. These letters received tremendous media coverage and captured the attention of policymakers and Edison shareholders, many of whom called for answers and action.

Armed with technical reports and economic analyses, Friends of the Earth allied with other environmental, clean energy and rate payer organizations to meet with dozens of mayors, city councilors and state legislators. The response from cities throughout Southern California, including Irvine, Laguna Beach, Los Angeles, Santa Ana and Santa Monica, was staggering. Citizens demanded that Edison put safety first and called for the NRC and CPUC to hold Edison accountable.

Caught between mounting regulatory, economic and public pressures, Edison acquiesced, later citing Friends of the Earth's actions as a major reason for their decision to close the plant.

"Edison gambled that additional safety measures were not needed when they gave the highest priority not to safety but speed of construction," said Damon Moglen, senior strategic advisor in Friends of the Earth's climate and energy program. "Of course they didn't know for sure that the equipment would fail, but they did know that they were taking a risk and they lost on their gamble. Gambling with the safety of a nuclear plant is not acceptable and an egregious misuse of ratepayer's money."

The closure of the San Onofre reactors is good news not only when viewed from safety and cost perspectives, but also from that of clean energy. No more nuclear waste will be produced at the plant, and our coalition is pushing the state to replace San Onofre's dirty and dangerous power with clean renewable energy.

Following the closure of San Onofre, we are focusing our efforts on closing the two 1960's era nuclear reactors at Diablo Canyon near San Luis Obispo. Last November, Friends of the Earth presented a report to the California Water Resources Board's special Nuclear Review Committee detailing misleading recommendations from Bechtel and Pacific Gas & Electric. Bechtel prepared these recommendations in an effort by Pacific Gas & Electric to avoid admitting that the utility's Diablo Canyon reactors are out of compliance with marine protection laws and are responsible for massive fish kills. The company sought to circumvent California's new mandate for once-through cooling methods in order to avoid installing costly new equipment at the plant. Friends will pursue the closure of this outdated and unsafe facility, and finally rid California of dangerous and dirty nuclear reactors. ●

After decades of work, we've shut down the deeply troubled San Onofre Nuclear Generating Station and are now going after California's last remaining reactors.

BREAKING THE NUCLEAR FUEL CHAIN

CAMPAIGN LEADER: Katherine Fuchs

EMAIL: kfuchs@foe.org

WEBSITE: foe.org/nuclear-reactors

With nuclear reactors, Friends of the Earth takes a holistic view that looks at the entire system supporting the industry. In 2013, we challenged every link in the nuclear fuel chain by fighting the financing of new reactors, preventing new nuclear fuel factories, and standing strong for safe and secure nuclear waste storage policies.

New reactors

The year 2013 was important for our fight against new nuclear reactors. After three years, we finally claimed victory in our battle to stop Iowa from charging rate payers in advance for new reactors. While Friends of the Earth had already defeated the Iowa proposal twice (in 2011 and 2012), our success in 2013 looks to be more long-lasting as MidAmerican, the only company interested in building reactors in Iowa, has now scrapped its nuclear plans and announced a \$1.9 billion investment in new wind power. For this investment – far less than a new reactor would cost – MidAmerican will generate 1,050 MWe of wind power, about the same amount of power that they would expect to get from a nuclear reactor.

In Georgia, we continued to document problems with Southern Company's plan to build two new reactors at its Plant Vogtle site along the Savannah River. In February 2014, the Department of Energy finalized a \$6.5 billion loan guarantee to build the two new reactors, but a third loan guarantee of \$1.8 billion is still pending. Friends of the Earth and our allies continue to build a case against the third Vogtle loan guarantee and the entire nuclear financing system that unfairly subsidizes this dirty and dangerous energy source.

Reactor fuel

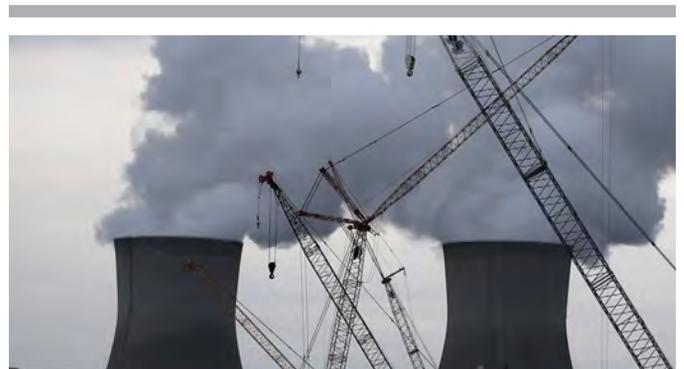
Over the past year we supported several fights against the “front end” of the nuclear fuel chain. We had a big victory in Virginia in November when newly elected Governor Terry McAuliffe announced that he would veto any bill seeking to overturn the state's 31 year moratorium on uranium mining. Friends of the Earth has been working with local groups to preserve the ban which both protects Virginia's land and water from radioactive contamination and discourages new nuclear fuel production.

In addition to holding the line on uranium mining, Friends of the Earth has been spearheading an effort to stop a program that

would put plutonium from nuclear warheads into commercial reactor fuel. This program, known as Mixed Oxide Plutonium Fuel or MOX would put taxpayers on the hook for at least \$30 billion and would create new markets for plutonium. Not only does plutonium fuel make reactor operations more risky, it also creates entirely new proliferation risks and sets a dangerous example for countries like Iran. In spring 2013 the Obama administration announced that it would “press pause” on the MOX program while reevaluating the program's cost and schedule failures and examining potential alternatives to dispose of surplus weapons plutonium. In June we released a television ad lambasting South Carolina Senator Lindsey Graham for his parochial support of pork barrel spending on MOX.

Nuclear waste

We addressed the enduring challenge of nuclear power in several ways during 2013. While we have been actively tracking a number of legislative and regulatory changes that affect how nuclear waste is stored, our biggest success in 2013 was a 17-6 Citizens Advisory Board vote against bringing commercial waste to the Savannah River Site in South Carolina. The Savannah River Site has been targeted to serve as an “interim” storage site for U.S. commercial nuclear waste through a Department of Energy process that hinges on recruiting communities to volunteer to host waste from across the country. While the Citizens Advisory Board vote is not binding, it is a significant speed bump in DOE's plan to send more waste to an ecologically sensitive area whose citizens have already sacrificed for the nuclear weapons program. ●



DEFENDING OUR FRAGILE OCEANS

CAMPAIGN LEADER: Marcie Keever

EMAIL: mkeever@foe.org

WEBSITE: foe.org/oceans

31,000

The number of annual, premature deaths the Emission Control Area can prevent by reducing air pollution from cruise ships, near populated areas.

Friends of the Earth's Oceans and Vessels campaign works to protect the tens of millions of people who live near coastlines and the marine species in our ocean under threat from oil spills, air pollution, sewage releases and unnatural ocean noise. ●

"Our oceans and waterways are the very lifeblood of our planetary ecosystem. We can't gamble with that, not if our planet is to survive and flourish."

MARCIE KEEVER

OCEANS AND VESSELS PROGRAM
DIRECTOR

Key Victories!

- We continued our support of the Emission Control Area that requires ships to use cleaner fuels in North American waters. The ECA is preventing between 12,000 and 31,000 premature deaths across the U.S. annually and will save billions of dollars in health costs by 2030.
- We successfully intervened in a lawsuit brought by the State of Alaska against the Environmental Protection Agency and the State Department, in which Alaska challenged the implementation of the ECA in the state. If Alaska would have won the case, coastal and inland communities would have been deprived of cleaner air resulting from the reduction of dangerous pollution from ships traveling within 200 nautical miles of the U.S. and Canadian coastline.
- We released the 2013 Cruise Ship Report Card that grades 16 cruise lines and 162 cruise ships on their environmental footprint. The report card gained extensive press coverage and has fueled a mass action of petitioners against Carnival Cruise Lines, who received a failing grade for its abysmal sewage treatment practices. Our 2013 report card is at www.foe.org/cruise-report-card.
- We opposed the massive proposed expansion of fossil fuel exports from the Pacific Northwest, which, if this dirty energy effort is successful, would lead to more than ten new facilities and the expansion of several more facilities to export coal, tar sands, Bakken shale oil and liquefied natural gas from the region. If approved these dirty fossil fuel exports would mean thousands more giant ships carrying millions of tons of coal and barrels of oil through the region's sensitive waters. More than 60,000 of our supporters have already weighed in, opposing the two largest coal export terminals and the largest oil export terminal proposed for the region and we are expecting many more to speak out in opposition in 2014.

SAVING BEES IN OUR BACKYARDS AND BEYOND

CAMPAIGN LEADER: Lisa Archer

EMAIL: beeaction@foe.org

WEBSITE: beeaction.org

For much of the past decade, beekeepers, primarily in the United States and Europe, reported annual hive losses of 30 percent or higher; substantially more than normal or sustainable. U.S. beekeepers lost an average of 45 percent of their colonies during the 2012/2013 winter. Roughly 80 percent of all flowering plants rely on pollinators to reproduce. With pollinator populations around the world dwindling, or in great peril, continuing bee losses could be catastrophic for our food system and broader ecosystems.

Pests, diseases, loss of forage and habitat and changing climate have all been identified as possible contributors to worldwide bee decline. But a growing body of science has implicated the world's most widely-used pesticides, neonicotinoids, as a major culprit.

Neonicotinoids (neonics), made by chemical companies Bayer and Syngenta, are used as seed treatments on more than 140 crops, including virtually all corn, soy, wheat and canola seeds planted in the U.S. These systemic pesticides are absorbed through roots and leaves and distributed throughout entire plants, including pollen and nectar. While neonics can kill bees outright, even low-level neonicotinoid exposure can compromise their immune systems, alter learning and impair foraging, ultimately making them more vulnerable to pests and diseases.

Neonicotinoid pesticides have also been shown to harm or kill other helpful insects and organisms critical to sustainable food production and healthy ecosystems, including wild bees, bats, butterflies, dragonflies, lacewings and ladybugs. Further, this class of pesticides may severely impact birds, earthworms, mammals, amphibians and aquatic insects. Many scientists have warned that neonicotinoids may be contributing to a "second Silent Spring" and have urged swift action to limit their use.

70% of the world's most important food crops are pollinated by bees.

But neonicotinoids aren't exclusive to agriculture. They appear in garden plants and seedlings, and off-the-shelf lawn and garden consumer products. They are also being applied in doses that far exceed those typically used in agriculture, which are already raising concerns among scientists and bee keepers. Unfortunately, since plants pretreated with neonics often go unlabeled, many home gardeners have no idea they may actually be poisoning pollinators through their efforts to plant bee-friendly gardens.

A scientific review by the European Food Safety Authority found that neonicotinoids pose an unacceptably high risk to bees, causing the European Union to place a two-year ban on the use of three neonicotinoid pesticides in flowering crops, in 2013. Unfortunately and despite mounting evidence linking neonicotinoid pesticides to bee declines, the EPA delayed action on key neonicotinoids until 2018; ignoring more than one million public comments urging swift protections for bees. The bees can't wait that long and neither can we.

That's why Friends of the Earth's BeeAction campaign is working to protect bees and other critical pollinators by limiting the use of neonicotinoid pesticides in commercial agriculture and in common garden products and plants unwittingly used by millions of Americans.



“The EPA has delayed action on neonicotinoids until 2018. The bees can’t wait that long, neither can we.”

LISA ARCHER
FOOD AND TECHNOLOGY
PROGRAM DIRECTOR



In August 2013, Friends worked with scientists at the Pesticide Research Institute to design and co-author *Gardeners Beware*. This first-of-its-kind, pilot study found that many garden plants sold at home garden centers, including Home Depot and Lowe’s, are pre-treated with neonicotinoids with no warning to consumers.

Coordinating with allies, Friends of the Earth sent letters and more than 175,000 petition signatures to Lowe’s and Home Depot asking the stores to stop selling bee-killing pesticides and plants pre-treated with neonicotinoids. *Gardeners Beware* garnered press

coverage in hundreds of media outlets, including the Wall Street Journal, NBC and CBS.

With the help of members, supporters and allies, Friends continues will continue to build on this momentum to win commitments from these and other major retailers and institutional purchasers to eliminate the use of bee-killing pesticides; help move the EPA and Congress to take action to protect bees and other pollinators; and promote pollinator-friendly agriculture essential to feeding the planet now and in the future. ●

Building a sustainable, healthy food future and responsible new technologies

KEEPING GENETICALLY-ENGINEERED SEAFOOD OFF GROCERY SHELVES

CAMPAIGN LEADER: Lisa Archer

EMAIL: foodtech@foe.org

WEBSITE: foe.org/food-and-technology

Friends of the Earth's Food and technology program works to ensure that our food system is just, healthy, resilient and sustainable and that corporations and governments embrace the safe and precautionary management of chemicals and emerging technologies—including nanotechnology and synthetic biology—which are appearing in more consumer products each year.

The U.S. Food & Drug Administration is in the final stages of approving genetically engineered salmon without adequate assessment of possible risks to human health, the environment, fish populations, animal welfare, fishing communities on both coasts and a sustainable future for fish. If approved, this would be the first-ever genetically engineered animal allowed to enter the U.S. food supply and the FDA said it will probably not be labeled, leaving consumers in the dark about what we are eating. The FDA's decision on the GMO AquaAdvantage Salmon will set a precedent and could open the floodgates for dozens of other genetically engineered fish and animals (including cows, pigs and chickens) to enter the U.S. market.

Polls show that 91 percent of Americans do not want the FDA to allow genetically engineered fish and meat into the marketplace and 95 percent of consumers believe GMOs should be labeled.

Research shows that genetically engineered salmon pose numerous risks to wild salmon populations. Of particular concern is the survival of the Atlantic salmon, which is already listed as endangered. Research published by the Canadian government has found that genetically engineered salmon, if released into the wild, could lead to a collapse of wild populations. Genetically engineered salmon may be able to mate with wild salmon, weakening their gene pool, and could even out-compete wild salmon for food, leading to ecosystem-wide impacts.

Of potential concern to human health is the fact that, according to data submitted to FDA, overall all GE salmon have

9,000+. Thanks to Friends of the Earth, our allies and thousands of people like you, more than 60 major grocery store chains, including Safeway, Kroger, Whole Foods, Target, Trader Joe's, H-E-B, Giant-Eagle and Aldi, comprising more than 9,000 individual grocery stores across the country, have made commitments to not sell genetically engineered seafood and salmon.

40 percent higher levels of the hormone called IGF-1 (insulin-like growth factor 1), which may increase the risk of certain cancers if absorbed and biologically active in the human body. In addition, the findings on allergy risk were based on only six fish. Unfortunately, the FDA decided these fish will be safe to eat based solely on data provided by AquaBounty, the company that developed this salmon. The fact remains that sufficient science does not currently exist to determine whether genetically fish are safe to eat and further studies are needed.

In addition, farmed salmon are given more antibiotics than any other livestock by weight, and the company's data shows GMO

95%

of consumers believe GE food should be labeled.

salmon may require even more antibiotics, as the engineered fish could be more susceptible to diseases common in farmed fish. The approval of genetically engineered salmon may lead to the use of even more antibiotics in aquaculture, potentially increasing the risks of drug-resistant bacteria.

Fortunately, Friends of the Earth and our allies have been working to keep this “frankenfish” and other genetically engineered foods off of grocery store shelves, pushing for better regulation and safety assessment, and working to ensure that all genetically engineered foods are labeled so that consumers can choose whether to feed these risky products to their families.

As a result of our campaign, more than 60 grocery store chains representing more than 9,000 stores across the U.S. — including Kroger, Safeway, Target, Trader Joe’s, Whole Foods, Meijer, H-E-B, Aldi and many others — have made commitments to not sell this inadequately tested and unlabeled fish. With your help, we will continue to fight FDA’s approval of GMO salmon and work to get more grocery stores, restaurants and chefs to commit to keeping genetically engineered seafood and salmon off our plates.

Learn more and take action at GEFreeSeafood.org.

Keeping GMO apples off of our kids’ plates

Thanks to our campaign, the world’s largest restaurant chain, McDonald’s, and world’s leading baby food manufacturer, Gerber, have confirmed they do not plan to sell or use the Arctic® apple. This product is the first genetically engineered apple on the verge of entering our food supply, pending USDA approval. Like other GMOs, it will not be labeled, won’t have undergone independent safety testing and poses risks to our health and environment.

This GMO apple was genetically engineered via a new, virtually untested experimental technique called RNA interference; a method which many scientists are concerned may have negative, unintended impacts on human health and the environment. The



Arctic Apple® was not designed for increased nutritional value, but for purely cosmetic purposes — it was genetically engineered to not brown when cut. However, browning in apples can be prevented naturally by applying lemon juice or another source of vitamin C — making this new risky genetically engineered apple unnecessary.

Gerber and McDonald’s join major apple growing associations, including USApple and the Northwest Horticultural Council (representing Washington apple growers who produce more than 60 percent of U.S. apples), that have stated opposition to this GMO apple. GMO apples may contaminate nearby organic and conventional apple orchards and could potentially cause valuable export markets to reject U.S. apples as happened in past when wheat and rice crops were found to be contaminated by GMOs. Apple farmers are justifiably worried — more than a third of apple revenue is derived from exports.

The statements provide further evidence of growing market rejection of new genetically engineered foods. Friends of the Earth and our allies will continue to urge that new, poorly studied

and unlabeled GMO crops that pose risks to our health and environment not be approved. We will also continue to urge food companies and retailers listen to the majority of consumers who don't want to feed their families GMOs.

Learn more and take action at NoGMOApples.org.

Pushing for regulation and labeling of GMOs 2.0: synthetic biology

Synthetic biology is an extreme form of genetic engineering, an emerging technology that is developing rapidly yet is largely unregulated. With synthetic biology, instead of swapping genes from one species to another (as in traditional genetic engineering), scientists can write entirely new genetic code on a computer, “printing” it out and then inserting it into organisms, and they are even trying to create new DNA and organisms that don't exist in nature.

Synthetic biology could have serious impacts on the health of people and ecosystems, on our planet's biodiversity and for communities around the globe. Friends of the Earth is working at the federal and international levels to establish a regulatory framework for synthetic biology that values precaution at its core; this framework would ensure thorough government analysis of potential risks and benefits and put protections in place before synthetic organisms are used at a commercial scale or make the jump from the lab to our environment.

In 2013, Friends of the Earth continued to advocate for proper regulation of synthetic biology while challenging the first major use of an ingredient produced via synthetic biology in food: “synbio vanilla.”

Synbio vanilla will not be labeled, is inadequately assessed for safety, is being falsely marketed as “natural” and could also speed rainforest destruction and harm sustainable farmers of natural vanilla beans. Thanks to our campaign and outreach from thousands of Friends of the Earth activists, several prominent ice cream companies have committed to not use synbio vanilla.

Learn more and join our campaign at NoSynbio.org.

Keeping genetically engineered mosquitoes out of the Florida Keys

In 2013 we continued to fight the experimental, widespread and intentional release of millions of genetically engineered mosquitoes into the Florida Keys. The behavior of these mosquitoes and the risks they pose to human health and the environment are hard to predict, leaving the public with more questions than answers. Friends of the Earth is also working to prevent the release of genetically engineered mosquitoes and other insects in the U.S. until proper laws have been written and risk assessments conducted to ensure these genetically engineered bugs don't harm humans or our ecosystems.

100,000. The number of deaths in the United States every year caused by untreatable infections. Silver has long been an essential antimicrobial of last resort for antibiotic resistant infections like MRSA. Its widespread use in nano form, however, could help breed bacterial resistance and speed the development of super bugs.

GMO labeling: Fighting for your right to know what you're eating

With your help, we joined the effort to educate and activate voters in support of Washington's I-522 ballot initiative for GMO labeling. While the initiative narrowly lost due to a flood of industry cash and negative, deceptive ads, we will continue to counter junk food and chemical companies like Monsanto that oppose our right to know what we're eating, and we will push for labeling GMOs at state and federal levels.

Nanotech: Tiny ingredients, big risks

Nanotechnology is a powerful new emerging technology for dismantling and reconstructing nature at the atomic and molecular levels. Nanoscale – or extremely tiny – materials are now showing up unlabeled in a broad array of consumer products, from sunscreens to washing machines to food packaging, without adequate regulation or safety assessment to ensure they are safe for our health and environment.

Our current focus is to achieve appropriate regulations on the use of nanomaterials in food, sunscreens and cosmetics – and on the widespread and increasing use of nano-silver, a powerful germ-killer that can be found in everything from toys to clothes to toothpaste.

In March 2013, Friends of the Earth found a potentially harmful form of nanoscale titanium dioxide in sunscreen and cosmetics. These nanomaterials have been shown to produce harmful free radicals when exposed to sunlight.

In the years ahead, Friends of the Earth will expand our nanotechnology campaign to educate the public about its use in food and consumer products. We will push companies, regulators and policymakers to manage nanomaterials in a ways that put people's health and the environment before corporate profits; we will also fight to ensure the labeling of products and food that contain nanomaterials so that consumers can make informed decisions.

Learn more and take action at www.foe.org/projects/food-and-technology/nanotechnology

LEGAL ACTION



BP REFINERY

We filed a Clean Water Act case challenging the Washington State Department of Ecology's issuance of an unlawful National Pollutant Discharge Elimination System permit for the BP Cherry Point refinery near Bellingham, WA. If this permit is finalized, it would allow BP to violate the Clean Water Act without penalty.



DIRTY COAL EXPORT

Friends of the Earth has continued to hold the U.S. Export-Import Bank (Ex-Im) accountable for bankrolling dirty coal projects overseas. In July 2013, we filed a lawsuit against Ex-Im for failing to take into account the environmental impacts of a \$90 million loan guarantee to export Appalachian coal.



KXL LOBBYING BIAS

We continued our efforts to expose lobbyist bias in the State Department's review of the Keystone XL tar sands oil pipeline by filing another Freedom of Information Act lawsuit. This lawsuit asserts that the department has withheld communications between its staff, the new pipeline contractor, dozens of named lobbyists, the oil industry and TransCanada in regards to the pipeline.



NORTHWEST ORCAS

Friends of the Earth and several other environmental, conservation and tribal groups prevailed in our lawsuit against the National Marine Fisheries Service for its approved escalation of U.S. Naval training activities in the Pacific Northwest and Northern California. Now the NMFS must increase protection of endangered orcas, other marine mammals and sensitive marine ecosystems victimized by the Navy's use of active sonar and explosives. Implementation of the court ordered marine mammal protections will be delayed pending the outcome of NMFS appeal.



SAN ONOFRE VICTORY

In June 2012, Friends of the Earth filed a petition with the Nuclear Regulatory Commission opposing the restart of San Onofre Nuclear Generating Station near San Diego, CA, which was shut down after a steam release and generator failure. After almost a year of legal wrangling before the Atomic Safety Licensing Board, an entity within the NRC that acts as a trial court, the ASLB decided in favor of Friends by deciding that restarting San Onofre would be an unsafe experiment and would violate the facility's NRC license. Less than a month after the ASLB decision, Southern California Edison — San Onofre's operator — announced the plant would close, permanently.

Our Attorneys

We want to thank our lawyers

- Ayres Law Group
- Center for Biological Diversity
- Center for Food Safety
- Clean Air Task Force
- Columbia Law School Environmental Law Clinic
- Earthjustice
- Emory University Turner Environmental Law Clinic
- Food & Water Watch
- Golden Gate University Environmental Law & Justice Clinic
- Harmon, Curran, Spielberg & Eisenberg, LLP
- Keyes, Fox & Wiedman LLP

AN ECONOMY FOR THE EARTH

CAMPAIGN LEADER: Michelle Chan

EMAIL: mchan@foe.org

WEBSITE: foe.org/econ

Economic, financial and political forces often drive companies and governments to act in ways which ignore the interests of people and the planet. From the rules that govern our economic lives, to the incentives that steer corporate decision-making, to the money that bankrolls environmentally harmful activities around the world, Friends of the Earth works to address the root causes of environmental destruction.

In 2013, Friends successfully shifted billions of dollars of investments out of dirty and dangerous energy and into clean, renewable alternatives. As a result of our settlement agreement with the Overseas Private Investment Corporation, and our continued advocacy towards this government agency, OPIC committed to reduce the greenhouse gases from the projects it finances by 50 percent over 15 years. This aggressive greenhouse gas cap is the only commitment of its kind anywhere in the U.S. government. Since adopting the cap in 2008, OPIC has not financed one coal deal; and by last year, its financing for renewables went up 415-fold. Similarly, as a result of several years of campaigning on MidAmerican Energy's plans to build nuclear reactors in Iowa, the company decided to scrap its nuclear plans. In 2013 it announced a \$1.9 billion investment in new wind power. ●

Stopping the TPP

600. The number of "cleared trade advisors" – mostly companies and industry groups – with whom the U.S. government shares trade negotiating texts.

Meanwhile, these texts are kept secret from the public and many policymakers.

In 2013, Friends of the Earth and its allies relentlessly campaigned for an end to the secrecy surrounding the Trans Pacific Partnership, a major trade deal being negotiated by the U.S., the TPP, as with all trade and investment agreements, are immensely important to the planet because they often are used to dismantle environmental policies and regulations.

We succeeded in slowing the momentum of the TPP talks, which would allow multinational corporations to use obscure trade courts to sue governments for lost profits resulting from environmental and public health regulations.

Companies have already used these courts numerous times, when attempting to roll back enforcement of environmental regulations. However, with the support of Friends and environmental groups around the world, in 2013 El Salvador won an important victory, the country was able to protect a critical law, which bans environmentally harmful mining practices, from being gutted by a gold mining company through a World Bank-convened trade court.



FIGHTING FOR FAIR ECONOMICS



Following the money

4.7 million tons of carbon dioxide would be emitted every year by the proposed Jaworzno coal plant in southern Poland.

We worked with Polish organizations to fight this project, which would have condemned local communities to more pollution-related health problems, and a Chinese company ultimately pulled out of the project.

Drawing on our financial campaigning skills, in which we target financiers bankrolling environmentally harmful projects, last year Friends empowered many communities around the world to “follow the money.” For example, we campaigned alongside groups resisting mining projects in Indonesia, a copper mine in Ecuador, and gas pipelines in Burma.

And in 2013, we successfully campaigned the U.S. Export-Import Bank to reject financing for the dirty and outmoded Thai Binh II coal plant in Vietnam.



Green Climate Fund

\$100 billion is the amount industrialized nations committed to provide to help poor countries adapt to the impacts of climate change and move onto more climate-friendly development paths, each year.

Since winning this commitment at the 2009 international climate talks, Friends has been closely monitoring this obligation. We want to make certain that the newly established UN Green Climate Fund is set up to serve the needs of poor countries, rather than enrich multinational corporations and Wall Street financiers. In 2013, we especially focused on ensuring that developing countries have an adequate say in how the Fund is run and that all GCF investments meet minimum human rights and environmental standards.



Fossil fuel subsidies

\$43 billion is the amount of fossil fuel company tax breaks the President proposed slashing over 10 years in his FY2104 budget. Also on the chopping block were \$91 billion in tax breaks that disproportionately benefit the industry.

For over ten years, Friends of the Earth has identified and advocated for the elimination of environmentally harmful government giveaways, which reward polluters while putting green businesses at a disadvantage. Thanks to our continued advocacy, in 2013 the president’s budget zeroed out more fossil fuel subsidies than ever.



PALM OIL IS
A TYPE OF
VEGETABLE OIL
DERIVED FROM
THE PALM FRUIT.



After decades of advocacy, the leading palm oil trader in the world announced a new human rights and environmental policy.



THE PALM OIL RUSH

CAMPAIGN LEADER: Jeff Conant EMAIL: jconant@foe.org WEBSITE: foe.org/palm

Used in half of all American processed foods, and used as a biofuel in Europe, palm oil is one of the fastest growing sources of tropical deforestation and global emissions of greenhouse gases. More than 80 percent of palm oil is grown in Indonesia and Malaysia, where some estimates show an area the size of Greece cleared each year for palm oil plantations. Similar expansion occurs in Africa and Latin America. Such a rush to cash in on this widely used crop, leads to a rash of global landgrabs which create a wide range of human rights abuses.

Palm oil expansion is a capital-intensive endeavor, requiring \$100 million for every 10,000 acres of new plantations. In 2013, with the launch of our new Landgrabs, Forests and Finance campaign, we joined the efforts of our sister organizations in Indonesia, Europe and Africa to curb the environmental and human rights abuses associated with the global palm oil industry. Friends began by targeting Wall Street's financing of this environmentally and socially harmful mega-commodity. Just months into our campaign, some of the world's largest banks began pressuring Wilmar International — a corporation responsible for as much as 45 percent of the global palm oil trade — to clean up its act.

After decades of advocacy, including these recent financial pressures, Wilmar announced a new environmental and human rights policy in December 2013. If implemented, the policy will

45 million.
Acres of Indonesian rain forest slated to turn into palm plantations by 2020.

be game-changing, prohibiting every plantation in the company's supply chain from clearing peatlands — the rich vegetable soils which compose a significant portion of land across Indonesia — and keep, literally, billions of tons of CO₂ in the ground and out of the atmosphere. The new policy also binds every company in Wilmar's supply chain from destroying both high conservation value lands (lands bearing critically important biological, ecological, social or cultural values) and high carbon stock forests (often secondary forests that may appear degraded but that are in fact rich in both carbon and biodiversity). Finally, it pledges to respect worker rights and the rights of indigenous and local communities to give or withhold their free, prior and informed consent to palm oil operations.

Friends of the Earth, along with our allies in Asia and Africa, welcomes the commitment and will closely monitor Wilmar to ensure its compliance. ●

FINANCIALS

Statement of Financial Position

As of June 30, 2013

ASSETS	
Cash & Cash Equivalents	\$5,396,999
Accounts Receivable	\$191,724
Promises to Give	\$1,105,000
Prepaid Expenses & Other Assets	\$108,902
Investments at Market Value	\$372,046
Fixed Assets, net of Depreciation	\$469,560
Total Assets	\$7,644,231

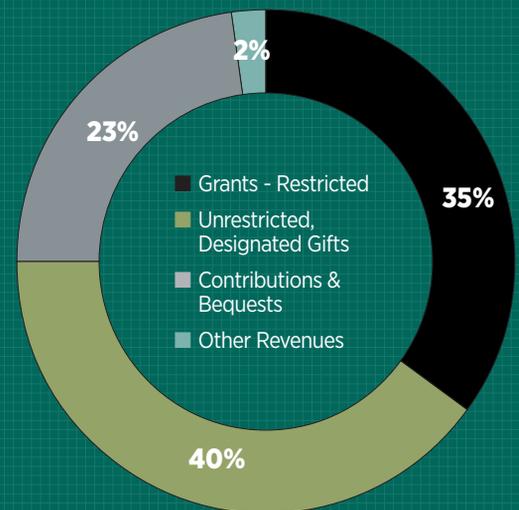
LIABILITIES	
Accounts Payable	\$512,882
Lease-related Liabilities	\$638,988
Charitable Gift Annuities	\$46,357
Total Liabilities	\$1,198,227

NET ASSETS	
Restricted	\$1,603,651
Reserve & Endowment Funds	\$408,693
Unrestricted	\$4,433,660
Total Net Assets	\$6,446,004

Total Liabilities & Net Assets **\$7,644,231**

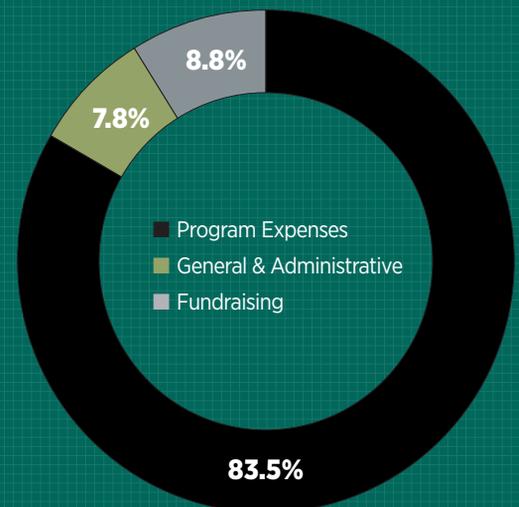
Revenues by Source

FYE June 30, 2013



Use of Funds

FYE June 30, 2013



Statement of Activities

For the Fiscal Year Ended June 30, 2013

REVENUES	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Grants, Bequests & Contributions	\$4,871,294	\$ 2,334,815	\$110,272	\$7,316,381
Other Income	\$ 166,476	—	—	\$ 166,476
Net Assets Released from Restriction	\$ 3,320,206	\$ (3,320,206)	—	—
Total Revenue & Support	\$8,357,976	\$ (985,391)	\$ 110,272	\$7,482,857

EXPENSES				
<i>Program Expenses</i>				
Economic Policy	\$1,099,169	—	—	\$1,099,169
Oceans & Vessels	257,318	—	—	257,318
Climate & Energy	2,403,501	—	—	2,403,501
Food & Technology	339,298	—	—	339,298
Outreach & Membership	1,019,983	—	—	1,019,983
Total Program Expenses	\$5,119,269	—	—	\$5,119,269
<i>Supporting Expenses</i>				
Management & General	\$476,664	—	—	\$476,664
Fundraising	536,671	—	—	536,671
Total Supporting Expenses	\$1,013,335	—	—	\$1,013,335
Total Expenses	\$6,132,604	—	—	\$6,132,604

NET ASSETS				
Change in Net Assets	\$2,225,372	\$ (985,391)	\$110,272	\$1,350,253
Net Assets - Beginning of Year	2,208,288	2,787,463	100,000	5,095,751
Net Assets - End of Year	\$4,433,660	\$1,802,072	\$210,272	\$6,446,004



Volume 43, Number 4 · Winter 2013
 1100 15th Street NW, 11th Floor
 Washington, DC 20005

PERIODICALS
 POSTAGE PAID AT
 WASHINGTON, DC
 AND ADDITIONAL
 MAILING OFFICES

Friends of the Earth *Newsmagazine* (ISSN: 1054-1829) is published quarterly by Friends of the Earth, 1100 15th St. NW, 11th Floor, Washington, D.C. 20005, phone 202-783-7400, fax 202-783-0444, e-mail: foe@foe.org, website: www.foe.org. Annual membership dues are \$25, which includes a subscription to the Friends of the Earth *Newsmagazine*. The words "Friends of the Earth" and the Friends of the Earth logo are exclusive trademarks of Friends of the Earth, all rights reserved. Requests to reprint articles should be submitted to Adam Russell at ARussell@foe.org. Periodicals postage paid at Washington, D.C.

Board of Directors

Arlie Schardt, Chair; Soroush Shehabi, Vice chair; Jeffrey Glueck, Treasurer; Harriett Crosby, Secretary; Whitey Bluestein; Jayni Chase; Cecil D. Corbin-Mark, Clarence Dittlow; Dan Gabel; Jeffrey Glueck; Mike Herz; Russell Long; Avis Ogilvy Moore; Steven Nemeth; Chris Paine; Doria Steedman; Peyton West, Chris Pabon; Brent Blackwelder, Advisor, President emeritus and ex-officio

Staff

Erich Pica, President
 Lisa Archer, Food and technology program director
 Cooky Bysura, Visual communications specialist
 Michelle Chan, Economic policy program director
 Kate Colwell, Rapid response communications specialist
 Jeff Conant, Senior international forests campaigner
 Kate DeAngelis, Climate and energy campaigner
 Julie Dyer, Executive assistant
 EA Dyson, Communications director
 Rachael Everts, Operations associate
 Tiffany Finck-Haynes, Food futures campaigner
 Katherine Fuchs, Nuclear campaigner
 Luisa Abbott Galvão, Climate and energy associate
 Jaya Ghosh, Oceans and vessels intern
 Kari Hamerschlag, Senior program manager
 Elizabeth Howell, Communications intern
 John Kaitenstein, Marine policy analyst

Marcie Keever, Oceans and vessels program director
 Marissa Knodel, Climate change campaigner
 Katharine Lu, China sustainable finance campaigner
 Carrie Mann, Membership coordinator
 Damon Moglen, Senior strategic advisor
 Doug Norlen, Senior Program Manager
 Karen Orenstein, Senior international policy analyst
 Dana Perls, Food and technology campaigner
 Lukas Ross, Climate and energy campaigner
 Adam Russell, Associate editor and content specialist
 Madelyn Rygg, Chief financial officer
 Kathy Sawyer, Director of foundation relations
 Ben Schreiber, Climate and energy program director
 Sharon Smith, Senior accountant
 Peter Stocker, Director of development
 Semhal Tekeste, Senior digital communications strategist
 William Warren, Senior trade analyst

Consultants/Advisors

Ayres Law Group
 Beehive Research, Inc.
 Capitol Nonprofit Solutions, LLC
 Colin Carter
 Citrix
 CliftonLarsonAllen
 Colleen Cordes

Content Wox
 Direct Mail Processors, Inc.
 EarthJustice
 Joanna Elliott
 Samuel Evans
 Fairwinds Associates, Inc
 Fenton Communications, Inc.
 Fred Felleman, Wildlife & Visual Ent.
 Free Range Studios
 David Freeman
 Robert Guild
 Harmon, Curran, Spielberg & Eisenberg
 Joram Hopenfeld
 Humanaut
 Ian Illuminato
 Keyes, Fox & Wiedman, LLP
 Doug Koplow, EarthTrack
 Large and Associates
 Liberty Concepts
 Devine Mulvey Longabaugh, Wild Bunch Media
 Stacy Malkan
 Management Assistance Group
 McGuireWoods, LLP
 Kate McMahon
 Mellman Group
 Movement Strategy Center

Brihannala Morgan
 Richelle Morgan
 Diane Moss
 Steven Moss, M.Cubed
 Network Alliance
 Palmer Group Media
 Pathar Communications, LLC
 Pesticide Research Institute
 Powers Engineering
 Profundo BV
 SalsaLabs, Inc.
 Gary Steinberg
 The Sharpe Group
 Bill Walker, dba Deadline Now

OUR MISSION: Friends of the Earth defends the environment and champions a healthy and just world. CFC #12067



The Friends of the Earth *Newsmagazine* is printed on 100% recycled paper with 100% post-consumer content and processed without chlorine.

A copy of the latest Financial Report and Registration filed by this organization may be obtained by contacting us at Friends of the Earth, 1100 15th St. NW, 11th Floor, Washington, DC 20005. Toll-free number: 877-843-8687. Or, for residents of the following states, by contacting any of the state agencies: CALIFORNIA - A copy of the Official Financial Statement may be obtained from the Attorney General's Registry of Charitable Trusts, Department of Justice, PO Box 903447, Sacramento, CA 94203-4470 or by calling 916-445-2021. FLORIDA - A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, WITHIN THE STATE, 1-800-435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL OR RECOMMENDATION BY THE STATE. Florida registration # CH960. KANSAS - Annual financial report is filed with Secretary of State #258-204-7. MARYLAND - For the cost of copies and postage: Office of the Secretary of State, State House, Annapolis, MD 21401. MICHIGAN - MICS 10926. MISSISSIPPI - The official registration and financial information of Friends of the Earth, Inc. may be obtained from the Mississippi Secretary of State's office by calling 1-888-236-6167. Registration by the Secretary of the State does not imply endorsement by the Secretary of State. NEW JERSEY - INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING 973-504-6215. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT. NEW YORK - Office of the Attorney General, Department of Law, Charities Bureau, 120 Broadway, New York, NY 10271. NORTH CAROLINA - FINANCIAL INFORMATION ABOUT THIS ORGANIZATION AND A COPY OF ITS LICENSE ARE AVAILABLE FROM THE STATE SOLICITATION LICENSING BRANCH AT 1-888-830-4989. THE LICENSE IS NOT AN ENDORSEMENT BY THE STATE. PENNSYLVANIA - The official registration and financial information of Friends of the Earth may be obtained from Pennsylvania Department of State by calling toll-free within the state 1-800-732-0999. Registration does not imply endorsement. UTAH - Permit #C495. VIRGINIA - State Division of Consumer Affairs, Department of Agriculture and Consumer Services, PO Box 1163, Richmond, VA 23218; 1-800-552-9963. WASHINGTON - Charities Division, Office of the Secretary of the State, State of Washington, Olympia, WA 98504-0422; 1-800-332-4483. WEST VIRGINIA - West Virginia residents may obtain a summary of the registration and financial documents for the Secretary of State, State Capitol, Charleston, WV 25305. Registration does not imply endorsement. Postmaster: Send address changes to Friends of the Earth, 1100 15th St. NW, 11th Floor, Washington, D.C. 20005.