



SPOTLIGHT ON

# PARTNERSHIPS

“Environmental Defense Fund has again raised the bar to benefit the whole world.”

**Arnold Schwarzenegger**  
Governor of California



VP David Festa and corporate partnerships managing director Elizabeth Sturcken talk with Governor Schwarzenegger at the launch of our 2008 *Innovations Review* at our San Francisco office.



## A TRACK RECORD OF ENVIRONMENTAL INNOVATION

**1990**

In the first collaboration between an environmental group and a leading corporation, EDF's partnership with McDonald's does away with foam-plastic sandwich boxes and eliminates 150,000 tons of packaging waste over ten years. Other restaurants quickly follow suit.



**1995**

North Carolina's Pinehurst Resort becomes our first partner in Safe Harbor, a program that provides landowners incentives to help endangered species.

**1997**

Starbucks partners with us to reduce waste, increasing the use of reusable mugs and later introducing the first takeout cup with post-consumer recycled content.



**1998**

We work with UPS to improve the company's packaging, spurring industry-wide changes. The new packaging saves energy and reduces solid waste and air pollution.

THE BEST ADVICE  
MONEY CAN'T BUY

"To maintain our objectivity, we accept no funding from our corporate partners. That independence frees us to drive change across entire industries."

**Gwen Ruta**  
VP Corporate Partnerships



## MAKING GREEN THE NEW BUSINESS AS USUAL

### Our unique approach attracts powerful allies

"Significant" and "surprising" – that's what *Fortune* magazine had to say about our new partnership with private equity giant Kohlberg Kravis Roberts (KKR). For Environmental Defense Fund, it represented the next step in our nearly 20-year history of uncommon partnerships.

EDF brings about lasting change not through confrontation but through constructive engagement with powerful market leaders. The environmental innovations we develop together can transform entire industries while improving profits.

We first worked with KKR in 2007 when we were invited to help draft the terms of the largest buyout in corporate history, the \$45 billion acquisition of Texas electric utility TXU. We in-

sisted on addressing global warming, which led the company to cancel its plans to build eight dirty coal plants. As Thomas Friedman wrote in *The New York Times*, "Every college activist should study this story."

In 2008, we took the partnership a giant step further. KKR sought our help to measure and improve environmental performance at key companies in its portfolio. It's the first time a nonprofit group is helping to green the portfolio of a private equity firm. The analytic tools we're developing will enable managers at companies like Toys "R" Us and U.S. Foodservice to assess and track improvements. We'll share the innovations with others to drive industry-wide change.

"Business-nonprofit partnerships are especially relevant today," says Bob Langert, McDonald's vice president for corporate social responsibility and one of our first partners. "We need to seek out experts like EDF. We simply don't know enough ourselves."

To spur change beyond our own partnerships, we assembled a team of experts to identify new green business practices for *Innovations Review*, a report on advances that are saving companies hundreds of millions of dollars. The 20 innovations range from large-scale telecommuting programs, which reduce business travel, to power purchase agreements, which let companies install solar power with no upfront capital costs.

At the *Innovations Review* launch in our San Francisco office, California Governor Arnold Schwarzenegger praised the initiative: "EDF recognized that 'business as usual' was changing," he told a roomful of CEOs. "And they created a new way to assess environmental innovation."

**▶ ONLINE:** See the Yale School of Management's multimedia case study of our role in the \$45 billion TXU buyout at [edf.org/txu08](http://edf.org/txu08). See more business innovations at [edf.org/innovations08](http://edf.org/innovations08).

1999

Bristol-Myers Squibb and EDF create MERGE, a computer program to help design better product packaging, later used by more than 100 companies.

2000

Seven of the world's largest corporations, including BP and DuPont, partner with EDF and set targets for reducing their greenhouse gas emissions.



2001

Working with us, Norm Thompson Outfitters switches all its catalogs to recycled paper. This sets a new standard for the catalog industry, inspiring companies like L.L. Bean and Dell to turn to recycled paper.



2002

With our help, BP meets its target for reducing greenhouse gas emissions eight years early, saving \$650 million in the process.



“Environmental Defense Fund is a valuable contributor to our effort to operate more sustainably, which means helping both the environment and our business.”

**Matt Kistler**

Senior vice president of sustainability, Wal-Mart Stores

Walmart  
Save money. Live better.

FedEx

## WAL-MART STEPS FORWARD ON SOLAR POWER New alliance with EDF focuses on next-generation technology

In 2008, the world's largest retailer introduced its biggest product ever: the Sun.

Wal-Mart began installing solar panels to generate electricity at up to

22 of its sites, another step toward its ambitious renewable energy goal.

Although Environmental Defense Fund has worked with Wal-Mart for years, our joint efforts really took

off when we opened an office by the company's Bentonville, AR, headquarters in 2006—the only environmental group to do so.

Since then, our team has been in ongoing conversations with Wal-Mart decision makers.

For solar power, we're helping Wal-Mart expand beyond conventional rigid panels. These are expensive and problematic in Northern states where many store roofs cannot handle the combined weight of solar panels and snow.

That got Wal-Mart interested in next-generation solar cells incorporated into flexible thin films, roofing materials or windows.

Flexible thin films can convert sunlight into electricity without the disadvantages of heavy solar panels.

We've jointly issued a challenge to solar suppliers for projects assessing innovative solar technologies at Wal-Mart sites around the country. Says our project manager Michelle Harvey: “Our goal is to shorten the time required to make the best new solar ideas commercially available.”

EDF is the sole environmental partner working with the retailer to accelerate the commercialization of more affordable and better solar technology.

Empowered by Wal-Mart's scale and commitment to sustainability and EDF's expertise in alternative energy, our partnership stands ready to guide a promising innovation from drawing board to reality.



## LEADING THE WAY IN CORPORATE-NONPROFIT PARTNERSHIPS

2003

Four of the nation's top poultry producers end virtually all antibiotic use in chickens after we convince McDonald's and others to set strict new standards for the poultry they buy.



Citigroup partners with us to switch all of its office operations to recycled paper and to reduce the paper used by its 130,000 employees.

2004

The first FedEx hybrid electric trucks hit the road, the product of EDF's initiative with FedEx and Eaton Corporation. A revolution in the delivery industry is underway.



EDF president Fred Krupp invites Wal-Mart CEO Lee Scott to the summit of Mt. Washington to discuss global warming. The meeting leads to a new partnership and ambitious environmental goals.



Environmental Defense Fund is named the #1 environmental group in a recent *Financial Times* global study of 850 business-nonprofit partnerships



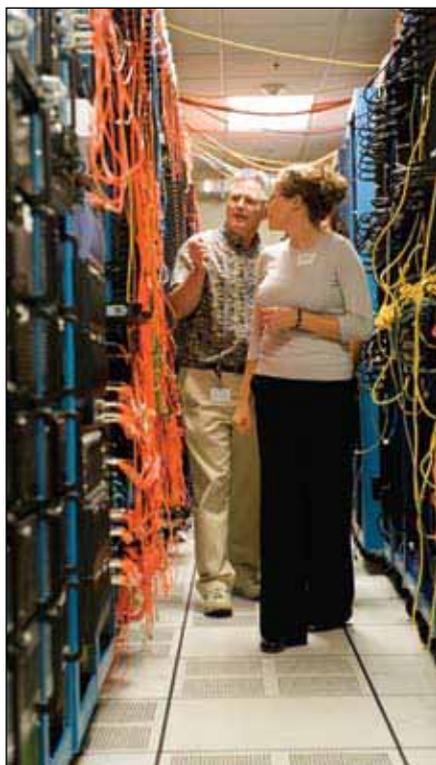
## AMERICA'S NEXT GENERATION OF CHIEF GREEN OFFICERS

Who will lead America's corporations into a sustainable future?

EDF recruited MBA students from top business schools and embedded them at companies like Cisco Systems and Yahoo with the mission of finding ways to save money through energy efficiency. One student, for example, discovered that Cisco could save \$24 million and reduce its carbon footprint dramatically over the next five years by installing smart power distribution units that automatically shut down machines not in use.

As project director Millie Chu Baird says, "We're putting the next generation of 'Chief Green Officers' to work."

**▶ ONLINE:** Watch our climate interns at work at [edf.org/climatecorps08](http://edf.org/climatecorps08)



## FEDEX HYBRID ELECTRIC TRUCK SPARKS A TRANSFORMATION

Consistently, the partnerships that Environmental Defense Fund builds with market leaders produce results that ripple through a whole business sector.

For example, aiming to transform the market for the 500,000 fuel-hungry midsize trucks that deliver America's goods, we first sought out an industry leader, FedEx Express. Together with FedEx and Eaton Corporation, we developed the world's first commercially successful hybrid delivery truck. It emits 96% less soot and 65% less smog-forming pollution, reduces greenhouse gas emissions by 33%—and goes approximately 50% farther on a gallon of fuel, so over time the improvements pay for themselves.

Today, the clean truck market has grown to 75 fleets including Coca-Cola and Purolator. The "Big Four" truck makers (Freightliner, International, Paccar and Volvo) are moving swiftly to meet rising demand for hybrid trucks of all sizes.

Thirty-seven models are now available, with more in the works. The transformation of the midsize truck market clearly is underway.

As FedEx Express president David Bronzek puts it: "The environmental and business gains signal a revolution in truck technology and have set a new industry standard — thanks to Environmental Defense Fund."

2005

Wegmans Food Markets partners with us to promote environmentally sound seafood through strict purchasing standards.



2007

The Advertising Council garners over \$100 million in donated ad time and space for our campaign to fight global warming.



2008

We help launch the U.S. Climate Action Partnership (USCAP), a coalition of nonprofit groups and 26 major companies from Alcoa to Xerox, all calling on Congress to cap global warming pollution.

Our scientists work with Wal-Mart on a plan to reduce plastic shopping bag waste an average of 33% per store by 2013, taking 9.4 billion bags out of the environment each year.

CISCO SYSTEMS

XEROX