



THE WAY FORWARD

2014 ANNUAL REPORT

Environmental Defense Fund's mission is to preserve the natural systems on which all life depends. Guided by science and economics, we find practical and lasting solutions to the most serious environmental problems.

LOOKING BACK ... LOOKING FORWARD

At Environmental Defense Fund, we recognize that our work requires perseverance and long-term commitment. The important advances won for the environment in 2014 resulted from the sustained efforts of EDF and others over many years—and we will need to remain vigilant to defend and build upon these gains in the years ahead.

Since the 1990s, EDF has relied on a series of five-year strategic plans to map out efforts on the scale needed to protect climate, oceans, ecosystems and health. This is the final year of one such plan and the gateway to the next. Our vision for 2015–2019 is captured in *Blueprint 2020*, a document you can find at edf.org/blueprint2020.

Taking stock, we are pleased to report that we are on track to attain many of the goals established in our previous plan in 2009, though not always in the way we had expected. It's not so easy to see five years down the road.

CLIMATE In our 2009 plan, we aimed to help put the U.S. on a path to reduce greenhouse gas emissions 17% by 2020 (compared to 2005). Today the country is on this path—but not by means of the legislation EDF had advocated.



That bill passed the House in 2009 but stalled out in the Senate. We then looked for other ways to achieve the same goal. Our 2020 target for U.S. emissions is still within reach, partly due to low natural gas prices but also thanks to advances including vehicle mileage standards, state-level actions and EPA's proposed Clean Power Plan—solutions that EDF and our allies helped move forward. We still need bigger cuts, so EDF has

launched a clean energy program that is dedicated to clearing away the regulatory and market obstacles that slow the transition to renewable energy.

On the global climate front, we have faced a persistent lack of progress toward an international agreement, one of our 2009 aims. Dramatic advances in a few

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large-emitting countries can help break the logjam. Already we are heartened by some bright spots, including China's launch of seven pilot carbon trading programs to address climate pollution and Brazil's success in reducing its Amazon deforestation rate by 70% in the past decade.

Building on this progress, Blueprint 2020 lays out a series of actions in several key countries that can reverse the rise of global greenhouse gas emissions within five years—which would be a remarkable reversal of the two-century-long trend of increasing emissions.

OCEANS In an effort to reduce the problem of overfishing, our 2009 plan aimed to bring 50% of U.S. federal fisheries into a powerful management program called catch shares by the end of 2014. We have exceeded that goal, having already reached the 65% mark.

Many fish populations are rebounding—Gulf of Mexico red snapper, one of our earliest catch share successes, has tripled in abundance. Far fewer fish are being wasted than under the old rules—80% less in the Pacific groundfish fishery—and fishermen are better off.

No wonder EDF was invited to work with fishermen and nonprofits in eight other countries to help adapt these methods to different cultures, laws and fishery conditions. This puts us well ahead of our 2009 goal to help bring catch shares to three more countries by 2014.

Buoyed by this success, we have set a goal in Blueprint 2020 to help bring sustainable fishing to one-third of the world's catch by 2020.

ECOSYSTEMS We have achieved many local successes on working lands since 2009. For example, we engaged farmers across the Midwest in cutting excess fertilizer that pollutes air and water, and we pioneered an exchange program where ranchers are paid to protect more wildlife habitat than is lost to development on lands nearby.

We were frustrated, however, by the difficulty of scaling up these local approaches to the level needed. So in Blueprint 2020, we will expand our work with corporate partners and economic incentives to accelerate these solutions. For example, companies like Campbell's Soup and General Mills will work with their suppliers to reduce excess use of fertilizer.

The 2010 BP Deepwater Horizon oil disaster put at risk more than three decades of efforts to restore coastal wetlands in Louisiana. So we worked with our sister organization, EDF Action (see p. 7) to help Congress pass a law directing 80% of BP's civil penalties to the Gulf Coast. The first payments of billions of dollars in civil and criminal penalties are changing the landscape of restoration as we begin to work at the scale needed to save these wetlands.

HEALTH Sulfur dioxide pollution from power plants has been cut 68% from 2005 levels, approaching the goal we set in 2009, while emissions of nitrogen oxides were halved and mercury was reduced substantially, as was air pollution from ships. Although we have not yet reached our goal to reform the obsolete Toxic Substances Control Act, the nation's main chemicals law, we made more progress in Congress and with retail partners than ever before, so this reform remains a goal in Blueprint 2020.

Since 2010, EDF has built a major effort focused on securing strong regulations to protect air, water and public health from impacts of oil and gas development and to reduce emissions of methane, a potent greenhouse gas, from the natural

gas supply chain (see p. 16). In Blueprint 2020, we are continuing to seek strong rules, enforcement and penalties for noncompliance.

The vital progress of the past five years has come about not through the work of EDF alone but through many groups' combined and independent efforts. This


will be even more true in the future. As we say in Blueprint 2020, no single entity can do all that is needed to address today's urgent environmental problems. But by working in partnership with many others, we can make a difference.

Thank you for your support, which makes our work possible.



Fred Krupp, *President*

Carl Ferenbach, *Chairman*

An aerial photograph showing a coastline with green land on the right and dark water on the left. The water appears to be a deep blue or black, contrasting with the vibrant green of the land. The perspective is from a high angle, looking down at the curve of the earth.

“One thing I’ve always liked about the Environmental Defense Fund is its hardheaded approach. Founded by scientists, it believes in data, not hysteria. It promotes market incentives to change behavior and isn’t afraid to work with industry. Utterly nonpartisan, it is oriented toward practical policy solutions.”

Joe Nocera

New York Times columnist

An aerial photograph of a lush green landscape, possibly a forest or park, with a bright sunburst effect emanating from the upper center. The sunburst consists of numerous rays of light radiating outwards, creating a dramatic and hopeful atmosphere. The text "Finding the ways that work" is overlaid in the lower right quadrant of the image.

**Finding the
ways that work**

A DIFFERENT KIND OF ENVIRONMENTAL ORGANIZATION

What if Ph.D. scientists, economists, MBAs and policy experts could work together to solve environmental problems? It's happening every day at Environmental Defense Fund.

The diverse skills that we apply to each environmental challenge create opportunities for alliances that produce lasting change.

“We are using networked sensors and other emerging technologies to ground the policy debate with strong data.”

Dr. Steven Hamburg
Chief scientist

“Environments are destroyed when markets fail to protect them. EDF and our allies help design markets that protect rather than destroy.”

Dr. Frank Convery
Chief economist

“Accepting no funding from our corporate partners frees us to set more aggressive goals and influence entire industries.”

Tom Murray
VP Corporate Partnerships

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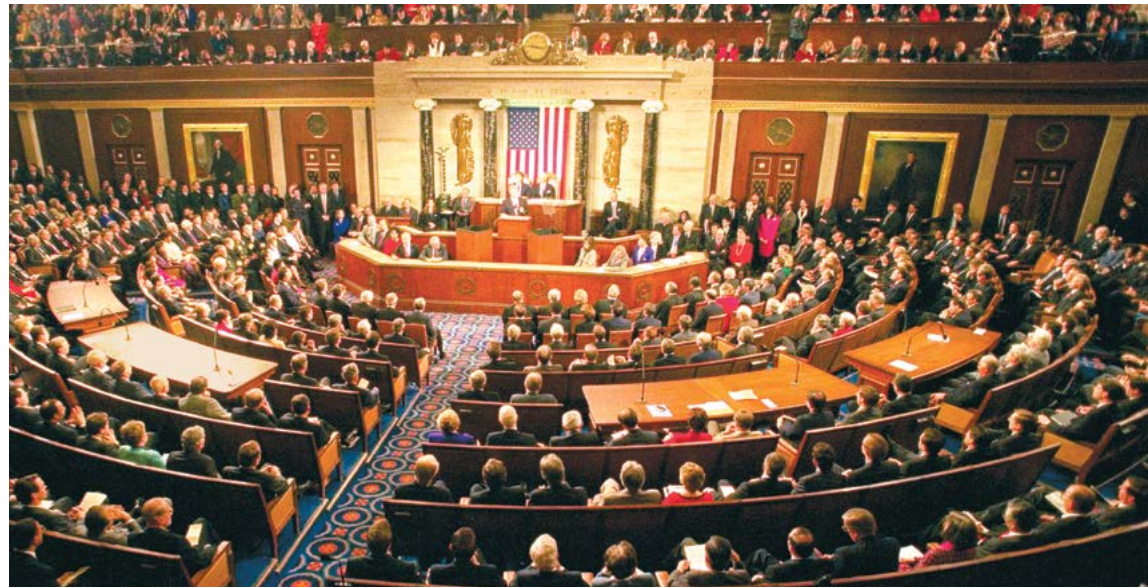


Tom Murray

REACHING ACROSS THE AISLE

Lasting environmental solutions result from having everyone pitch in, regardless of their political views. “That’s why we engage in policy advocacy that pushes both political parties to be better on our issues,” says Elizabeth Thompson, president of EDF Action, Environmental Defense Fund’s political advocacy partner. “Our strategy is even more essential now that the White House and Congress are controlled by different parties.” EDF Action is free to do things that EDF cannot, including unlimited lobbying of Congress. It does this by raising dollars that are not tax deductible.

EDF Action prevailed in 2014 when the House voted 223–185 to defeat an appropriations rider that would have banned expansion of catch shares, the management approach that has helped



fish stocks recover. Three years ago, a similar rider passed in the House by 100 votes. The turnabout was made possible by a strategy that included cultivating GOP champions and bringing fishermen to Washington to make their case.

This was just one of EDF Action’s 2014 victories. For Climate, it helped defeat legislative efforts to undermine EPA’s Clean Power Plan (see p. 10), and it defended Republicans in Kansas who were protecting state renewable energy standards. For Health, EDF Action helped advance reform of federal chemicals policy. For Ecosystems, it secured funding for wetlands protection.

Our Strategic Partners, a network of influential supporters, help deliver EDF’s message. Says Thompson: “Lawmakers listen to their supporters, and many in both parties want action on the environment. We amplify their voices.”

POLITICS



Elizabeth Thompson

**“Advancing smart policies
requires smart politics.
EDF’s Strategic Partners
help widen support on both
sides of the aisle.”**

Elizabeth Thompson
President, EDF Action

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EDF mourns the loss of two of our longtime trustees, James W. B. Benkard and Robert W. Wilson, who passed away during the last year.

Jim Benkard, an attorney known for his pro bono representation of defendants in death penalty cases, served on the board for more than 30 years. As chair of the board's litigation committee, he mentored a generation of EDF staff attorneys and led us to landmark legal victories.

Bob Wilson, a legendary investor and passionate environmentalist, made his first donation to EDF in 1970, in response to a *New York Times* advertisement. He served on the board for 25 years, and his generous challenge grants helped build EDF and inspired thousands to become supporters.

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Or contribute online at edf.org/donate.

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