RAINFOREST ACTION NETWORK

Is it possible to be a hopeful skeptic?

Because this might be a good way of describing our perspective at Rainforest Action Network (RAN). We look with a questioning eye on the policies and pronouncements put forth by today’s corporate executives. Our work to transform corporate behavior demands that we do. Yet, we must also carry great faith that these companies can be part of the solution — NOT JUST THE CAUSE OF THE PROBLEM — and lead a deep transformation to sustainable and equitable development.

As you read through this annual report, you’ll see many familiar categories: financial statements, a summary of programs, a list of staff, board members and donors, etc. However, between the photographs and statistics, you will also see an organization that plans, thinks and moves in a different way.

Our campaigns are designed to spur an honest conversation. A colleague once aptly described campaigning as “exercises in motivation.” Many companies, including Kinko’s, Goldman Sachs and others, made profound changes to their corporate practices after very little prompting from us. Others need more persuasion. We shouldn’t have to place ads, hold demonstrations, file shareholder resolutions and hang banners to prompt executives to do the right thing, but often we must. In the long run, our objective is to be collaborative and to embrace mutual solutions that address society’s biggest environmental challenges head on.

We strive to be PRAGMATICALLY REVOLUTIONARY — we firmly believe that fundamental change is necessary to make this a better world. We believe it’s time to unite around our highest ideals and harness the power of the marketplace to promote the basic notions of justice and sustainability, as Paul Hawken wrote in The Ecology of Commerce. But we also know that progress is measured with specific, tangible victories, so we’ve dedicated ourselves to prioritizing those sectors that need the most help.

Please join us. The environmental movement is in the early stages of a profound resurgence, and we’re finding allies in the unlikeliest of places. Although the signs of a warming climate are growing harder to ignore, there is legitimate reason for hope. Working together, movements of committed citizens have defeated apartheid, ended slavery, and upheld the rights of women to vote. Such movements continue to shift the paradigms that shape our worldview.

We have the potential to protect some of the planet’s last wild and pristine places. We can uphold indigenous rights, phase out of dirty fossil fuels, and rescue our climate from destabilization, but we must act now.

What do you have to lose? Join us.

Michael Brune: Executive Director
MAJOR ACCOMPLISHMENTS

TRANSFORMING THE FINANCIAL SECTOR

In 2000, RAN set out to introduce environmental ethics to the world’s largest and most influential corporate financial institutions. Four years later, Citigroup became the first multinational bank to adopt comprehensive environmental standards to guide its investment and lending operations. Over the next 16 months, RAN convinced Bank of America and JPMorgan Chase to adopt progressive new policies that support endangered forest protection and outline steps to address global climate change through their investment portfolios. RAN also has been instrumental in developing and refining the Equator Principles, a set of voluntary investment guidelines for social and environmental sustainability adopted by leading private-sector banks.

In November 2005, after close collaboration with RAN, Goldman Sachs became the first investment bank to adopt a comprehensive environmental policy. In addition to pledging to promote Forest Stewardship Council (FSC) certification and to “take the lead” in identifying investment opportunities in renewable energy, Goldman Sachs’ policy calls for urgent action by Congress and the White House to reduce greenhouse gas emissions nationally. The policy is both a clear indicator of the shifting paradigm on Wall Street as well as proof that banks can do well by doing good.

PRESERVING FIVE MILLION ACRES OF COASTAL RAINFOREST

After more than ten years of struggle and negotiation, the British Columbia government announced in February 2006 the completion of an historic agreement between several First Nations, environmentalists, governments, industries and local communities that will help protect one of the world’s largest intact areas of ancient temperate rainforest. The agreement protects five million acres of the Great Bear Rainforest from logging — an area twice the size of Yellowstone Park. The announcement also commits the B.C. government to enacting a more ecologically and socially sustainable model for regional communities — a critical step for the long-term viability of the agreement and a model we can replicate elsewhere.

The Great Bear Rainforest victory also reveals the long-term success of markets campaign strategies in leading to permanent protection of large areas in ecologically significant regions. RAN’s landmark campaign to convince Home Depot to adopt a policy eliminating the purchase of wood from endangered regions played a significant role in achieving this victory, which we are proud to share with dozens of other NGOs and thousands of volunteers, supporters and activists around the world.

RAN complements the efforts of our public policy allies by going directly to the companies and industries that have the greatest impact on the planet. We employ savvy media strategies, relentless grassroots organizing and sophisticated boardroom negotiating to create a formidable combination for any company to overcome. RAN also works directly in the environmental and social justice movements, collaborates with indigenous communities around the world, and creates alliances with sustainable business leaders and socially responsible investors. Together, we are creating an ecological u-turn that recognizes an intrinsic balance between economy and ecology.

Our time-tested, markets-based approach to grassroots activism has helped protect millions of acres of forests in Canada, Indonesia, Brazil, Chile and elsewhere. Our campaigns have convinced Citigroup, JPMorgan Chase, Goldman Sachs, Boise Cascade, Home Depot, Burger King and many others to adopt progressive environmental policies that set new best practices in their industries.
In 2004, RAN launched Wake Up Weyerhaeuser, a campaign to compel one of America’s worst forest exploiters to adopt a global policy that protects endangered forests and respects the rights of indigenous communities. Though it emphasizes the U.S. marketplace, the campaign is aimed at protecting the Canadian Boreal, a vast expanse of forests comprising 25% of the planet’s remaining ancient forests. A major focus of the campaign has been working directly with affected communities to demonstrate the tragic effects of Weyerhaeuser’s industrial logging on ecosystems and livelihoods.

2005-6 ACCOMPLISHMENTS

RAN worked closely with allies and residents of Saskatoon to turn the spotlight on Weyerhaeuser’s illegal and unsustainable logging operations, which included exceeding logging and road-building allowances as well as numerous violations and issues of non-compliance with certification standards. Prominent customers such as Xerox were targeted for their complicity in buying cheap paper from Weyerhaeuser mills within the province. The findings preceded months of mill closures and large scale layoffs of Weyerhaeuser workers throughout Saskatchewan, underscoring the human impact of Weyerhaeuser’s cut and run tactics.

In the months leading up to Weyerhaeuser’s Annual General Meeting in Federal Way, Wash., RAN began to work in close collaboration with Northern Ontario’s Grassy Narrows First Nation. Grassy Narrows has sustained the longest running indigenous logging blockade in Canadian history aimed at stopping Weyerhaeuser and Abitibi Consolidated from clear-cutting their land without consent. With the support of Grassy Narrows, RAN launched a new web site, FreeGrassy.org, and an online petition drive challenging Weyerhaeuser to respect the Grassy Narrows community’s right to defend its land. RAN then released American Dream: Native Nightmare, a report connecting new U.S. homes marketed as “BUILT GREEN” by Weyerhaeuser subsidiary Quadrant Homes to wood clear-cut without consent from treaty-protected indigenous territory within Canada’s threatened Boreal Forest. The report was complemented by an outdoor ad campaign unleashed on the streets of Seattle and in key cities throughout Canada that included life-sized aerial projections on prominent downtown Seattle buildings.

In April 2005, Grassy Narrows community members joined RAN in confronting Weyerhaeuser CEO Steve Rogel with a coalition of socially responsible investors, green-building leaders, organized labor and environmental and human rights organizations at Weyerhaeuser’s Annual General Meeting. Together, the groups challenged the world’s largest lumber company to adopt independent Forest Stewardship Council (FSC) certification, respect the rights of indigenous communities, and adopt a comprehensive environmental policy to protect endangered forests. RAN also led a walking tour of a Quadrant Homes lot, highlighting the link between so-called “GREEN” homes and environmental destruction and human rights violations in Grassy Narrows.
SAKHALIN II:
RAN’s work to prevent private sector banks from funding Royal Dutch/Shell’s Sakhalin II project—the largest and potentially most destructive oil and gas project in history—began with demonstrations aimed at the New York City headquarters of Credit Suisse First Boston and continued throughout the year. RAN and a global coalition staged demonstrations at CSFB headquarters around the world in support of indigenous blockades on Sakhalin Island in eastern Russia, where Shell’s project threatens the community’s cultural heritage and local economy. In addition to violating the Equator Principles, Sakhalin II will cause irreversible damage to the only known feeding ground of critically endangered Western Gray Whales.

Despite Shell’s announcement in July 2005 that the project costs would double to $20 billion, banks such as ABN Amro, a signatory to the Equator Principles, continued to court the mega-project. In May 2006, RAN, Pacific Environment and Sakhalin Environment Watch unleashed a full page ad in The Washington Post exposing ABN Amro’s environmental hypocrisy for bidding to fund Sakhalin II just as the bank was preparing to receive a so-called “environmental achievement” award from the industry-driven World Environment Center.

BANKS IN THE BOREAL:
RAN and ForestEthics sent letters to Canada’s five largest banks (Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Scotiabank and Toronto-Dominion Bank Financial Group) asking them to follow steps taken by leading U.S. banks and develop permanent policies that protect endangered forests, prevent climate change, and promote human rights.

In November 2005, the banks were targeted as part of an International Day of Action for the Canadian Boreal, highlighting their role in funding short-sighted industrial extraction like the MacKenzie Valley pipeline and the continued clear-cutting of the Trout Lake region by Weyerhaeuser Company.

In March, RAN and ForestEthics released TD Greenwash: Bankrupting the Future, a corporate irresponsibility report uncovering Toronto-Dominion’s poor environmental and social performance. The report was hand-delivered to shareholders attending the bank’s Annual General Meeting in Vancouver, exposing TD’s role in bankrolling contentious oil, gas and forestry operations throughout the Canadian Boreal.

Rainforest Action Network’s GLOBAL FINANCE CAMPAIGN works to redirect the global economic system away from environmentally and socially destructive activities and towards clean, sustainable and socially just alternatives. The successes of RAN’s Global Finance Campaign have led to billions of investment dollars being curtailed for destructive projects in ecologically sensitive regions around the world and have helped usher in a new era of sustainable investment. As a result, The Financial Times referred to RAN as “Rainmakers.” The campaign is currently focusing on leading U.S. banks such as Wells Fargo that continue to operate without any environmental or social safeguards for investment. RAN is also challenging several top Canadian banks that are funding destructive projects in the Boreal. Additionally, the Global Finance Campaign monitors compliance with existing policies and agreements such as the Equator Principles through our steering committee role with BankTrack, a close network of international allies tracking private sector investment.

HIGHLIGHTS
WELLS FARGO:
In October 2005, RAN launched its campaign against Wells Fargo by unfurling a giant banner from the roof of a hometown branch in San Francisco. The banner read: “WELLS FARGO: LOOTIN’ AND POLLUTIN’ SINCE 1852,” highlighting the megabank’s role as a top financier of destructive oil, coal, logging and mining operations.

Throughout the spring, RAN enlisted activists to perform weekly “round-ups” at Wells Fargo’s corporate headquarters in San Francisco’s financial district, educating employees and workers about Wells Fargo’s outdated lending practices.

In April, activists confronted CEO Richard Kovacevich at Wells Fargo’s Annual General Meeting in San Francisco for his role in funding Massey Energy’s mountaintop removal coal mining throughout Appalachia. Mountaintop removal is a highly destructive practice that severely impacts ecosystems, transforming some of the world’s most biologically diverse temperate forests into barren biological moonscapes.

Despite Shell’s announcement in July 2005 that the project costs would double to $20 billion, banks such as ABN Amro—a signatory to the Equator Principles—continued to court the mega-project. In May 2006, RAN, Pacific Environment and Sakhalin Environment Watch unleashed a full page ad in The Washington Post exposing ABN Amro’s environmental hypocrisy for bidding to fund Sakhalin II just as the bank was preparing to receive a so-called “environmental achievement” award from the industry-driven World Environment Center.
Launched by RAN, Global Exchange and The Ruckus Society in 2003, the JUMPSTART FORD CAMPAIGN has specifically targeted Ford Motor Company because the U.S. Environmental Protection Agency has consistently ranked the company at or near the bottom in overall fuel economy among major automakers. The campaign includes a diverse international network of environmental justice and human rights activists, including Iraq war veterans, oil-affected community representatives and victims of hurricanes fueled by global warming. With Ford’s economic future spiraling downward due to its chronic over-reliance on gas-guzzling SUVs and trucks, we are urging Ford to embrace a sustainable future by producing pollution-free, petroleum-free transportation.

ACCOMPLISHMENTS / HIGHLIGHTS

On July 4th weekend 2005, the Jumpstart Ford Campaign launched FreedomFromOil.com, an internet initiative asking Americans to send a message to then Ford CEO Bill Ford Jr. declaring their independence from oil. The campaign debuted its first flash animation as well as a series of provocative ads in The New York Times, USA TODAY and The Nation connecting Vice President Dick Cheney, Saudi Crown Prince Abdullah and Bill Ford Jr. to our national oil addiction.

Weeks later, our “ROAD TO DETROIT” project culminated in the delivery of 15,000 clean car pledges and 7,000 signatures from citizens declaring their independence from oil. For the first time, a local chapter of the United Autoworkers joined student activists to insist that Ford build “green cars, not gas guzzlers.”

Frustrated by a summer of sky-rocketing gas prices, a federal energy bill that gave Detroit automakers another free ride, and yet another EPA report ranking Ford dead last in fuel economy, activists in the United States, Canada and England staged an international “DAY OF INTERVENTION” with the goal of sobering up America’s most oil addicted automaker. Demonstrations outside Ford dealerships in 70 cities drew attention to Ford’s bottom-of-the-barrel fuel economy and countered Ford’s greenwashing TV ad campaign and empty promise to build 250,000 hybrids by 2010.

Ford then pushed its Way Forward, which consisted of mass worker layoffs at the same time that Kiplinger’s, Moody’s and Standard & Poor’s all blamed the company’s financial problems on bad decisions to push gas-guzzling SUVs while consumer demand for hybrids was at an all-time high. The Jumpstart Ford Campaign responded with a series of rolling actions: blockading Ford dealerships in Palo Alto, Los Angeles and Ft. Lauderdale, and calling on Ford to get serious about breaking its oil addiction by committing to produce more fuel efficient vehicles using existing technologies such as gasoline-optional, plug-in hybrid electric vehicles (PHEVs). The actions were aimed at pressuring car dealers in key auto markets to begin taking “soft orders” for PHEVs to show automakers that a market exists for the vehicles. In October 2006, AutoNation became the country’s first major car dealer to begin taking soft orders.
Rainforest Action Network established the Protect-an-Acre program in 1993 as a tool to protect the world's forests and the rights of their inhabitants by providing financial aid to traditionally under-funded organizations and communities in forest regions. The PAA program prioritizes grants to projects that secure specific and measurable tracts of forest for protection and are typically implemented by local forest communities, indigenous federations or non-governmental organizations. The PAA program is an integral part of RAN's dynamic approach to halt further destruction of the world's forests while supporting the livelihood of forest communities. PAA projects are designed to work in concert with RAN's primary campaigns to end old growth forest logging and oil projects in forest areas.

In the fiscal period of January 2005 to June 2006, PAA distributed nine grants for a total of $32,000. HIGHLIGHTS INCLUDE:

- A contribution to the Traditional U'wa Authority to enable U'wa president Berito Cobarí and Daris Cristancho to embark on a speaking tour of the United States, participate in a Congressional Briefing on Capitol Hill, and attend strategy meetings with NGOs and oil experts. Cobarí has served as the primary spokesperson for the U'wa in their international campaign against proposed oil drilling in the U'wa homeland, first by U.S.-based Occidental Petroleum and now by the Colombian company Ecopetrol. In 1998, Cobarí was awarded the prestigious Goldman Prize in recognition of his tireless work on behalf of his community despite numerous threats to his life.

- Assistance to Friends of Grassy Narrows to produce a series of public education and grassroots organizing events aimed at protecting forests and communities in northern Manitoba, Canada from a proposed mega-dam and associated hydro developments. The Wuskwatim dam would result in increased deforestation and flooding of First Nations communities throughout the region.

- Provided funds to Associação Xavante Wara, an indigenous organization that works to defend the Cerrado region of Brazil to support a national gathering of indigenous associations working to protect the most extensive woodland-savanna in South America from large scale agribusiness projects (mainly soya development). The Associação Xavante Wara was founded and is led by Xavante leaders working to protect the Cerrado and build Xavante community autonomy throughout the region.

Rainforest Action Network's Rainforests in the Classroom program educates and inspires students to take an active role in protecting rainforests. Our network includes more than 5,000 teachers providing educational opportunities for students around the world to perform Earth-friendly actions that make a difference. Our creative and innovative projects are designed to empower students and teachers to protect the Earth, and to encourage decision-makers to think about how their actions will affect future generations. Last year's highlights include:

- SAVE SANTA'S HOME / SAVE THE NORTH POLE HOLIDAY POSTER CONTEST calling on then Ford CEO Bill Ford Jr. to stop fueling global warming by building more fuel efficient cars.

- Building cross-cultural ties with a RAINFOREST PEN PAL PROGRAM, which connected students from classrooms in Dayton, Ohio to the Shipibo-Konobo community of Nuevo Egida in the Peruvian rainforest.

- The release of SALMON SALLY'S UPSTREAM SPRINT, an educational video game built in Flash and distributed on the Internet that demonstrates the plight of salmon making their way home upstream within the Great Bear Rainforest.

- SAVE THE TASMANIAN RAINFOREST EARTH DAY LETTER DRIVE targeting the destructive logging practices of Gunns Limited in the temperate rainforests of Tasmania.
In order to help protect Tasmania’s treasured forests, RAN launched a new campaign in early 2006 to bring worldwide attention to Gunns’ rogue logging practices. The campaign aims to leverage key paper purchasers and financial institutions to apply pressure on Gunns to discontinue sourcing from Tasmania’s rainforests. In our effort to bring worldwide attention to the growing movement to protect Tasmania’s forests, we launched the campaign with the debut of TreesNotGunns.org and an international day of action featuring demonstrations in London, New York, Washington DC, Houston, Los Angeles, San Francisco, Vancouver, and Tokyo.

RAN JAPAN

In 2005, RAN opened our first non-U.S.-based office in Tokyo to duplicate the success of our North American market-based work in Japan. Japan is Asia’s largest timber importer, and increased Japanese wood and paper consumption is driving deforestation in endangered forests throughout Southeast Asia. Japan is also home to several of the world’s largest banks, whose combined portfolios include many of the world’s most destructive investments. As a result, RAN has discovered many new opportunities to engage key targets in Japan and has activated new grassroots networks in the country. With over 80 percent of the wood logged from Tasmania’s endangered forests sent to Japan for paper consumption, RAN’s Japan operations have already proven central to our Tasmanian Forests Campaign. As our work continues to expand beyond U.S. borders, our operations in Japan will play a more extensive role across all of RAN’s campaigns in the coming years.

Tasmania is home to some of the world’s oldest and most unique temperate rainforests. The majestic Eucalyptus Regnans is the tallest hardwood tree species in the world and the planet’s tallest flowering plant. Sadly, Tasmania is also home to the lumber company, Gunns Limited. The Tasmania-based logging giant clear-cuts roughly 44 football fields of forest every day and has some of the worst logging practices in the world, according to the World Conservation Union (IUCN). Despite the fact that 85 percent of Australians support the protection of Tasmania’s forests, Gunns’ response has been to expand woodchip production and silence critics with multi-million dollar lawsuits that undermine free speech rights.
As our campaigns continue to grow and our vision becomes even bolder, the need for a stronger, more dynamic and diverse grassroots base has never been more evident. RAN has reinvested in our grassroots program creating a new organizing department dedicated to strategically growing and nurturing RAN’s activists and supporters across all campaigns. With the added support of this new team, we have expanded our online organizing program and instituted a series of training programs aimed at deepening individual activist skill sets. Increasing our level of engagement throughout each program area has enabled us to reach out to diverse new activist constituencies and to enlist the support of new RAN-affiliated grassroots groups throughout North America. Invigorating our grassroots is a priority at RAN, and we are excited about the impact of this effort not only on our campaigns but on the wider progressive movement.

President Bush’s State of the Union admission that “America is addicted to oil” fell far short of outlining any kind of recovery plan for our country. Having fallen under the influence of the oil and gas industry lobbies, our government and corporate leaders continue to lack the leadership and political will needed to conquer one of America’s greatest challenges: our climate, national security, economy and health are all threatened by America’s addiction to oil. Breaking this deadly addiction will require an unwavering commitment to change at every level of society. In order to meet this challenge, RAN launched a 12-STEP PROGRAM TO BREAK AMERICA’S OIL ADDICTION. Designed specifically to address the interrelated threats of oil addiction and climate change, the 12-Step Program creates the necessary framework for a concerted approach to meet these challenges within our lifetime.

SUPPORT AND REVENUE

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For a complete financial report by Ghaffari Zaragoza LLP, contact RAN’s Development Office.