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We are known as Friends of the Earth, but the organisation’s work and finances are split into two distinct companies:

Friends of the Earth Limited exists to protect and improve the environment, through influencing Government policy and business practice, inspiring individuals and communities to take personal and political action, and stimulating wide and intelligent debate.

Friends of the Earth Trust is committed to the conservation, protection and improvement of the environment. It undertakes research, education and publishing and provides an information service on environmental problems and solutions.

Friends of the Earth is:

○ the country’s most influential national environmental campaigning organisation
○ the most extensive environmental network in the world, with almost 1 million supporters across five continents and more than 70 national organisations worldwide
○ a unique network of campaigning local groups, working in more than 200 communities throughout England, Wales and Northern Ireland
○ dependent on individuals and charitable trusts for over 90 per cent of its income

Friends of the Earth Limited Board Members, November 2004: Sam Clarke (Chair), Dave Coleman, Phil Coombe, Tracy Fletcher, Mark Hammond, Mike Jacob, John Kenward, Cathy Maguire, Don Manhire, Julian Mellor, Vicky Phillips, Anthony Rae, Mike Seifert, Malcolm Shepherd.

Friends of the Earth Limited company number 1012357

Friends of the Earth Trust Board Members, November 2004: Mike Smyth (Chair), Roger Byrom, Mike Jacob, John Kenward, Alice Page, Vicky Phillips, Chris Rose

Friends of the Earth Trust registered charity number 281681, company number 1533942

Friends of the Earth inspires solutions to environmental problems, which make life better for people.
Climate change is the most urgent issue facing humanity. It requires global action now to prevent changes that could devastate the natural world, communities and economies. There is much that can be done and Friends of the Earth is working to ensure decisive action is taken by governments and industry right now.
Thank you for your generous support during 2003-04. Without it our work would not have been possible.


Many people are passionate about the environment but don’t know what they can do to protect it, at home or in the office, at school or in their communities.

Friends of the Earth gives people the means – the knowledge, skills and inspiration – to take everyday actions that can make a huge impact. Thousands of school children got involved in our Shout About Waste week this year, taking action to recycle and re-use more of what their schools throw away.

Tackling waste has been one of Friends of the Earth’s greatest successes this year. It’s only two years since we drew up the first drafts of the Bill. Our supporters sent tens of thousands of postcards supporting it to their MPs. Politicians of all parties supported the Bill, and praised Friends of the Earth’s role.

We know major change can only come about with long-term action by political and industrial leaders, especially to tackle climate change. Our unique ability to get results by helping people take action is matched by our ideas, analysis and research that put people and the environment at the heart of decision-making.

As you’ll see in the following pages our three key campaigns this year – tackling climate change, making companies more accountable, and on genetically-modified foods – have combined these approaches to achieve real change.

Also striking has been our work showing how the poorest communities are often those worst affected by problems like traffic and pollution. We call tackling this inequality “environmental justice”. It is a thread that runs through all of Friends of the Earth’s work.

Government is still a long way from recognising the clear links between protecting the environment and tackling poverty – in the UK and across the world. And there are yet more actions that individuals, communities and industry can take to reduce their negative impact on the natural world.

I hope this review illustrates how, with your support, we are addressing these challenges and making an impact together.

Tony Juniper
Chief Executive
Tackling the global threat of climate change needs to start at home. The UK is one of the worst emitters of the greenhouse gases that cause climate change. More than a third of our electricity is still produced by burning coal in dirty, inefficient power stations.

Friends of the Earth this year called on our Government to set an example by reducing pollution from our industries and our traffic levels, and by investing in cleaner ways of generating energy. We recognise that some renewable energy solutions, such as wind turbines, need to be sensitively sited. But they are preferable to polluting or dangerous fossil fuel and nuclear facilities.

Proof that we are being heard came this year as the Government announced a huge expansion of wind farms off the British coast, with the potential to produce power for one in six homes by 2010. The Government has proposed that 20 per cent of the UK’s energy should come from renewable sources by 2020, and that a massive cut in climate change-causing emissions is needed by 2050. These are significant breakthroughs as we have been highlighting these issues for many years.

Our work on genetically modified (GM) crops and food has been similarly successful. Our precautionary approach to GM, that such crops should be banned until they have been proved to be safe, is popular with local people concerned that GM could contaminate other crops. As a result of our information and a series of seminars for local authorities, more than 56 councils and national parks across the UK have now banned GM crops from being grown locally. Biotechnology giant Bayer shelved plans to introduce GM maize after we got the Government to hold a public hearing on the crop’s safety. Addressing global environmental issues, this year we also

- helped spearhead a coalition of organisations from 91 countries opposing US demands that Europe accept GM foods.
- supported developing countries at World Trade Organisation (WTO) talks in Cancun as they rejected new trade rules that would damage their economies and the environment.

"Friends of the Earth have proved tireless campaigners against the very real threat of climate change. Their expertise and knowledge on the subject have proved invaluable to politicians like me who wish to change human behaviour before time runs out.”

Norman Baker MP

Russia’s announcement that it intended to ratify the Kyoto climate treaty in October 2004 represents a major breakthrough in efforts to tackle climate change. In 2003-04 we lobbied Russia to ratify and called on Prime Minister Tony Blair to press Russian President Putin to sign.
Turning precious forest into cheap vegetable oil for Western markets is a prime example of global business working against the environment. More than 300 MPs now agree with Friends of the Earth that companies should be responsible for their environmental and social impact.

Villagers in the Niger Delta live with the impacts of the global energy industry – like oil spills and waste gas flaring. “We are demanding ecological restoration, so that when the oil is gone local people can rely on the land”, says Oronto Douglas of Friends of the Earth Nigeria – part of our international network of more than 70 national groups.
The business of change

From its earliest days Friends of the Earth has worked to make business and industry more responsible for their impact. At the heart of our work on corporate accountability is our call for stronger laws requiring companies to safeguard communities and the environment.

We can already point to successes in helping affected people hold companies to account.

As a result of our UK campaign to uncover the destructive impacts of the palm oil trade, campaigners in Indonesia are less likely to be threatened by militias protecting palm oil companies. They are more likely to get meetings with company executives on the issue. And they now know they are not alone.

Our report on oil giant Shell, *Behind the shine*, kept up the pressure on the company to tackle the pollution problems faced daily by people living next to its production sites.

Dibden Bay, in the New Forest, will continue to be a vital wintering site for rare populations of invertebrates and migrating birds for years to come, thanks to our work with a broad coalition of local residents and national groups opposing an ill-conceived business plan for a massive new commercial port.

We also helped secure tougher planning laws preventing out-of-town supermarkets from adding extra shopping floors without planning permission. A mezzanine free-for-all would have led to increased traffic and pollution and would have harmed local shops.

We are deepening and developing our campaign networks:

- Our new Community website is the UK’s first dedicated to community campaigning on environmental issues.
- Our magazine *Earthmatters* is read by more than 90,000 people, thousands of whom regularly take political and personal action as a result.

I have been involved in Indonesian issues for years, but was unaware of palm oil until it was brought to my attention by Friends of the Earth”

Win Griffiths MP, chair of the All-Party Group on Indonesia

Thousands of members of the public in 41 different countries emailed UK Trade and Industry Secretary Patricia Hewitt urging her to introduce legislation that would force UK-based palm oil-producing companies to behave more responsibly. That would mean a future for South East Asia’s forests, wildlife and people.
Friends of the Earth Limited

Friends of the Earth Limited is a campaigning organisation at the forefront of pushing for changes in the law and in Government policy, to protect the environment and promote environmental justice. We work within the law, inspiring individuals and communities to take personal and political action, and stimulate wide and intelligent debate in order to protect the environment and create a healthier and safer future for all.

We are enormously proud of the fact that more than 100,000 individuals help fund our work. They do this by committed regular giving, donations and introducing new supporters. This provides more than four fifths of funding for Friends of the Earth Limited’s work.

"Friends of the Earth focuses on key well-chosen issues, which maximises its impact. It is the leading, most consistently effective environmental organisation."

The Portobello Fund
These summarised figures may not contain sufficient information to allow a full understanding of the financial affairs of Friends of the Earth. For further information the full annual accounts, auditors’ reports and reports of the Directors and Trustees should be consulted. For contact details, please see back cover.

The accounts of Friends of the Earth Limited were approved by the Directors on 9 October 2004. The accounts of Friends of the Earth Trust were approved by the Trustees on 9 October 2004 and have been submitted to the Charity Commission. Both accounts were externally audited, both received an unqualified audit opinion and have been filed with the Registrar of Companies.

In our opinion, this summary financial information is consistent with the full accounts.

Friends of the Earth Trust

Friends of the Earth Trust is a leading research and education charity on environmental issues, publishing groundbreaking studies, high quality and accurate information and resource packs, and teaching materials. We provide a comprehensive environmental information service for the public, companies, local council staff, politicians, students and teachers.

Gift aided donations from individuals and grants from charitable trusts sustain this research and education work, which underpin our campaign successes.

We see climate change and global inequality as the two great challenges of our age and support organisations like Friends of the Earth because they co-operate to treat the underlying issues rather than just the symptoms.”

R H Southern Trust

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**Total income 2003-04 (Trust)**  
£3,008,418

**Expenditure**

- Research, information and education  
  £2,544,066
- Supporter recruitment  
  £218,272
- Fundraising  
  £203,645
- Management  
  £38,153

**Total expenditure 2003-04**  
£3,004,136

**Surplus**  
£4,282
Pupils from Riverston School in London won an audience with Environment Minister Elliott Morley after writing a rap about waste as part of Friends of the Earth’s Shout about waste week. Around 1,500 schools, representing 30,000 pupils, requested our free pack which provides resources for teaching children about waste and use of resources and what they can do to make a difference.

Our survey of high-street retailers, and the risky chemicals in the products they sell, exposed those selling everyday goods containing high levels of dangerous additives. The aim was to enable shoppers to make more informed decisions, and to encourage retailers to improve their practice.
Looking over the River Tees to the Corus steel works. The north east of England has seen more than its fair share of the negative impacts of manufacturing. This year we helped win justice for people in Hartlepool when they successfully challenged plans to dismantle 13 ageing ships from the United States amid concerns over potential threats to local health and wildlife.
Our experience suggests the best way to challenge environmental problems like pollution, destructive farming methods and climate change, is first to make sure people realise they're happening, then give them the means to do something to make a difference.

This year we exposed the dangerous levels of chemicals in the food we eat and the products we buy. Government figures show about half the fruit and vegetables sold in supermarkets contain traces of pesticides. Our Pesticides in supermarket food briefing charted the progress of nine top supermarkets in reducing the most dangerous chemicals from the food they sell. Breaking the pesticide chain revealed the Government's failure to co-ordinate or properly fund research on alternatives to chemicals for protecting crops. These might include natural predators or better agricultural management - but not enough research or promotion is being done to persuade farmers to use them.

Research like this not only challenges Government and companies to act, but helps consumers make positive choices about what they buy. Local campaigners and consumers reported that they had changed the way they shopped after reading our briefing on pesticides in supermarket foods.

This year we began to uncover the problems linked to palm oil production, a vegetable oil used in at least one in 10 everyday products, from toothpaste to mayonnaise. Our research among affected people in Indonesia and Malaysia revealed that palm oil production is a key cause of the world's tropical rainforest destruction, and threatens rare species such as the Sumatran tiger, the orangutan, and the Queen Alexandra Birdwing, the world's largest butterfly. It is also a key source of conflict in the growing areas.

We also published the first ever survey of the environmental footprint left by energy giant ExxonMobil, revealing the company's responsibility for around 5 per cent of global carbon dioxide emissions.

Our research this year revealed it would cost the Government just 5 per cent of its £180 billion transport budget over the next 10 years to make UK transport less damaging to the environment. More buses and trains, more and safer cycling lanes, and reducing car use would be less of a drain on public funds and significantly reduce pollution.

"Thanks so much for your help with my enquiry about wood. The good wood guide is brilliant and I will definitely recommend your Information Service to my friends."

Amy, one of 15,000 people who contact Friends of the Earth every year for advice on a wide range of issues.
The environment is not just about rainforests or rare species far away. It is on our own doorsteps. Hundreds of thousands of UK citizens are affected daily by pollution, traffic, poorly run waste sites and construction on green spaces.

Friends of the Earth responds to the needs of people working locally. Our research and information help communities assert their right to a safe, healthy future.

In Manchester we worked with local people in the city’s deprived boroughs to investigate how public transport could be improved for them. As a result of our report, Better buses and safer streets for Longsight, local people set up their own group to push for a better quality of life in their area. Already they have persuaded the transport authority to put on a new school bus from Longsight to Manchester Academy.

Friends of the Earth has been able to use its research to put new ideas to the Department for Transport on the links between transport and poverty in the UK.

In Teesside our research on the impact of a nearby chemical complex on local people’s quality of life led to residents forming a community group called Impact. We have provided training, resources and information to support their development, enabling them to set up their own air sampling process and generating dialogue with decision makers at the complex. Key to the project is building Impact’s skills and expertise so that it can become self-sustaining in the future.

We have also used innovative techniques to ensure communities are heard. By buying small numbers of company shares we enabled people from the UK, South Africa, Nigeria and the United States to attend shareholder meetings of companies that are harming their communities.

Through detailed and balanced research, and a commitment to consulting local people on their opinions and needs, Friends of the Earth has this year pursued one of our core aims: to empower and enable local people to achieve justice and equality on the environmental issues that affect them.

Friends of the Earth has had regular contact with supermarket chains, farmers and small business associations to encourage local production and purchasing of food. With them, we have drawn up a code of practice that would better protect the environment and health through supermarket purchasing policies. Our work continues towards getting the code implemented.

“I don’t see how it could be bettered. It’s a model of how a local consultation should be done.”

Gerald Kaufman MP, on our work on improving public transport in Manchester

Friends of the Earth Trust
July 2003: European Parliament votes in favour of allowing member states to take action to prevent GM contamination

July 2003: British Government announces the UK’s biggest ever expansion of wind farms

July 2003: More than 320 pesticides are removed from the European markets, after safety reviews

September 2003: Friends of the Earth presents its awards for bad practice in business at the Labour Party Conference

October 2003: Household Waste Recycling Bill, drafted by Friends of the Earth, is passed with widespread support

December 2003: Government announces electricity suppliers will have to source 15 per cent of their supplies from renewable energy sources by 2015

December 2003: Friends of the Earth secures an amendment to the Planning Bill to close a loophole used by supermarkets to massively expand their floor space using mezzanine floors

January 2004: Government announces targets limiting the amount of climate-changing carbon dioxide that can be emitted by industry

March 2004: MPs warn Government plans to allow an expansion in air travel will make it impossible to meet climate change targets

The cherished Blackdown Hills on the Devon-Somerset border are threatened by a proposed road scheme. Making sure there is proper public debate on such decisions is key to Friends of the Earth’s work to safeguard the environment for generations to come.
A year of political successes

The environmental movement has been one of the most important political forces in Britain in the past 20 years. From highlighting acid rain and river pollution, to the phasing out of chemicals that harm the ozone layer, Friends of the Earth has been key to many of these successes.

Our strength has always been that we listen to our supporters and the wider public about what concerns them, and then act at a local, national and international level to bring about change.

Future successes will depend on our continuing to work on global issues, while also acting locally. In a world ever more influenced by global companies, the rapid movement of money around the world, and international trade, our success will also depend on recognising that environmental problems are closely connected with those of economic development, human rights and social justice.

That’s why we want to work more with other organisations and campaign groups addressing these inter-linked issues.

This year alliances with organisations as diverse as the National Federation of Women’s Institutes, Citizens Advice Bureaus and trades unions have led to real successes. Linking with these organisations in our Way to Go campaign, for example, we were able to spread wider our vision of better public transport and less traffic pollution.

There are some clear opportunities for effective alliances this coming year – the British general election, and Britain’s presidency of the EU and G8 group of rich countries. It’s a crucial year in politics and we aim to make sure environmental issues are high on the agenda – and to give local supporters and others the means to make the environment and social justice core issues for politicians and voters of all hues. One of our main focuses will be the need for real steps to tackle climate change.

As the importance of environmental issues grows and grows, Friends of the Earth’s contribution becomes ever more important. It is a hugely influential and effective group and I am looking forward to helping it achieve even more in the future.”

Michael Meacher MP, former Environment Minister

Friends of the Earth is reaching a wider audience than ever before. Thousands and thousands are hearing our messages and taking steps to demand a better quality of life, to protect the environment and to create a cleaner, healthier future for all. With your continued support, Friends of the Earth is in a stronger position than ever to bring about real change.”
Friends of the Earth makes it possible for people like me to be heard. It has opened many doors, connecting me with people with similar struggles.”

Margie Richard, a mother living close to a Shell plant in Louisiana, United States, who teamed up with Friends of the Earth at Shell’s shareholder meeting to press the company to take responsibility for its impact on local communities.

Sakhalin oil and environment issues never had such press coverage before Friends of the Earth started to take part in the campaign.”

Dmitry Lisitsyn, chairman of the Russian campaign group Sakhalin Environment Watch, which is opposing a major new fossil fuel project in Russia’s far east that threatens the local ecology and fishing industry.

I dread to think what sort of world we would live in if organisations such as yours did not exist.”

Geoff Lilley, Hartlepool resident who worked to stop the dismantling of 13 decrepit US ships on the UK coast.

For information about opportunities to support Friends of the Earth’s vital work please contact:
Louise Shara, Fundraising Development Manager
Tel: 020 7566 1605 (direct line). Email: louises@foe.co.uk (direct email).

For more general information or environmental questions please contact:
Friends of the Earth’s Information Service Team on Freephone 0808 800 1111.