

The mission of the
Rainforest Alliance
is to protect ecosystems
and the people and
wildlife that depend on them
by transforming land-use
practices, business practices
and consumer behavior.

Il of us at the Rainforest Alliance take Ainspiration from the story of the Las Lajas coffee cooperative in El Salvador. When we first began working with the 380 cooperative members, they — like many coffee farmers in El Salvador — were cultivating beans beneath tropical trees that provide some of the last refuge for wildlife in this tiny Central American republic. But some five years ago, as the price for coffee fell around the world, forcing many small farmers to abandon their holdings, the Las Lajas cooperative sought Rainforest Alliance certification in the hopes that the certified seal would enable them to sell their coffee at a premium. The farmers stopped using dangerous pesticides, started soil conservation and recycling programs, upgraded housing, instituted regular training programs, improved the school and health clinic, planted thousands of seedlings, and in the spring of 2000, were awarded the Rainforest Alliance seal of certification.

Not only did the changes required by our certification standards make the Las Lajas farmland more sustainable, improve life for workers and their families, and enable them to sell their beans at a premium, but their new status piqued the interest of Kraft, which in 2003 began buying high quality beans from the cooperative.

Like many other communities with whom we work, the tale of how the Las Lajas farmers improved their lives and increased their livelihoods concretizes the lofty Millennium Development Goals set forth in 2000 and ratified by all 191 United Nations member states. Together, these eight goals form the framework for achieving a radical reduction in extreme world poverty, hunger, disease, environmental degradation and gender inequality.

In September, 2005, the UN member nations reconvened to review the world's progress toward meeting these goals. While it ranks seventh on the list and overall progress has been halting, we are encouraged that the goal of ensuring environmental sustainability is included in the framework. As Klaus Toepfer, executive director of the United Nations Environment Programme said, "[Sustainability] is not a luxury good, only affordable when all other problems have been solved. It is the oxygen that breathes life into all our aspirations for a healthier, fairer and more stable world."

Maintaining the world's environmental resources is not only essential for safeguarding the health and well-being of future generations. Environmental sustainability and biodiversity conservation also...

- promote a stable climate.
- help to control pollution.
- provide materials for food, shelter and medicine.
- are important for water and soil conservation.
- provide economic benefits.

...and do so much more that is vital not just to human beings but also to all other species on Earth.

From the beginning, the Rainforest Alliance has recognized that the economic, social and physical well-being of individuals and communities is inextricably linked to environmental conditions, and that the eradication of poverty is closely connected to conservation. Around the world, more than 500 million of the world's poorest people live in and around forested areas. For many of them, the most expedient — and sometimes only — way to eke out a living is through the sale of lumber or the clearing of their land for cattle grazing and other livestock. But in the long run, the land cannot support such short-sighted solutions, which is why the Rainforest Alliance works with farmers and foresters and hotel owners to use their land — and the water that flows through it — sustainably.

The progress of the Las Lajas farmers fills us with hope and pride. On the pages that follow, you will find dozens more examples of individuals and businesses, small and large, that are committed to the cause of sustainability. From a group of villagers in Sulawesi who have turned their homegrown teak trees into a thriving cottage industry that supports the purchase of books and healthcare services, to a cadre of small hotel owners in Latin America who are learning the ropes of running their businesses sustainably, to rural people of the Nepalese highlands who are harvesting medicinal plants from the wild while protecting their valuable resource from exploitation — we invite you to learn about them all ...and to be inspired.









# Land Use

The Rainforest Alliance works with individuals, communities and companies whose livelihoods depend on the land. Much of our work takes place in and around forested areas in some of the world's most fragile, beautiful and biodiverse landscapes.

ithout the incentive and the know-how to work the land sustainably, so that it continues to provide for them now and in perpetuity, many of the 500 million people who live in these areas believe they have little choice but to destroy natural resources. Working hand-in-hand with foresters, farmers and lodge owners, the Rainforest Alliance and our partner organizations are providing people with the skills, tools and motivation they need to be responsible land stewards.

### Sulawesi Sprouts a Homegrown **Teak Industry**

What started as an act of quiet rebellion by a group of disenfranchised villagers in Indonesia has sprouted into an economically viable, environmentally sustainable teak business, thanks to the group's resourcefulness, technical support from the Tropical Timber Trust and Forest Stewardship Council (FSC) certification by the Rainforest Alliance. In 1970, the Indonesian government appropriated large plots of land from villages in southwestern Sulawesi and planted them with teak. With few available options, the villagers began to slip into the plantations and log illegally. Several enterprising farmers, however, stashed a few seeds in their pockets to add to their own small family holdings. Today their homegrown teak trees have developed into a thriving business, yielding discretionary income for education, medicine, home construction, wedding ceremonies and pilgrimages to Mecca.

This year, the Koperasi Hutan Jaya Lestari community teak operation became the first forest cooperative in southwestern Indonesia to be awarded certification Rainforest Alliance /FSC certification.

By helping members maintain a reliable market for their harvest, certification has reduced illegal logging and the farmers are reaping the rewards of their investments. Their teak is selling at a healthy 25 to 100 percent premium, and the French retailer Castorama, owned by the British do-it-yourself company B&Q, is a cooperative customer.

### Lavazza Coffee Brews a Better Life for Coffee Farmers

In partnership with Lavazza, one of Italy's most popular coffee companies, the Rainforest Alliance's partner groups in the Sustainable Agriculture Network are working to improve the quality of life of farmers living in the remote highlands of Colombia, Honduras and Peru by preparing them to meet Rainforest Alliance certification standards. While they have always grown outstanding beans, these coffee-growing communities often had to struggle to make ends meet. With support from Lavazza and the exporting company VOLCAFE, they are receiving technical assistance so they can maximize consistency, enhance quality and improve efficiency.

Today, these coffee farmers are...

- protecting wildlife habitat.
- planting trees and protective buffer strips along streams.
- learning to combat pests without the use of dangerous chemicals.
- rebuilding dilapidated housing.
- replacing inefficient coffee mills with modern machines.
- composting organic wastes.

In celebration of the project, Lavazza launched "Tierra!," a new line of coffee that bears the Rainforest Alliance Certified seal of approval.

### Rainforest Alliance Study Deems Certification a Success

According to a comprehensive study by the Rainforest Alliance, the rapid growth of Rainforest Alliance/FSC certification has brought demonstrably beneficial results for the environment and for people. It has lead to measurable improvements in the protection of forests, wildlife and stakeholder rights worldwide, as well as to the long-term economic viability of forestry operations.

The study, entitled *The Global Impact of Forest Stewardship Council Certification*, analyzed the changes that the Rainforest Alliance's SmartWood program required of 129 forestry operations in 21 countries in order to comply with FSC standards. Clear and quantifiable improvements over a wide range of forest management issues were identified for all forests studied

Impacts included...

- better protection of aquatic and riparian areas, sensitive and high conservation value areas and threatened and endangered species.
- improvements in worker safety training.
- communication and conflict resolution with stakeholders.

The report also found that certification promoted...

- economic sustainability, including improved understanding of profitability and efficiency.
- greater accountability.
- transparency and compliance with laws.
- better management planning, monitoring and chain-ofcustody practices.

### Bolivia Takes the Lead in Forest Stewardship Council Certification by the Rainforest Alliance

Bolivia has more FSC certified forests than any other tropical country on Earth. thanks to its ongoing work with the Rainforest Alliance. Over the past ten years, the Rainforest Alliance has certified over five million acres (two million hectares) of the country's forestland, so that one guarter of Bolivia's managed forests now meet rigorous FSC standards. Most of the certified lands are owned by the Bolivian government and leased to private forestry companies. The workers employed by these companies regularly receive on-the-job training and are issued appropriate protective gear; the quality of their food and housing has improved substantially; and, with written legal contracts and the right to negotiate collectively, they feel more secure in their jobs.

# Community Forest Management in the Maya Biosphere Reserve

Northern Guatemala's community of Uaxactún lies within the Maya Biosphere Reserve, a 5.2 million-acre (2.11 million-hectare) expanse that harbors ancient Maya ruins, jaguars and tapirs. The Guatemalan government requires all logging operations within the reserve to be certified under the standards of the FSC, and like the reserve's other 14 forest concessions, Uaxactún chose certification by the Rainforest Alliance.

"Getting certified was pretty difficult," recalls community member Benedín García. "At the beginning. we felt inconvenienced. We said, 'we're poor and they want us to make these investments.' But in the long run, we realized that those changes were essential for improving our forest management and addressing the basic needs of our community." With the help of trained foresters, Uaxactún designed a management plan that restricts logging to one-third of the concession. In the rest of the concessions villagers collect marketable forest resources such as chiclé, allspice and xate palm.

In Carmelita, a community neighboring Uaxactún, xate harvesting is also Rainforest Alliance Certified. Residents gather the popular palm sustainably, so that it remains plentiful and a source of income. The Rainforest Alliance helped strike a deal that enabled villagers to sell their certified xate to Continental Floral Greens, a major international flower distributor. The San Antonio-based company agreed to buy 280 bundles of sustainably harvested xate palm each week, bringing in \$100,000 additional annual income to Carmelita and other communities. Attractive xate fronds are widely sold in flower shops as "jade palm" and are increasingly in demand.

Right: Maria Justina Llatas and her daughter Lucy dry coffee beans on their farm in Peru. The farm is part of an association started with the help of Pronatur, a local non-profit organization that works with farmers to improve their approach to farm management. Pronatur has promoted Rainforest Alliance certification since 2003.





### A Growing Supply of Framing Timber

The increase in FSC certified acreage in North America along with the expanding market for certified lumber has far-reaching implications for the home building sector, which accounts for two-thirds of the lumber consumption in the US, as well as for high-value forest habitats. Coinciding with the increase in certified wood is the growth of the US Green Building Council's Leadership in Energy and Environmental Design (LEED™) rating system, which provides national standards that are used to recognize achievement in sustainable building techniques. Under the LEED system, credit is given to buildings and designers using FSC certified wood. LEED standards apply to commercial and residential construction, and are increasingly being adopted by state and local governments as the standard for new construction.

A significant supplier of FSC certified wood is Tembec, a leading Canadian forest products company that is well on its way to gaining Rainforest Alliance certification for all 32 million acres (13 million hectares) of Canadian forest under its management. Each year, Tembec sells 20 million board feet of certified cut lumber in North America. In Arkansas, the Rainforest Alliance has certified nearly 1.5 million acres (600,000 hectares) owned by the Potlatch Corporation, bolstering the market for responsibly harvested southern yellow pine, the wood of choice for framing buildings. And in April, the Rainforest

Alliance certified some 1.5 million acres (600.000 million hectares) in 14 states managed by The Forestland Group. the world's only timberland investment management organization to preside over an entire portfolio that has met the terms of the FSC.

### Improving Village Life in Nepal

The highlanders of Nepal, whose villages are often located days away from the nearest road, rely primarily on plants for food, clothing, shelter and income. They collect, pack and dry medicinal plants and sell them to traders for export. The villagers typically sell their goods to exploitative medicinal herb traders, who encourage them to harvest as much as they can, while paying them poorly for their products. Once a plant supply runs out, the traders move on, leaving the villagers, who have destroyed their only source of livelihood, without much recourse.

Thanks to the work of the Nepal Non-Timber Forest Products Promotion Alliance, in January 2005, the Rainforest Alliance awarded FSC certification to the Federation of Community Forest User Groups, Nepal, whose members manage community forests and supply wild-crafted ingredients to the international natural products industry. The villagers' certified essential oils and handmade papers are now available in the US and England. The sale of these products is not only providing cash income, but the incentive for villagers to conserve their forests. To earn certification, the group was

required to identify, survey and adopt measures to protect wildlife. Since identifying three endangered species, including the cheer pheasant (Catreus wallichii) which they had been hunting and eating — the Nepalese villagers have become staunch conservationists. As Rainforest Alliance senior technical specialist Walter Smith points out, "Sometimes all it takes to garner support is a little education."

### **Russia Relies on Certification** to Protect Old-Growth Forests

Reaching from the Baltic Sea to the Pacific Ocean, Russia's forests cover 11 time zones and occupy some 26 percent of the world's forest area. The forested Arkhangelsk region in northwest Russia is larger than that of France and Germany combined and includes some of the last remaining stands of Europe's pristine old-growth forest. Sadly, the growing demand for timber fuels a substantial logging trade that threatens much of this area.

In May, three logging companies — Ust Pokshengskiy, Shalakushales and Velskoye LPP — that manage a total of 1,360,000 acres (550,000 hectares) — were certified by the Rainforest Alliance's partner group NEPCon for meeting the terms of the FSC. In order to comply with certification standards, the companies had to set aside protected areas and protect and monitor rare wildlife species including the Eurasian badger, the even-toothed shrew and the brown hare.

### **Certifying Small Landholders** and Cooperatives

For years, coffee farmer Felix Castañeda has worked as a volunteer health promoter in his community of Carrizal a collection of simple wooden homes at the end of a dirt road east of the ancient Incan city of Machu Pichu in northern Peru. Now Castañeda is promoting sustainable agriculture as a way to ensure the environmental health and development of this area, which lies within one of the most biologically rich regions on Earth, but has long suffered from widespread poverty.

Castañeda is one of 27 coffee farmers in Carrizal who have had their farms certified by the Rainforest Alliance over the past two years. In a dozen tropical countries, the Rainforest Alliance provides standards and incentives for farmers like Castañeda to manage their land in ways that benefit their families, their communities and nature. Coffee. which often grows beneath the shade of large trees, can play an important conservation role in the tropics, and Rainforest Alliance certification, which requires farmers to protect existing forest and plant native tree species, is having a positive impact on thousands of hectares of forest in Peru's Alto Mayo Valley.

Left: In January 2005, the Rainforest Alliance awarded the world's first certification for handmade paper to the Federation of Community Forest User Groups Nepal. Here, a villager lays the paper out to dry.

In neighboring Colombia's Santander region, Grupo Kachalu received certification for 67 out of its 77 small member farms. The certification was the result of a collaborative effort between the Rainforest Alliance, the Colombian Coffee Federation and the Rainforest Alliance's Bogota-based partner, Fundación Natura. The farms, which on average are about 25 acres (10 hectares) in size, surround a forest preserve that is a last redoubt of an endangered species of Andean oak. Eager to be good neighbors to the park, the farmers entered their lands into the Rainforest Alliance certification program. The farms themselves provide habitat for a rich diversity of birds and other wildlife. Studies conducted by the National Coffee Research Center in 2004 found 96 bird species in the Kachalu farm region, a population that the center attributes to the wide variety of native trees that shade the coffee.

## Increasing the Benefits of Forest Certification

The Landscape Initiative for Nature Conservation (LINC) Forest Partnership, a Rainforest Alliance program, is aimed at increasing the conservation benefits of forest certification in Vermont, New Hampshire, Maine and New York, as well as the Southern Appalachian regions of the United States. The three-year initiative, which concluded in June 2005, was founded on the idea that promoting sustainable forestry practices and certification in key areas could help expand critical habitats and protect larger intact areas of forest.

By the project's close, LINC had demonstrated that its innovative approach resulted in specific ecological and social benefits. For example, in the Northern Forest the area of Rainforest Alliance/FSC certified forest under strict reserve status increased by 90,050 acres, and the number of certified forest parcels adjacent to protected areas increased by 36 parcels. Contiguous forest areas under protection or sustainable management increased in size, providing increased ecological viability and improved riparian habitat. A large number of wood processors in the regions became certified and are now purchasing local certified wood. The number of employees at certified forestry operations increased by 1,044.

### **Conserving Cocoa-Growing Lands**

Some of the best cocoa on the planet grows on the humid coastal plains of Ecuador. Its floral and fruity aromas add the wow factor to fine chocolates. More than 10,000 families living near the coastal city of Guayaquil depend on their small plots of cocoa trees. Since 1997, Rainforest Alliance partner group Conservación y Desarrollo (C&D) has worked with five communities to help them get a better price for their cocoa while conserving the remarkable biodiversity in the farms and remaining forest patches. Because cocoa grows in forests, the crop is naturally eco-friendly. C&D biologists have recorded long lists of rare species on the farms, from endemic monkeys to endangered frogs.

C&D helped the farmers organize into associations so that they could share resources and increase their bargaining power. The conservationists developed a cheap solar dryer system for the cocoa, allowing every family to increase the quality and value of their crop. The farmers do not have other income sources, so they often sell their aromatic beans to the first buyer who offers hard cash. In response, C&D recruited CitiBank and the Boston-based green lender EcoLogic Finance, which created a revolving fund allowing the coop itself to buy the cocoa at a fair price.

According to cooperative organizer Victor Chacón, the benefits in health, education and income have been significant, but the most important change is that the self-esteem of the farmers has increased as they begin to take control of their own affairs

Pierrick Chouard, founder of echocolates.com, has embraced these communities for both the high quality of their cocoa and their commitment to sustainability. Rainforest Alliance Certified Plantations Arriba chocolate is now used by top pastry chefs at many fine restaurants, including New York's Les Halles, Daniel and The Waldorf Astoria. It is available at retail and gourmet shops across the country, including Fog City News in California, Zingerman's in Michigan and Zabar's in New York City.





# More Milestones



As of June 30, 2005, the Rainforest Alliance's had certified a total of 377.852 acres (152,917 hectares). The tropical farmlands are sustainably producing bananas, coffee, cocoa, citrus and ferns.

Bowing to pressure from supermarkets to protect against possible tainting, oxidation and leakage, many vintners throughout California, Europe, South America and South Africa are replacing their natural cork with synthetics. In doing so, they are endangering one of the last natural forest ecosystems in Western Europe, and along with it, an economy and culture that has grown up around cork farming over thousands of years. In an effort to conserve the cork-producing regions of Spain and Portugal, the Rainforest Alliance awarded its first certification for sustainable management of cork forests. 2,254 acres (912 hectares) of cork land managed by Fruticor a group of small land owners and managers in the Alentejo cork region of Portugal — have been certified by the Rainforest Alliance for meeting the terms of the Forest Stewardship Council (FSC) for responsible management.

All of Lithuania's state-owned forests have now been certified by the Rainforest Alliance's partner, NEPCon, which means that 14 state forest enterprises, covering a total of 2,470,966 acres (one

million hectares), now meet FSC standards. State forests in Lithuania account for nearly half of the country's forest areas.



The Eco-Index (www.eco-index.org), the Rainforest Alliance-managed, trilingual online library of conservation initiatives, news stories and interviews, was expanded to include detailed descriptions of more than 800 projects of some 500 NGOs throughout Latin America and the Caribbean. An average of 40,000 visits are paid to the Eco-Index each month by conservationists, researchers, donors and students eager to learn how to best conserve biodiversity while benefiting local residents in the Neotropics.

In order to increase the presence of certified sustainable coffee in the marketplace and to promote production practices that protect biodiversity and improve the economic well-being of coffee farmers and workers, the Rainforest Alliance and its partner members of the Sustainable Agriculture Network (SAN) are working with selected coffee companies across five Latin American countries to transform the way that coffee is sourced Financed by the Global Environment Facility (GEF) through the United Nations Development Programme (UNDP), the seven-year project is scheduled to begin in early 2006. By its end, we anticipate that participating coffee companies will have purchased between one and five percent of their total coffee supplies from our certified producers, tripling the volume of current Rainforest Alliance Certified coffee and

representing a significant increase in the total volume of certified coffee globally.





In March of 2004, the Rainforest Alliance brought together 48 representatives of grassroots groups from Costa Rica, Nicaragua and Panama for "Conservation Dialoques," held over two days in Costa Rica. All of the participants manage biodiversity conservation projects that receive support from the Critical Ecosystem Partnership Fund (CEPF). The topics discussed included monitoring and evaluation of the projects and their impact on biodiversity; defining project sustainability in environmental, social and financial terms; and how best to communicate their achievements to local stakeholders.

### Sustainable Agriculture Network Partners

The Rainforest Alliance is the international secretariat of the Sustainable Agriculture Network (SAN), a coalition of leading conservation groups that links responsible farmers with conscientious consumers by means of the Rainforest Alliance Certified seal of approval.

Conservación y Desarrollo — ECUADOR Fundación Interamericana de Investigación Tropical (FIIT) — GUATEMALA Instituto de Manejo e Certificação Florestal e Agrícola (IMAFLORA) — BRAZIL Instituto Para La Cooperación y Autodesarrollo (ICADE) — HONDURAS Fundación Natura — COLOMBIA Nepenthes — DENMARK ProNatura Chiapas A.C. — MEXICO SalvaNATURA — EL SALVADOR Toledo Institute for Development and the Environment (TIDE) — BELIZE

### **Forestry Partners**

The Rainforest Alliance maintains formal partnerships with leading nonprofit organizations, which provide invaluable local knowledge and expertise and work with us to provide certification services. They include...

Institute for Agricultural and Forestry Management and Certification (IMAFLORA) — BRAZIL Nature, Ecology and People Consult (NEPCon) — DENMARK

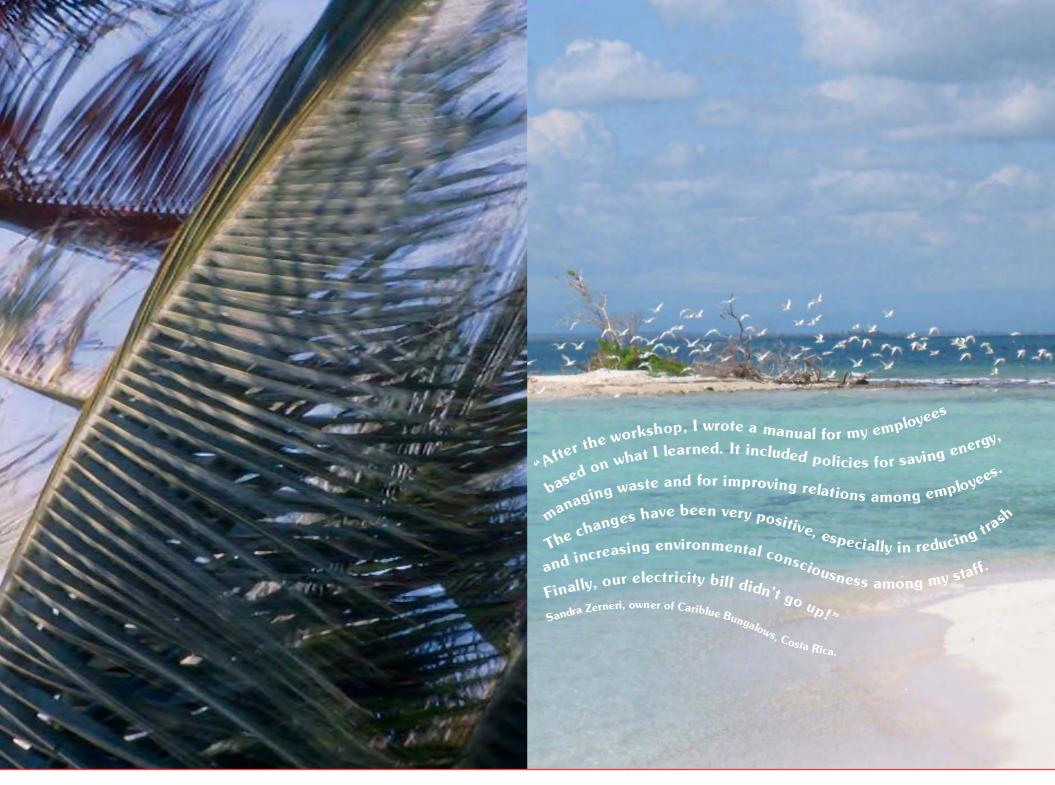
### **Worldwide Offices**

With the extension of the Rainforest Alliance's reach across the globe, we continue to increase our on-the-ground presence with new regional and international offices.

Worldwide Offices: Bolivia • Costa Rica • Guatemala • Indonesia • Mexico • The Netherlands • Spain United States: California • Minnesota • New York • Oregon • Vermont

Right: Representatives from the nonprofit group Pronatur check the quality of Felix Castañeda's Rainforest Alliance Certified coffee.





# **Business Practices**

As the public brings its environmental and social concerns to market, the business community in the US and around the world is responding by integrating the triple bottom line into its corporate decision-making.

This approach, based on environmental, economic and social considerations, is central to sustainability and key to Rainforest Alliance certification. We not only help companies and producers to build their businesses on solid, sustainable foundations, but to bring their goods and services to a rapidly growing number of conscientious consumers.

### **Japanese Bow to Sustainable Wood** and Beverages

In a culture traditionally given to sipping tea rather than swigging coffee, and to greeting the morning with soup, instead of orange juice, the Rainforest Alliance certification seal may soon become another time-honored tradition. Both in agriculture and in forestry, Rainforest Alliance certification is securing a market niche in Japan, appealing to consumers' concerns with nature, purity and traceability.

For the past five years, the Rainforest Alliance has been working with forestry cooperatives and prefectural forest managers throughout the island nation to improve management practices. More recently, the program has shifted its focus to chain-of-custody certification for sawmills, traditional log home builders, furniture makers and producers of household items such as wooden sandals and bookshelves. Among countries that depend upon imported wood, the growth of certification in Japan has been faster in the past two years than anywhere else in the world.

Concurrent with Japan's interest in certified forestry is the growth of Rainforest Alliance Certified agricultural products in that country, particularly coffee. Last year, Ueshima Coffee Company (UCC), Asia's leading coffee roaster, began to source Rainforest Alliance Certified beans from Nueva Granada, a certified farm in Guatemala, and Los Nogales, a certified farm in El Salvador, through the commodities trading firms Itochu Corporation and Kanematsu Corporation.

The latest Rainforest Alliance Certified product developed under the UCC brand is orange juice from Del Oro, a sustainable orchard in Guanacaste, Costa Rica. Lying adjacent to a national park, the orange grove provides a buffer zone between the protected forest and treeless cattle pasture, and reflects the potential for the harmonious coexistence of farmland and conservation areas.

### Certified Paper Grows by Reams and Bounds

The pulp and paper industry is the single largest industrial consumer of forests worldwide. Each year, more than 300 million tons of paper are produced around the world — over 70 percent of it derived from ecologically valuable, biologically diverse forests. Leading the world in paper consumption is the US, where every individual consumes an average of 730 pounds of paper per year. Given this voracious consumption of paper, the Rainforest Alliance is particularly proud of our work promoting the use of sustainably produced pulp.

This year Domtar, the third largest paper producer in North America, launched a new family of socially and environmentally responsible papers known as Domtar EarthChoice®. Each of the 13 papers in the Domtar Earth-Choice product line has been certified by the Rainforest Alliance to meet the strict environmental and social standards of the Forest Stewardship Council (FSC). FSC chain-of-custody certification tracks paper all along the supply chain, from the forests where the trees are harvested to the retail store, ensuring that it is produced in accordance with strict criteria. Domtar manages 18 million acres (seven million hectares) of forestland in Canada and the US, owns 11 paper mills and produces lumber and other wood products in addition to paper. The company plans to seek certification for all of the land it manages by the end of 2006.

Unisource, the largest privately-held paper distributor in the US, is also working to make responsibly produced paper a mainstream choice. The company was awarded Rainforest Alliance/FSC certification for its largest fine paper division, located in Addison, Illinois. Unisource-Addision purchases paper from mills including Domtar, Neenah Paper, Mohawk and Finch, Pruyn, all companies whose pulp comes from forests that meet the Rainforest Alliance's rigorous standards for environmental and social responsibility.

### Guatemala Roundtable Reaps Record Wood Orders

International wood brokers and representatives of communities and companies managing forest concessions in northern Guatemala came together in March and struck deals that promise to strengthen both sustainable forest management and community development. The productive encounter was organized by the Certified Sustainable Products Alliance — a partnership of United States Agency for International Development (USAID), the Rainforest Alliance and more than a dozen communities and companies seeking to increase the sales and benefits of certified forest products, bananas and coffee in Mexico and Central America (see page 20). Wood brokers and builders from the United States, Australia, Germany and Guatemala placed orders for certified lumber and wood products from 11 communities and two companies that together manage 1.1 million acres (461,000 hectares) of forest in the Maya Biosphere Reserve.

Companies including Global Building Products, International Specialties, EarthSource, Selva Verde and North American Wood Products ordered shipping containers of milled lumber, floor boards, decking, wheel barrel handles and guitar parts. Because these orders were for milled lumber and finished products, they are more lucrative for local communities than logs would be. The Rainforest Alliance has helped communities in the region set up their own mills, while working to facilitate

their market access and provide them with technical assistance aimed primarily at cutting waste and complying with market demands.

# Gauging Development's Impact on Brazil Nut Trees

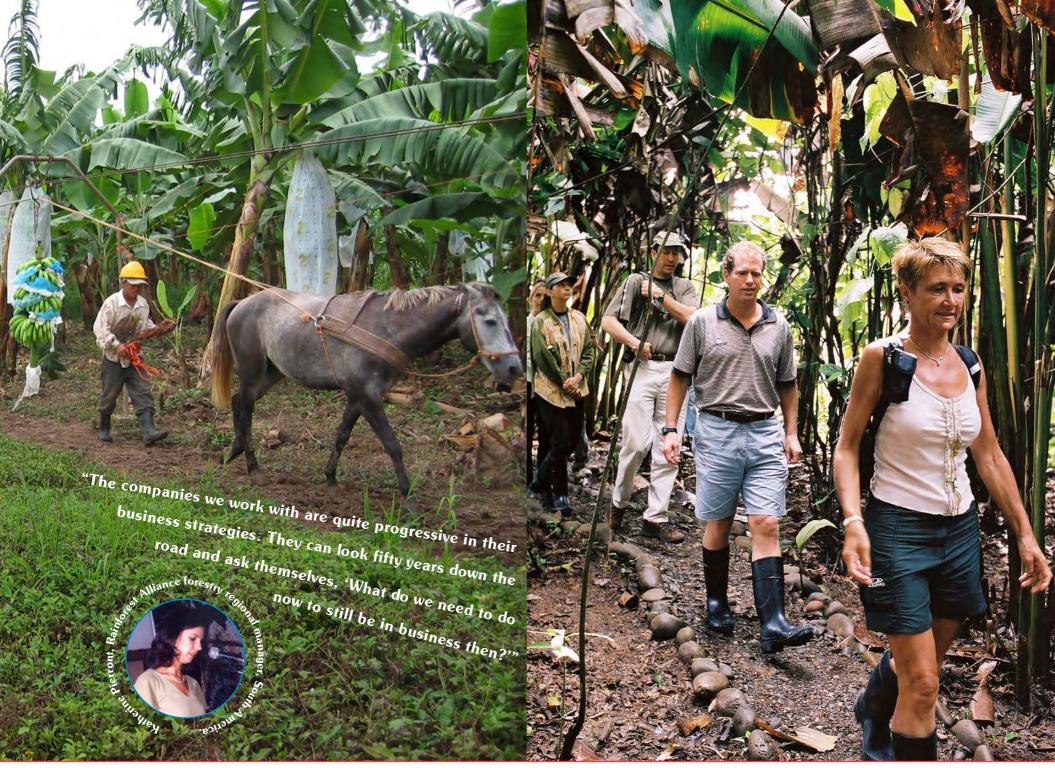
With the support of Elysabeth Kleinhans, the Rainforest Alliance provides funds to further research on the sustainable management of tropical resources. In support of our efforts to transform business practices, Kleinhans Fellows investigate the ecological, social and business challenges for successful nontimber forest product (NTFP) enterprises. For the past ten years, both NGOs and governments have been encouraging the development of NTFPs as a way to slow down tropical deforestation and improve the lives of local people.

The 2005–2007 Kleinhans Fellow, Amy Duchelle, is studying the production of Brazil nuts in the face of major landscape changes in the Western Amazon. She will examine how majestic Brazil nut trees are affected by the construction of the Transoceanic Highway. This new road promises to have a major impact on the region, by linking the Amazon river port of Assis in Brazil with Pacific Ocean ports in Peru.

# Tools and Training for Tourism Entrepreneurs

Tourism is among the world's largest and fastest growing industries, with 760 million people traveling annually. Unregulated, this extensive globe-trotting can lead to such serious problems as uncontrolled visitation to natural sites and protected areas, the displacement of local people and wildlife, pollution, and a lack of respectful behavior towards local cultures. But by providing local entrepreneurs and communities with the incentive to protect biodiversity and cultural traditions — and the knowhow required to run their businesses sustainably — tourism is a potentially powerful conservation tool.

Toward this end, the Rainforest Alliance is providing training and technical assistance on environmentally and socially sound management, certification standards and marketing to trainers, small and medium tourism entrepreneurs and community-based businesses in Latin America. Workshops and seminars are currently held in Belize, Costa Rica, Ecuador and Guatemala — countries where biodiversity is a tourist draw, but is also particularly vulnerable to stress and degradation. The project's goal is to prepare businesses in these countries to comply with tourism certification requirements in order to make them more efficient, responsible and profitable. As of June 2005, 471 participants had attended 14 seminars and workshops.



# Tour Operators Commit, Communities and Travelers Benefit

Among the strongest allies in the Rainforest Alliance's quest to make the tourism industry more sustainable are tour operators themselves, which is why we are encouraging operators in Guatemala, Belize, Costa Rica and Ecuador to sign cooperative agreements with us. The agreements commit tour operators to motivate their affiliated businesses to join them in conserving biodiversity and reducing tourism's negative impacts. Once business owners who work with tour operators agree to pursue a sustainable course, the Rainforest Alliance organizes seminars and workshops to help them begin to incorporate environmentally, socially, economically and culturally responsible practices. In return, the tour operators encourage tourists to choose the lodges and businesses that have received training and made changes.

### Farm and Forestry Training

A growing cadre of agronomists, foresters and biologists work on several continents to determine whether farms and forestry operations comply with the standards of the Forest Stewardship Council (FSC). Early on, most learned the ropes of Rainforest Alliance/FSC certification by accompanying experienced auditors on site visits and through a few short

workshops. As part of a concerted effort to improve, standardize and expand our training capabilities, the Rainforest Alliance has developed a series of formal training modules. For agriculture, we offer an introductory course, a workshop that prepares experienced auditors to train new recruits, and a course for extensionists, who help small farmers make the improvements necessary to comply with Rainforest Alliance standards. In the past year, the Rainforest Alliance has trained more than 35 new auditors, prepared dozens of auditor trainers and graduated more than 175 extensionists. These innovations allow the Rainforest Alliance and our local partner conservation groups to respond to the growing demand for certified products, while expanding our efforts to infuse ecologically friendly and socially just practices into agriculture and forestry around the world.

Since June of 2004, the Rainforest Alliance forestry program has trained more than 1,100 consulting foresters, group managers and other professionals at 72 international events ranging from collaborations with the University of Vermont's School of Forestry to workshops for members of rural indigenous cooperatives in Guatemala. The Rainforest Alliance also offers online e-learning to help people access learning remotely.

### Sustainable Farming, Smart Business

Farm families are quick to recognize the benefits of protecting the environment and conserving the natural resources — such as healthy soils and clean water — on which they so closely depend. But like all good entrepreneurs, the first question that many farmers ask about the Rainforest Alliance Certified program is: "How much does it cost and what will be my return?"

The costs of making improvements can be considerable. According to a study done this year on the large banana farms typical of Central America, producers may spend \$60,000 to \$80,000 to meet the Rainforest Alliance Certified standards. These investments are usually recouped in a few years, as certified farms are more efficient, safer and have lower operating costs.

On coffee farms, which are typically small in most Latin American countries, the cost of making the changes may be low. In fact, some ecofriendly practices — such as allowing volunteer tree seedlings to grow rather than whacking them with a machete — don't cost anything at all. Significant costs may come in controlling pollution, developing training and safety programs for workers, rebuilding housing, packing plants and other infrastructure, reforestation, increasing wages to workers and the cost of the farm inspections.

The benefits are more difficult to measure and may take time to accrue, but farmers report cost savings in reduced agrochemical use, recycling, fewer accidents, less labor turnover, longer equipment life and the efficiencies of a better trained workforce. On banana, cocoa and coffee farms, production and quality often improve, directly adding to the farmer's bottom line. A coffee farmer in Nicaragua reports that the savings from better farm management allowed him to recoup the costs of meeting the standards in 18 months.

The most important benefits of the certification process, according to farmers, are less tangible but just as important, and include improved confidence, better relations with workers, buyers, neighbors and local communities, as well as heightened optimism due to feeling more in control over one's own destiny.

# More Milestones



In early 2005, Kraft Foods CEO Roger Deromedi and three senior vice presidents — Mark Berlind, Doug Burns and Paul Carothers — visited two Rainforest Alliance Certified coffee farms in El Salvador to better understand how our program works. Accompanied by Rainforest Alliance executive director Tensie Whelan, chief of agriculture Chris Wille and Juan Marco Alvarez, director of the Salvadoran environmental group

SalvaNATURA, the group visited the estate farm of Los Nogales and the Las Lajas cooperative. Kraft has committed to increasing its purchases of Rainforest Alliance Certified coffee in El Salvador and the region, and has already purchased 13 million lbs (6 million kilos) of the certified beans.

The largest home improvement retailer in Europe,  $\mathbb{R}$  has signed an agreement with the Rainforest Alliance to verify that all the timber products the company stocks in key UK stores will come from sustainably managed forests. Under the agreement, Rainforest Alliance auditors will work with B&O to track lumber and wood products from the sales floors of its major stores back to the forests that provided the wood.

An increasing number of corporations, representing millions of investors, are printing their annual and corporate social responsibility reports on Forest Stewardship Council certified paper. They include JP Morgan, Citigroup, Johnson & Johnson, McDonald's, Nike and the HSBC Bank.

In response to the growing market demand for certified flooring, plywood and building materials, as well as paper and paper products, the Rainforest Alliance published a new series of "SmartGuides" that provide sourcing information for architects, home designers, builders and others looking for Forest Stewardship Council certified products. The guide is available at www.rainforest-alliance.org/greenbuilding.



Through a new partnership with the Rainforest Alliance, the Minneapolis-based Caribou Coffee Co. — the nation's second largest non-franchised coffee house chain — announced its support of sustainably produced coffee and the communities and farms in coffee growing lands. In June, a farm in Guatemala's highlands became the first Caribou supplier to be certified. By the end of 2008, half of all the coffee purchased by Caribou will come from Rainforest Alliance Certified farms.



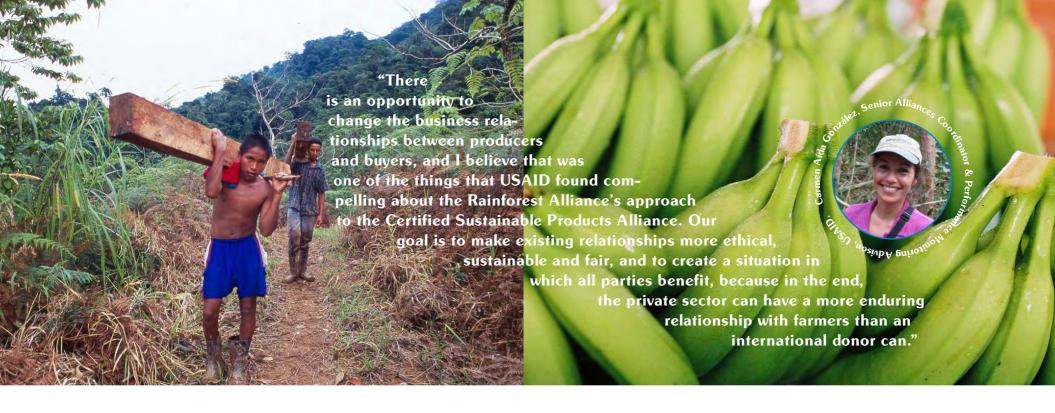
Matthew Algie, one of the UK's leading independent coffee roasters, is buying Rainforest Alliance Certified coffee from Honduras for its Tiki Café brand. The coffee is grown by two certified coop-

eratives near Sierra de Agalta and La Tigra National Parks. The shade coffee farms provide habitat for guetzals, guans and other endangered wildlife. La Tigra, located 7 miles (11 kilometers) from Tegucigalpa, provides nearly 40 percent of the city's drinking water.

Governing Through Markets (Forest Certification and the Emergence of Non-State Authority), a new book co-authored by the Rainforest Alliance's Deanna Newsom, won the 2005 Sprout Award for being the best new work on international environmental policy and politics. The book explores the emergence of marketdriven conservation programs, such as sustainable forestry certification, to address global environmental challenges.

### Mayorga Coffee Roasters

a US company that works closely with farmers to ensure a high-quality, fresh roasted product, is now selling its Rainforest Alliance Certified coffees at its own retail locations, through its online store and at Costco stores in the northeast US.



### Making Markets Work for the Environment and Local Communities

The Certified Sustainable Products Alliance (CSPA) is a collaboration of the United States Agency for International Development (USAID), the Rainforest Alliance, its partners in the Sustainable Agriculture Network and more than two dozen companies, including Gibson Guitars, Green Mountain Coffee Roasters and Procter & Gamble. The goal of this three-year effort is to increase the supply, demand and value of sustainably

produced timber, bananas and coffee from Central America and Mexico. By strengthening the competitiveness and sustainability of forest management and agricultural enterprises, this innovative alliance intends to raise living standards in rural communities, improve protection of the region's natural resources and catalyze new trade and investment.

The project's goals include certifying 300,000 acres (122,000 hectares) of forest and farmland and facilitating the sale at premium prices of 13,000 tons of coffee, 90 million boxes of bananas and four million board feet of wood products. During the project's first year, the number of certified farms and forestry operations in Mexico and Central America grew at an unprecedented pace. The area of Rainforest Alliance Certified

coffee farms doubled to cover more than 77,000 acres (31,000 hectares) by June of 2005. Sales of certified coffee increased at a comparable rate, with several major US roasters sourcing certified coffee in the region for the first time and the food and beverage giant Kraft more than doubling its certified coffee purchases in the CSPA countries to 6.4 million pounds (nearly three million kilos).

Top left: The wood extracted from this Rainforest Alliance Certified forest in Santiaguito, Honduras will be used to make furniture for a major European retailer.

Right: Ecotourists survey the Galapagos landscape. The Rainforest Alliance collaborates with nonprofit partner Conservación y Desarollo to ensure that tourists treat this fragile island ecosystem with respect.



# "The American public is changing its attitude about purchasing. Consumers are becoming increasingly aware, and demanding to know that the products personal values of social and environmental respo<mark>nsibility.</mark>

# Ziehier ons nieuw vriendje.



# Changing Consumer Behavior

Awarded to companies, communities and cooperatives that meet a host of rigorous standards for protecting the land and providing for workers, our Rainforest Alliance Certified seal assures consumers that the goods they purchase result from sound environmental and social practices.

rom bananas to beams, coffee to cabinetry and furniture to ferns, our seal can be found on a growing number of farm and forest products. Through our publications. Web site, media outreach efforts and educational curricula for teachers, we are reaching consumers so they understand how Rainforest Alliance certification can make a profound difference in communities and landscapes around the world.

### Farm to Table: Closing the Circle

The objectives of our Sustainable Agriculture program are clean, healthy, productive farms that support happy families and thriving wildlife. But the motor for the program is market demand. Around the world and in growing numbers, people do care about the workers and wildlife on farms that grow their groceries. By selecting Rainforest Alliance Certified goods, shoppers can send a positive message to farmers.

Recognition of the Rainforest Alliance Certified seal ballooned this year, thanks to a steady drumbeat of news coverage and large releases of bananas and coffee sporting the green frog. Chiquita tested the seal on bananas in Switzerland and then developed a marketing campaign for Europe based on the certification.

This was a momentous decision for Chiquita, which had been investing in farm improvements, a code of ethics and other efforts for 13 years. The company wanted a rock-solid record of achievement before taking the message to their banana-buying customers. During the fall, the famous "Ms. Chiquita" logo got a companion: the Rainforest Alliance frog. Now, the seal of approval is seen on 50 million bananas every week in hundreds of stores in nine European countries.

After years of preparation, Kraft coffee brands in the United Kingdom (Kenco), France (Jacques Vabre), Sweden (Gevalia) and Germany (Jacobs) introduced 100 percent Rainforest Alliance Certified lines, giving the choice of sustainable good taste to countless coffee cuppers in those countries. The largest coffee roaster in Japan, Ueshima Coffee Company, developed several certified preparations — from restaurant servings to ready-to-drink cans for vending machines now available in hundreds of outlets throughout the country.

### **Improving Coffee Taste and Quality**

Careful care of the land and good treatment of workers not only creates a sustainable farm, but also a superior product. At three international coffee competitions this year, Rainforest Alliance Certified coffees were winners, proving that coffee grown in a way that's good for the planet also tastes great.

Troels Overdal Poulsen, a master coffee brewer from Denmark, won first place in the 2005 World Barista Championship with a 100 percent Rainforest Alliance Certified coffee from Daterra, the first Rainforest Alliance Certified farm in Brazil.

Left: A Dutch advertisement for Rainforest Alliance Certified Chiquita brand bananas that appeared in the Netherlands in the summer of 2005.

In two Internet coffee auctions controlled by the Coffee Quality Institute, where coffees are judged by an international jury for a total possible score of 100, all Rainforest Alliance Certified coffees submitted for evaluation ranked above 80, which means they all achieved status as "specialty coffee" — the top grade in the world.

At the Rainforest Alliance's second annual Cupping for Quality event, where only Rainforest Alliance Certified coffees were evaluated, experts sampled more than 38 brews in blind taste tests; all coffees submitted achieved the coveted specialty status.

# Going Bananas Over the New Middle School Curriculum

In collaboration with Project Learning Tree, an environmental education program of the American Forest Foundation, the Rainforest Alliance has expanded its online Learning Site with new lessons geared for seventh and eighth grade students. Their focus: banana production in Honduras. Each year, in lunchboxes, with sundaes and in fruit shakes, people around the globe consume more than 55 million tons of bananas — enough to make the banana the world's most popular fruit. "By tracing the journey of bananas from tropical farms to their breakfast tables, students learn about the origin of one of their favorite foods and how they are connected to ecosystems and cultures that may seem very distant," explains Julianne Schrader, Rainforest Alliance education manager. Using a multi-disciplinary approach, the curriculum gives students a global perspective on the importance of protecting the world's natural resources, along with an understanding of the social and cultural context of environmentalism.

### **Anyone Can Adopt-A-Rainforest**

"Nine year-old Diego Daguier says that if he became president of the United States, the rainforest would be a top policy issue."

Tampa Tribune, May 17, 2005

Through the Adopt-A-Rainforest program, school groups and other organizations can contribute to conservation groups that are working to stop local rainforest destruction in tropical countries. The on-the-ground conservation projects that serve as the basis for the Rainforest Alliance's Learning Site are the same as those supported by Adopt-A-Rainforest. This unique relationship gives students the opportunity to directly support the grassroots groups they are studying, as well as monitor the progress of their conservation initiatives. For example, after learning about the rainforest, Diego Daguier and his classmates at the Anderson Elementary School in Tampa, Florida were inspired to design puzzles, t-shirts, calendars

and displays, which they sold at a school benefit in support of Adopt-A-Rainforest. This year, Adopt-A-Rainforest contributions went to the support of El Salvador's Bosque El Imposible Rainforest, a national parkland that is managed by Rainforest Alliance partner SalvaNATURA and is considered the most important natural area in the country. Donations also went toward reforestation, trail building and community monitoring of illegal poaching in the Maya Mountain Marine Corridor wildlands in southern Belize.

### The Environment is the Message

The breadth of the Rainforest Alliance's work was reflected in the diversity of media coverage we received this year, much of which was achieved through targeted outreach. Our achievements were highlighted in mainstream US outlets including Newsweek, Time Magazine and CNN; major US dailies such as The New York Times, The Washington Post and the Chicago Tribune; business publications such as Forbes and the Financial Times; environmental outlets such as E Magazine, ENN and Audubon; and lifestyle magazines such as Condé Nast Traveler and Chow. Outside the US, we also continued to garner strong coverage in outlets in more than 15 countries, including Costa Rica's La Nación, Italy's La Cucina Italiana. England's The Guardian, Germany's Stuttgarter Nachrichten, Canada's Toronto Star and Australia's Sydney

Morning Herald, as well as generous coverage in trade publications worldwide. Our media outreach efforts have not only brought public awareness to the efforts of the Rainforest Alliance and its partners, but have helped to build and reinforce industry supply chains and provide consumers with tools to make responsible choices with regard to the environment, workers and communities. In addition to our media outreach, the Rainforest Alliance brings reporters to see our work in the field, giving them the opportunity to see for themselves our work on the ground.

Right: Known for its outstanding social programs, Daterra was the first coffee farm in Brazil to be certified by the Rainforest Alliance. The farm has implemented a massive tree-planting campaign.



### **How Can Consumers Change the World?**

By Buying Products Bearing the Rainforest Alliance Certified Seal.

As of June 2005, the Rainforest Alliance had certified 70 million acres (28.2 million hectares) of farm and forest land, benefiting millions of people and countless plant and wildlife species in more than 40 countries.

Thousands of farm and forest owners and cooperative members, many of whom live in the world's poorest and most biodiverse countries, have improved their standards of living, thanks to the sales of their Rainforest Alliance Certified crops and lumber. Their children are receiving health care and education. Workers and their communities are learning how to conserve their resources. They are planting trees, recycling garbage, reducing pesticide use and protecting wildlife habitat.

Rainforest Alliance Certified food and wood products are available in tens of thousands of retail stores around the world and on hundreds of Web sites, giving legions of caring consumers the chance to directly help people and the planet. The Rainforest Alliance has trained nearly 3,000 people who work for tourism businesses in seven countries. As secretariat of the Sustainable Tourism Certification Network of the Americas, we are helping tourism businesses in Latin America become certified as sustainable.

As consumers grow more concerned about the effect of their purchases on the planet and more conscientious as a result, the Rainforest Alliance certification seal is becoming synonymous in their minds with a healthier Earth

and a better future. To find products bearing the Rainforest Alliance Certified Seal, please visit www.rainforest-alliance.org/marketplace. To find out where you can take a memorable and sustainable vacation, visit www.rainforest-alliance.org/ecotravel.





RAINFOREST ALLIANCE 15th ANNUAL GALA









Top left: Ted Allen of TV's Queer Eye for the Straight Guy, Luis Pascoal of Daterra
Top right: Santiago Dunn of Ecoventura speaks at a conference for honorees held the day of the gala
Middle left: Daniel Katz, Board Chair; Catherine Ludden; Eric Rothenberg, Board Member
Middle right: Henry Juszkiewicz, Board Member; Ted Allen
Bottom: Kerri A. Smith, Board Member; Cliff Robertson; Tensie Whelan; Gina Seau; John Warner

We are immensely grateful to our individual members, foundation and government funders, corporate partners and in-kind donors for their support. They make our work possible, and their continued generosity is invaluable as we further our mission and expand the reach of our programs. There are many exciting ways to support the Rainforest Alliance, including:

### **Canopy Associates**

With a gift of \$1,000 or more, you become a Canopy Associate and join a network of individuals committed to providing vital support for the Rainforest Alliance's conservation activities. As a Canopy Associate you will be invited to special events, environmental briefings and eco-trips.

### **Corporate Partners**

We partner with corporations in a number of ways, from workplace giving campaigns to cause-related promotional programs. While helping your company find ways to contribute to our conservation work, we also provide you with a powerful way to reach out to your clients and employees.

### Planned Giving: Making the Rainforest Alliance Part of Your Legacy

A planned gift is a lasting way to ensure the future of the Rainforest Alliance's effective global conservation programs, while furthering your financial goals. Planned gifts include any donation that is integrated with your personal financial and estate planning.

We would like to recognize the following individuals for establishing planned gifts with the Rainforest Alliance:

Lynn Caporale Elysabeth Kleinhans
Dr. Karl Fossum DeNyse Pinkerton

Ilse Holliday

#### **Annual and Endowed Funds**

This year the Rainforest Alliance established an Annual and Endowed Funds program, which allows donors to underwrite a program, project, division or directorship of the organization for a full year of operation or for perpetuity. These funds place donors among a prominent group of stewards leading the way for the future of the Rainforest Alliance's sustainable world vision.

We would like to thank Karin and Alan Wilzig for their generosity, pioneering spirit and establishment of The Karin and Alan Wilzig Annual Fund. It was through their initiative that we launched the Rainforest Alliance Annual and Endowed Fund Program.

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Elan Organic Coffees / Karen Cebreros Equinox Fitness

Evergreen America Corporation F. Gaviña & Sons, Inc. / Steve Ruiz Fuii Photo Film U.S.A., Inc.

Fundación Corcovado Gamut Bistro Gan Inc

Gibson Musical Instruments

Lisa Giunta Gotham Comedy Club Green Mountain Coffee Roasters

Sulvia Heisel Herbal Essences Jane Restaurant

Java City / Shawn Hamilton John Wilev & Sons Kenneth Cole Productions Kiehl's Since 1851

Kraft Foods Inc. L.L. Bean, Inc. La Nación

Lake Quinault Lodge Landmark's Sunshine Cinema Late Show with David Letterman Beth Lien

Live with Regis and Kelly at WABC-TV Magus Entertainment, Inc.

Make A Better Place Make Up For Ever

Manhattan Beer Distributors Mannic Productions

Maximus Spa/Salons

MaxMara MAXX. NEW YORK

Melanie Votaw Nature and

Wildlife Photography Mendocino Brewing Company

Metamorphosis Day Spa Michael C. Fina Company

Mohawk Paper Mills

Montrachet

Beata Moon / Composer and Pianist Mike Mordell / Universal Forest Products

National Baseball Hall of Fame Natural Selection Bath and Body

Neenah Paper

New Age Health Spa Newman's Own Organics

Odegard Inc.

Pacific Event Productions Paratore Audio-Visual, Inc.

Patagonia Peiu Province Perlier Kelemata Piedras y Pretties Jewelry by

Sarah K. Sweeney

Porto Rico Importing Company Provecto FODESTUR de la Cooperación

Técnica Alemana GTZ Putumayo World Music Rebecca Kelly Ballet Rodale Institute

Rodale Press Eric Rothenberg and Catherine Ludden

SeaWorld San Diego Serafina Broadway Serendipity 3

Sidney Frank Importing Company, Inc. Sierra Nevada Brewing Company

Silk Studio, Inc.

Specialty Coffee Association of America / Ted Lingle and Joseph Rivera SQN Communications Design, Inc. Starbucks Coffee Company

Fawn Stehlin Stortz Lighting Pamela Sunday Surdna Foundation

Susan's Coffee and Tea / Linda Smithers

Tao Restaurant

The Daily Show with Jon Stewart

The Four Seasons Restaurant The John Barrett Salon at Bergdorf Goodman The Lowell Hotel, New York The Mural Factory / Cindy Avroch

The Myriad Restaurant Group The New York Mets

The Perseus Books Group The River Café Tiffany & Co. Christopher Totman

Twisted Limb Paperworks Vintage Chocolate Imports / Pierrick Chouard

Way Out Wax Candles Tensie Whelan Tom Wirtshafter

Wood-U-Believe / Bob Bouvier

### **Summary of Activities**

For Fiscal Years ending June 30, 2004 and 2005

Support and Revenue	2005	2004
Fee for Services	4,526,856	3,391,067
Foundations / Corporations / Gov	t 2,255,435	1,747,444
Membership / Contributions	1,455,748	1,211,919
Special Events	646,231	646,838
Government	3,496,090	1,579,201
Other	97,365	306,737
	12,477,725	8,883,206

### **Expenses**

Change in Net Assets	533,580	342,753
	11,944,145	8,540,453
Management / General	195,158	134,171
Fundraising	764,342	739,295
Program	10,984,645	7,666,987

### **Summary of Net Assets**

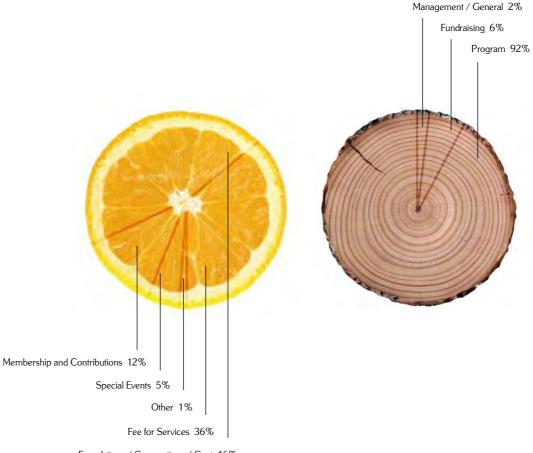
Total Net Assets	269,682	(260,281)
Temporarily Restricted	1,451,643	1,660,448
${\color{red}Unrestricted-Recoverable\ Grant}^*$	(2,466,750)	(2,500,000)
Unrestricted	1,288,405	236,518

<sup>\*</sup>In 1999, the Ford Foundation and John D. and Catherine T. MacArthur Foundation made a combined investment of \$2.5M to support the expansion of the Rainforest Alliance Smartwood program. Beginning in FY2005, these recoverable grants are being repaid in annual installments, gradually reducing this negative fund balance back toward zero.

### Financials at a Glance

Fiscal Year 2005 Revenue

Fiscal Year 2005 Expenses



Foundations / Corporations / Govt 46%

# Financial Overview

#### **Board of Directors Fiscal Year 2005**

Daniel R. Katz, BOARD CHAIR Labeeb Abboud, VICE CHAIR

Bert Aerts Robert M. Hallman Martha Rubin Kerri A. Smith Diane Jukofsky\* Peter M. Schulte Dr. Noel Brown Henry E. Juszkiewicz Martin Tandler Karen M. Clark Sudhakar Kesavan Jacqueline Weld Drake Jacqueline Weld Drake Mary Stuart Masterson Chris Wille\* Karl Fossum, M.D. Mary Williams Anthony Rodale Wendy Gordon Eric Rothenberg Alan Wilzig

> Henry P. Davison II, EMERITUS Patricia J. Scharlin, EMERITUS Judith Sulzberger, M.D. EMERITUS

#### **Credits**

EDITOR: Carol Goodstein
EDITORIAL ASSISTANT: Eryn Loeb

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Page 5: David Dudenhoefer; Page 6: Steffen Thalemann, Tropical Forest Trust; Page 9: PhotoDisc, Julianne Schrader, David Dudenhoefer;

Page 10: Sarah O'Braitis, Liza Murphy; Pg 11: Jonathan Labozzetta, Rainforest Alliance, Lisa Giunta, David Dudenhoefer;

Page 13: David Dudenhoefer; Page 14: Chris Wille, Labeeb Abboud; Page 17: ICADE, Steffen Thalemann, Rainforest Alliance;

Page 19: Rainforest Alliance; Page 20: David Dudenhoefer, Julianne Schrader; Page 21: Rainforest Alliance;

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We thank Domtar for their generous support through the donation of this paper.

The paper used in this report is produced from raw materials that are certified by the Rainforest Alliance, to the standards of the Forest Stewardship Council (FSC). The FSC is an independent nonprofit organization devoted to encouraging the responsible management of the world's forests.

FSC sets high standards that ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way. Landowners and companies that sell timber or forest products seek certification as a way to verify to consumers that they have practiced forestry consistent with FSC standards.

Soy-based inks were not used, because soybean production is a leading cause of rainforest destruction.

For information about the Rainforest Alliance's programs and achievements, please visit www.rainforest-alliance.org.



<sup>\*</sup> Non-voting member, also serves on Rainforest Alliance staff.