

NRDC 2012

Sustainability Report



SUSTAINABILITY AS AN ETHICAL IMPERATIVE

For decades, the Natural Resources Defense Council (NRDC) has worked to establish sustainability and good stewardship of the Earth as central moral tenets of human society. The nation's most effective environmental action organization, NRDC has helped establish policies that regulate those who would harm our planet and lay waste to its resources. At the same time that we motivate our members to live more sustainably, we guide markets to offer more environmentally mindful products. Over the course of its more than 40 years, NRDC has helped write some of America's bedrock environmental laws, and in that time, we've depended upon law, science, and the activism of our members, now 1.4 million strong, to support a way of life that can be sustained without fouling and depleting the resources that support all life on Earth. It's a commitment we take seriously and a responsibility we hold dear, and so in our everyday work—gathering scientific evidence, driving legal protections, and rallying activists—we hold to those same core values. It matters deeply to NRDC that how we pursue sustainability can serve as a model for others to emulate.



1.1

Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

NRDC is committed to creating a cleaner and healthier environment. We urge governments, corporations, and the general public to act sustainably. And we act ourselves. Indeed, we insist that we be leaders in the change we seek. For years, NRDC has sought to understand and limit the impacts of its own operations through pursuing green building certifications, pioneering energy efficiency, reducing emissions, and cutting waste within our own organization. This has translated into a number of firsts.

Starting in 1988—five years before the inception of LEED certification—NRDC committed to greening our offices. Today, all our offices have achieved an advanced LEED certification, except for our Montana office (which employs fewer than 10 people). Our Chicago office achieved LEED Platinum along with Site, Materials, and Beauty Petal Certification from the Living Building Challenge. In fact, it was the first commercial project in the world and first tenant improvement project in Chicago to get Petal recognition. Our Santa Monica office was one of the first LEED Platinum buildings in the United States. And a newly renovated floor in our New York office has the highest level of LEED v2 Commercial Interiors certification in the world.

NRDC's on-site solar energy in Santa Monica, smart plugs in New York and Chicago, efficient data centers and environmental controls in New York and Washington, D.C., and other efficiencies have led to major reductions in our energy consumption. Since NRDC first began greening our offices, we have saved more than 2 million kilowatt-hours of energy and 5 million pounds of carbon dioxide emissions. If all U.S. commercial buildings were as efficient as NRDC's offices, we could reduce energy consumption nationally by more than 100,000 megawatts. The scale of potential savings is enormous and drives us to find new opportunities to innovate, conserve, and improve.

Because we pride ourselves on aligning our advocacy work with how we operate internally, we look at the sourcing of all of our products, from the paper we use to the food we serve at all of our events. In this way we analyze our own impact and highlight the benefits of this kind of sustainable sourcing. In 2013, we began weighing our waste in order to track our diversion rate and find room to improve. At our events, we serve sustainable food and then analyze our own impact to highlight the benefits and share best practices. While these efforts are not strictly outlined in the GRI, they are nonetheless of utmost importance and reflect NRDC's programmatic goals of keeping America's food supply safe and sustainable. But they also provide a model for how other organizations can support environmentally friendly food production.

Even as NRDC advocates for broad policy changes, we remain committed to the power of individual action. We believe we can tackle the environmental challenges of our time—from climate change to toxins in everyday products—not only by passing laws but also by embracing environmental solutions in our own homes, businesses, and communities. We put the policy into practice right here at NRDC. Through analyzing the impact of our actions, we demonstrate how individual efforts add up, and by doing it first ourselves, we hold to a promise, a shared commitment, to ethical stewardship of the planet and its resources.



Frances Beinecke
President



Introduction to NRDC



This report is organized according to Global Reporting Initiative G3.1 sustainability reporting standard. In the following pages we will share with you our progress, our initiatives, and our future goals.

STRATEGY AND ANALYSIS

1.2

Description of key impacts, risks, and opportunities.

In 2012, NRDC worked to drive major advances in the quality of our air, water, and climate, and touch aspects of our lives ranging from a day at the beach to how we wash our clothes, drive our cars, and enjoy a baseball game. NRDC's key wins for 2012 included:

■ 54.5 MPG

The Obama administration tightened greenhouse gas emission standards to 54.5 mpg in 2012, the culmination of a bill sponsored by NRDC in California in 2002 and eventually adopted by 13 other states. The new standards will eliminate 6 billion metric tons of carbon dioxide pollution.

■ The Demand of 3 Million Americans: Carbon Limits on New Power Plants

In the second half of the year, the Environmental Protection Agency received a record number of comments from ordinary citizens in support of a proposal that NRDC helped design to set the first national limits on carbon pollution from new power plants. When polluters attempted to block the EPA from limiting carbon pollution, NRDC prevailed with a unanimous decision in a federal appeals court in Washington that upheld EPA's determination—based upon a mountain of scientific evidence—that heat-trapping pollutants threaten our health and planet.

■ Mercury Standards with Teeth

After decades of legal action from NRDC, the EPA will at last fulfill its obligation to enforce the Clean Air Act and protect America's air and water from mercury emitted from power plants. Mercury is a toxin that enters the food supply in fish we eat and can eventually lead to negative health effects.

■ The Beginning of the End for Antibiotic Misuse

After more than 35 years of inaction on the health threats posed by antibiotic misuse in animal feed, an NRDC lawsuit sparked a federal court to order the U.S. Food and Drug Administration to act on the widespread overuse of all medically important antibiotics. This paves the way for an end to the livestock industry's abuse of these important medicines and its whiplash effect—the spread of antibiotic-resistant disease.

■ Greening Professional and Collegiate Sports

The professional and collegiate sports industry, in a cultural shift of historic proportions, is using its influence to advance ecological stewardship. Thanks to technical expertise from NRDC, North America's sports leagues, teams and venues are shifting to more efficient and ecologically intelligent operations. In doing so, they are collectively avoiding millions of pounds of carbon emissions, saving millions of gallons of water, shifting millions of pounds of paper products toward recycled content, and saving millions of dollars.

■ Mounting Pressure for Proper Storage of Nuclear Waste

In a unanimous decision, a federal appeals court ruled that the Nuclear Regulatory Commission failed to adequately address storage needs for spent nuclear fuel. A suit brought by NRDC, states (including New York), and other environmental organizations contended that the industry's storage plan was short-sighted and risky.

■ Ending Overfishing

In 2012, the United States became the first country in the world to set catch limits to end overfishing of U.S. ocean fisheries, a result that NRDC has fought for relentlessly. Thanks to this and the legal requirement to restore depleted fish populations, which NRDC has vigorously defended for more than a decade, most U.S. ocean fish populations are making a comeback.

■ Elevating Efficiency of Washers and Dishwashers

Following a joint agreement reached by manufacturers, NRDC, and other consumer and environmental advocates, the Department of Energy issued new standards that will require clothes washers and dishwashers to use less water and energy. Over the next two decades, these energy savings, together with other savings created by new appliance standards issued since 2009, will cumulatively save the United States a huge amount of energy—the equivalent of 30% of total U.S. energy used in a single year.

Major challenges lie ahead, and NRDC is prioritizing five policy objectives that are winnable and can make the most impact. These areas represent some of the most pressing risks to the environment as well as opportunities for NRDC to make dramatic impacts.

■ Climate Action

NRDC's recent win—moving the EPA to propose fuel-neutral carbon standards for new power plants—has set the stage for national standards on existing plants. Building upon years of work to secure and defend the legal authority of the Clean Air Act, NRDC is now advocating for the EPA to establish systemwide carbon intensity targets for each state, crediting incremental investment in measures like efficiency and renewables.

■ **The Next Phase in Battles Against Antibiotic Misuse**

Antibiotic overuse in farming is leading to antibiotic-resistant superbugs, thus stunting the efficacy of drugs that revolutionized medicine and are gravely important to public health. In the coming year, NRDC will continue working to end nontherapeutic uses of penicillins and tetracyclines in animal agriculture by 2017 and continue driving market pressure for large producers and grocery store private labels to transition their poultry away from unsafe antibiotic use.

■ **Fracking: Community Defense**

NRDC's Community Fracking Defense Project assists communities in defending their land from dangerous fracking impacts, and amplifies community action to the state level. We are helping to establish statewide grassroots movements by facilitating statewide partnerships, financially supporting local leaders through minigrants, and providing a relationship management system to track and better connect networks of activists. From among those activists, we cultivate strong spokespeople to tell stories illustrating the full impact of fracking in local and national media.

■ **Clean Water Protections**

NRDC's Clean Water Defense team will strengthen support for the Clean Water Act through creation of a strong Senate clean water voting bloc, while at the same time pursuing two Obama administration actions: protecting headwater streams and wetlands, and controlling urban and suburban runoff pollution. NRDC is also bringing the issue of clean water quite literally to the table, in pint form, through organizing a constituency of craft breweries advocating for clean water protection.

■ **Moving Beyond Oil**

NRDC will continue working to protect our lands and oceans from the impacts of oil drilling. In the coming year, we will continue building upon the massive mobilization sparked by the Keystone XL tar sands pipeline and go after the dollars that prop up big oil. With the help of NRDC activists, we will compel the Senate to eliminate oil subsidies—a high-cost and foolhardy investment in a time of national budgetary problems and climate realities that make oil our nation's worst bet for the future.

ORGANIZATIONAL PROFILE

2.1

Name of the organization.

Natural Resources Defense Council, Inc.

2.2

Primary activities.

NRDC is a nonprofit environmental advocacy organization that works to restore the integrity of the elements that sustain life—air, land, and water—and to defend endangered natural places. We also help ensure that people can voice their own opinions about how to stop and solve environmental threats.

We do this by driving the science and legal challenges that protect us from the biggest environmental and public health crises of our time—climate change, oceans on the brink of collapse, the ongoing endangerment of wildlife and wild places, dependence on dirty fossil fuels that destroy fragile ecosystems and fill our atmosphere with pollutants, the prevalence of toxic chemicals like mercury and lead in our environment, and unsustainable agricultural practices that are driving the evolution of superbugs and undermining the efficacy of antibiotics upon which so much modern medicine relies. Our Communications and Membership teams translate the urgency of these crises to advocates who care deeply about the Earth, leveraging their phone calls, emails and petitions to demonstrate public sentiment and motivate meaningful policy change.

2.3

Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

Headquartered in New York City, NRDC has regional offices in Washington, D.C.; Chicago; Bozeman, Montana; San Francisco; Los Angeles; and an office in Beijing, China. NRDC's operations are organized into program areas that address our six priority issues. Program staff rely on specialized support from experts in multiple capacities: communications, campaigns, litigation, government affairs, and advocacy. There are also administrative support functions including human resources, facilities, information technology, finance and treasury, and budgeting and grants. NRDC has two subsidiaries, the NRDC Action Fund, Inc. and NRDC Limited. The Action Fund is a New York not-for-profit corporation that is exempt from taxation under Section 501 (c) (4) of the Internal Revenue Code, and NRDC Limited is a Hong Kong company limited by guarantee that is also exempt from taxation.

2.4

Location of organization's headquarters.

40 West 20th Street
New York, NY 10011

2.5

Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

United States and China. We also have operations in Canada, Mexico, Chile, and India, which are not covered in this report as we do not have a substantial footprint in those locations.

2.6

Nature of ownership and legal form. Details and current status of not-for-profit registration.

Natural Resources Defense Council, Inc. is a New York not-for-profit corporation that is exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code and has 1.4 million members and activists.

2.7

Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

NRDC's sweeping national influence—between our advocacy on federal regulation and local influence in conjunction with community activists throughout the country—means that domestically, we reach any citizen who benefits from the use of ecosystem services and a healthy environment. We work throughout North and South America, India, and China.

2.8

Scale of the reporting organization.

Employees: 422

Revenue: \$97M

Expenses: \$76M

Net Revenue: \$8M

(Sources: Charitynavigator.org, Form 990)

2.9

Significant changes during the reporting period regarding size, structure, or ownership.

None.

2.10

Awards received in the reporting period.

Founding Director John Adams received the 2010 Presidential Medal of Freedom, America's highest civilian honor, from President Obama.

Frances Beinecke received an honorary Doctorate of Humane Letters from Lehman College.

Karen Garrison: Peter Benchley Award, Hero of the Sea for 2013.

Jen Sorenson: American Bar Association, 2013 Distinguished Environmental Advocate.

Pierre Delforge received the Project Merit Award for Smart Grid and Energy Management from the *Climate Change Business Journal* recognizing his terrific cloud computing report.

Amanda Eaken was awarded the Southern California Association of Governments 2013 President's Sustainability Leader Award for her efforts to make Southern California a better place to work and live.

OnEarth executive editor George Black won the Kevin Carmody Award for Outstanding In-Depth Reporting on the Environment for his article in the Winter 2013 issue that explored not only the environmental impact of mining, but its social, political, and economic consequences. The story was described by the judges as both memorable and "richly told."

Becky Stanfield was awarded the U.S. Energy Policy Award for her accomplishments, leadership, and mentorship of others in the clean energy field, by C3E, a partnership between the MIT Energy Collaborative and the U.S. Department of Energy.

Kaid Benfield was named one of the Top 100 City Innovators Worldwide by Future Cities.

The Beijing office achieved Gold LEED Commercial Interiors v3.

The DC office achieved Platinum LEED Commercial Interiors v3.

The Chicago office achieved Platinum LEED, and Site, Materials and Beauty Petal Recognitions from the Living Building Challenge—the first commercial project in the world receiving Petal Recognition and first tenant improvement project in Chicago to earn such recognition. The International Living Future Institute also awarded the office the first office retrofit certification—as part of its Living Building Challenge—for meeting the requirements in eco-friendly design, performance and beauty.

OnEarth won the Folio Eddie Award, which honors editorial excellence in the magazine industry, for best online news coverage.

REPORT PARAMETERS

3.1

Reporting period (e.g., fiscal/calendar year) for information provided.

FY 2012 (July 2011 – June 2012)

3.2

Date of most recent previous report (if any).

None (first report)

3.3

Reporting cycle (annual, biennial, etc.).

Biennial

3.4

Contact point for questions regarding the report or its contents.

Alex Kennaugh

40 West 20th Street

New York, NY 10011

3.5

Process for defining report content.

Meeting of all department and program directors (COO, CFO, Program Director, Communications Director, Development Director, and Corporate Counsel) and then individual meetings for each section to determine materiality of content.

3.6

Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.

Programs and operations within the United States and China.

3.7

State any specific limitations on the scope or boundary of the report.

Any indicator with a limited scope has been identified in the response to that indicator.

3.8

Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

No significant comparability issues anticipated.

3.9

Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.

Unless otherwise specified, the quantitative and qualitative data and information contained in this Report refer to all Natural Resources Defense Council operations for fiscal year 2012 (July 1, 2011 – June 30, 2012). Readers are informed as to when aggregated data are a result of estimates. The economic-financial data are derived from our accounting systems and from NRDC's nonprofit IRS tax form 990. Human Resources data are derived from policy documents and the payroll system. Environmental performance data are based primarily on utility bills and direct meter readings where available, and on estimates of NRDC's pro rata share of buildings on a square footage basis where necessary. Greenhouse gas emissions have been calculated according to the Greenhouse Gas Protocol.

3.10

Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

None (first report)

3.11

Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

None (first report)

3.12

Table identifying the location of the Standard Disclosures in the report.

Page 32

3.13

Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

We are not seeking external assurance this year.

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

4.1

Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

I. The Board of Trustees

NRDC's board shall have not less than 5 and not more than 42 members serving 3-year terms. No NRDC Trustee is an employee of the corporation. The board meets quarterly. Board committees are appointed annually.

Board committees:

- A. Audit Committee
- B. Communications Committee
- C. Development Committee
- D. Executive Committee
- E. Finance Committee
- F. Institutional Strategies Committee
- G. Investment Committee
- H. Litigation Committee
- I. Nominating Committee
- J. Program Committee
- K. Real Estate Committee

II. Senior Management

Senior management is responsible for management of the day-to-day operations of the corporation.

- A. President – Frances Beinecke
- B. Executive Director – Peter Lehner
- C. Chief Operating Officer – Judith Keefer
Chief Financial Officer – Sarah Gillman
Department Directors and Program Directors
- D. Corporate Counsel – Irina Petrova

4.2

Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

Pursuant to NRDC's bylaws, the Chairman of the Board of Trustees is an officer of the corporation. The division of powers between the Board of Trustees (which has broad management powers and provides oversight over all affairs of the corporation) and the senior management (who are responsible for the management of the day-to-day operations of the corporation, under the direction of the board) is consistent with (and NRDC operates in accordance with) applicable statutory provisions, namely the New York Not-for-Profit Corporation Law.

4.3

For organizations that have a unitary board structure, state the number and gender of members of the board.

41 board members: 13 women, 28 men

4.4

Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Staff are encouraged to contribute ideas and thoughts around best practices to their managers. In addition to receiving feedback through operating departments, numerous committees with specific functions provide the mechanism for staff feedback. They include the operations committee, planning assembly, corporate relations committee, and compensation and promotion committee. Board committees have staff liaisons whose role is to convey feedback from staff to the board committees. Members are solicited for feedback through the web. They vote on the election of trustees and are invited to attend an annual meeting of members.

4.5

Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

The members of the highest governance body (the Board of Trustees) are not compensated for their work as board members. Salaries for officers of the corporation are set by an independent committee of the board based on salary surveys carried out by an independent compensation consultant. NRDC follows Better Business Bureau and Charity Navigator standards for program evaluation. Goals for senior managers and executives are designed in accordance with the organization's overall mission, and these employees are evaluated against these goals.

4.6

Processes in place for the highest governance body to ensure conflicts of interest are avoided.

Officers, trustees, and certain key employees are required to annually disclose any conflicts of interest that arise by virtue of employment, board service, or position with NRDC. NRDC monitors compliance with its conflict of interest policy through an annual questionnaire/disclosure statement that is distributed to these individuals, and potential conflicts are investigated immediately.

4.7

Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.

The NRDC Nominating Committee is a standing committee responsible for assessing Board needs, vetting and nominating new trustees, and working with the Board Chair to develop recommendations for committee chairs and members and NRDC officers. The Nominating Committee continually evaluates Board needs and identifies possible candidates for Board service following the nomination timetable and process. The Nominating Committee regularly discusses the mix and balance on the Board, including skill sets, gender and racial diversity, and geographic representation. NRDC seeks to identify Trustees who, as a body, will represent the diverse mix of skills, experience, and knowledge needed to provide effective leadership and oversight.

4.8

Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

The Natural Resources Defense Council's purpose is to safeguard the Earth: its people, its plants and animals, and the natural systems on which all life depends. We work to restore the integrity of the elements that sustain life—air, land, and water—and to defend endangered natural places. We seek to establish sustainability and good stewardship of the Earth as central ethical imperatives of human society. NRDC affirms the integral place of human beings in the environment. We strive to protect nature in ways that advance the long-term welfare of present and future generations. We work to foster the fundamental right of all people to have a voice in decisions that affect their environment. We seek to break down the pattern of disproportionate environmental burdens borne by people of color and others who face social or economic inequities. Ultimately, NRDC strives to help create a new way of life for humankind, one that can be sustained indefinitely without fouling or depleting the resources that support all life on Earth. Through our planning, grant reporting, and performance evaluation structures, we continually review our progress in advancing these principles.

4.9

Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

The Board of Trustees manages, directs, and controls the activities, affairs, funds, and property of the Natural Resources Defense Council, Inc. In this leadership capacity, the Board of Trustees has explicit governance responsibilities, as well as specific expectations of individual Trustees. The Board of Trustees' primary functions are to help assure excellence, effectiveness, integrity, and financial strength by meaningfully participating in the making of all major NRDC policy; helping focus staff on questions of long-range program direction and long-range financial planning; and actively helping raise significant funds. The primary role of the Board of Trustees is to provide governance oversight and effective stewardship.

The Executive Committee of the Board acts between meetings, as needed, to decide on corporate legal matters, delicate confidential concerns, and those issues that, because of time constraints, cannot be delayed until a regular meeting of the Board of Trustees. The Executive Committee reports its action at the next Board meeting or by special correspondence. The Executive Committee consists of: The Board Chair, all Board Vice Chairs, Treasurer, Audit Committee Chair, and up to two at-large members with total membership not to exceed 10 members.

4.10

Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

On an annual basis, the Nominating Committee works with the Chair to evaluate the effectiveness of the Board, its operations and processes. The Committee also annually conducts interviews with each member of the Class of Trustees up for re-election to evaluate the Trustee's participation in the work of the Board and interest in continuing to serve.

4.11

Explanation of whether and how the precautionary approach or principle is addressed by the organization. Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.

NRDC applies the precautionary principle—when full scientific certainty is lacking, err on the side of caution—both in our own activities and in our litigation and

administrative advocacy. For example, when measuring our air travel emissions for reporting and to determine how many carbon offsets to purchase, we apply an RFI factor of 1.9 to account for non-CO₂ net warming effects of aviation. In addition, we apply an uplift factor of 10% to miles flown to account for indirect routes and delays/circling. This may overestimate our impact, as there is no scientific consensus on what factor should be applied, but we consider this a precaution to avoid offsetting less than our actual global warming impact. Often when we litigate to protect the environment, there is a range of possible impacts from an activity we seek to prevent or reduce—and we argue that the court should assume the high end of the range of possible impacts to respect uncertainty and to be as protective of the environment as possible. Similarly, in the regulatory arena, for example, we argue that when a standard is set for a product, it must consider the health impacts on the most sensitive population (e.g., infants, pregnant women), not just healthy adults.

4.12

Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

NRDC endorses the Ceres Principles, the Climate Action Registry, the Forest Stewardship Council, the US Green Building Council and its LEED certification, and the Green Group, among many other initiatives.

4.13

Memberships in associations (such as industry associations) and/or national/international advocacy organizations.

NRDC works in partnership with the following organizations, among others:

- The Administrative Staff College of India
- Alliance to Save Energy
- BlueGreen Alliance
- California Clean Energy Fund (San Francisco)
- Center for Energy Efficiency and Renewable Technologies (Sacramento)
- Ceres
- Chilean Patagonia Defense Council
- Climate and Clean Air Coalition
- Council on Energy, Environment and Water (India)
- The Energy and Resources Institute (India)
- Energy Future Coalition
- Green California
- Green Group
- Green Sports Alliance

- IUCN- the World Conservation Union
- League of Conservation Voters
- Northwest Energy Coalition (Seattle)
- The Public Health Foundation of India
- Renewable Northwest Project (Portland)
- U.S. Green Building Council
- World Resources Institute

4.14

List of stakeholder groups engaged by the organization.

NRDC's key stakeholders include:

- Environmental Activists
- Citizens
- Business
- Coalition groups including environment, labor, health, agriculture groups, etc.
- Donors
- Foundations
- Governments
- Media
- Members
- Online activists

4.15

Basis for identification and selection of stakeholders with whom to engage.

NRDC urges governments, corporations, and the general public to act in support of a cleaner and healthier environment. We engage with stakeholders who are relevant to a particular campaign, such as government agencies with jurisdiction, or corporations involved in potentially harmful activities. We also engage with members and activists and like-minded coalition groups who can provide support and amplify our voices. We have implemented a vendor sustainability survey to ensure our vendors are aligned with our values and are reducing their ecological footprints.

4.16

Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

As issues of environmental consequence occur or arise, we engage with the appropriate stakeholders to spread awareness, raise funds, and address issues. We engage our stakeholders online and through direct mail, through the media, and in conversation with other organizations and activists.

Members are contacted many times throughout the year through postal mail, phone, or email. We disseminate:

- educational materials on specific issues and/or action alerts on specific NRDC campaigns
- fund-raising requests
- quarterly newsletters
- NRDC's award-winning magazine, *OnEarth*

Activists (who may or may not be members) are engaged through:

- social media like Facebook
- email and e-newsletters
- *BioGems News*, an online newsletter
- *This Green Life*, a green living e-newsletter
- Members, activists, and the general public can communicate with NRDC via email or through our website, and receive an answer from dedicated staff members, who will raise their questions with the appropriate program staff as required.

4.17

Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

Many cases that NRDC litigates stem from ideas and concerns brought to us by stakeholders, including members, advocacy groups, and public interest groups. For example, in 2011 NRDC filed a lawsuit against the Food and Drug Administration with four groups (the Center for Science in the Public Interest, Food Animal Concerns Trust, Public Citizen, and the Union of Concerned Scientists) who have been advocating for years on the issue of overuse of antibiotics in livestock feed. NRDC also prepares consumer awareness campaigns, particularly for issues related to food and agriculture, clean water, and toxins in everyday products.

Sustainability Performance Indicators



ECONOMIC

Management approach to ECONOMIC PERFORMANCE

NRDC is on solid financial footing, with a working capital ratio of 1.8 years. NRDC is rated a four-star charity by Charity Navigator, scoring 57 out of 70 for financial management and 66 out of 70 for accountability and transparency.

Through our continued focus on fund-raising and judicious management of our financial resources, we expect to be able to weather difficult economic times, as we have in the past 42 years since our founding in 1970.

EC1

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

A) GRANTS, DONATIONS AND CONTRACTS	
Membership and individual contributions	\$ 71,210,277
Foundation grants	18,936,983
Government grants	692,866
Allowance for doubtful debts	(4,064,598)
Bequests	4,589,697
In-kind donations	4,154,036
Investment return appropriated for ops	4,372,267
Special events	199,239
Grant release from restrictions	35,975,596
Investment return net of amounts used in ops	(2,560,694)
Investment return for planned giving	130,240
Total	133,635,909
B) OPERATING COSTS	
Functional statement from audit report	105,619,794
C) EMPLOYEE WAGES AND BENEFITS	
Functional statement from audit report	49,788,081

D) PAYMENTS TO PROVIDERS OF CAPITAL	
From cash flow in the audit report	933,796
E) PAYMENTS TO GOVERNMENT	
Los Angeles taxation authority	9,400
New York taxation authority	4,824
Chinese tax authorities	28,994
F) COMMUNITY INVESTMENTS	
Contributions to others as per the functional statement	1,509,676
ECONOMIC VALUE RETAINED (A - B)	28,016,115

EC2

Financial implications and other risks and opportunities for the organization's activities due to climate change.

Climate change is a priority that cuts across much of NRDC's program work and presents both opportunities and risks to NRDC's funding. Localized severe weather events draw immediate recovery support, which may detract from NRDC's donations, but as these events increase in frequency and severity, they draw attention to NRDC's efforts in this area.

EC3

Coverage of the organization's defined benefit plan obligations.

NRDC's defined benefit plan was frozen and replaced with a defined contribution plan as of June 30, 2007. Obligations to pay pensions under the plan are to be met through a fund held and maintained separately from NRDC's resources. The projected benefit obligation according to the audit report is \$19,835,541. On September 19, 2012, the plan actuary estimated that \$13,481,960 of the plan's liabilities were covered by the assets that have been set aside to meet them. The pension plan assets are invested and NRDC continues to fund the plan on an annual basis and move toward full coverage. Since the plan is no longer accruing additional benefit liabilities, the duration until it is fully covered is limited.

EC4

Significant financial assistance received from government.

NRDC received investment grants, research and development grants, and other relevant types of grants totaling \$692,866.

NRDC received property tax exemption for 9th to 12th floors of its New York headquarters office, totaling \$6,433.

Management approach to MARKET PRESENCE

NRDC pays fair, competitive salaries in each market in which it operates and aims to benefit local communities where we have operations by seeking local suppliers. We hire scientists, advocates, and lawyers with advanced degrees across all of our offices, paying far above minimum wage on an increasing scale commensurate with experience.

EC6

Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

For office build-outs, NRDC has adopted Living Building Challenge guidance on local sourcing for materials. These guidelines specify a maximum sourcing radius for different goods and services, by type and weight. IT equipment and office supplies are not locally sourced.

EC7

Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

NRDC has no formal policy on local hiring. However, NRDC recognizes the importance of cross-cultural understanding and the significant and unique contributions local employees can make to our environmental protection endeavors. NRDC offices are primarily in major American cities, and staff overwhelmingly comes from those cities. Our only overseas office is in Beijing, China, where 5 of 7 senior managers in the Beijing office are from the local community. All NRDC's China Program vacancies are advertised on pertinent Chinese HR websites in addition to being announced on NRDC's official English-language website.

EC8

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

NRDC is a not-for-profit environmental organization. Every one of NRDC's activities is conducted for public benefit; the benefit of current and future generations. Some of our programs benefit the public immediately, such as protecting public health by preventing pollution. After NRDC led a multi-year campaign to address the largest source of climate changing pollution—power plants—the EPA released its proposal in March 2012 for the first-ever national limits on industrial carbon pollution from power plants. Under this proposed standard, no new dirty coal plants will be allowed to be built in the United States. Other programs provide long-term benefits that both current and future generations will enjoy, such as curbing global warming, reviving the world's oceans, and defending endangered wildlife and wild places.

EC9

Understanding and describing significant indirect economic impacts, including the extent of impacts.

Many of NRDC's programs create pragmatic innovations that transform markets and change the laws at the federal and state levels in the United States. Many of these changes can have extremely significant and positive indirect economic impacts. For example, NRDC played a critical role in bringing about the agreement announced by President Obama in July 2011 to strengthen carbon pollution standards for new cars and trucks and to increase fuel efficiency, achieving the equivalent of 54.5 miles per gallon by 2025. These improved standards are projected to reduce carbon pollution by approximately 2 billion metric tons, save 4 billion barrels of oil, produce up to 150,000 new auto jobs nationally, and put more money in the pockets of Americans by reducing fuel costs.

Management approach to INDIRECT ECONOMIC IMPACTS

Reducing pollution, increasing efficiency, and deploying clean energy can be valuable job creators. In the U.S. approximately 2.7 million clean economy jobs have been created in the past decade; in China, more than 4.5 million green jobs can be created by the end of this decade. NRDC's programs indirectly help create these jobs.

ENVIRONMENTAL

Management approach to OVERALL ENVIRONMENT

NRDC works through its programs to protect the environment. Our dedicated staff works with businesses, workers, other NGOs, elected leaders, and community groups on the biggest issues we face today. Our priorities include:

- Curbing Global Warming and Creating the Clean Energy Future
- Reviving the World's Oceans
- Defending Endangered Wildlife and Wild Places
- Protecting Our Health by Preventing Pollution
- Ensuring Safe and Sufficient Water
- Fostering Sustainable Communities

NRDC also strives to understand and limit the impact of its own operations. This means measurement or estimation of resource use, waste, and emissions from office operations and business travel, and implementation of policies and initiatives to constantly reduce these impacts.

Management approach to MATERIALS

The majority of NRDC's purchases consist of building supplies, office supplies, and cleaning materials. NRDC has adopted the Living Building Challenge's Red List, and from this point forward, all new builds will exclude all the harmful materials on the Red List. Up until this point, we have used the LEED Commercial Interiors standard for low-VOC and sustainably sourced materials. We also meet or exceed LEED EBOM standards for cleaning materials. We seek to maximize recycled materials in office supplies, and all of our paper is FSC-certified and 100% recycled (we use 30% recycled paper for 11 X 17). In FY2014, we will seek to further green our office supply procurement.

EN1

Materials used by weight or volume.

As an office based organization, our purchases are primarily office supplies. In 2012, we purchased:

BY CATEGORY	TOTAL WEIGHT IN POUNDS
Paper	17,834
Desk and Office Supplies	2,169
	20,003

EN2

Percentage of materials used that are recycled input materials.

86% of the office supplies NRDC buys are recycled content (by weight). This breaks down as follows:

BY CATEGORY	TOTAL WEIGHT (LBS)	TOTAL RECYCLED WEIGHT (LBS)	% OF TOTAL WEIGHT THAT IS RECYCLED
Paper	17,834	16,696	94%
Desk and Office Supplies	2,169	426	20%
	20,003	17,122	86%

Management approach to ENERGY

Through various programs, NRDC promotes renewable energy sources, conservation, energy efficiency, and clean fuels as solutions that will reduce the impacts of climate change. To minimize our own impact, NRDC measures and seeks to reduce energy use in our offices. Our approach is to understand our energy use, work to reduce it, and then monitor to ensure we have achieved reductions. We conduct energy audits to identify areas of opportunity (audits of New York and Santa Monica offices complete in FY2012). We monitor and manage energy use using systems such as Lutron, a lighting management system, in the Washington D.C., office; and Noveda, a sustainability management software that monitors real-time electricity and water consumption, which was implemented in New York, Washington, Chicago, and Santa Monica in FY2013. We reduce energy use through a number of initiatives including using EnergyStar appliances, on-site solar energy

in Santa Monica, smart plugs in San Francisco, efficient data centers in Washington and New York, environmental controls and HVAC in Washington, and efficient lighting in all offices.

Our approach to renewables: NRDC recognizes that more than half of the electricity we use is derived from coal and nuclear. We are working to change this in three ways:

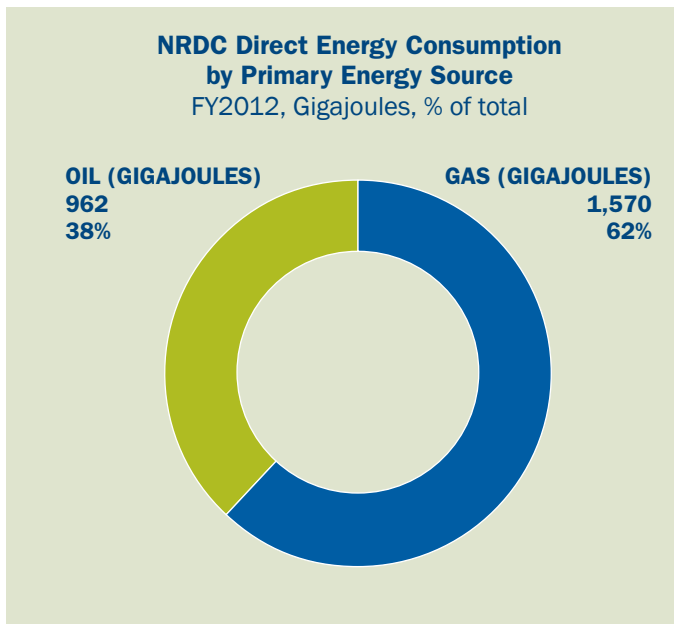
- 1) by working to reduce the energy we consume through energy efficiency;
- 2) by advocating that U.S. utilities transition to a cleaner resource portfolio, including energy efficiency and renewable energy, to reduce the carbon footprint of all electricity consumers, including NRDC;
- 3) by exploring options for direct purchases of renewable electricity for all our offices.

In the offices we own, we have invested in on-site solar energy systems. The roof of our New York office currently is equipped with a 5.5 kW photovoltaic solar system, and our L.A. office has a 7.5 kW system.

EN3

Direct energy consumption by primary energy source.

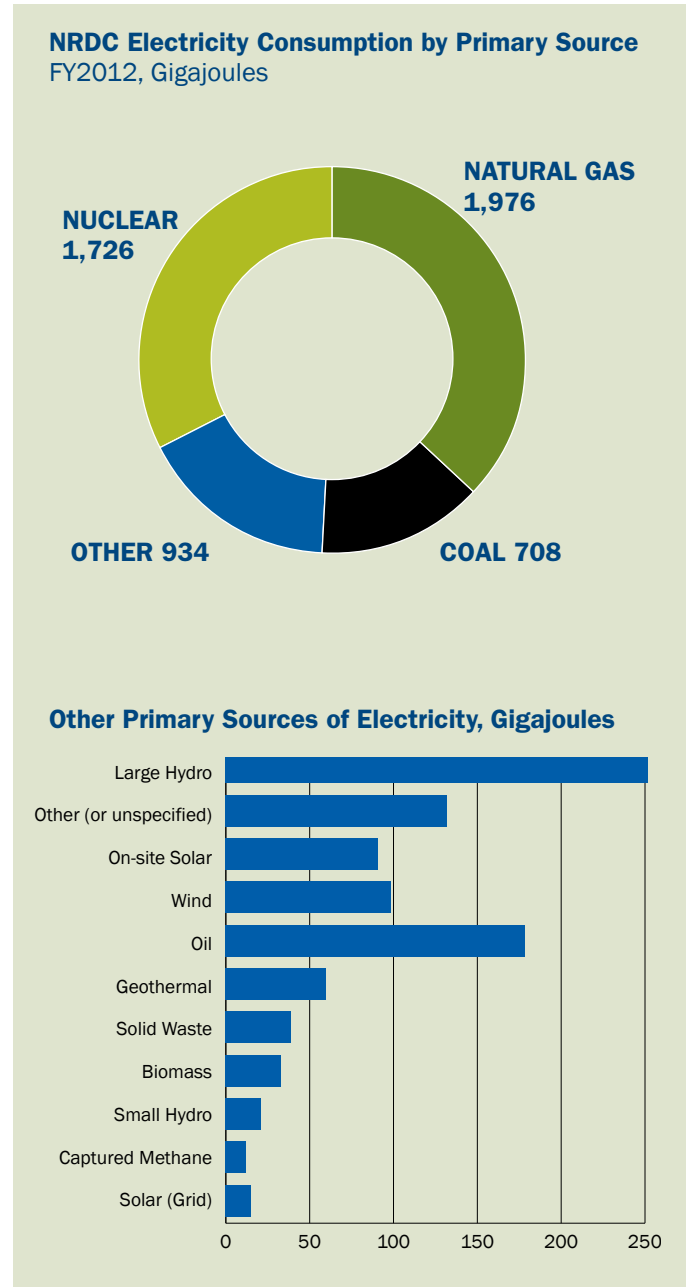
NRDC owns no vehicles, so heating fuel is our only direct energy consumption. Our New York office used #2 heating oil in FY2012 (but will switch to biofuel in FY2014). Our Santa Monica, San Francisco, Chicago, and Montana offices use natural gas. Our Washington D.C., office uses electricity for heat, so it is not included in the scope 1 energy use detailed below, and our Beijing office is served by district heating, which is indirect consumption of energy (scope 2).



EN4

Indirect energy consumption by primary source.

Primary sources of indirect energy were estimated using disclosures from the utilities serving each of our offices. We purchase offsets for all emissions from our electricity use, along with our other efforts outlined in the management approach to energy. In addition to the primary fuel sources in the chart below for NRDC's electricity consumption, we used an estimated 202 GJ of coal to supply hot water for heating in our Beijing office.



EN5

Energy saved due to conservation and efficiency improvements.

In our N.Y. headquarters, energy reduction measures included data center initiatives such as virtualization, hot/cold aisle containment, and new, more efficient servers, as well as installation of a new cooling unit, using approximately 36,000 kWh/year for cooling, or roughly half the energy usage of the former unit. Printing reductions and desktop to laptop conversions further reduced energy use. Window replacements completed at the end of FY2011 (4/2011) led to a 5% reduction in heating requirements in FY2012. We conducted several energy audits in our N.Y. and L.A. offices to determine how we can increase the energy efficiency of our offices. Several of the recommendations from these audits were implemented in FY2012, and others were implemented in FY2013.

EN6

Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

NRDC has placed a strong focus on decreasing total U.S. energy use, which has been going down since 2007. We are engaged in increasing energy efficiency in appliances, equipment, and lighting. Additionally we have been pushing policy solutions to be implemented at all levels of government to support clean energy and economic growth. NRDC has been instrumental in driving renewable energy investment to scale by supporting financial incentives such as tax changes to level the playing field, and advancing clean energy banks to help inform commercial investors. Advances in energy efficiency have incentivized utility companies and appliance manufacturers while saving consumers billions of dollars annually.

A portion of our work has focused on helping the U.S. Green Building Council and LEED set frameworks for incorporating efficiency into buildings, which account for 30% of the nation's GHG emissions. In addition, the Center for Market Innovation's (CMI – a project of NRDC) High Performance Tenant Demonstration Project portfolio is composed of several high-impact tenants, including Li & Fung USA, who are forecast to save 31% of energy use compared with code-compliant design (\$1.8 million over the 15-year lease term) in their new green office fit-out in the Empire State Building.

CMI works to expand the impact of NRDC by engaging with businesses to create market conditions encouraging redirection of capital flows toward sustainable uses, such as energy efficiency. Recent initiatives include a public-private partnership to develop the New York City Energy Efficiency Corporation (NYCEEC), a nonprofit tasked with catalyzing the development of a fully scaled, market-driven energy efficiency retrofit industry in New York City; and our Solar Schools project, aiming to use renewable energy to power 130,000 K-12 schools while increasing community

awareness. Strategic partnerships such as NRDC's with major sporting organizations are instrumental in promoting our agenda to businesses and fans who attend national sporting events. NRDC has also begun expanding its clean energy efforts internationally, working in China to scale up energy efficiency and reduce reliance on coal and in India to promote energy efficient appliances and the use of solar energy.

EN7

Initiatives to reduce non-energy indirect energy consumption (from purchasing materials and components or services such as travel, commuting, and subcontracted production) and reductions achieved.

We are addressing our largest source of emissions head-on by reviewing our travel policy for FY2014 to reduce emissions. We have installed bike racks and showers to encourage low-carbon commuting by our staff. Our procurement policies reduce embodied energy use and related carbon emissions by giving preference to products made using recycled materials.

Management approach to WATER

NRDC is helping to secure safe and sufficient water for people and our planet's natural ecosystems by promoting water efficiency strategies to help decrease the amount of water wasted; protecting our water from pollution by defending the Clean Water Act and advocating for solutions like green infrastructure; helping prepare cities, counties, and states for water-related challenges they will face as a result of climate change; and ensuring that waterways have enough water to support vibrant aquatic ecosystems. In order to minimize our own impact, NRDC measures and seeks to reduce our water use in offices. Initiatives include using ultralow-flow fixtures and reusing gray water in our Santa Monica office, where water is scarcer.

EN8

Total water withdrawal by source.

In FY2014, NRDC started to measure water use directly with water meters.

EN10

Percentage and total volume of water recycled and reused.

The Robert Redford Building (Santa Monica office) uses a water recycling system that captures gray water collected from our showers and sinks, and rainwater. This combination of water is run through our Equaris Infinity disinfection and filtration network, then used for irrigation and flushing toilets. The system processes around 10 gallons of gray water a day, and also captures and uses rainwater. It incorporates two custom-built, 40-foot long

cisterns hidden beneath large planters that store a total of roughly 3,000 gallons of rainwater. The building's porous paving system and landscaping planters allow water to be filtered, then percolate into the ground to recharge the groundwater, instead of contributing to urban runoff. We have upgraded our office bathrooms in multiple offices, using all recyclable materials and ultralow-flow toilets and sinks, reducing water use. In 2014, we began real-time water usage monitoring in our offices in New York, Washington D.C., Chicago, and Santa Monica.

Management approach to BIODIVERSITY

NRDC actively defends areas of high biodiversity value from industrialization and development through our "BioGems" program and other programs designed to protect imperiled species and their habitats.

EN11

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

NRDC does not own, lease, or manage any land in areas of high biodiversity value.

EN12

Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

Each year, we mobilize 1.4 million NRDC Members and online activists to pressure governments and companies to stop industrializing the world's last wild places through the BioGems program. NRDC BioGems are special places across the Americas that face an imminent threat of destruction, yet are also irreplaceable remnants of wilderness that curb global warming, preserve biodiversity, and provide sanctuary for rare and extraordinary wildlife, from threatened polar bears to endangered gray whales. In 2012, we asked the administration to reject the permit for the destructive Keystone XL tar sands pipeline; helped persuade Mexico to grant a new level of protection to key lands surrounding the gray whale nursery in San Ignacio Lagoon; and helped defeat ExxonMobil's plan to turn a pristine stretch of the Rocky Mountains into an industrial transportation corridor.

EN13

Habitats protected or restored.

NRDC is protecting the Arctic from oil companies such as Shell, which are putting the Polar Bear Seas off the northern coast of Alaska at risk with oil and gas development. NRDC is also protecting territory stretching from Alberta, Canada, to the refineries in Texas from the proposed Keystone XL pipeline, which would transport

raw, toxic tar sands oil through America. We are protecting the Spirit Bear Coast from the Northern Gateway pipeline planned by energy giant Enbridge, which would carry 500,000 barrels of tar sands oil daily directly through this rain forest in Canada. And NRDC has launched a campaign to save rare and endangered whale species, such as blue whales, fin whales, and North Atlantic right whales, off the East Coast, California, Hawaii, and the Gulf Coast; and a campaign to protect marine mammals from routine Navy training exercises.

EN14

Strategies, current actions, and future plans for managing impacts on biodiversity.

Our ocean work will focus on high-tech fishing trawlers and lethal sonar noises, two grave threats to many ocean species, including sea turtles and whales. Most recently in this area, NRDC helped secure a treaty to limit bottom-trawling fishing, which protects more than 16 million square miles of the Pacific Ocean from unregulated, destructive bottom trawling. Our forest work led to the protection of more than 11 million acres of North American forests—roughly the area of five Yellowstone National Parks—in southeast Alaska and in the Canadian boreal. And in the Arctic, NRDC is currently fighting in court to stop Shell's oil and gas development in sensitive areas (in September 2011, NRDC sued to block Shell's drilling plan; in October 2011 NRDC appealed Shell's pollution permits; and in January 2013, the Interior Department reviewed Shell's Arctic drilling activities). Also, NRDC is trying to stop global mining giants who want to develop the world's largest open-pit gold and copper mines in Alaska's Bristol Bay wilderness.

EN15

Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

From polar bears and gray whales to buffalo and migratory birds, extraordinary species of wildlife are being threatened by industrialization, overhunting, or reckless population management practices. Through our BioGems program, NRDC's advocacy team joins forces with online activists and local partners to defend some of our hemisphere's most imperiled species and their habitats. NRDC is currently working to protect more than 50 endangered or threatened species (either directly or by protecting key habitat areas), including the following:

UNITED STATES

- Atlantic sturgeon (endangered)
- Bighorn sheep (endangered) (various species)
- Bison (IUCN list near threatened)
- Central Valley steelhead (threatened)
- Coastal California gnatcatcher (threatened)
- Columbia and Snake River salmon (and steelhead) (varies, listings include threatened and endangered)
- Condor (endangered)

Cook Inlet beluga whale (endangered)
 Delta smelt (threatened)
 Desert pupfish (Fed endangered)
 Desert tortoise (threatened)
 Flat-tailed horned lizard (threatened)
 Gray bat (endangered)
 Gray wolf (endangered)
 Greater sage grouse (candidate)
 Green sturgeon (threatened)
 Grizzly bear (endangered)
 Gunnison sage grouse (proposed endangered)
 Hawaiian false killer whale (endangered)
 Indiana bat (endangered)
 Interior least tern (endangered)
 Kirtland's warbler (endangered)
 Lesser prairie chicken (proposed threatened)
 Longfin smelt (candidate)
 Mohave chui tub (Fed endangered)
 Mojave fringe-toed lizard (IUCN least concern)
 Owens pupfish (Fed endangered)
 Piping plover (endangered)
 Polar bear (threatened)
 Queen Charlotte goshawk (threatened)
 Sage grouse (candidate)
 Southern resident orca (endangered)
 Spring run Chinook salmon (threatened)
 Tidewater goby (endangered)
 Whitebark pine (candidate)
 Whooping crane (endangered)
 Winter run Chinook salmon (endangered)
 Yuma clapper rail (Fed endangered)

CHILE:

Patagonian huemul (deer) (IUCN endangered)
 Chilean pudu (tiny deer) (IUCN Vulnerable)
 Southern river otter (IUCN endangered)

MEXICO:

CABO PULMO NATIONAL PARK
 Olive ridley sea turtle (IUCN vulnerable)
 Leatherback turtle (IUCN critically endangered)
 Hawksbill turtle (IUCN critically endangered)
 Loggerhead sea turtle (IUCN endangered)
 Black turtle

LAGUNA SAN IGNACIO

Western Gray whale (IUCN critically endangered)

CANADA (KXL PIPELINE):

American burying beetle (endangered)
 Whooping crane (endangered)
 North Atlantic right whale (endangered)
 Fin whale (endangered)
 Killer whale (endangered)
 Blue whale (endangered)
 Humpback whale (endangered)
 Steller sea lion (endangered)

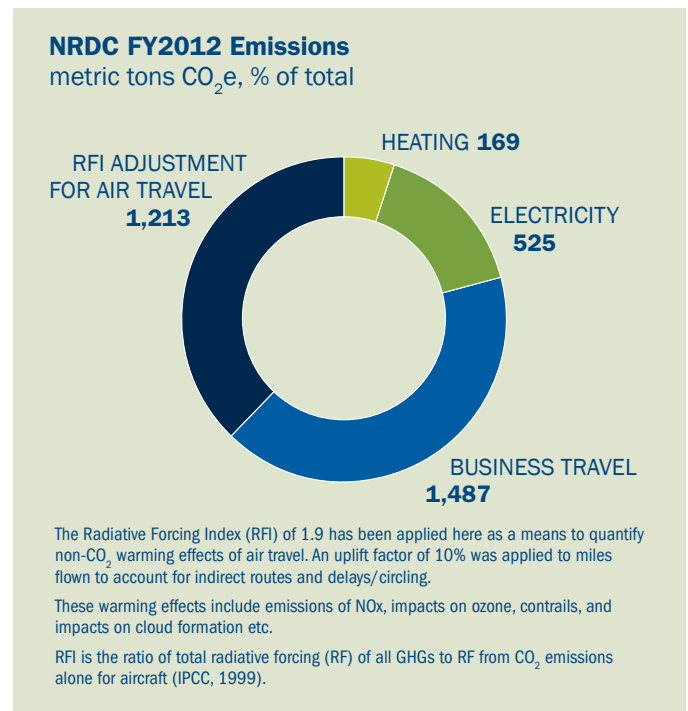
Management approach to EMISSIONS, EFFLUENTS, AND WASTE

As an office-based organization, NRDC's emissions, effluents, and waste are limited to those generated by employees in offices. We estimate our GHG emissions based on our primary and secondary energy consumption and business travel, and we seek to reduce these emissions through energy efficiency investments and investments in renewable energy. We offset the emissions that we cannot reduce or eliminate. In FY2012, we purchased and retired Regional Greenhouse Gas Initiative (RGGI) emissions allowances as a carbon offset. We also actively seek to reduce embodied energy and emissions in our supply chain. In FY2013 we began measuring our waste and the rate of diversion from landfills in most offices. We seek to improve our rate of diversion in FY2014.

EN16 & EN17

Total direct and indirect greenhouse gas emissions by weight.

The high relative share of business travel is due in part to the high efficiency of NRDC's offices. Business travel emissions per employee excluding the RFI (see chart below for definition) adjustment are 3.3 tons CO₂e, and 6.0 tons including the RFI adjustment.



EN18

Initiatives to reduce greenhouse gas emissions and reductions achieved.

All energy efficiency initiatives listed in EN5 also reduce operational emissions, responsible for 16% of emissions. Energy conservation measures in the New York office were estimated to reduce energy use (and thus emissions from office energy use) by around 26% annually. Solar panels were installed on the roofs of the two offices owned by NRDC, New York and Santa Monica, prior to FY2012. Travel policies are being reviewed in 2014 to target our primary source of emissions.

EN22

Total weight of waste by type and disposal method.

We began weighing our waste in 2013 (after the reporting period of FY2012). Based on about 4 months of data (May – Aug. 2013), for our New York, Santa Monica, and San Francisco offices, we have a 74% rate of diversion from landfill across these offices.

Management approach to PRODUCTS AND SERVICES

NRDC, a not-for-profit environmental organization, does not produce physical products.

EN26

Initiatives to mitigate environmental impacts of activities, products and services, and extent of impact mitigation.

NRDC purchases emissions offsets corresponding to 100% of estimated emissions from operations (heating and electricity) and business travel. We offset our emissions by purchasing and retiring emissions allowances from the Northeast Regional Greenhouse Gas Initiative (RGGI). In January 2013 we purchased 3,157 metric tons' worth of allowances, corresponding to our estimated emissions for FY2012.

Management approach to COMPLIANCE

NRDC aims to comply with or exceed standards with United States federal law and state laws on matters of compliance with environmental and all other laws, for all of our offices. Our office in China also complies with all relevant Chinese laws. The aspect of compliance is not covered by specific written policies.

Management approach to TRANSPORT

Although NRDC produces no physical products which need to be transported, our business travel is a significant source of emissions. To reduce business travel, we have implemented an extensive video conferencing infrastructure between NRDC offices and deployed web conferencing tools that employees can use with external parties. We will continue to work to reduce business travel, defining a new travel policy for FY2014 to reduce travel emissions. NRDC minimizes commuting emissions by siting offices near public transport and by providing showers, bike racks, commuter bike subsidies, and pretax options for public transit. The majority of NRDC employees use options other than driving a car to work.

EN29

Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

NRDC staff travels frequently to attend conferences, advocacy events, and environmental meetings. NRDC staff takes a total of roughly 1,900 flights a year and covers around 5.3 million miles by air. The average NRDC employee flies 4-5 times per year. Rail and car travel accounts for 300,000 and 200,000 miles, respectively. The environmental impact of NRDC's travel is roughly 2,691 tons of CO₂e, applying an RFI multiplier of 1.9 for air travel. This includes business travel emissions of 1,478 tons of CO₂e and 1,213 tons of CO₂e as an estimated incremental net warming impact of the air travel, including emissions of NO_x, impacts on ozone, contrails, impacts on cloud formation, etc.

LABOR PRACTICES AND DECENT WORK

Management approach to EMPLOYMENT

NRDC attracts exceptionally talented people. Bringing together extraordinary people to realize a common mission creates a vibrant, dynamic workplace. NRDC has a staff of more than 400 lawyers, scientists, policy analysts, and others working to protect the environment and public health through advocacy and education. NRDC offers employees medical, dental, vision, disability and life insurance, as well as retirement benefits and flexible spending accounts.

LA1

Total workforce, including volunteers, by employment type, employment contract, and region, broken down by gender.

EMPLOYEES AS OF JUNE 2012	
TOTAL	453
Contractors	15
Casuals	4
Full-Time	410
Interns	9
Part-Time	15
Male	172
Female	281
Northeast	190
Midwest	22
South	103
West	124
International	14

LA2

Total number and rate of new employee hires and employee turnover by age group, gender, and region.

NRDC employs a number of summer and school year interns, and the hiring and turnover reflect these individuals who work for NRDC for a limited period of time.

FY2012			
NEW EMPLOYEES		EMPLOYEE TURNOVER	
TOTAL	126	TOTAL	127
Under 18	1	Under 18	1
20-25	44	20-25	29
26-30	33	26-30	39
31-40	32	31-40	36
41-50	11	41-50	13
51-76	5	51-76	9
Male	50	Male	53
Female	76	Female	74
Northeast	44	Northeast	44
Midwest	9	Midwest	8
South	29	South	27
West	42	West	46
International	2	International	2

LA3

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

We provide full- and part-time employees working at least 20 hours per week with our benefits package, including medical, dental, mental health, and vision coverage, plus life and disability insurance, flexible spending accounts, and 403 (b) retirement accounts. Temporary employees (contractors) are granted 1.25 PTO days per month provided the contractors work five days per week.

Management approach to LABOR/MANAGEMENT RELATIONS

NRDC is a not-for-profit environmental organization, and "labor" consists primarily of attorneys, scientists, other professionals, and professional administrative staff. We provide mechanisms for workforce feedback and resolution of complaints through written human resources policies and procedures.

LA5

Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

To the extent we make significant changes to operations or benefits, we endeavor to provide as much notice as possible to employees and adhere to any applicable laws.

Management approach to OCCUPATIONAL HEALTH AND SAFETY

NRDC complies with OSHA and building codes and holds annual indoor air quality inspections. As an office-based organization, there is a minimum of dangerous equipment or activities. We alleviate ergonomic concerns by providing, at request, standing workstations and ergonomic keyboards.

LA6

Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

We provide CPR and first aid training for employees and designate trained employees as potential responders during a crisis in the office. We also provide first aid equipment.

LA7

Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.

All rates (injury, occupational disease, lost days, and fatalities) are zero except for absenteeism. We are not currently able to calculate absenteeism based on illness/incapacity only, because days taken for childcare leave are not distinguished in our records from sick days.

LA8

Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

We offer the following benefits free of charge to employees and their families: EAP (Ability Assist), Travel Assistance, flu vaccinations at local pharmacies and MedEx (employees only).

Management approach to TRAINING AND EDUCATION

NRDC has developed training for its staff in three primary areas: performance management, compensation, and diversity awareness. These programs are designed to strengthen our mission delivery, help NRDC remain competitive with other employers in the environmental field, and provide greater internal equity. We continue to develop a best-in-class administrative platform and infrastructure in order to provide the best possible support to NRDC staff.

LA10

Average hours of training per year per employee by gender, and by employee category.

Our female employees average 5.2 hours, and male employees, 5.4 hours. The slight difference seems to be due to the variance in average absentee rates by gender, probably driven by the longer average maternity leave compared with paternity leave.

LA11

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

NRDC engaged in several programs for employees to help enhance skills during FY2012. These programs were specifically offered to support their lifelong learning and continued employability. Programs included leadership training and one-on-one executive coaching for senior staff, and performance management training for all staff. Sabbaticals are offered for senior staff (above a certain level, for those who have been at NRDC at least 10 years).

LA12

Percentage of employees receiving regular performance and career development reviews, by gender.

The total number of employees eligible for a review (full-time and employed for at least three months):

359 (223 Females, 136 males). Seventy percent of employees submitted a performance appraisal.

Management approach to DIVERSITY AND EQUAL OPPORTUNITY

Just as biological diversity is known to strengthen natural systems, so human diversity strengthens organizations. NRDC will be stronger and more effective by consistently and conscientiously pursuing diversity.

A diverse workforce gives us a wider perspective from which to view problems and imagine solutions. It makes us more nimble, more creative, and deepens our thinking. It enhances our credibility with a wide array of constituents, especially in important areas of our work, such as health and sustainable communities.

The demographics of the country are rapidly changing, and these shifts have important implications for the work of NRDC and the broader environmental community. A diverse workforce enables us to collaborate with a broader spectrum of allies, to recruit from a larger universe of potential members, to raise money from a greater number of institutions and individual donors, and to better represent our ever-more diverse nation, thereby increasing our longevity and political power.

LA13

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

NRDC Organizational Diversity

ORGANIZATIONAL					
	Group Total	People of Color	% of Group		
Total Staff	396	141	36%		
Admin	112	44	39%		
Program	200	47	24%		
Support	82	49	60%		
Other	2	1	50%		
DIVERSITY & GENDER BREAKDOWN					
	Admin	Program	Support	Total	% of Org Total
Black or African American	13	3	13	29	7%
Asian	13	29	19	61	15%
Hawaiian/Pacific Islander	1	1	1	3	1%
Hispanic or Latino	10	6	12	28	7%
American Indian or Alaskan	1	1	0	2	1%
Two or More Races	6	6	3	15	4%
White	68	153	33	254	64%
Other	0	0	0	0	0%
Female	71	99	72	242	61%
Male	41	101	10	152	38%
GENERATIONAL DIVERSITY					
Generation	Matures	Boomers	Gen X	Millennials	
Year	< 1940	1940-1960	1961-1980	1980<	
Number of Staff	0	73	219	104	
Percentage of Staff	0%	18%	55%	26%	

Management approach to EQUAL REMUNERATION FOR WOMEN AND MEN

NRDC's compensation system encourages recruitment, retention, and motivation of outstanding employees regardless of gender so that we can achieve our mission and objectives. NRDC makes no distinctions based on gender for compensation or promotions.

LA14

Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

EMPLOYEES AS OF JUNE 2012

Location/Level	Ratio F : M	Location/Level	Ratio F : M
Beijing		Montana	
Senior Level	N/A	Senior Level	N/A
Mid-Level	N/A	Mid-Level	0.7 : 1.0
Support	N/A		
CH		NY	
Senior Level	0.9 : 1.0	Senior Level	1.0 : 1.0
Mid-Level	1.0 : 1.0	Mid-Level	1.0 : 1.0
Support	1.0 : 1.0	Support	1.2 : 1.0
DC		SF	
Senior Level	0.9 : 1.0	Senior Level	0.9 : 1.0
Mid-Level	1.1 : 1.0	Mid-Level	1.0 : 1.0
Support	0.7 : 1.0	Support	1.3 : 1.0
LA			
Senior Level	0.9 : 1.0		
Mid-Level	1.0 : 1.0		
Support	1.2 : 1.0		

LA15

Return to work and retention rates after parental leave, by gender.

We had 16 parental leaves in FY2012 with 100% retention for both female and male employees.

HUMAN RIGHTS

Management approach to INVESTMENT AND PROCUREMENT PRACTICES

In our procurement practices, NRDC seeks to partner with companies that share our values, demonstrate good stewardship and efficient use of resources, and are cost effective. NRDC strives to incorporate green strategies into purchasing criteria. We procure a range of goods and services including mailing services, printing, advertising, communications and media services, other professional services, office supplies, IT equipment, and building materials. NRDC has launched a vendor sustainability survey and scoring system to incorporate environmental and social sustainability considerations into our procurement decisions.

Investment decisions are the responsibility of the Investment Committee of the Board of Trustees. NRDC's Investment Committee pursues green investment strategies as they arise, considering such factors as risk, return, currency exposure, interest rates, diversification, and fee structures. NRDC has no direct investments in sectors likely to be affected by NRDC advocacy. We specifically screen out extractive industries, fossil fuels, and other areas of the energy sector.

HR2

Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.

As an office-based organization with limited purchases, we do environmental screening of suppliers and products, but we don't believe human rights are at significant risk in our supply chain.

HR3

Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

As an office-based organization, human rights are not at risk in our operations.

Management approach to NON-DISCRIMINATION

We do not discriminate on the basis of race, gender, religion, or sexual orientation either in hiring, promotion considerations, or in any other way. A Harassment Policy and a Diversity, Inclusion, and Equity Policy are in place. Since our founding in 1970, NRDC has been committed to ensuring a safe and healthy environment for all living beings, which includes breaking down “the pattern of disproportionate environmental burdens borne by people of color and others who face social or economic inequities,” as articulated in our mission statement.

Management approach to FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

NRDC’s main operations are conducted from offices in the United States, and thus are covered by federal law—specifically the National Labor Relations Act—by which this right is protected.

Management approach to CHILD LABOR

Child labor is not a material concern for NRDC in our direct operations or in those of suppliers.

Management approach to FORCED AND COMPULSORY LABOR

NRDC has no direct operations where forced and compulsory labor is a material concern.

Management approach to ASSESSMENT

NRDC has no operations where human rights violations are a material concern.

Management approach to SECURITY PRACTICES

NRDC does not have any security personnel.

Management approach to INDIGENOUS RIGHTS

NRDC has no direct operations where infringement of indigenous rights is a material concern.

Management approach to REMEDATION

No grievances related to human rights were filed in FY2012 through NRDC’s existing process for reporting staff grievances.

PROGRAM EFFECTIVENESS

Management approach to AFFECTED STAKEHOLDER ENGAGEMENT

None of NRDC’s work could be accomplished without the support of our dedicated members and donors. These supporters offer wise counsel, provide standing in court, and take to their phones and computers when we need to hold lawmakers accountable. To keep them informed of our progress, we produce annual reports that include updates on each one of our institutional priorities. We also provide up-to-the-minute dispatches on our work through NRDC’s Switchboard blog, our magazine *OnEarth*, and our website. Our communications department reaches out to the public through our website and marketing campaigns.

NGO1

Processes for involvement of affected stakeholder groups in the design, implementation, monitoring, and evaluation of policies and programs.

Our policy and advocacy experts always coordinate and consult with partner groups in shaping our advocacy strategies.

Management approach to FEEDBACK, COMPLAINTS, AND ACTION

NRDC members and activists can and do provide feedback on NRDC’s policy positions and programs.

NGO2

Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies.

NRDC's website has links for citizens and stakeholders to take action in initiatives such as: protecting public health, creating a clean energy future, and protecting endangered wildlife. NRDC Members can write in on the website or via letters, expressing feedback, questions, complaints, and suggestions on NRDC policy positions and programs. NRDC's Membership Group houses the function of responding to this input, in the form of written responses, or meeting with stakeholders to discuss. Members were heavily involved, for example, in providing input to NRDC's position on a carbon tax vs. cap and trade.

Management approach to MONITORING, EVALUATION AND LEARNING

HOW WE MEASURE OUR PROGRESS

We create a strategic plan every five years, and track progress against metrics annually. In 2005, NRDC undertook a comprehensive strategic planning process, in which we established institutional priorities and set goals for how we could advance these priority issues. In 2010, we conducted a five-year update, and the result is a revised strategic plan that incorporates the lessons learned during the last five years and sets a course for the next five years and beyond.

To measure our progress, we have identified benchmarks for each one of our priorities. Here are just a few examples of what success would look like within the next five years.

- A cap is set on the amount of carbon American polluters can release, and as a result, private investment in clean energy grows by hundreds of billions of dollars and workers find jobs manufacturing solar components and hybrid cars.
- Overfishing in America's ocean waters ends, and dwindling fish stocks begin to recover.
- A majority of Americans no longer assume that economic prosperity and environmental protection are at odds, and recognize that efficiency creates good jobs that cannot be outsourced and that clean air and water save health care costs and increase productivity.
- Green infrastructure solutions—such as pocket parks and grassy swales that slash stormwater pollution—are required in all new development in California's urban centers.

- The Chilean public decides to protect its wild rivers from hydroelectric dams and meet its growing electricity demand through clean energy measures instead.
- California's smart growth planning law is adopted in several regions in the nation, reducing oil imports, climate change, and the time wasted in traffic, setting the stage for its adoption by the federal government.
- Industry is required to demonstrate that the chemicals they manufacture are safe for human health and the environment. Starting with the apparel industry, multinational corporations develop global supply chain policies that include quantifiable measures of success, including cutting pollution discharge and more efficient energy and water use.

Progress against these metrics is tracked annually via program plans and reviews and individual performance objectives for program staff.

NGO3

System for program monitoring, evaluation and learning (including measuring program effectiveness and impact), resulting changes to programs, and how they are communicated.

Program directors and staff are evaluated against program objectives in their annual performance reviews.

Management approach to GENDER AND DIVERSITY

NRDC's diversity efforts seek to help all of us better appreciate, understand, accept, and respect each other and the factors and situations that motivate our personal beliefs, values, and behaviors. NRDC's mission statement pledges to help "break down the pattern of disproportionate environmental burdens borne by people of color and others who face social or economic inequities."

NGO4

Measures to integrate gender and diversity into program design and implementation, and the monitoring, evaluation, and learning cycle.

NRDC believes in the inherent value of diversity and equal opportunity, recognizing that a truly diverse workforce will bring a wider array of perspectives, as well as more innovative and effective solutions to our programs and organization. Therefore, we have implemented analytical reporting measures to help us identify areas of opportunity and need. These reports focus on our internal demographics and recruiting measures, including program staff.

These reports include:

- Monthly staff statistics: racial and ethnic statistics of the organization through various filters including area, level, office, age, and tenure.
- Quarterly candidate summary: positions recruited in the last quarter including statistics on race and ethnicity, gender, and source of those who were interviewed and hired.

Management approach to PUBLIC AWARENESS AND ADVOCACY

NRDC's policy publications aim to inform and influence solutions to the world's most pressing environmental and public health issues. NRDC publishes research reports, legislative analyses, issue briefs, and fact sheets on the website and conducts awareness campaigns through the website.

NGO5

Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns.

NRDC's program staff develops advocacy positions with input from partners, staff experts, and senior management. These positions are communicated through reports, issue papers, and public awareness campaigns on the website.

Management approach to COORDINATION

NRDC strongly believes in coordinating efforts with other, like-minded organizations. NRDC coordinates closely with Green Group members, the BlueGreen Alliance, the Sustainability Management Roundtable, several environmental justice organizations, and others.

NGO6

Processes to take into account and coordinate with the activities of other actors.

NRDC actively partners with other environmental groups and stakeholders as well as local community groups.

Management approach to RESOURCE ALLOCATION

NRDC's long-term strategic plan is developed by the Board of Trustees and refreshed every five years.

Annually, NRDC allocates resources according to budgets developed by each program, which are finalized by the budget committee and approved by the Board of Trustees.

Grants are monitored on a monthly basis, and providers of funds receive reports on their allocation.

NGO7

Identify the processes in place to track the use of resources for the purposes intended, including both cash and in-kind contributions. This refers to the internal processes of financial controls.

Spending funds in compliance with a funder's wishes is a responsibility shared by Program staff, Finance and Development. The checks and balances among these groups ensure that funds spent comply with donor requirements and that reporting is complete and accurate.

Development and Program teams determine which projects (new work or existing work) meet the purposes intended for the funding. NRDC uses Great Plains accounting software, which includes a component for grants tracking and controls, and this process is reviewed as part of NRDC's annual financial statement audit by independent auditors.

As costs are incurred, Program staff charge direct expenditures to each grant based on grant restrictions and eligible expenses. Monthly staff costs, overhead, and office services costs charged to grants are based on each grant's restrictions in Great Plains. This process is controlled by Finance. Program staff review reports for each grant monthly to determine proper distribution of expenses to grants and to ensure that the grants are spent down timely. Prior to reporting to funders, Development reviews grant reports for compliance with grant terms and prepares interim and final reports to funders with Program and Finance input.

NRDC provides expenditure reports to funders as frequently as each requires.

Management approach to ETHICAL FUNDRAISING

NRDC adheres to ethical fund-raising practices, and does not pay fund-raisers on a percentage basis.

We have strict corporate contributions guidelines that require the avoidance of soliciting or accepting contributions that would create a conflict (or even the appearance of a conflict) with NRDC's mission.

NRDC has a contributions committee that screens contributions to ensure that our guidelines are met, and no funds are accepted from entities that would undermine our efforts or reputation.

NGOS

Sources of funding by category and five largest donors and monetary value of their contribution.

Membership and individual contributions	\$68.7 million
Foundations	\$18.9 million
Investment	\$ 3.2 million
Bequests	\$ 4.6 million
In-kind contributions	\$ 4.1 million
Awarded attorney fees	\$ 1.7 million
Government grants	\$ 0.7 million
Other sources	\$ 0.9 million
The monetary value from NRDC's five largest donors was \$16.9 million.	

NGO9

Mechanisms for workforce feedback and complaints, and their resolution.

NRDC is committed to working toward fair and prompt resolution of employee concerns regarding work requirements, conditions of employment, or the applicability of a given policy. It is NRDC's hope that most concerns can be resolved before they become conflicts through open, direct, and frequent communication between and among co-workers, supervisors and supervisees, and the Human Resources Department. NRDC also recognizes the need to have procedures in place should concerns arise. For this reason, NRDC has a formal policy for reporting complaints, grievances, violations, and concerns, with a transparent escalation schedule from the employee's direct supervisor up to the director of Human Resources and Corporate Counsel as required.

PRODUCT RESPONSIBILITY

Management approach to MARKETING COMMUNICATIONS

Getting our message out is the responsibility of our Communications and Membership departments. The Communications Department includes all media relations, publications, web, and NRDC's award-winning, quarterly environmental magazine, *OnEarth*, which explores politics, nature, wildlife, culture, science, health, the challenges that confront our planet, and the solutions that promise to heal and protect it.

NRDC program staff can take advantage of a broad range of print and electronic media to communicate their expertise to specific target audiences, from journalists and policymakers to citizen populations ranging from mothers of young children to prospective car-buyers.

SOCIETY

Management approach to LOCAL COMMUNITY

Through our programs, we have many positive impacts on local communities. NRDC's broader work (e.g., for clean air and clean water) has significant positive impacts on communities nationwide. NRDC also focuses on environmental justice, protecting the most vulnerable communities. NRDC has formed an exciting partnership with the Local Initiatives Support Corporation (LISC) to reduce the country's environmental footprint by changing the way urban revitalization is conducted in America. Along with the U.S. Green Building Council (USGBC) and Congress for the New Urbanism (CNU), we conceived and developed LEED for Neighborhood Development, which is the first set of national standards to guide new development to the right places with the right sustainable design. We have virtually no negative impacts on local communities—our offices are efficient in energy and heating use and we seek to minimize our emissions.

S01

Percentage of operations with implemented local community engagement, impact assessments, and development programs.

One of NRDC's top six strategic priorities is to advance sustainable communities.

Management approach to CORRUPTION

NRDC's governance structure (Counsel's office, Board of Directors) is designed to ensure compliance with all laws regarding corruption. NRDC is in the process of revising our anti-corruption and anti-bribery policies to incorporate compliance with the U.K. Bribery Act (in addition to the U.S. Foreign Corrupt Practices Act).

S02

Percentage and total number of programs/business units analyzed for risks related to corruption.

We have not done such an analysis. We have a draft anti-corruption policy that will be finalized and implemented in FY2014.

S03

Percentage of employees trained in organization's anti-corruption policies and procedures.

Zero. We have a draft anti-corruption policy that will be finalized and implemented in FY2014.

S04

Actions taken in response to incidents of corruption.

There have been no reported incidents of corruption during the reporting period. We have a policy for reporting of concerns by employees, and any concerns regarding corruption that are brought up will be taken very seriously and handled in accordance with that policy.

Management approach to PUBLIC POLICY

NRDC has an unparalleled arsenal of core capacities that allow us to advocate for environmental laws and protections from every angle and with maximum force. These core capacities set NRDC apart. Many groups have extraordinary experts in one or two areas or focus their resources on one tool or another. NRDC's effectiveness stems from the fact that we fight battles on many fronts at once. By taking a comprehensive yet focused approach, NRDC gets results.

These critical capacities include:

- A broad range of coordinated advocacy tools, including policy expertise, law, science, communications, finance acumen, and diverse partnerships.
- A strong presence in the centers of government, finance, manufacturing, environmental innovation, and entertainment that allows for effective collaborations with influential sectors.
- A track record of success in China, India, and the Americas, where we can solve problems that are global in scope and leverage solutions.
- A loyal group of supporters, including more than a half million members who give us access to the courts, provide public backing for local, state, and federal advocacy, and augment the passion of NRDC's staff.
- A world-class platform of administration, finance, human resources, and information technology that enables us to attract and retain the best staff and accomplish policy goals.

S05

Public policy positions and participation in public policy development and lobbying.

NRDC works on a broad range of issues as we pursue our mission to safeguard the Earth; its people, its plants and animals, and the natural systems on which all life depends. The six priority issues on which we seek to influence public policy are:

1. **Curbing Global Warming and Creating the Clean Energy Future:** Climate change is the single biggest environmental and humanitarian crisis of our time. The world must unite to combat this crisis, and our best weapon is clean energy. Renewable power, conservation, energy efficiency in buildings and elsewhere, more efficient vehicles, and clean fuels—these are the solutions that will reduce the impacts on our climate, revive our economy, and create jobs. NRDC works to jumpstart the clean energy future not only here in America, but also in China, where we have worked on energy issues for more than a decade, and in India, where we have established a new program to promote clean energy policies.
2. **Reviving the World's Oceans:** The world's oceans are on the brink of ecological collapse. We can restore marine vitality by ending overfishing, creating marine protected areas, and improving the way we govern our oceans.
3. **Defending Endangered Wildlife and Wild Places:** The destruction of our last remaining wildlands means the loss of vast troves of biological diversity, critical regulators of global climate, and irreplaceable sanctuaries.

4. Protecting Our Health by Preventing Pollution:

We must reduce or eliminate the dangerous chemicals in the products we buy, the food we eat, and the air we breathe.

5. Ensuring Safe and Sufficient Water: As we enter the 21st century, swelling demand and changing climate patterns are draining rivers and aquifers as pollution threatens the quality of what remains.

6. Fostering Sustainable Communities: The choices we make for where and how we live have enormous impacts on our well-being, economy, and natural environment. NRDC develops and advocates sustainable solutions for our communities.

S06

Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

NRDC is a corporation exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code and as such does not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

The NRDC Action Fund is an affiliated but separate organization that is exempt from taxation under Section 501 (c) (4) of the Internal Revenue Code, and as such it engages in a limited amount of political campaign activities. In 2013, the Action Fund formed a federally connected political action committee that has begun making cash and in-kind contributions to candidates (subject to various restrictions). To date, the Action Fund has reported approximately \$36,000 in such contributions.

Management approach to COMPLIANCE

NRDC complies with United States federal law and state laws on matters of compliance, for all of our offices. Our office in China also complies with all relevant Chinese laws. NRDC's governance structure (Counsel's office, Board of Directors) is designed to ensure compliance.

GRI CONTENT INDEX

PROFILE		
STRATEGY AND ANALYSIS		
INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	p3
1.2	Description of key impacts, risks, and opportunities	p5
ORGANIZATIONAL PROFILE		
2.1	Name of the organization	Natural Resources Defense Council
2.2	Primary activities (e.g., advocacy, social marketing, research, service provision, capacity building, humanitarian assistance, etc.). Indicate how these NGO activities relate to the organization's mission and primary strategic goals (e.g., on poverty reduction, environment, human rights, etc.). Primary brands, products, and/or services	p6 Environmental advocacy nonprofit organization
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	p6
2.4	Location of organization's headquarters	40 West 20th Street New York, NY 10011
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	United States, China, and India
2.6	Nature of ownership and legal form. Details and current status of not-for-profit registration	Natural Resources Defense Council is a federal, tax-exempt nonprofit organization with 1.4 million members.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	p7
2.8	Scale of the reporting organization	Employees: 422 Revenue: \$97M Expenses: \$76M Net Revenue: \$8M (Sources: Charitynavigator.org, Form 990)
2.9	Significant changes during the reporting period regarding size, structure, or ownership	p7
2.10	Awards received in the reporting period	Founding Director John Adams received the 2010 Presidential Medal of Freedom, America's highest civilian honor, from President Obama.

REPORT PARAMETERS		
INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	FY2012 (July 2011 - June 2012)
3.2	Date of most recent previous report (if any)	None (first report)
3.3	Reporting cycle (annual, biennial, etc.)	Biennial
3.4	Contact point for questions regarding the report or its contents	Alex Kennaugh 40 West 20th Street New York, NY 10011

REPORT SCOPE AND BOUNDARY		
3.5	Process for defining report content	p8
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	United States Programs and Operations. Our Beijing office will be included in our next report.
3.7	State any specific limitations on the scope or boundary of the report	This report is limited primarily to domestic operations and activities.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	None (first report)
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	p8
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	None (first report)
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	None (first report)
3.12	Table identifying the location of the Standard Disclosures in the report	This table

ASSURANCE		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	We are not seeking external assurance this year.

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	p9
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	p9
4.3	For organizations that have a unitary board structure, state the number and gender of members of the board	41 board members; 13 women, 28 men
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	p9

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT (CONTINUED)		
INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	p9
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	p10
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	p10
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	p10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	p10
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	p10
COMMITMENTS TO EXTERNAL INITIATIVES		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization. Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products	p10
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	p11
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	p11
STAKEHOLDER ENGAGEMENT		
4.14	List of stakeholder groups engaged by the organization	p11
4.15	Basis for identification and selection of stakeholders with whom to engage	p11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p11
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	p12

PERFORMANCE INDICATORS

ECONOMIC

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
-----------	-------------	----------------------

ASPECT: ECONOMIC PERFORMANCE

Management approach to ECONOMIC PERFORMANCE		p14
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	p14
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	p14
EC3	Coverage of the organization's defined benefit plan obligations	p14
EC4	Significant financial assistance received from government	p14

ASPECT: ETHICAL FUNDRAISING

Management approach to ETHICAL FUNDRAISING		p28
NGO8	Sources of funding by category and five largest donors and monetary value of their contribution	p29

ASPECT: MARKET PRESENCE

Management approach to MARKET PRESENCE		p15
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	N/A
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	p15
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	p15

ASPECT: INDIRECT ECONOMIC IMPACTS

Management approach to INDIRECT ECONOMIC IMPACTS		p15
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	p15
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	p15

ASPECT: RESOURCE ALLOCATION

Management approach to RESOURCE ALLOCATION		p28
NGO7	Identify the processes in place to track the use of resources for the purposes intended, including both cash and in-kind contributions. This refers to the internal processes of financial controls	p28

ENVIRONMENTAL

ASPECT: MATERIALS

Management approach to MATERIALS		p16
EN1	Materials used by weight or volume	p16
EN2	Percentage of materials used that are recycled input materials	p16

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
ASPECT: ENERGY		
Management approach to ENERGY		p16
EN3	Direct energy consumption by primary energy source	p17
EN4	Indirect energy consumption by primary source	p17
EN5	Energy saved due to conservation and efficiency improvements	p18
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	p18
EN7	Initiatives to reduce non-energy indirect energy consumption (from purchasing materials and components or services such as travel, commuting, and subcontracted production) and reductions achieved	p18
ASPECT: WATER		
Management approach to WATER		p18
EN8	Total water withdrawal by source	p18
EN9	Water sources significantly affected by withdrawal of water	N/A
EN10	Percentage and total volume of water recycled and reused	p18
ASPECT: BIODIVERSITY		
Management approach to BIODIVERSITY		p19
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p19
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	p19
EN13	Habitats protected or restored	p19
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	p19
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	p19
ASPECT: EMISSIONS, EFFLUENTS, AND WASTE		
Management approach to EMISSIONS, EFFLUENTS, AND WASTE		p20
EN16	Total direct and indirect greenhouse gas emissions by weight	p20
EN17	Other relevant indirect greenhouse gas emissions by weight	p20
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	p21
EN19	Emissions of ozone-depleting substances by weight	N/A
EN20	NOx, SOx, and other significant air emissions by type and weight	N/A
EN21	Total water discharge by quality and destination	N/A
EN22	Total weight of waste by type and disposal method	p21
EN23	Total number and volume of significant spills	N/A

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
ASPECT: PRODUCTS AND SERVICES		
Management approach to PRODUCTS AND SERVICES		p21
EN26	Initiatives to mitigate environmental impacts of activities, products and services, and extent of impact mitigation	p21
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	N/A
ASPECT: COMPLIANCE		
Management approach to COMPLIANCE		p21
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	N/A
ASPECT: TRANSPORT		
Management approach to TRANSPORT		p21
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	p21
ASPECT: OVERALL		
Management approach to OVERALL		p16
EN30	Total environmental protection expenditures and investments by type	N/A
HUMAN RIGHTS		
ASPECT: INVESTMENT AND PROCUREMENT PRACTICES		
Management approach to INVESTMENT AND PROCUREMENT PRACTICES		p25
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	N/A
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	As an office-based organization, human rights are not at risk in our supply chain.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	As an office-based organization, human rights are not at risk in our operations.

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
ASPECT: NON-DISCRIMINATION		
	Management approach to NON-DISCRIMINATION	p26
HR4	Total number of incidents of discrimination and corrective actions taken	None
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
	Management approach to FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	NRDC's main operations are conducted from offices in the United States, and thus are covered by federal law—specifically the National Labor Relations Act—by which this right is protected.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	None
ASPECT: CHILD LABOR		
	Management approach to CHILD LABOR	Child labor is not a material concern for NRDC in our operations or in those of our suppliers.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	None
ASPECT: FORCED AND COMPULSORY LABOR		
	Management approach to FORCED AND COMPULSORY LABOR	NRDC has no operations where forced and compulsory labor is a material concern.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	None
ASPECT: SECURITY PRACTICES		
	Management approach to SECURITY PRACTICES	NRDC does not have any security personnel.
ASPECT: INDIGENOUS RIGHTS		
	Management approach to INDIGENOUS RIGHTS	NRDC has no operations where infringement of indigenous rights is a material concern.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	N/A
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	N/A

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
ASPECT: ASSESSMENT		
Management approach to ASSESSMENT		NRDC has no operations where human rights violations are a material concern.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	NRDC has no operations where human rights violations are a material concern.
ASPECT: REMEDIATION		
Management approach to REMEDIATION		No grievances related to human rights were filed in FY2012.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	No grievances related to human rights were filed in FY2012.
LABOR PRACTICES AND DECENT WORK		
ASPECT: EMPLOYMENT		
Management approach to EMPLOYMENT		p22
LA1	Total workforce, including volunteers, by employment type, employment contract, and region, broken down by gender	p22
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	p22
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	p22
LA15	Return to work and retention rates after parental leave, by gender	p25
ASPECT: LABOR/MANAGEMENT RELATIONS		
Management approach to LABOR/MANAGEMENT RELATIONS		p22
LA4	Percentage of employees covered by collective bargaining agreements	None
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	p22
NGO9	Mechanisms for workforce feedback and complaints, and their resolution	p29
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
Management approach to OCCUPATIONAL HEALTH AND SAFETY		p23
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	p23
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	p23
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	p23
LA9	Health and safety topics covered in formal agreements with trade unions	N/A

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
ASPECT: TRAINING AND EDUCATION		
Management approach to TRAINING AND EDUCATION		p23
LA10	Average hours of training per year per employee by gender, and by employee category	p23
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	p23
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	p23
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY		
Management approach to DIVERSITY AND EQUAL OPPORTUNITY		p23
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	p24
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN		
Management approach to EQUAL REMUNERATION FOR WOMEN AND MEN		p25
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	p25
PRODUCT RESPONSIBILITY		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	N/A
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	N/A
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	N/A
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	N/A
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	N/A
ASPECT: MARKETING COMMUNICATIONS		
Management approach to MARKETING COMMUNICATIONS		p29
PR6	Programs for adherence to laws, standards, and voluntary codes related to fundraising and marketing communications, including advertising, promotion, and sponsorship	N/A
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	N/A
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	N/A
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	N/A

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
PROGRAM EFFECTIVENESS		
ASPECT: STAKEHOLDER ENGAGEMENT		
Management approach to AFFECTED STAKEHOLDER ENGAGEMENT		p26
NGO1	Processes for involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs	p26
ASPECT: FEEDBACK, COMPLAINTS, AND ACTION		
Management approach to FEEDBACK, COMPLAINTS AND ACTION		p26
NGO2	Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies	p27
ASPECT: MONITORING, EVALUATION AND LEARNING		
Management approach to MONITORING, EVALUATION AND LEARNING		p27
NGO3	System for program monitoring, evaluation and learning (including measuring program effectiveness and impact), resulting changes to programs, and how they are communicated	p27
ASPECT: COORDINATION		
Management approach to COORDINATION		p28
NGO6	Processes to take into account and coordinate with the activities of other actors	p28
ASPECT: GENDER AND DIVERSITY		
Management approach to GENDER AND DIVERSITY		p27
NGO4	Measures to integrate gender and diversity into program design and implementation, and the monitoring, evaluation, and learning cycle	p27
ASPECT: PUBLIC AWARENESS AND ADVOCACY		
Management approach to PUBLIC AWARENESS AND ADVOCACY		p28
NGO5	Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns	p28
SOCIETY		
ASPECT: LOCAL COMMUNITY		
Management approach to LOCAL COMMUNITY		p29
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	One of NRDC's top six strategic priorities is to advance sustainable communities.
SO9	Operations with significant potential or actual negative impacts on local communities	N/A
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	N/A

INDICATOR	DESCRIPTION	LOCATION OR RESPONSE
ASPECT: CORRUPTION		
Management approach to CORRUPTION		NRDC's governance structure (Counsel's office, Board of Directors) is designed to ensure compliance with all laws regarding corruption. We are in the process of formalizing a written policy.
S02	Percentage and total number of programs/business units analyzed for risks related to corruption	We have not done such an analysis. We have a draft anti-corruption policy that will be finalized and implemented in FY2014.
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	Zero. We have a draft anti-corruption policy that will be finalized and implemented in FY2014.
S04	Actions taken in response to incidents of corruption	There have been no reported incidents of corruption during the reporting period. We have a policy for reporting of concerns by employees, and any concerns regarding corruption that are brought up will be taken very seriously and handled in accordance with that policy.
ASPECT: PUBLIC POLICY		
Management approach to PUBLIC POLICY		p30
S05	Public policy positions and participation in public policy development and lobbying	p30
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	p31
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	N/A
ASPECT: COMPLIANCE		
Management approach to COMPLIANCE		N/A
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	N/A

Acknowledgement

We would like to thank the senior leadership here at NRDC; Judy Keefer, Sarah Gillman, Ashok Gupta, and Susan Casey-Lefkowitz, who had the foresight to encourage the development of this report. We also want to acknowledge the Administrative Team, Sasha Alleyne, Jen Daly, Anthony Guerrero, Marisa Kaminski, Rene Leni, and Milly Suarez, who got the infrastructure in place and gathered the necessary information to make such an extensive report possible. Thanks also to our internal reviewers at NRDC who advised on specific sections, along with Alex Kennaugh and the Communications Team for handling the publication of the report. Additional thanks go to The Columbia University capstone team for providing research assistance and also to Closed Loop Advisors who provided technical assistance and guidance on management of the report.



Natural Resources Defense Council

40 West 20th Street
New York, NY 10011
212 727-2700
Fax 212 727-1773

Beijing

Chicago

Los Angeles

Bozeman

San Francisco

Washington

www.nrdc.org

**Sustainability Consulting
and Reporting Partner:**

Closed Loop Advisors
www.closedloopadvisors.com

www.nrdc.org/policy
www.facebook.com/nrdc.org
www.twitter.com/nrdc