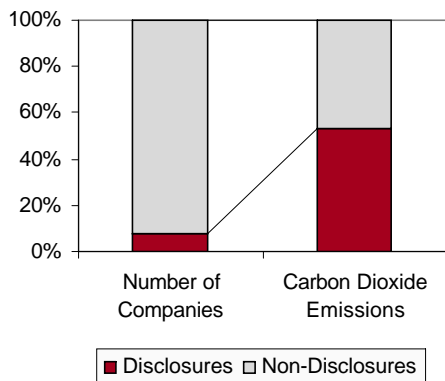


Carbon Disclosure – Who Should Be Reporting?



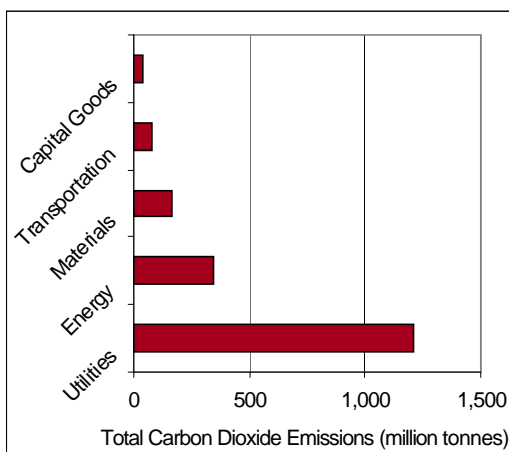
"We don't expect Kyoto timeframes to be enforced in the United States but we do expect international consensus on this issue (CO₂ emissions) will prevail in the United States". - Susan Tomasky, Chief Financial Officer, AEP.

This will mean that emissions controls and the concomitant costs will become a reality for business sooner rather than later. This is the reason why Trucost has produced this report. Firstly, it will enable investors to assess which companies regard the problem as sufficiently serious to disclose current emissions levels. Secondly, it provides estimates of emissions for those companies that do not make a disclosure. Finally, by applying abatement costs to those emissions, investors will be able to forecast which companies will be most financially affected.

Concentration of Carbon Dioxide Emissions

Quartile	Number of Companies	% of Companies
First	5	1%
Second	9	2%
Third	22	4%
Fourth	462	92%

Source: Trucost Analysis



Key Findings

- Efforts to encourage companies to disclose their carbon dioxide emissions have met with limited success to date
- Only 40 companies disclose their emissions, representing 53% of total emissions by the S&P500 constituents
- Utilities and Energy are not surprisingly the largest emitting sectors, but Transport, Materials and Capital Goods also make a large contribution to climate change
- Carbon dioxide emissions are very concentrated with the top 5 emitters responsible for 27% of emissions
- Carbon emission disclosures are rarely contemporaneous with financial reporting

This report includes:

- Analysis of the success of disclosure initiatives to date
- Actual emissions figures for all companies that disclose
- Estimates of emissions from the remaining companies
- Assessment of the materiality of these emissions
- Sector by sector breakdown of largest emitters

To purchase your copy of the report for USD 250, please go to www.trucost.com or contact Rob Barker at Trucost on +44 (0)20 7321 3833.

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