

New tool puts financial value on companies' environmental impacts - Trucost Environmental Cost Calculator

London, 4th June 2003 - Previewing today, the Trucost Environmental Cost Calculator allows fund managers, consultants and companies to evaluate the real environmental impacts of companies and sectors in financial terms for the first time. Valuations of these environmental costs are provided as a proportion of a company's turnover, putting them into context. This helps companies meet the environmental reporting obligations set out in the Company Law White Paper.

This financial information enables fund managers, consultants and companies to:

- Quantify and compare environmental costs for companies or sectors
- Model the financial impacts of upcoming environmental legislation and taxes
- Guide and improve environmental due diligence
- Engage more effectively with companies/investors and make better informed investment decisions and recommendations
- Decide whether environmental costs are material

The Trucost Environmental Cost Calculator identifies the environmental goods and services used by a company and sector (using detailed government census and survey data), to which it applies a pricing model based on established economic principles. Trucost has compiled a library of prices for almost 1,000 natural resources and emissions, which are used to quantify both direct and indirect financial risk, and are regularly updated to provide a consolidated source of valuations online. Users choose a price for their selected resource from a list of prices, which include Trucost's price, or they can use their own value.

Standard methodology, which is approved by independent expert third parties, is applied to all companies. The Trucost Advisory Panel comprises ten of the World's leading academics in the fields of economics and the environment, who assist in the ongoing development of this methodology.

Simon Thomas, Chairman, Trucost Plc, says: "Investors, customers, employees and regulatory bodies are placing increasing demands on companies to provide more information on their environmental performance. Governments too are exerting increasing pressure both through taxation and regulation – the UK Government's Modernising Company Law White Paper proposes mandatory reporting for the top 1000 UK companies and 8% of UK tax revenue in 2001 came from green taxes."

Thomas continues: "Many companies and investors have an incomplete understanding of the impact of business on the environment. The Trucost Environmental Cost Calculator models the complex interactions between the economy and the environment to identify environmental impacts and express them in financial terms. There is a long-standing need for such a quantitative approach which is why fund managers have reacted so enthusiastically to this development."

For further information or to interview Simon Thomas (Chairman, Trucost Plc) please contact Philippa Thomson on 020 7321 3731 or philippa.thomson@trucost.com

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NOTES TO EDITORS

About Trucost (www.trucost.com)

Trucost Plc, a London-based company, was established in early 2000 and has 14 staff. The Trucost Environmental System enables an organisation to measure, manage and communicate its environmental performance, including that of its supply chain, by providing an objective, quantitative measure. The Trucost Environmental Cost Calculator allows fund managers, environmental consultants and companies to evaluate the real environmental impacts of companies and sectors in financial terms.

Trucost has the support of an International Advisory Panel of ten leading academics in the fields of economics and the environment. The Panel Co-ordinator is Dr Robert Constanza, Director of the Gund Institute of Ecological Economics and Gund Professor of Ecological Economics at the University of Vermont, and co-founder and former president of the International Society for Ecological Economics (ISEE). Trucost Members, which represent a broad cross-section of industry sectors, include NTL, Royal Mail Group, GKN, Land Securities, The Environment Agency and Beacon Press.

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