Dear Jane,

In relation to your consultation ; The future of narrative reporting

We at Trucost look at companies environmental reporting mainly on behalf of investor clients. So we are particularly interested in an aspect of Question 10 – could disclosure on environmental matters be improved – and if so how?

Our view on this is given in a report we did for the UK Environment Agency "Environmental disclosure: the second major review of environmental reporting in the Annual Report & Accounts of the FTSE All-Share." Copies of the FTSE All-Share Environmental Disclosures Report 2006 can be downloaded from www.trucost.com. Copies of the Government's guidance on environmental reporting and KPIs (which we wrote and would encourage – as they provide brief but relevant information that investors require) can be downloaded from http://www.defra.gov.uk/environment/business/envrp/pdf/envkpi-guidelines.pdf

The conclusion was that "the environment has found its way into most annual reports and accounts. This is good news. However, we should not be complacent: there is a long way to go. Hard facts and figures are still few and far between. Most annual reports and accounts do not yet give us relevant, comparable figures in which decision-makers can have confidence."

This report has just been repeated for 2010 and is shortly to be published by the Environment Agency – and I believe with Defra funding. This I am sure would be timely information for your consultation. I believe the conclusion is unfortunately not dissimilar to the initial report – i.e. still more encouragement required. When it is published I will send a copy – although I expect you may have access to this from your own sources,

Best wishes,
Neil

Neil McIndoe

Head of Environmental Finance

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