TRUCOST

Measuring and Benchmarking Progress on Safer Chemical Use

GC3 Roundtable May 8, 2013

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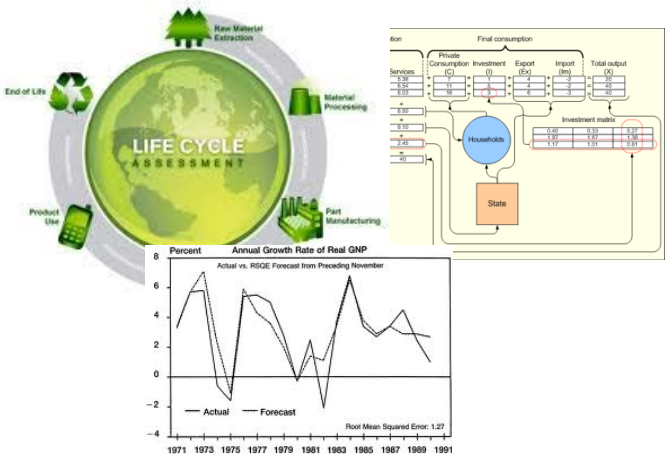
Trucost helps organisations understand the **true cost** of business in order to use resources more efficiently, today and tomorrow.

Data

+

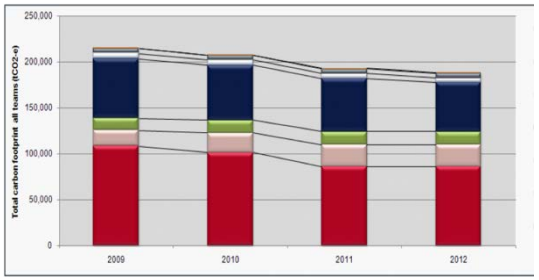
Tools



Raters and Rankers

Newsweek GREEN RANKINGS 2012

Benchmark Performance



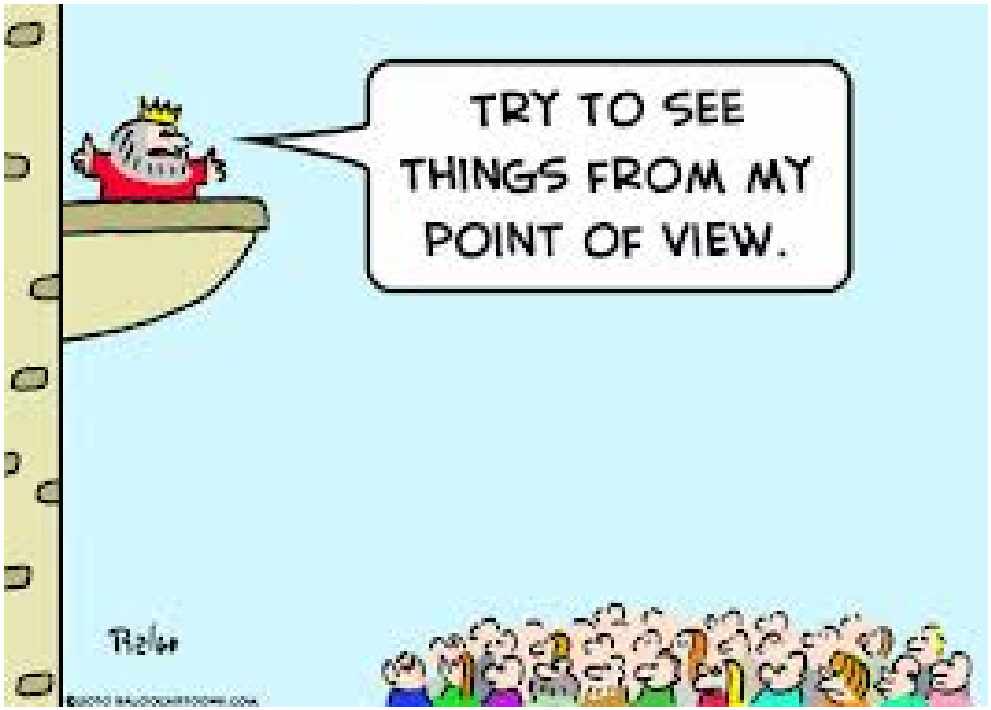
Measure & Manage Risk in Operations, Supply Chains, Products

You cannot manage what you do not measure

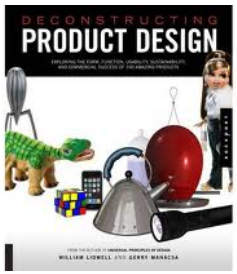
Agenda

- Points of view
- Metrics, Ratings & Rankings: How do we measure the right things?
- Another Metric: Valuation

The “Right” Metric depends on your point of view



Points of view on measuring safer chemical use



Trucost Environmental Register

- Environmental performance of 4,500 of world's largest companies
- Database of 750+ KPIs, 10 year historical record
- Emissions in physical terms and $ terms

- **Extensive validation process**
- **Data gaps filled via modelling**
- **Valuation $ of natural capital**

Raters (e.g., Newsweek), Investors, Researchers, Corporations

Some Considerations for GC3

Could we include a measure of safer chemical use in databases like the Trucost Environmental Register?

- Is there a globally relevant standard that defines a uniform way to report?
- Quantitative vs. Qualitative?
- Sector specific? (e.g., API metrics for pharmaceuticals, EU fracking rules, Higg Index, etc.)
- What metrics are material to corporate financial performance and viability? (SASB, IR integrated reporting, etc.)

What is the ideal benchmark or measure? Our perspective:

- Science-based
- Quantitative
- Net Benefit
- Context, both environmental and business
- Momentum or rate of change

Valuation as a Metric: Industry Level

What are the environmental costs at a global, regional or industry sector scale?

TEEB Report, 2013

Environmental Costs of Primary Processing & Production Industries

	Trillion USD)
Greenhouse Gases	$2.7
Water Use	$1.9
Land Use	$1.8
Air Pollution	$0.5
Land & Water Pollution	$0.3
Waste	$0.05
Total	**$7.3T**

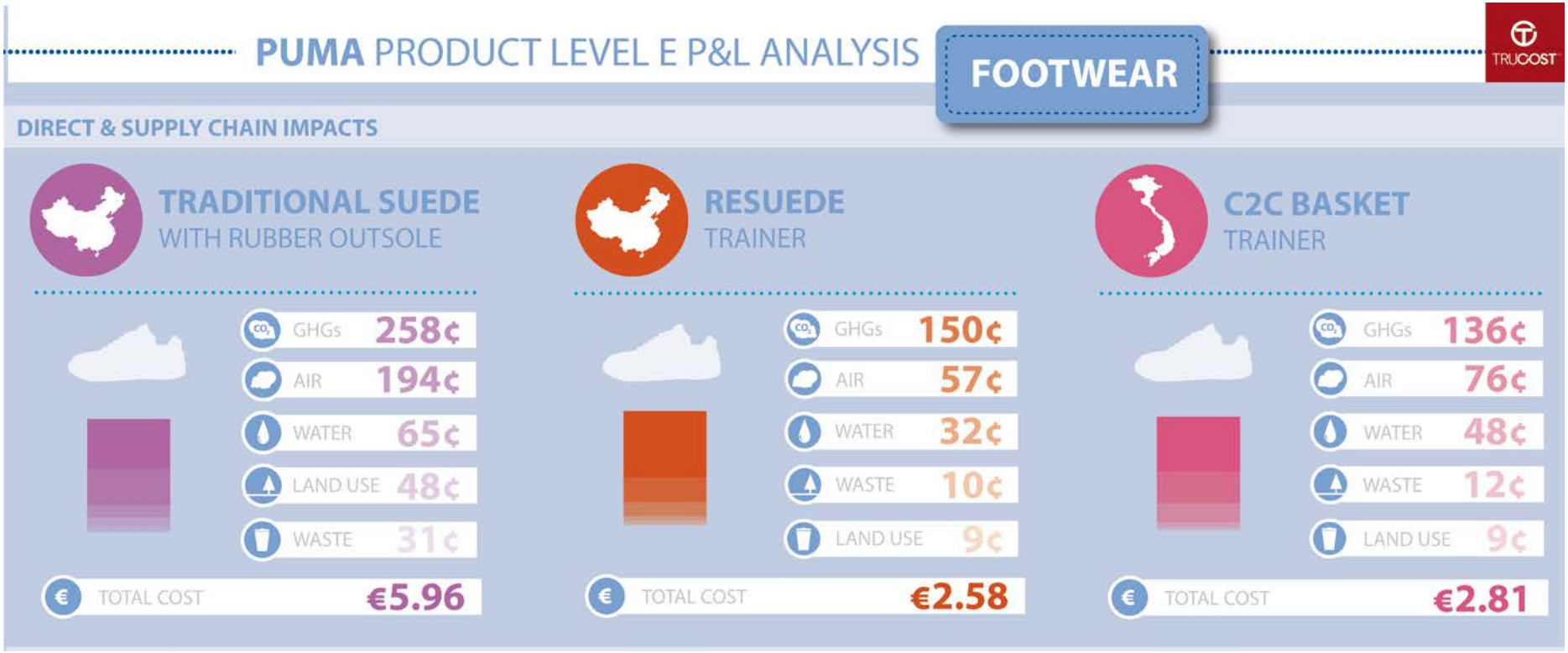
Resources at Risk

"Risky Materials" –environmental impacts to health, water quality, crops, timber, etc.

13% of global GDP

Valuation as a Metric: Product Level

What are the environmental benefits of using alternative materials?



Valuation as a Metric: Product Level

What are the environmental benefits of a third party certification?

Third Party Ecolabel Criteria	Trucost KPI					
	GHG EMISSIONS	WATER CONSUMPTION	WATER POLLUTION	AIR POLLUTION	LAND POLLUTION	WASTE
Material Health			X	X	X	
Material Reutilisation						X
Renewable Energy	X					
Water Stewardship		X	X			

Material health

The chemicals used in products, and their toxicity can have a far reaching effect on human health and the environment. Air, water and land pollution valuation is driven by the damage costs associated with several key pollutants, on a range of receptors, including people, crops, buildings, water, etc

Thank you!

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