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## **ECOVAL brings Eco-Efficiency into Portfolio Management**

A Software Tool for the Financial Industry

A partial reprint of the winter/spring newsletter 95/96

*The following text was written by Carlos Joly, Saritta Bartlett and Pierre Trevet from Storebrand. Storebrand is the biggest insurance company in Norway.*

In June 1995, UNI Storebrand (US) set itself the ambitious challenge of bridging the gap between environmental performance and financial performance. Aware of the short-comings of the first generation of green funds, namely their high volatility and narrow focus on waste management and pollution-control technology companies, US decided to establish an Environmental Value Fund (EVF). EVF aims at investing across all major industries based on the concept of eco-efficiency pioneered by the World Business Council for Sustainable Development (WBCSD). In practice, EVF computes the eco-efficiency of the firms belonging to its investment universe. This implies the monitoring of environmental performance indicators (EPIs), tailor-made to fit the various industries, and the computing of industry benchmarks against which the individual environmental performance of a firm can be evaluated.

Such a task would not have been possible without the help of a computer database, that would allow us to track the combined environmental/financial performance of up to 1000 firms and plus ! With the help and expertise of Ellipson, we have been able to give shape to what we believe is the state-of-the-art in eco-efficient fund management: ECOVAL is an indispensable management tool that assist us in picking the most eco-efficient stocks and computing the environmental dividend achieved by EVF. For the first time a computer program will allow for the computation of eco-efficiency benchmarks by industry while allowing to learn about the intricate relationship between environmental performance and shareholder value.

We must acknowledge Ellipson's professionalism and competency in helping us develop ECOVAL.

ECOVAL was written in MS Access and did run under either Windows 3.1 or Windows 95.

*Update: At present we offer Client-Server Solutions under various versions of Windows.*

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