

NewsRelease

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NEW STUDY WINS PRIZE: STOCK MARKET MAY PUT HIGHER VALUE ON ENVIRONMENTALLY-RESPONSIBLE COMPANIES

Awards 2005 Moskowitz Prize for Socially Responsible Investing

BERKELEY, Calif. September 27, 2005 – The 2005 Moskowitz Prize for Socially Responsible Investing has been awarded to a new study which claims that the stock market could provide a higher value to companies rated above-average on environmental issues.

The Prize is awarded by the Center for Responsible Business Center at the Haas School of Business, in cooperation with the Social Investment Forum, which promotes the concept, practice, and growth of socially responsible investing.

The winning paper – entitled “The Economic Value of Corporate Eco-Efficiency” – found that “company managers do not face a tradeoff between eco-efficiency and financial performance, and that investors can use environmental information for investment decisions.” The study examined a long-running debate about environmental versus financial performance by focusing on the concept of eco-efficiency, a measure developed by Innovest Strategic Value Advisors. Full text of the 2005 winning paper is available online at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=675628

“This study is important to help investors, managers, and policy-makers understand the crucial question the extent to which environmentally-friendly technologies and products are profitable,” said David Levine, professor of economics at the Haas School of Business and one of the Moskowitz Prize judges. “The results are clear: the stock market provides a higher value to companies that Innovest rates as above-average on environmental issues,” added Levine.

Lloyd Kurtz, who is known as the “guiding spirit” behind the Moskowitz Prize and is a senior portfolio manager at Nelson Capital Management, an investment advisory affiliate of Wells Fargo, added: “We are delighted to recognize the strong work of this team from The Netherlands. With this award, two of the co-authors of this study – Rob

Bauer and Kees Koedijk – become the first two-time winners of the Moskowitz Prize in its 10-year history. This underscores the growing importance and influence of European researchers in the ongoing debate about SRI.”

Nadja Guenster, Jeroen Derwall, Rob Bauer, and Kees Koedijk authored the study. Guenster, Derwall, and Koedijk are affiliated with the Rotterdam School of Management at Erasmus University, and Bauer is affiliated with Limburg Institute of Financial Economics at Maastricht University. Co-authors Bauer and Koedijk are also past winners of the Prize, for the 2002 paper “International Evidence on Ethical Mutual Fund Performance and Investment Style”.

An honorable mention was awarded to Dr. Meir Statman for his study “Socially Responsible Indexes: Composition, performance, and tracking errors”, which is forthcoming in the *Journal of Portfolio Management*. Dr. Statman, of the Leavey School of Business at Santa Clara University, is a well-recognized financial researcher specializing in Behavioral Finance. He has another SRI article, “The Religions of Social Responsibility”, headlining the latest issue of *The Journal of Investing*.

ABOUT THE MOSKOWITZ PRIZE

Hosted by the Haas School’s Center for Responsible Business, the annual Moskowitz Prize was launched in 1996 by the Social Investment Forum, the national trade association for the socially and environmentally responsible investing (SRI) industry, to recognize the best quantitative study of socially responsible investing.

The prize is named for Milton Moskowitz, one of the first investigators to publish comparisons of the financial performance of screened and unscreened portfolios. His distinguished works include “The 100 Best Companies to Work for in America,” an annual list published in Fortune magazine, and “The Global Marketplace: 102 of the Most Influential Companies Outside America.”

The winner of the 2005 Prize was announced yesterday at the SRI in the Rockies conference in Snowbird, Utah. A \$2,500 prize is awarded to the author or authors of the study judged to be most outstanding. The judges for the 2005 Prize were:

- Brian R. Bruce, director, Global Investments,
- PanAgora; Dan diBartolomeo, president of Northfield Information Services, Inc.;
- David Levine, professor, Haas School of Business, UC Berkeley;
- Kellie A. McElhaney, executive director, Center for Responsible Business, Haas School of Business; and
- Pietra Rivoli, associate professor, McDonough School of Business, Georgetown University.

Lloyd Kurtz, of Nelson Capital Management, has provided oversight since the prize’s inception in 1996. The sponsors of the Moskowitz Prize are: Calvert; First Affirmative Financial Network; KLD Research & Analytics, Inc.; Nelson Capital Management; Rockefeller & Co.; and Trillium Asset Management.

ABOUT THE CENTER FOR RESPONSIBLE BUSINESS

Founded in 2003, the vision of the Center for Responsible Business is to create a more sustainable, ethical, and socially responsible society by establishing the Haas School of Business of Business at the University of California, Berkeley as the preeminent educational institution for research, teaching, experiential learning, and community outreach in areas of Corporate Social Responsibility (CSR).

Website: <http://www.haas.berkeley.edu/responsiblebusiness>

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Note to editors: Lloyd Kurtz, of Nelson Capital Management, first conceived this award in 1996 and is known in the industry as the “guiding spirit” behind the Moskowitz Prize. He is available for interviews to discuss:

- The history, evolution and importance of the prize
- Advances and trends in socially responsible investing

To arrange an interview with Lloyd Kurtz, please contact Stephanie Rico, Wells Fargo, at 415/396-5804.