



## Investor Profile: Envirovision



“We don’t find companies, says Yeung Hau Man of the environmental monitoring and due diligence firm he helped to create, “We find people.” Through eighteen years of experience in the intersection between environmental issues and business concerns, Hau Man has learned that the long-term sustainability and market viability of any company is not so much about the business itself as the people behind it. He realized this as a manager of green fund LESS Limited, where he saw company after company that had poor sustainability standards due to a lack of commitment at the management level. He took this experience to heart when the LESS Limited team charged him with creating a monitoring and due diligence vehicle that would generate a deal flow of truly sustainable companies. This project came to fruition as Envirovision, a consulting firm dedicated to providing a quality portfolio of sustainable companies to ‘green’ funds and angel investors.

Envirovision is the result of Hau Man and the LESS Limited team perceiving a growing market opportunity for standardized sustainability reporting. Hau Man understood that with green funds blossoming in China, the primary obstacle to sustainable investment in the future would not be a lack of funds, but unclear environmental and social standards and spotty due diligence. In particular, the rapid and unchecked expansion of the country’s private sector has left in its wake a large number of companies that grew inefficiently, relying on outdated technologies and wasteful operations – especially in the heavily coal-reliant energy sector. As the government has set up market incentives for sustainable enterprise and investment capital in high-growth environmental sectors has flourished, companies are increasingly looking to tap into the ‘green’ investment flooding the country.

Envirovision supports the best and the most dedicated of these companies by providing verifiable and independently accountable sustainability benchmarking. This is an especially difficult and important challenge in China’s private-sector, which Hau Man describes as having a culture of agreeing to the principles of sustainability but being vague in setting verifiable goals and milestones. He criticizes current due diligence methodologies for being far too lenient in allowing companies to self-report their progress. Envirovision works with companies in a cooperative system where mutually agreed upon sustainability benchmarks are set. These benchmarks are sector-specific and can range from obtaining organic certification for agricultural businesses to reducing chemical inputs in paper industry companies. Envirovision then checks in on each client’s progress through yearly audits, and if there is clear and steady improvement in the business’ sustainable practices, it becomes eligible for potential investment by LESS Limited and other investors. Still in its early stages, Envirovision is engaging a handful of projects in the water treatment and emissions sectors, and Hau Man is working to expand his reporting methodology to include the lucrative mining, forestry and organic agriculture sectors.

Hau Man notes that just five years ago, sustainability was a nascent concept in China. Today, ‘green’ companies like Sun Tech, a solar PV company listed on the NASDAQ stock exchange, are quickly becoming the norm. As sustainable investment takes off in China, the demand for strong due diligence methodologies that minimize company ‘greenwashing’ will grow as well – a market demand that Envirovision is optimally positioned to fulfill. For more information on LESS Limited, visit <http://www.lesslimited.com>.

*Written by Derek Newberry, World Resources Institute ©2007 – The Rising Ventures Series features articles, announcements and profiles of investors and entrepreneurs related to the theme of innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These businesses have been identified through the New Ventures ([www.new-ventures.org](http://www.new-ventures.org)) and Development through Enterprise ([www.nextbillion.net](http://www.nextbillion.net)) projects. To view other Features in the Series, visit <http://www.new-ventures.org/risingventures>.*