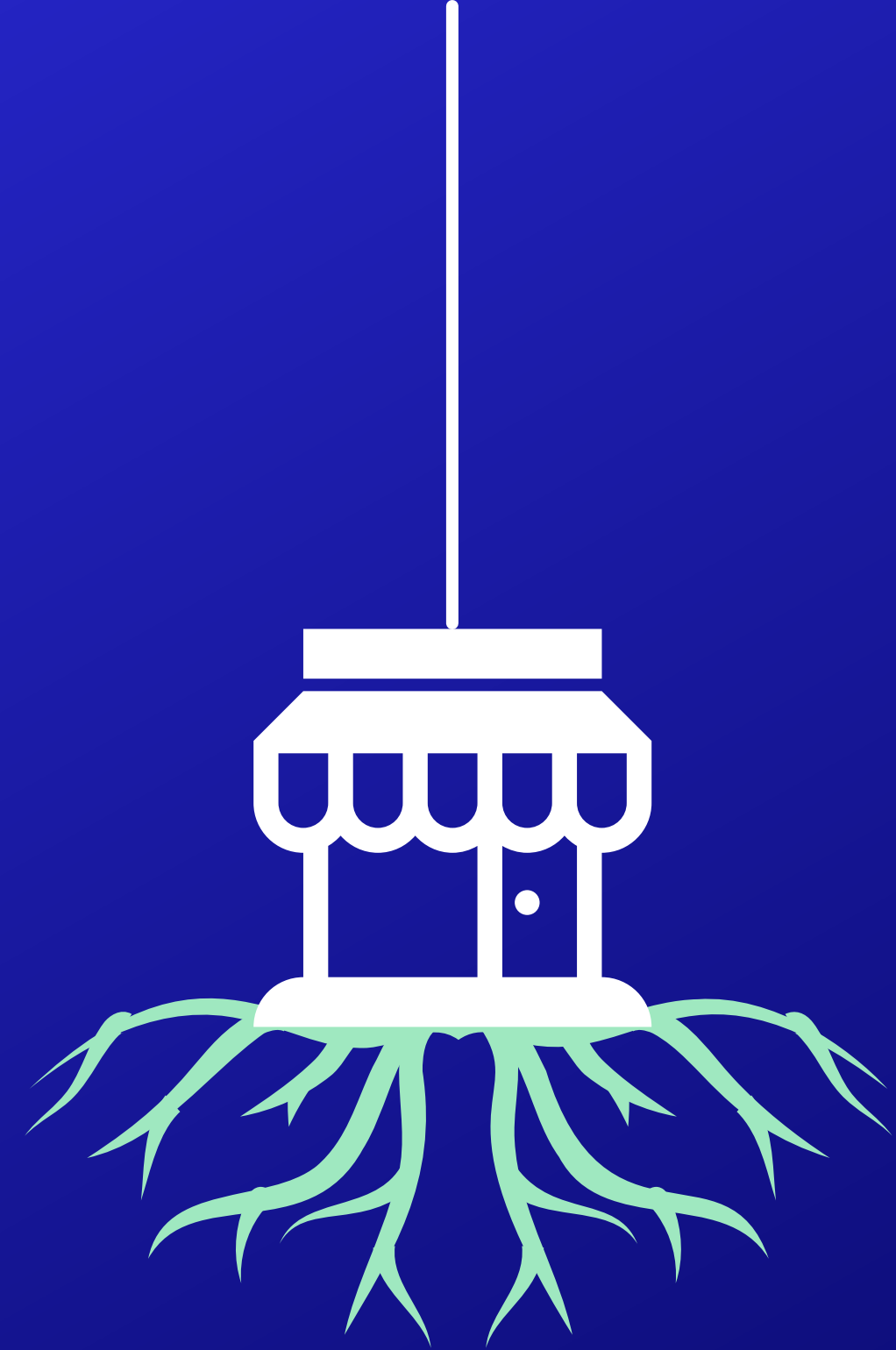


# Net Zero and Small Business

Uncovering the carbon footprint of Australia's most popular small businesses

February 2022



## Small business and their net zero journey

Around the globe businesses are facing increasing expectations from stakeholders to take responsibility for their contribution to climate change.

So far, this pressure has been most pronounced for large businesses, which are now making it a priority to respond to evolving expectations to report on and manage their carbon footprint.

Small businesses are beginning to face the same pressure. With limited access to resources, this could leave them exposed to challenges in access to finance, engagement with suppliers, and customer demand.

In the future a small business's ability to navigate these expectations will be crucial to its survival and success.

Guidance on measuring the size and composition of their carbon footprint, as well as options to reduce it, will be crucial. Despite this, tools and resources for small businesses remain sparse.

This publication explores the carbon profile of 20 of Australia's most popular small businesses. It will be the first resource of a series of publications to help businesses become more informed of their impact on climate change, and how to manage it. The projections are sourced from Purpose Bureau's proprietary database, which tracks the carbon credentials of every business in Australia.

**Small businesses grow our food,  
deliver us essentials, and build  
our future.**

# Key Highlights

- Two key drivers of a business's carbon footprint are its dependency on **transport** and its exposure to the **food** trade.
- More than three quarters of the carbon footprint of 20 of Australia's most popular small businesses comes from the supply-chain.
- Businesses with most emissions associated with every \$1 revenue earned include **butchers, petrol stations and bricklayers**.
- Carbon footprints with the most **Scope 1** proportionally include Furniture Removalists, Taxi Drivers, Carpenters and Plumbers.
- Businesses with the highest proportion of **Scope 2** emissions in their carbon footprint include Gyms, accountants, and aged care accommodation.
- Businesses with the highest proportion of **Scope 3** emissions in their carbon footprint include Butchers, petrol stations, bricklayers, and clothes stores.

# Businesses can have different carbon footprints across different types of scopes

## Tradies



Because most are usually on the move, tradies such as plumbers, electricians, builders, and bricklayers can burn a lot of diesel and petrol driving around.

Certain tradies like cement renderers and bricklayers also use a lot of products that are manufactured in high-emitting industries (Scope 3).

## Local food



Fish and Chip shops, Pizza shops, Cafes, Fruit & Veg and Butchers emit minimal Scope 1 emissions. Those that do typically come from gas cook tops and types of waste disposal.

However the primary production of food from agriculture - such as livestock and crops - accounts for more than 15% of Australia's emissions alone.

## Essential services



Local services such as gyms, hairdressers and dry-cleaners typically emit no Scope 1 emissions. Many will use a moderate amount of electricity to keep the lights on and deliver their services.

Some, such as laundromats and dry-cleaning services, will use chemicals which are derived from emissions-heavy manufacture processes.

## Locally-made products



Local manufacturing such as cabinet making, sign-making, and the assembly of garments are low-emitting industries compared to heavy manufacturing industries such as fuel refining, steel production and asphalt.

Processors of non-perishable foods such as canned foods and breweries can use a lot of energy, and depend on inputs from emissions heavy agriculture farming and processes.

## Your transport help



Transport services such as postal services, furniture removalists and taxi drivers have a high amount of Scope 1 emissions because they spend a lot of time travelling.

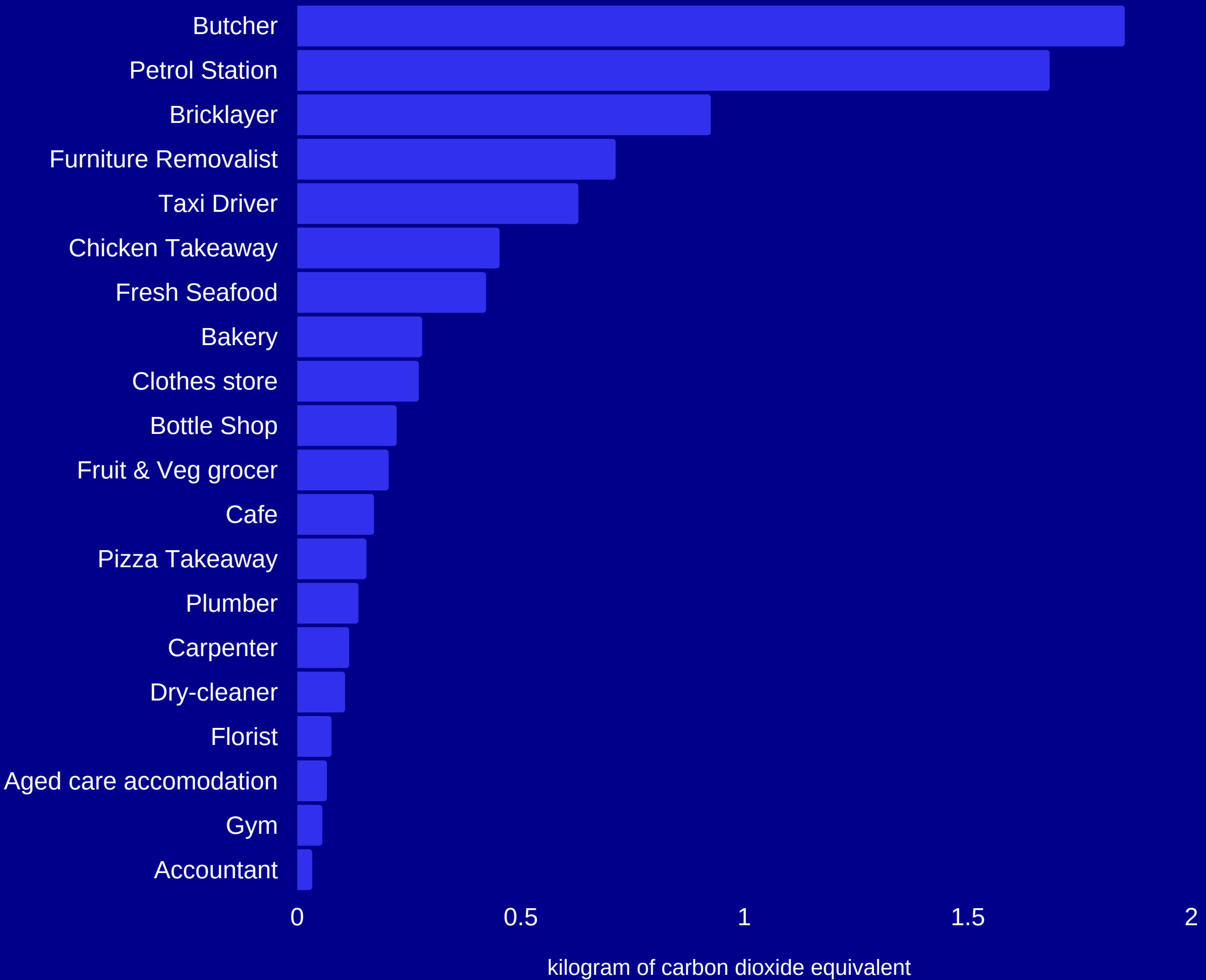
Many of these services will also depend on diesel-dependent vehicles, which release a greater amount of emissions than cars using regular petroleum.

**Which small businesses have the largest carbon footprint for every dollar of revenue?**

# Ranking Australia's most popular small businesses by **total\*** carbon footprint

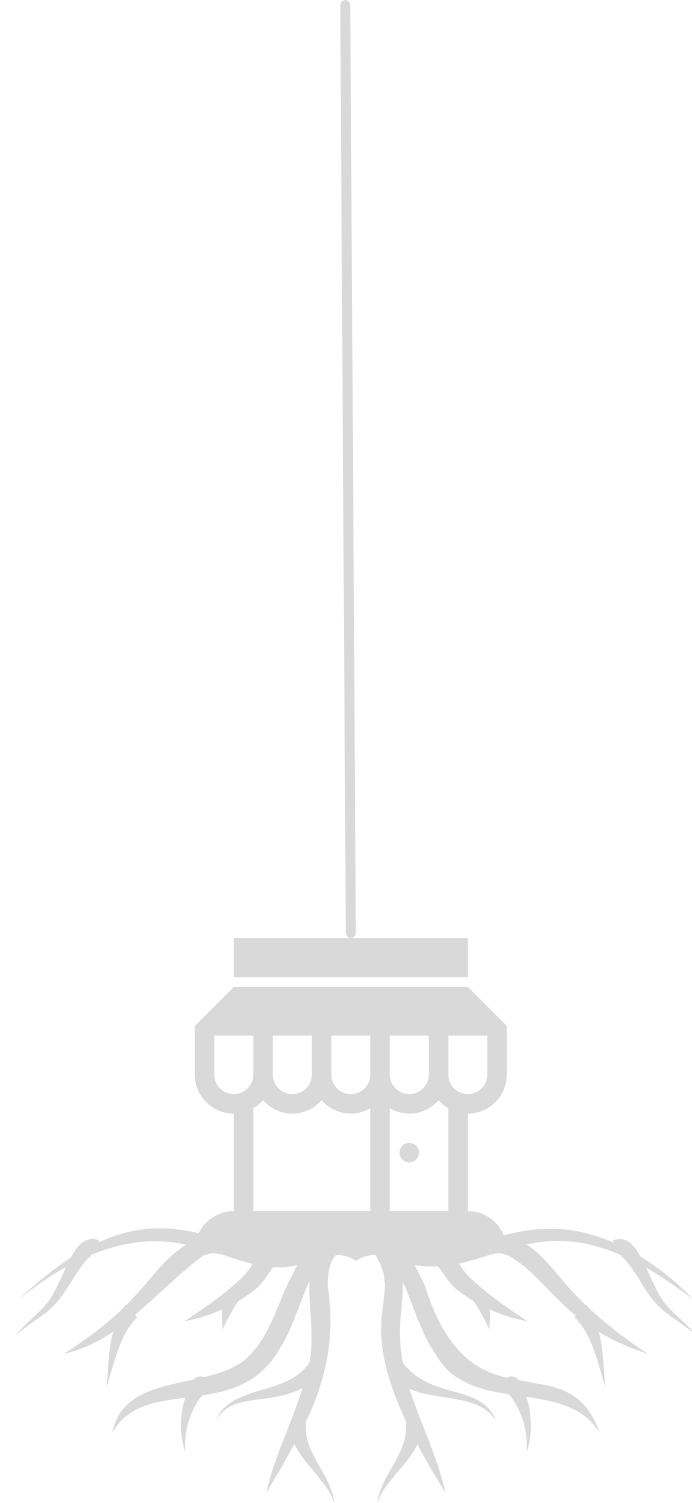
- The **fresh food store** with the highest carbon footprint is the butcher, where red meat makes up the largest portion of Australia's agriculture emissions.
- The **tradie** with the highest carbon footprint is the bricklayer, which uses diesel-powered vehicles to transport carbon-heavy building products like cement and bricks.
- **Professional services** such as accountants typically have low emissions per dollar of revenue.

Total greenhouse gas emissions for every \$1 of firm revenue



\*Includes Scope 1, Scope 2, and Scope 3 (life cycle) emissions

**What is the source of each small business's emissions?**



## Where do the emissions come from?

<b>Butcher</b>	The agricultural production of red and other meats (indirect)
<b>Petrol Station</b>	The extraction (indirect) and the combustion (indirect) of petroleum
<b>Bricklayer</b>	The manufacture of bricks and cement (indirect) and the travel (direct)
<b>Furniture Removalist</b>	The travel (direct) of diesel-powered vehicles
<b>Taxi Driver</b>	The travel (direct) of petroleum-powered vehicles
<b>Chicken Takeaway</b>	The agricultural production of meats and oils (indirect)
<b>Fresh Seafood</b>	The aquaculture production of seafoods (indirect), particularly crustaceans
<b>Bakery</b>	The agricultural production and processing (indirect) of grain and wheat
<b>Clothes Store</b>	The production (indirect) of leather and synthetic materials
<b>Bottle Shop</b>	The production (indirect) of alcohol and the manufacture (indirect) of glass
<b>Fruit &amp; Veg grocer</b>	The manufacture (indirect) of packaging and production (indirect) of goods
<b>Cafe</b>	The electricity usage (indirect) and the production of perishable foods
<b>Pizza Takeaway</b>	The electricity usage (indirect) and the production of perishable foods
<b>Plumber</b>	The travel (direct) for servicing jobs and production (indirect) or materials
<b>Carpenter</b>	The travel (direct) for servicing jobs and production (indirect) or materials
<b>Dry-cleaner</b>	The electricity usage (indirect) and use of chemicals (indirect)
<b>Florist</b>	The growing (indirect) and transportation (indirect) of floriculture
<b>Aged care accomodation</b>	The electricity usage (indirect) of facilities
<b>Gym</b>	The electricity usage (indirect) of facilities
<b>Accountant</b>	The electricity usage (indirect) of facilities





### Scope 1 (direct)

are the direct emissions that occur from the operations and facilities owned by a business, such as from fuel combustion in boilers, furnaces, and vehicles.



### Scope 2 (indirect)

are the indirect emissions that occur from the purchase of electricity, steam, heat or cooling.



### Scope 3 (indirect)

are the indirect emissions that occur in activities not controlled by the business. This includes the creation of the goods and services as inputs, but also from the use of its own goods and services by customers.

## Composition of carbon footprint by scope



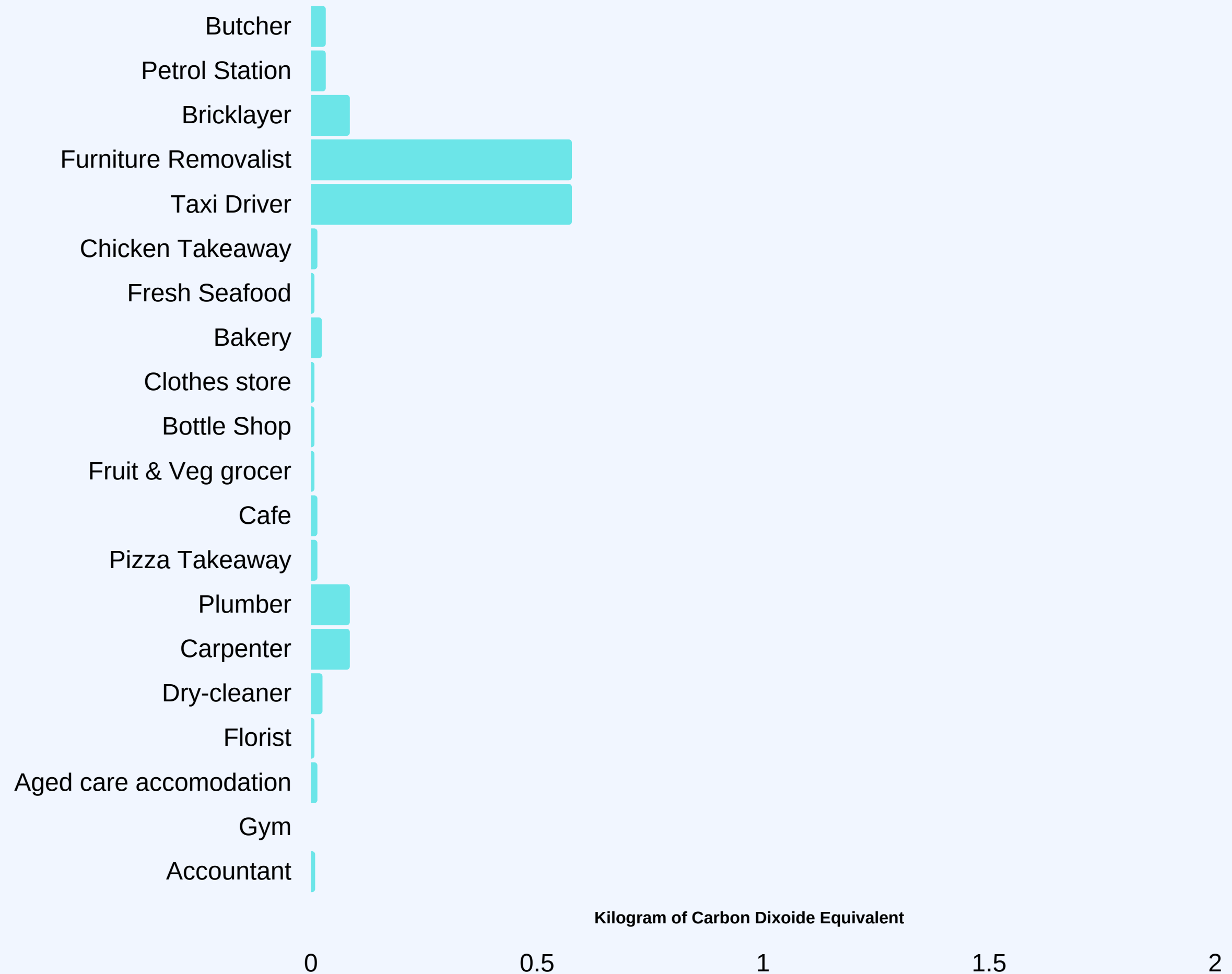
# How do small businesses rank across Scope 1, Scope 2, and Scope 3 emissions?

When looking at the amount of carbon (kg) per dollar of revenue as a comparative benchmark, it is important to note that the average business size by industry can vary significantly. For example, the average petrol station in Australia has several times as much revenue as the average butcher.

# Ranking Australia's most popular small businesses by Scope 1 emissions

- Scope 1 emissions are typically released from direct power generation activities, agriculture, manufacturing, and transportation services.
- Services that involve a lot of driving or transportation will typically have a lot larger Scope 1 emissions.
- Small businesses in the food trade that do a lot of cooking with gas stove tops or charcoal burning will also release Scope 1 emissions.

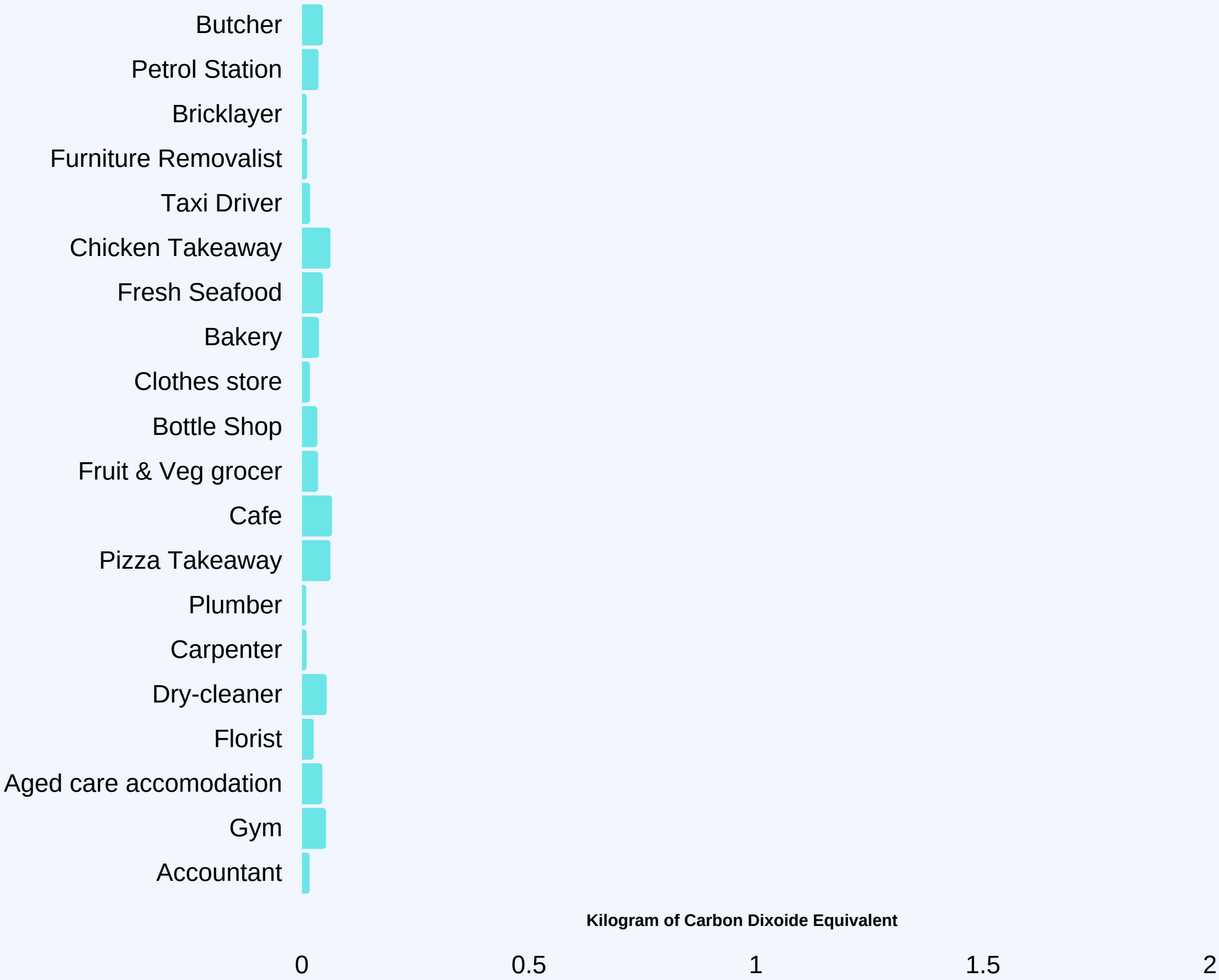
## Scope 1 greenhouse gas emissions for every \$1 of firm revenue



Kilogram of Carbon Dioxide Equivalent

0 0.5 1 1.5 2

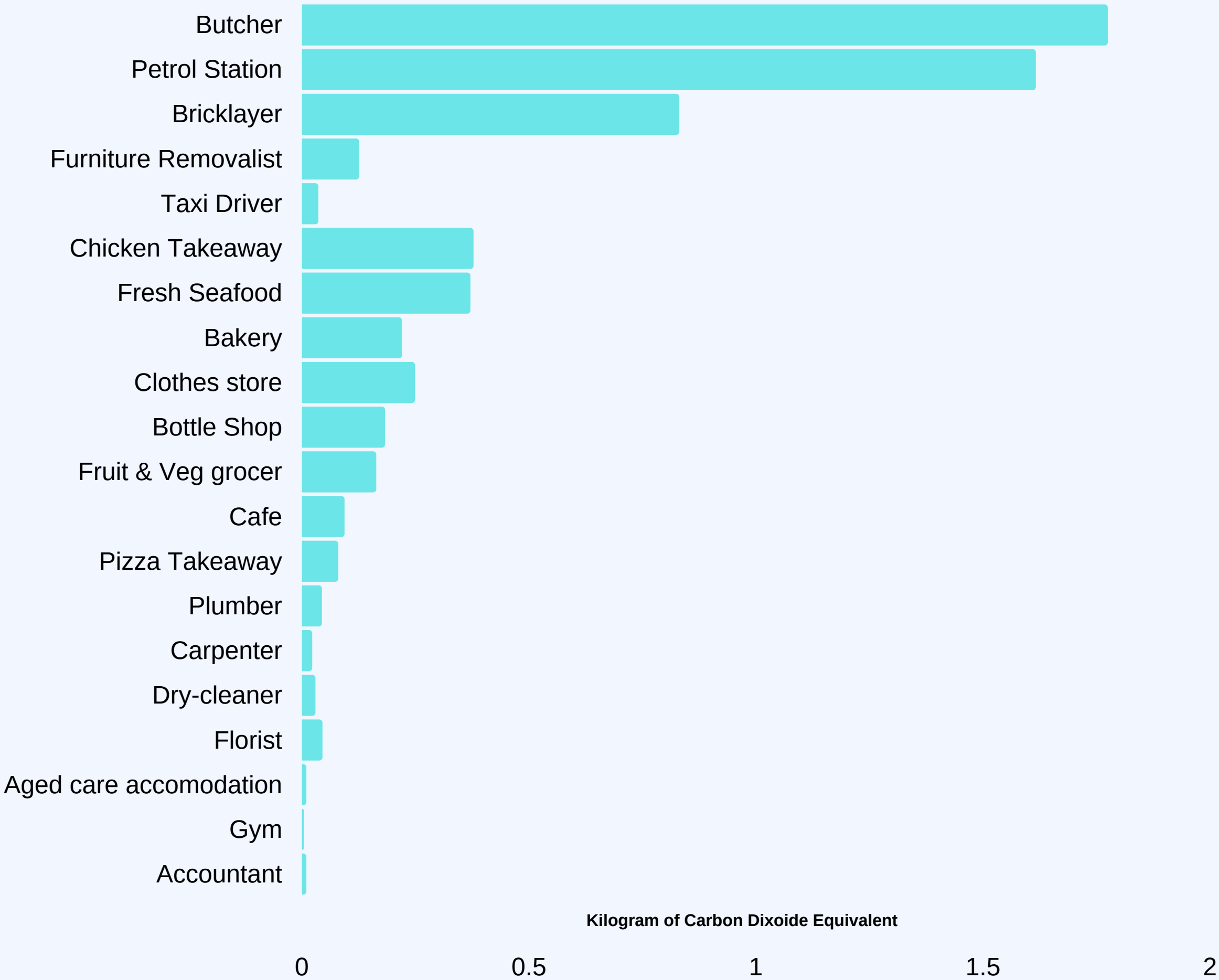
# Scope 2 greenhouse gas emissions for every \$1 of firm revenue



## Ranking Australia's most popular small businesses by Scope 2 emissions

- Hospitality businesses that run commercial cooking and refridgeration appliances will typically use more energy relative to firm revenue compared to other businesses.
- Dry cleaners also require sustained powering of energy-intensive commercial machinery.
- Trade services will typically use a small amount of energy, often resulting in lower Scope 2 emissions relative to revenue.

# Scope 3 greenhouse gas emissions for every \$1 of firm revenue



## Ranking Australia's most popular small businesses by Scope 3 emissions

- Many small businesses are at the end of supply-chains, meaning a lot of their carbon footprint is derived from scope 3 which is up the supply chain.
- Butchers are ranked highest because livestock is responsible for a large portion of Australia's emissions.
- The scope 3 emissions of a Petrol Station is largely derived from the combustion of the petroleum they sell by their customers, but a large portion still comes from it's extraction and transportation to the station.

**Discover the carbon profile of every business in Australia at  
[www.purposebureau.com](http://www.purposebureau.com)**