

PURPOSE BUREAU MEDIA STATEMENT

INTRODUCTION TO PURPOSE BUREAU

Purpose Bureau was formed to help businesses operationalise their ESG commitments with quality data and knowledge tools.

Purpose Bureau has developed Australia's largest ESG business directory, containing over 100 independent ESG insights on every business in Australia.

Purpose Bureau uses these insights to create ESG projections for over 2.4 million Australian businesses.

Purpose Bureau provisions ESG insights and dashboards to large businesses looking to track their ESG performance, including maintaining independent and live ESG data on suppliers, clients, and other stakeholders.

Purpose Bureau also provides Australian SMEs an understanding of how their ESG credentials compare to their peers and practical tools to improve their scores.

STATUS OF ESG IN AUSTRALIA

“Once ESG commitments are made, often at the investor relations or board level, large organisations need to mobilise their operations teams who will ultimately be held accountable for delivering on those commitments. The second phase is not an overnight job, and typically requires resourcing, new reporting structures, and good quality data.”

“Most large corporates we speak with are still very early in that second phase, and many begin by introducing sustainability expertise to their procurement, lending, and finance teams.”

“What follows is a swift need for quality ESG data to better understand the businesses within their supply-chains, lending books, and other stakeholders that fall within their ESG commitments.”

THE ESG MULTIPLIER EFFECT

“It makes sense that there is a lot of focus on the ESG commitments of large, listed businesses right now. But once the majority move beyond the commitments-phase to the implementation-phase, we anticipate an even larger shift of gear to credentialise and rank the ESG profiles of the entire Australian SME sector.”

“The reality is that most Australian SMEs deal with large, listed businesses in one way or another. Whether it be their bank, a business they sell to, distribute for, or buy goods and services from.”

“ESG profiling will become as essential to the economy as credit risk profiling is right now.”

SMEs are going to face ESG questions from their bank.

“Many banks and lenders are already shopping around ESG commercial interest rate concessions to large business clients. But some have begun scratching at ESG frameworks for smaller commercial loans at under \$2 million – where there are hundreds of thousands of SME businesses. There is a growing community of CleanTechs also positioning to pounce at the ESG-lending market should the banks fall short.”

“And whilst an ESG concession may appear only as a carrot to some businesses, the stick will follow when their competitors take the bait.”

SMEs are going to face ESG questions from their B2B clients.

“Most supermarkets have made net-zero emissions commitments, but over 80-90% of their emissions profiles sit within their supplier lists.”

“That means over 40,000 Australian SMEs that supply to top tier supermarket retail chains will soon be subject to the same commitments as their enterprise clients. This will be followed by questions on how they plan to meet those commitments.”

THE GREAT ESG DIVIDE

SMEs will soon face many challenges once Corporate Australia have mobilised their operations teams to deliver on ESG.

“**There is no ESG rule book to play by.** The lack of a national climate target or user-friendly modern slavery legislation has resulted in disparate ESG commitments by large business and varied expectations on SMEs.”

“**ESG compliance requires expertise, which many SMEs do not have capacity for.** Navigating the many ESG issues often requires more than a rudimentary understanding of supply-chains, environmental science, and government regulation. SMEs need to be supported with the tools and guidance to formulate credible ESG plans in a cost-effective way.

“**The market for ESG credentialing is becoming increasingly complex.** We track over 300 sustainability accreditations offered in Australia, all with different criteria and brand weight. Knowing which accreditations send the right signals to the right Corporates is not always intuitive.”

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