

MEDIA RELEASE: Opportunity for Small Business to Drive Sustainable, Responsible Business Practice

FOR IMMEDIATE RELEASE

1 December 2009, Sydney, Australia – St James Ethics Centre and the Council of Small Business Organisations of Australia (COSBOA) are proud to announce that the **Good Business Register: the national register of responsible business practice** launched today in Sydney.

The Good Business Register is an online platform (developed by St James Ethics Centre and funded by the Federal Government through Treasury) which will enable small to medium enterprise (SMEs) to engage with the responsible and sustainable business practice agenda. Until now the focus of responsible business practice across environmental, social and economic factors has largely been on big business. However aspects of the agenda such as climate change impacts, increasing consumer awareness, supply chain pressures, greater need to compete in international markets and increasing regulatory frameworks are shaping the market in ways that are highly relevant to SMEs.

The Good Business Register: the national register of responsible business practice provides SMEs the opportunity to take on a leadership role and become strategic with their responsible business practices, resulting in readiness and market differentiation in a transitioning business environment. By logging onto the Register businesses will be able to build a Responsible Business Practice Profile which they can use to demonstrate both their social and environmental business credentials to procurers, customers, staff and other stakeholders. Formal processes of reporting to date have favoured larger businesses but with the Good Business Register, SMEs now have the capacity, without the burden, to compete – particularly in the procurement process. This is important as the cost of carbon and broader social impacts begin to work their way through SME business operations.

“Unlike corporations, SMEs traditionally have greater levels of trust, connectedness and responsiveness to their communities in Australia and it is likely that they currently underestimate their collective power. With SMEs making up more than 95% of all businesses in Australia they represent the backbone of the national economy. The Good Business Register aims to enable SMEs the opportunity to drive the transition towards sustainable business practices.” says Rosemary Sainty, Head of the Responsible Business Practice Project at St James Ethics Centre.

The development of the Good Business Register represents a major national collaboration - drawing on sustainable supply chain practices of corporate leaders – ANZ, EnergyAustralia, Toyota and Westpac consulted by Ernst & Young, tested in focus groups of SMEs and procurers by ARIES, advanced by CPA Australia and Telstra and supported by business.gov.au and the Council of Small Business of Australia.

Contact Amanda Armstrong for more information or visit <http://www.goodbusinessregister.com.au/>

If you would like to attend the launch of the Good Business Register please contact Amanda Armstrong (Manager, Communications) at St James Ethics Centre. **Phone:** 02 9299 9566 **Email:** amanda.armstrong@ethics.org.au

The National Responsible Business Practice Project is funded by the Federal Government, through Treasury to enable St James Ethics Centre to engage Australian businesses in adopting more responsible business practices **- END -**

St James Ethics Centre Quote (Rosemary Sainty, Head, Responsible Business Practice Project)

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The Council of Small Business Organisations of Australia (COSBOA) Quote (Jaye Radisich, CEO)

The Council of Small Business of Australia is proud to support St James Ethics Centre in the launch of the Good Business Register.

The Good Business Register will provide small businesses a tool to help to them become more sustainable, and use responsible business practices. In turn, this could help them access supply chain opportunities within the corporate sector and through government.

A tool such as the Good Business Register will help small businesses who are already engaging in sustainable business practices track their achievements and report them to their customers, peers, suppliers and other stakeholders.

CPA Australia (Alex Malley FCPA, CEO)

The 'Good Business Register' provides a great platform for assessing the whole business. Many SMEs have faced challenging times over the last few years and will continue to face challenges as the business landscape evolves.

It is intrinsic to business success to adopt sustainable practices that address the challenges of our future.

CPA Australia, a global accounting organisation with over 122,000 members, has supported this project because of our ongoing commitment to assisting the sector and as an organisation with members who operate as service providers to SMEs. Accountants are trusted business advisers and our members are strategic leaders forging sustainable practices across the globe.

Telstra Quote (Deena Shiff, Group Managing Director, Telstra Business)

The Good Business Register is an important initiative allowing small businesses to demonstrate they are following CSR principles.

It's also important for big companies like Telstra that buy goods from smaller companies and need to know every company in their supply chain is CSR compliant. It's a complex task when you consider Telstra alone sources more than \$10 billion in goods annually from some 10,000 suppliers each year.

The Good Business Register provides a simple and easy way for SMEs to get a certificate of compliance providing transparency, visibility and clarity to their customers.

I'd highly recommend the site as a place for SMEs to go to learn from other businesses and follow best-practice examples.

INSTYLE Contract Textiles Pty Ltd (Michael Fitzsimons, Managing Director)

As our customers become more sophisticated they will demand business not only focuses on sustainable practices but are responsible in the manner in which they communicate their companies virtues – this is where the Good Business Register can play an important role.

What is responsible business practice?

Responsible business practices include a company's positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors, communities and suppliers. Read more: <http://thehub.ethics.org.au/>

The project in context

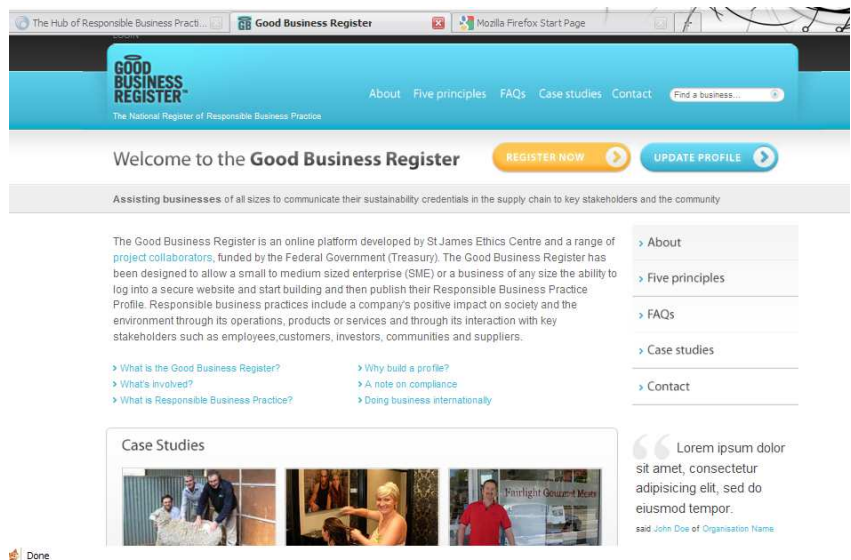
National Responsible Business Practice Project - National SME Project

The Federal Government, through Treasury is funding St James Ethics Centre over a period of three years to expand responsible business practice in Australia. A particular focus of the research is to develop resources to support responsible business practice among small to medium-sized enterprises (SMEs). Unlike corporations, SMEs traditionally have greater levels of trust, connectedness and responsiveness to their communities in Australia and it is likely that they currently underestimate their collective power. Through this project the Centre will engage many more Australian businesses in identifying and adopting more responsible business practices.

More on the Good Business Register?

Good Business Register: The National Register of Responsible Business Practice

The centrepiece of the SME project is the development of the Good Business Register - an online platform created to enable SMEs or a business of any size to log into a secure website to build their responsible business practice profile for use in the procurement (supply chain) process. In addition the Register will allow SMEs to communicate their sustainability credentials to customers, investors and other key stakeholders.



The screenshot shows the Good Business Register website. The header is blue with the logo and navigation links: About, Five principles, FAQs, Case studies, Contact. Below the header is a white section with a search bar and buttons for 'REGISTER NOW' and 'UPDATE PROFILE'. The main content area includes a welcome message, a description of the register, a list of FAQs, and a 'Case Studies' section with three images.

The Register centres around 5 key principles of responsible business practice, each with 4 focus areas, drawn from the Corporate Responsibility Index Leaders Network's best practice in their sustainable supply chain management (ANZ, EnergyAustralia, Toyota and Westpac) and incorporating feedback from national focus groups of SMEs and procurers in government and business, and a national test drive.

The Principles are also in alignment with key international instruments including the Global Reporting Initiative (GRI) and UN Global Compact (UNGC) to ensure comparability in international business dealings. They include:

1. FINANCIAL SUSTAINABILITY - Operate our business in an economically sustainable manner
2. WORKPLACE - Provide a workplace that supports worker and employee wellbeing and inclusiveness
3. SUPPLY CHAIN - Promote responsible business practices throughout our supply chain
4. STAKEHOLDERS & COMMUNITY - Actively engage with our community and other stakeholders
5. ENVIRONMENT - Minimise the impact of our business activities on the environment

The National Responsible Business Practice Project is funded by the Federal Government, through Treasury to enable St James Ethics Centre to engage Australian businesses in identifying and adopting more responsible business practices

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ABN 83 637 740 533 ARBN 094 609 015 For more information visit <http://thehub.ethics.org.au>

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What is the relevance to small to medium enterprise (SMEs)?

Formal processes of reporting favour larger businesses and SMEs need to be given the capacity without the burden to compete, particularly in the procurement process, as the cost of carbon and broader social impacts begin to work their way through business operations.

Alignment of government policies for example on climate change and procurement ('value for money') will need to be made more explicit. Providing SMEs with the capacity to participate in the use of practical tools, to recognise RBP practices they already have underway and assist in being strategic will enable readiness, preparedness and market differentiation.

Further advantages for SMEs include; they are more 'hands on' with water, waste and energy than larger businesses, values are more easily conveyed in a smaller business, SMEs can be more nimble - responsive, adaptable and resilient and many SMEs are engaged in 'silent CSR'. The Good Business Register: the national register of responsible business practice will provide small business the opportunity to become strategic with their responsible business practice leading to readiness and market differentiation in a transitioning business environment.

What is the Manager/Owners role in responsible business practice?

Personal values of the owner/manager are a key factor in affecting leadership and engagement with responsible business practice or 'CSR' in small to medium enterprises (SMEs). A recent finding noted that 66% of Managers want to take action on Climate Change* (AFS SME Sustainability Index: <http://www.afs-smart.com.au/afss.htm>).

Why do SMEs need to engage in Responsible Business Practices?

Increasingly purchasers in the supply chain want to practice "sustainable supply chain management". For example - Wal-Mart's announcement in July 2009 that the company will survey its more than 100,000 suppliers around the world on their own sustainability efforts across: energy and climate; material efficiency; natural resources, and; people and community. (<http://walmartstores.com/FactsNews/NewsRoom/9277.aspx>).

Other drivers include cost savings in water, waste and energy, customers- looking for environmentally and socially responsible ways to consume; communities looking to support their local businesses.

As climate change legislation and the impacts of the global economic downturn continue to unfold, small to medium enterprise will need capacity to compete in both national and international business spheres. Pressure through the supply chain, particularly as the cost of carbon begins to work its way through business operations, will require readiness and preparedness without the burden of reporting processes which favour larger businesses.

How do I create my profile on Good Business Register?

The Good Business Register has been designed to allow a small to medium sized enterprise (SME) or a business of any size the ability to log into a secure website and start building and then publish their Responsible Business Practice Profile. Responsible business practices include a company's positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors, communities and suppliers. Click here to register:

<http://www.goodbusinessregister.com.au/>

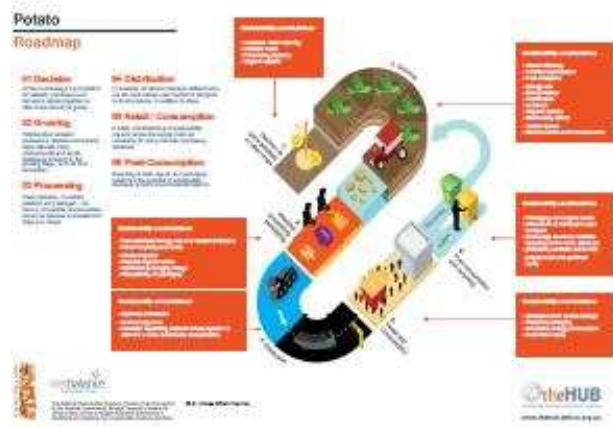
What is next for the project?

In the new year St James Ethics Centre is planning a national road show with strategic support from Telstra and CPA Australia to enable the building of responsible business practice profiles nationally.

Product road mapping and Consumer Messaging

Another key project piece (of the national RBP Project – linked to the Good Business Register) is the product road mapping tools. These identify the social and environmental impacts of a specific sector/product throughout the supply chain and then identify areas for improvement, cross-participant opportunities, government responses and tools that can assist to increase responsible business practices.

At a time when 'green washing' and questionable labelling is rife, the Centre sees the Good Business Register and product road-mapping methodologies as a way of bringing transparency to the sustainability impacts and opportunities of goods and services, as well as the complexities and competing needs within them.



Funding

The Federal Government, through Treasury has funded St James Ethics Centre (the Centre) over a period of three years to expand responsible business practice (RBP) in Australia. Funding was received in November 2007. Since that time the Centre has worked to develop resources and establish initiatives on a broad scale.

Project Collaborators

Assisting St James Ethics Centre in this process will be The CRI Leaders Network (including ANZ, Energy Australia, Toyota and Westpac) companies that have achieved consistently high scores on the Corporate Responsibility Index) with a particular focus on sustainable supply chains. These business leaders are keen to take a mutual approach with SMEs - particularly those in their supply chains, to share and build capacity and widespread take-up of responsible business practices including the development of tools around CSR indicators, whilst taking care not to impose cumbersome reporting measures.

It should be noted that each of these collaborators in turn consulted widely with key actors in their individual sectors. We extend our thanks to all project collaborators including Peter Davies, Vice Chair, UK Sustainable Development Commission & the Department for Environment, Food and Rural Affairs (Defra) in the UK.

Project collaborators include: The CRI Leaders Network (ANZ, Energy Australia, Toyota and Westpac), Ernst & Young, ARIES, Macquarie University, Total Environment Centre, NetBalance Foundation, Brotherhood of St Laurence, ICLEI, Tasmanian Environment Department, Deakin University, Telstra, CPA Australia, Australian Compliance Institute, INSTYLE Contract Textiles, Canvas Group, Lowder Creative as well as small businesses from across Australia.

SME and Procurer Focus Group Participants include: Coles, SPC Ardmona, Corporate Express, Penrith City Council, Desert Eco, SmartDocs Pty Ltd, Precise Plumbing, Rasasara Skinfoods, Yoga in Daily Life Melbourne, Fashionbiz, Print Together, 3.zero strategy, ABAF, Jasper Coffee, John Bevins Pty Ltd, Think-Grow-Sustain, Boomworks, Sainty Law, Etiko Fair Trade, National Protective Services, daVinci Marketing, Paper Magnolia, St Andrew's College, Wolesey Private Equity, Ikko, Deeper Impact, Republica Coffee, Child Friendly Solutions, New Climate, Exemplar PA, Australian Museum

About St James Ethics Centre

St James Ethics Centre is a fully independent, not-for-profit organisation which provides a non-judgmental forum for the promotion and exploration of ethics. The Ethics Centre's mission is to encourage and assist individuals and organisations to include the ethical dimension in their daily lives, and thereby help to create a better world. St James Ethics Centre has no political or religious affiliations.