Sustaina Cado
ESG Rating

Youzhen Chen CEO
Chengchen Yang CTO
Huaxin Huang CMO
Xuan Bach Mai CFO
Hana Nguyen CRO

Sunday 10th August 2025

Table of Contents

I. Executive Summary

SustainaCado is an Australian-based fintech firm focused on providing ESG (Environmental, Social, and Governance) intelligence solutions, committed to offering accessible, scalable, and interpretable ESG analytics and compliance solutions for small and medium-sized businesses (SMEs) in Australia. We are constructing the base-level ESG infrastructure for the 2.5 million-plus Australian SMEs, which is an underrepresented group previously not covered under sustainable finance and regulation.

SMEs must deal with expensive, complicated tools made for large corporations, which exclude them from green finance, supply chains, and regulatory readiness as climate-related disclosure regulations tighten and ESG compliance becomes crucial for financing access. **Our AI-driven ESG analytics platform** bridges this gap with affordable, explainable, and scalable solutions tailored to SME operations. Using advanced natural language processing, real-time sentiment monitoring, and a transparent scoring engine, we automate ESG reporting while providing actionable improvement paths. SMEs gain free baseline scores with tiered SaaS upgrades, while financial institutions and regulators access standardised, SME-level ESG data for lending, underwriting, and climate-risk reporting.

We target SME-heavy sectors such as manufacturing, agriculture, retail, and supply chain services, which are under mounting ESG disclosure pressure. Our competitive edge lies in real-time risk updates, regulatory alignment, and a pricing model that transitions from consulting-led to high-margin subscriptions within five years.

We are seeking A$2.2 million for 10% equity to accelerate product development, secure data compliance, and expand market reach. Based on projected gross profit of A$15 million by FY2029, SustainaCado offers investors a compelling opportunity to back the ESG platform set to become the SME standard in Australia's emerging sustainable finance economy. Problems

II. Problems

SustainaCado was born with the mission to close the gap between essential ESG data and compliance that confronts Australia's 2.5 million (World Bank, 2019) small and medium-sized businesses (SMEs). Whereas ESG has become both a compliance imperative and a competitive edge, existing infrastructure, tools, and reporting frameworks are primarily developed with large companies in mind, with SMEs having little access to cheap, scalable, and understandable ESG solutions. Exclusion keeps SMEs off the playing field concerning green finance, supply chains, and climate-related reporting. SustainaCado aims to close the gap with technology-enabled, SME-centred ESG intelligence.

Although ESG (Environmental, Social, and Governance) has become an integral agenda item in the financial regulatory landscape in Australia as well as in its capital markets, small and medium-sized enterprises (SMEs) are largely invisible in this emerging landscape. The structural invisibility takes the form of five intertwined challenges that impede SME inclusion and visibility in the sustainable landscape.

1. **ESG frameworks that seem unattainable**

Large, publicly traded companies are the target audience for reporting systems like the TCFD or CSRD(European Commission, 2024). They are challenging, time-consuming, and require specialised knowledge that small businesses hardly ever possess. Moreover, hiring or outsourcing consultants and auditors from outside is also likely to be costly for small companies (MacKillop, 2025).

2. **Invisible in mainstream ESG ratings**

The most common form of data for ESG providers like MSCI (MSCI, 2023), Sustainalytics (Sustainalytics, 2025), and Refinitiv (LSEG, 2024) is from listed companies or multinational corporations. However, simply because there are no standardised disclosure routes and even the most active SMEs who occupy practices set in motion suffer a form of obscurity which inadvertently hinders their capital raising efforts, ESG recognition or tap procurement markets.

3. **ESG scores are stuck in slow motion**

Traditional ESG ratings are updated annually based on static reports that fail to capture real-time risk reduction or improvement (Bansal & Song, 2017). This completely misses the real-world pace at which SMEs operate, where environmental improvements, social initiatives, or governance changes can happen in weeks, not months. Due to this lag, lenders are unable to evaluate risks or opportunities promptly, and SMEs are not promptly acknowledged for their progress.

4. **Banks lack the SME-level ESG data they need**

Financial institutions face growing pressure from APRA (Australian Prudential Regulation Authority) to embed climate-related risks into lending decisions, and the need for structured, standardized ESG data with broad base SME borrowers coverage increases (Australian Prudential Regulation Authority, 2022). However, without standardised ESG data covering SMEs at scale, banks cannot integrate ESG alignment into their credit scoring or risk models, thereby excluding smaller businesses from the green finance loop.

5. **Supply chains raising the bar**

The emergence of supply chain ESG compliance, spurred on by global regulation like the CSRD (European Commission, 2023), is driving big firms to insist upon receiving ESG disclosures from suppliers. Without the ability to produce timely, compliant ESG documentation, SMEs risk being excluded from lucrative procurement networks, and once they are out, it is tough to get back in.

III. Solution

We introduce SustainaCado - a bespoke ESG intelligence platform created with the aim of bringing ESG scoring and advisory within the reach of SMEs. Our key innovation is integrating two high-end AI engines in a single ESG operating layer:

1. Report Analysis Engine (Document Intelligence)

We employ the latest large language models, such as LayoutLMv3, to extract structured ESG indicators from company-published documents, including PDFs and Word reports. This engine can conduct layout-aware parsing to accurately select important ESG performance indicators such as carbon emissions, gender diversity metrics, and supply chain policies. It also aggregates qualitative data into Environment (E), Social (S), and Governance (G) dimensions. It normalizes scores corresponding with significant regulatory standards such as the EU's CSRD, the Task Force on Climate-related Financial Disclosures (TCFD), and Australia's Climate Reporting Bill. LayoutLMv3's multimodal structure, including textual, structural, and visual cues, sidesteps traditional OCR and enables high-fidelity document understanding regardless of language and document type.

2. Real-Time ESG Event Engine (Sentiment & Web Monitoring)

We integrate FinBERT and BERT-CRF models to develop a real-time ESG analysis tool. This tool will automatically update and analyze content from reputable news sources, regulatory and industry reports, and social networks such as Twitter to get data for the platform. In addition, through named entity recognition (NER) and sentiment classification, this tool can classify ESG-related events such as forest fires, strikes, and labor accidents. It will assign an impact factor to each event (e.g., <labor strike, Social, -0.4>). This data will be fed to machine learning in the ESG scoring logic to classify the level of danger at the time of the event. From there, we can assess ESG risks in real-time, apart from traditional platforms that usually last for several months.

3. Fusion Layer: Explainable Scoring Engine

The outputs of the two engines pass through a transparent, modular scoring pipeline developed using XGBoost. This platform generates a normalized ESG scorecard for every SME, with sub-scores for each pillar (Environmental, Social, and Governance). It also provides industry-standardized improvement paths corresponding to regulatory needs. Our system eliminates the necessity for lengthy questionnaire-based surveys and costly third-party ratings, thereby democratizing ESG access for SMEs without compromising on providing banks, investors, and regulators with a real-time, interpretable understanding of ESG performance and risk. This end-to-end approach ensures accessibility for SME end-users along with decision-grade analytics for institutional end-users.

IV. Product: Platform and Technology

Our product is implemented based on a website. The entire website will be cloud-run and hosted on Amazon Web Services (AWS). The main architecture will be split into an Investor Front-End System and an ESG Rating Back-End System. The Investor Front-End System will consist of a front-end website API that will allow investors to view detailed ESG rating information. The Back-End System encompasses the majority of the platform and enables us to perform all functions necessary in running a successful rating operation.

1. Dataset preparation

In the sandbox, we have created the ESG rating scores of EU companies. Among them are ESG ratings of 40 companies, including ASML Holdings N.V., Hermes International SCA, Linde, and others (Appendix B). Moreover, we also add investor comments on EU companies. This is about investors' comments on the ESG policies of EU companies (Appendix C)

2. Implementation steps

The input, output, and execution files are available in Appendix A, along with a link to the GitHub repository containing all the code and result files.

The first step is rating the original ESG score. Because the original ESG rating dataset only has scores, not grades. So this step is to perform a quartile grouping operation based on the given ESG score, and then classify each company's ESG score into one of the four levels: A+, A -, B+, B -.

- Input: ESG.xlsx
- Execution file: quartiles.py
- Output: ESG_with_rating.xslx

The second step is to create Text Emotion Recognition. Emotion recognition of crawled investors' comments on the company's ESG. Use the FinBERT model on Hugging Face (Financial BERT Sentiment Analysis Model) to analyze emotions, calculate the positive and negative sentiment intensity, and then scale the sentiment score to [-10, 10].

- Input: sentiment.xslx
- Execution file: sentiment_regco.py
- Output: output_with_sentiment.xlsx

Finally, we combine everything. Adjusting ESG ratings based on emotional scores to obtain a fair ESG rating. Perform Named Entity Recognition operation on each comment, and then correspond each comment to the corresponding company for subsequent adjustment work. Next, add the sentiment score corresponding to this comment to the company's initial ESG score to obtain the final comprehensive ESG score, and rate the company in quartiles (A+, A -, B+, B -).

- Input: output_with_sentiment.xslx, ESG.xslx
- Execution file: final.py
- Output: ESG_plus_sentiment_with_rating.xslx

3. **Result Presentation**

Only 20 companies were selected as examples in this section to demonstrate the results. Appendix D is the original ESG rating, which is the ESG based rating. Appendix E is the rating adjusted for emotional scores. We can see that Investor sentiment analysis significantly revised traditional ESG rating results: among 20 companies, adding online investor sentiment resulted in a 50% decrease in ratings (5 from A+to A -, and 5 from A - to B+), with only Swatch Group rising from A - to A+due to positive sentiment. This highlights the neglect of market dynamic sentiment in the original ESG rating - negative sentiment (18 companies had negative sentiment scores) directly lowered the overall score, exposing potential controversies in some high ESG subsidiaries (such as L'Oreal and ABB, although originally rated A+, were close to the downgrade edge after adjustment); The counter trend rise of Swatch confirms the complementary value of sentiment data to ESG advantages. The conclusion indicates that traditional ESG ratings have static limitations, and investor sentiment can provide real-time warnings of ESG risks (such as "greenwashing" doubts), which are closer to the true market perception.

V. Market

ESG reporting from businesses is increasingly focused on and has become a core part of a company's financial reporting in ensuring due diligence and reputation. Legislation is increasingly tightening in major regions to promote this shift, for example, the European Union has issued the Corporate Sustainability Reporting Directive (CSRD), which requires all companies across Europe to publish standard ESG information to ensure openness and transparency starting in 2024 (European Commission, 2023). This has also happened in Australia with the government implementing the Sustainability Reporting Standards (ASRS), requiring companies to meet the IFRS S1 and S2 framework on climate.

Despite the growing scrutiny of ESG reports, current ESG rating systems are designed mainly for large corporations. Meanwhile, SMEs, which account for more than 97% of total businesses in regions such as Australia and the EU, face numerous challenges, including a lack of reporting expertise, necessary tools, and budget to meet new standards. OECD reports in 2022 also show that many SMEs are keen to adopt sustainability policies before new regulations come into effect, but do not have standardized tools with suitable costs for their model. Therefore, our company's platform is specifically designed for SMEs, addressing the issues of unclear policies and regulations, as well as the high costs associated with traditional tools.

Our ESG rating tool is developed in real time and integrated with AI. The platform combines both structured data from sustainability reports, emissions logs and unstructured data such as government news, updates and social media sentiments. This ensures that the ESG rating is always accurate and continuously updated to reflect each company's reputation and risks in real time.

VI. Competition

As mentioned above, the ESG ratings market is currently dominated by large companies Sustainalytics and Definitiv, with large companies and multinational corporations as clients. Despite being publicly listed, these costs are too high, and report updates are not frequent (quarterly or annually). In addition, new companies entering the market, such as Clarity AI and RepRisk, also utilize machine learning technologies to analyze ESG content. However, their results are vague, unsuitable for SMEs, and fail to meet the legal needs in certain areas.

We have unique selling points to solve the above problems. First, our service packages will be more competitive and affordable in the market. Second, with real-time data, we will always keep up with changes in ESG policies to meet customers ' needs. Third, we integrate advanced NLP models such as LayoutLMv3 and FinBERT to ensure high-accuracy analysis with transparent comments. Finally, we use XGBoost to adjust ESG scores based on real-time changes, eliminating the lag associated with traditional companies

VII. Marketing

SustainaCado's marketing strategy will be based on the 4Ps model - Product, Price, Place, and Promotion revolving around the needs and challenges of meeting ESG reporting standards for SMEs.

1. Product

According to Deloitte, 74% of SMEs globally find it challenging to produce ESG reports due to a lack of tools and complex measurements for each item. Our platform solves this problem by providing AI-powered ESG scores and automatically alerting users to any changes. The logic from our platform will also be easier to understand and more transparent than that of traditional companies. Acknowledging the quality concern raised by SMEs, the reports will also be published to government organizations as a way of quality assurances. Moreover, the work flow between our company and the government is kept seamless and smooth for a comprehensive update of regulations and standard frameworks for SMEs, enhancing the credibility for both our company and clients.

2. Price

Our goal is to create a solution that creates the same value as the conventional one does while being more cost-effective. The model will be the combination of consulting and subscription-based software (SaaS), which is customized specifically for each business. A tiered pricing strategy is implemented to help the business get the appropriate solution for its own needs and requirements, without breaking the bank. Each tier is effectively designed with corresponding benefits, such as ESG compliance assurance or enhanced performance and risk mitigation solutions. There are also add-on services like the accessibility to a real-time information dashboard or training workshops for company employees about ESG, helping increase brand awareness and consequently expanding market penetration.

3. Place

Since the EU has established ESG regulations early on, setting the benchmark for the rest of the world, we see this as a good starting point for our product. By following this strict and transparent legal framework, our product can be widely accepted and used in ESG reports of larger groups. Furthermore, the use of data gathered over years in the EU market has allowed the product to adapt to data collection and model development. Our vision is to adjust the framework along with Australian regulations by utilising our platform's integration with AI and real-world data from the EU; thereby providing assistance to SMEs in Australia.

Standardization of ESG reporting in Australia will start in 2027, according to the Australian Sustainability Reporting Standards (ASRS), so we are confident that we will be at the forefront of this field in Australia. When this change takes place, our platform has been tested in practice, meets regulations, and can be deployed immediately across Australia.

4. Promotion

We promote our brand through education, ecosystem collaboration, and increasing credibility and recognition with clear strategies that address the real needs of SMEs in Australia. Not just stopping at an ESG ratings tool, our long-term desire is to become a trusted partner in the field, as evidenced by Sustainalytics' recognition. Our company will promote communication through free ESG webinars and connect with companies and people in this field through LinkedIn, especially CEOs, SMEs executives, and financial services companies. Through partnerships, we will build trust and credibility, while also raising awareness for SMEs about ESG regulations. In addition, we will expand our reach through organizations such as the Business Council of Co-operatives and Mutuals (BCCM), local banks, accounting firms, and environmental consulting firms, to jointly organize events and workshops. In addition, participating in important events such as the Australian Sustainability Conference and FinTech Australia Summit will increase our company's recognition in the eyes of regulators, investors, and SMEs who are interested and need support.

Not stopping there, we plan to cooperate with G8 universities and ESG researchers through a win-win strategy, providing data and publishing industry reports. These academic partnerships will help us in approaching the government to become a reputable organization in the field of ESG assessment, as this is an increasingly interesting topic.

VIII. Pricing

After analyzing and evaluating the market as well as relying on successful pricing models adopted by technology corporations such as Sustainalytics, Bloomberg ESG Data, and

EcoVadis, the company brings out pricing strategies designed to reach small and medium-sized enterprises (SMEs), as well as financial sustainability for banks. By offering a hybrid model that combines consulting and recurring software as a service (SaaS) packages, this ensures predictable revenue streams, as well as allowing SMEs to use it based on their needs and budget.

In terms of consulting services, the company offers three levels, with each stage varying depending on the business.

Tier 1: ESG Compliance Starter
This is the basic package for SMEs. With this service, customers will be supported in meeting the requirements according to ESG standards, including setting up a foundation framework to ensure regulations in the country where the company is established, and assessing the preliminary ESG score. The price of this service package will depend on the size and business sector of the company, starting from A$5,000 to A$10,000.

Tier 2: Green Optimization
Targeted to customers with more requirements, such as a general ESG check on all aspects of the company, as well as providing strategies to change the company's ESG model accordingly. In addition, customers will have a custom design ESG dashboard for monitoring, priced between A$15,000 and A$20,000.

Tier 3: Full Sustainability Partner
This tier is primarily designed for large corporations and SMEs scaling their operations, with an annual fee starting at A$30,000. We will have separate teams to serve customers in consulting and collecting data to update ESG scores from the platform automatically. Moreover, we will write weekly and monthly update reports for the company as well as detailed updates for their investors.

In addition, to reach more customers and increase our flexibility, we also provide add-on services:

1. Access to SustainaCado's Standardized Dashboard
This dashboard is updated in real-time with ESG legislation from the government, and it analyzes the company's emissions and risks associated with its ESG performance—flexible prices from A$1,000 to A$3,000.

2. ESG Training Workshops
We believe this is a necessary service for every company, whether training employees or management teams. Our workshops will cover the latest ESG regulatory updates from the government, how to write reports, and how to deal with ESG risks. Each session will be charged A$500 to A$2,000, depending on what the company needs and their size.

IX. Risk Management

1. Regulatory Compliance and Licensing

SustainaCado has several regulatory requirements to manage when operating in Australia, as it must comply with financial regulations and data privacy standards, as well as specific ESG obligations. SustainaCado's regulatory operations are dependent on regulatory compliance as the company builds trust with institutional and small and medium-sized enterprise (SME) clients who need its ESG analytics platform services.

Therefore, SustainaCado needs to identify key regulatory bodies whose guidance affects platform design and operation to maintain responsible operation within Australia's legal and ethical framework. The platform must comply with financial regulators and data privacy authorities, as well as agencies that oversee ethical AI system development. The following table outlines the main regulators along with their influence scope, relevant legislation and guidance, and their implications for SustainaCado's ESG scoring platform:

Regulatory Body	Scope	Relevant Legislation/Guidance	Implication for SustainaCado
APRA	Climate risk expectations in financial institutions	CPG 229 – Climate Change Financial Risks (APRA, 2021)	Align ESG scoring outputs to client banks' APRA reporting needs
ASIC	Misleading conduct, greenwashing prevention	INFO 271, RG 65 (ASIC, 2022)	Ensure ESG scores and outputs are substantiated and transparent
OAIC	Privacy, data protection	Privacy Act 1988 (APP 1, 6, 11) (OAIC, 2023)	Enforce strict data privacy, secure cloud storage, and limited disclosure
AASB / ASRS	Sustainability reporting standards	IFRS S1 & S2, ASRS (IFRS, 2023; AASB, 2024)	Ensure scoring logic aligns with national disclosure frameworks
DISR (AI Ethics)	AI model governance (non-legally binding)	Australia's AI Ethics Principles (DISR, 2021)	Adopt fair, explainable, accountable AI practices for scoring models

According to the **Corporations Act 2001 (Cth)**, SustainaCado is exempt from the requirement to maintain an **Australian Financial Services Licence (AFSL)** since we do not currently engage in regulated financial activities like offering investment advice or dealing in financial products. However, ongoing evaluation is necessary if the business plan decides to branch out into investment or advisory services.
We must also evaluate the licensing implications of our **AI scoring engine**. The Department of Industry, Science, and Resources is developing an AI regulatory framework to address ethical AI, accountability, and transparency, despite Australia not currently having any laws specifically addressing AI. To guarantee fair, comprehensible, and human-centred algorithmic decisions, SustainaCado proactively implements the AI Ethics Principles suggested by the Australian Government (DISR, 2021).

Our compliance approach is guided by this organised overview, which makes sure that the SustainaCado platform is constructed with openness, legal stability, and moral AI practices in mind. By following these regulations actively, SustainaCado not only protects itself from legal and reputational risk but also builds confidence with all parties involved, particularly banks, SMEs, and institutional investors looking for ESG-compliant solutions.

2. Risk Management Framework

SustainaCado operates in a challenging environment, including sensitive data processing, AI-based analytics, and strict regulatory oversight. Therefore, a comprehensive risk management framework is necessary to maintain platform integrity, protect customer interests, and maintain stakeholder trust. The five types of risks critical to SustainaCado's operations and the mitigation techniques used to effectively manage them are described in the table below.

Risk Category	**Potential Impact**	**Mitigation Strategy**
Data Risk	Inaccurate or inconsistent ESG inputs	NLP validation, SME onboarding support, anomaly detection
Model Risk	Biased, unfair, or non-compliant AI scoring	Use of XGBoost for explainability, AI Ethics Principles, regular audits
Cybersecurity	Data breach, system downtime, privacy violations	AWS security stack, encryption, IAM, regular penetration testing
Regulatory Risk	Legal sanctions, loss of license, client rejection	Ongoing legal review, transparent scoring logic,

		integration of updated standards
Reputational Risk	Loss of trust, negative press, investor concern	Dual-layer review (AI + human), explainable outputs, company score dispute process

Firstly, data risk is a major concern since SMEs' ESG inputs are frequently not standardised, which could result in errors. Therefore, SustainaCado uses anomaly detection to identify inconsistencies, supports SMEs with structured templates, and applies LayoutLMv3 to extract reliable data from non-uniform data to address this issue (Huang et al., 2022).

Secondly, **model risk** is resulted by the potential for biased or non-transparent scoring. The platform aligns development with the Australian AI Ethics Principles (DISR, 2021), uses XGBoost for explanation (Chen et al., 2015), and conducts frequent audits to guarantee fairness because ESG ratings have the power to affect funding and supply chain decisions. Thirdly, **cybersecurity risk** is managed through AWS infrastructure, which includes encryption, access control, and regular penetration testing, ensuring compliance with APP 11 of the Privacy Act (OAIC, 2023).

Apart from technical risks, regulatory and reputational factors also demand attention. In order to mitigate **regulatory risk**, scoring logic is updated to reflect ASIC, AASB, and IFRS standard updates, as well as quarterly legal reviews (ASIC, 2022; IFRS Foundation, 2023). To ensure compliance with disclosure requirements, transparent reporting and anti-greenwashing measures are also included. Lastly, a dual-layer scoring system that integrates expert human review with AI-generated ratings is used to manage **reputational risk**. Explanation reports and formal dispute resolution are provided to clients, strengthening platform credibility and accountability (DISR, 2021; OAIC, 2023). For SMEs and institutional users alike, SustainaCado guarantees a reliable, ethical and future-ready ESG solution by proactively managing these five risk areas: data, model, cybersecurity, regulatory, and reputational.

3. Customer Protection Measures

SustainaCado, an ESG analytics platform that handles sensitive business data, understands how important it is to safeguard user confidence and customer information. When working with SMEs, many of whom might be navigating ESG reporting requirements for the first time, this is especially crucial. Data privacy, technology security, and fair user experience are the three main pillars of our customer protection strategy.

First of all, SustainaCado is fully compliant with the **Privacy Act 1988 (Cth)** and the **Australian Privacy Principles (APPs)**. We follow APP 1, 6, and 11 to make sure that customer information is handled in a transparent way, only used for appropriate reasons, and kept safe at all times (OAIC, 2023). All data is stored on secure AWS cloud servers, with encryption applied both in transit and at rest. Role-based permissions strictly limit who can see sensitive information, and we regularly check our systems through internal audits and security testing.

Second, we prioritise transparency in how ESG scores are generated and communicated. A detailed breakdown of the data sources used and their impact on the final result is included with each rating. Companies are also allowed to access downloadable reports and real-time dashboards to keep them informed about their performance. Customers can formally dispute the outcome or submit a clarification request if a score has been impacted by public opinion or information from third parties. This procedure ensures that our system will always be fair, especially when there are reputational risks.

Last but not least, we take active steps to support and empower our users. SMEs are offered practical guidance during onboarding, accession to training materials and ESG reporting templates. Our goal is to offer a safe platform and increase our users' trust and competence. SustainaCado hopes to build enduring, trusting relationships with every client by combining powerful privacy security with open communication and immediate assistance.

4. Educational Tools for Risk Awareness

SustainaCado realizes that understanding customers is crucial for effectively managing risks, even beyond security measures. It is reported that a lot of SMEs lack resources to meet ESG regulations and standards, which are closely linked to disclosure, scoring, and reputational risks. Hence, a series of educational resources has been created to address this obstacle with a view to enhancing user confidence, awareness, and encouragement for responsible data management.

Our ESG Knowledge Hub is considered one of the core initiatives offering users easy accessibility to resources as well as fundamental subjects like sustainability reporting, regulatory updates, and the impact of ESG factors on business operations. The materials also include detailed reporting instructions, checklists tailored to a particular industry, and descriptions of how ratings are calculated using both structured disclosures and public opinion. By ensuring that users are highly aware of how their data is handled and the significance of it, this supports APP 1 (open and transparent management of personal information) (OAIC, 2023).

Moreover, we provide SMEs with tailored webinars and onboarding sessions to help them learn how to proactively control risks that could detrimentally affect ESG scores along with consequences like negative press coverage and supply chain interruptions. Importantly, by emphasizing “what-if” scenarios in its dashboard interface, the platform assists users in grasping how specific occurrences or modifications may impact rating.

SustainaCado indicates education as a long-term investment to strengthen user resilience rather than just fulfilling compliance. Our goal is to support SME clients to be thoroughly aware of both ESG risks. They could gradually approach the ESG journey through detailed and practical learning resources, not only enhancing reporting maturity but also lowering risk exposure.

X. Financial

1. Projected Revenue

PROJECTED REVENUE					
Revenue	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**
Number of Users	**50**	**90**	**130**	**190**	**255**
Tier 1: ESG Compliance Starter					
Price (per month)	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00
Estimated Number of Users	19	28	34	60	90
Time (months)	12	12	12	12	12
Tier 1 Revenue	$1,140,000.00	$1,680,000.00	$2,040,000.00	$ 3,600,000.00	$ 5,400,000.00
Tier 2: Green Optimization					
Price (per month)	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00
Estimated Number of Users	8	13	25	35	50
Time (months)	12	12	12	12	12
Tier 2 Revenue	$1,440,000.00	$2,340,000.00	$4,500,000.00	$ 6,300,000.00	$ 9,000,000.00
Tier 3: Full Sustainability Partner					
Price (per year)	$ 30,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00
Estimated Number of Users	1	4	6	10	15
Time (YEAR)	1	1	1	1	1
Tier 3 Revenue	$ 30,000.00	$ 120,000.00	$ 180,000.00	$ 300,000.00	$ 450,000.00
Add-on Services					
Real-Time ESG Dashboard License					
Price (per month)	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00
Estimated Number of Users	12	25	35	50	60
Time (months)	12	12	12	12	12
Revenue	$ 144,000.00	$ 300,000.00	$ 420,000.00	$ 600,000.00	$ 720,000.00
ESG Training Workshops					
Price (per session)	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00
Estimated Number of Users	10	20	30	35	40
Time (months)	12	12	12	12	12
Revenue	$ 60,000.00	$ 120,000.00	$ 180,000.00	$ 210,000.00	$ 240,000.00
TOTAL REVENUE	**$2,814,000.00**	**$4,560,000.00**	**$7,320,000.00**	**$11,010,000.00**	**$15,810,000.00**

Revenue will come from customers' payments for the use of the ESG scoring and advisory packages, supplemented by a monthly SaaS subscription to access the dashboard. This hybrid structure will provide recurring cash flow and project-based consulting revenue over the month, ensuring the long-term financial sustainability of SustainaCado. Our real-time dashboard will provide customers with flexibility and unlimited access to the company's tools, along with monthly subscriptions that do not require a lock-in contract.

Among the services provided, we expect about 60-65% of revenue to come from Tier 1 (ESG Compliance Starter) and Tier 2 (Green Optimization), targeting SMEs. Meanwhile, Tier 3 (Full Sustainability Partner) will account for about 20% of revenue. The remaining revenue will come from add-on services. These forecasts are based on market research, regulatory forecasts, and comparisons with platforms offering similar services. Our research indicates that SMEs are unprepared for the long-term ESG transition, lacking affordable services that match their scale in the current market. In addition, increasing pressure from government regulations on the provision of corporate ESG reports reinforces our assumption of steady growth in user demand.

2. Projected Expenses

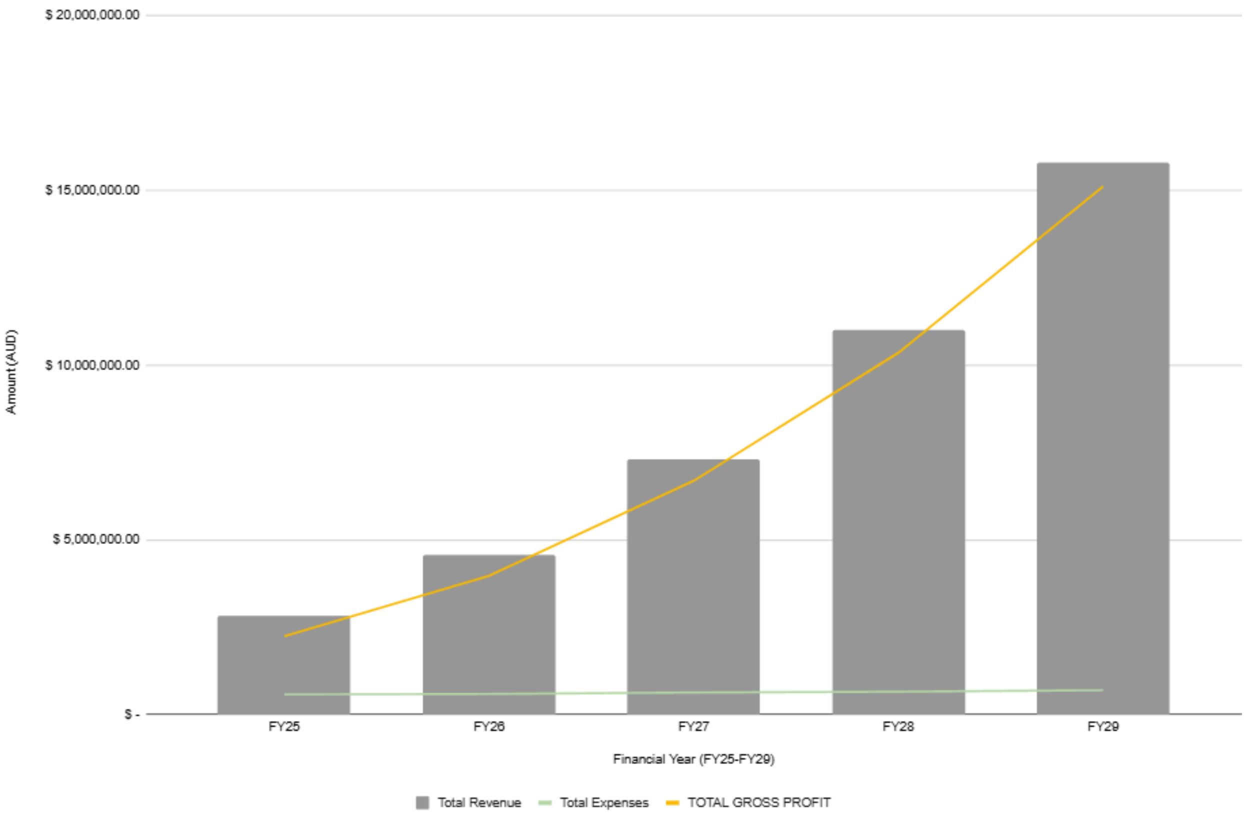
PROJECTED EXPENSES					
Expenses	FY25	FY26	FY27	FY28	FY29
Overhead Expenses					
Marketing & Promotion	$ 40,000.00	$ 50,000.00	$ 60,000.00	$ 70,000.00	$ 80,000.00
Staff & Consultant Salaries	$200,000.00	$220,000.00	$250,000.00	$270,000.00	$300,000.00
Legal & Compliance	$ 10,000.00	$ 12,000.00	$ 15,000.00	$ 15,000.00	$ 18,000.00
Total Overhead Expenses	$250,000.00	$282,000.00	$325,000.00	$355,000.00	$398,000.00
Maintenance Expenses					
Cloud Infrastructure	$ 60,000.00	$ 70,000.00	$ 80,000.00	$ 90,000.00	$100,000.00
Technical Support	$ 15,000.00	$ 18,000.00	$ 20,000.00	$ 22,000.00	$ 25,000.00
Total Maintenance Expenses	$ 75,000.00	$ 88,000.00	$100,000.00	$112,000.00	$125,000.00
Fixed Development Expenses					
UX/UI Design & Front-End	$ 80,000.00	$ 60,000.00	$ 50,000.00	$ 40,000.00	$ 30,000.00
API & Back-End Integration	$ 80,000.00	$ 60,000.00	$ 50,000.00	$ 40,000.00	$ 30,000.00
Total Fixed Development Expenses	$160,000.00	$120,000.00	$100,000.00	$ 80,000.00	$ 60,000.00
Total Fixed Expenses	$485,000.00	$490,000.00	$525,000.00	$547,000.00	$583,000.00
Variable Development Expenses					
AI Model Tuning (LLM, XGBoost, FinBERT)	$ 30,000.00	$ 25,000.00	$ 20,000.00	$ 15,000.00	$ 12,000.00
Data Acquisition (news/social APIs)	$ 20,000.00	$ 25,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00
Cloud Usage (compute, storage)	$ 25,000.00	$ 30,000.00	$ 35,000.00	$ 40,000.00	$ 45,000.00
Third-Party Tools & Crawlers	$ 15,000.00	$ 18,000.00	$ 20,000.00	$ 22,000.00	$ 25,000.00
Total Variable Development Expenses	$ 90,000.00	$ 98,000.00	$105,000.00	$107,000.00	$112,000.00
TOTAL EXPENSES	**$575,000.00**	**$588,000.00**	**$630,000.00**	**$654,000.00**	**$695,000.00**

SustainaCado's expenses are divided into three main categories: Overhead, Maintenance, and Development. In FY25, the company spent A$160,000 on UX/UI design, back-end, and API. These figures are based on quotes from developers for AI-integrated ESG platform architectures such as LayoutLMv3 and FinBERT. Other expenses, such as data collection and cloud storage, will be around A$90,000 and increase to A$112,000 in FY29 based on the company's growth and customers.

Maintenance costs will be around A$75,000 and increase gradually as the company grows each year. Marketing and Overhead are expected to be around A$250,000 and increase to

A$398,000 in FY29. Salaries for employees will be the largest component, including the costs of ESG analysts, developers, and data scientists. Overall, total costs are expected to increase year over year due to platform and company expansion, as well as customer demand response.

3. Projected Profit



Projected Total Revenue, Expenses and Gross Profit

SustainaCado's 5-year financial outlook shows the prospects and potential of our ESG rating platform and consulting service. We expect our profit to reach A$2.24 million in FY25 and increase steadily to A$15.12 million in FY29. The reason is that our model has a lean cost structure when integrating AI models as well as cloud storage. That allows the company to reduce labor costs while still ensuring efficiency. In addition, as the market increasingly focuses on ESG, we are confident that we will grow quickly and have an impact in the ESG field.

PROJECTED PROFIT					
Profit	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**
Total Revenue	$ 2,814,000.00	$ 4,560,000.00	$ 7,320,000.00	$ 11,010,000.00	$ 15,810,000.00
Total Expenses	$ 575,000.00	$ 588,000.00	$ 630,000.00	$ 654,000.00	$ 695,000.00
TOTAL GROSS PROFIT	**$ 2,239,000.00**	**$ 3,972,000.00**	**$ 6,690,000.00**	**$ 10,356,000.00**	**$ 15,115,000.00**

XI. Investment

We are raising A$2.2 million in funding for a valuation of A$22.5 million based on strong FY29 financial projections. This funding will be used to accelerate the development of our ESG platform and analytics with AI integration and customer acquisition. The primary focus will be on expanding partnerships with third-party data providers, researching regulations in other countries, and expanding our ESG technical consulting team to serve demand beyond Australia.

The valuation is based on an expected gross profit of A15.1 million in FY29 with an EV/EBIT multiple of 8, based on the average in the SaaS industry and from the ESG analytics space. The discounting will be over 5 years with an IRR of 40%. This gives SustainaCado a valuation of approximately A$22.5 million.

With this funding, we will be exchanging approximately 10% equity. This structure will create long-term value for early investors and provide the capital needed to scale the business as ESG demands from governments around the world are becoming increasingly stringent and demanding over the years.

COMPANY VALUATION	
	FY29
Expected Gross Profit at FY29	$ 15,115,000.00
Assumption: EV/EBIT Multiple	8
Enterprise Value at FY29	$120,920,000.00
Time (Years)	5
Assumption: IRR of	40.00%
Present Value of Equity (FY29)	$22,483,191.53
Request Investment Amount	$2,200,000.00
Corresponds to Equity	9.79%

XII. Appendix

Appendix A

GitHub link: https://github.com/yccyoung/5548

Appendix B

ESG.xlsx

Appendix C

sentiment.xlsx

Appendix D

Company	ESG score	Rating
ASML Holdings N.V.	73.13	A+
Hermes International SCA	71.71	A+
Linde	71.26	A+
Kone Oyj	70.37	A+
Beiersdorf AG	69.7	A+
L'Oreal S.A.	69.3	A+
Atlas Copco	68.67	A+
ABB Ltd.	68.46	A+
Geberit AG	68.07	A+
Mondi plc	67.83	A-
Logitech International S.A.	67.58	A-
VERBUND AG	67.48	A-
Kesko Corporation	66.96	A-
Kuehne & Nagel International AG	66.76	A-
Swatch Group Ltd.	66.63	A-
Schindler Holding AG	66.53	A-
Remy Cointreau SA	66.3	A-
Schroders PLC	65.67	A-
Vestas Wind Systems A/S	65.65	B+
InterContinental Hotels Group PLC	65.3	B+

Appendix E

Company	ESG score	compound_scaled	ESG_plus_sentiment	Rating
ASML Holdings N.V.	73.13	-9.638671494	63.49132851	A+
Hermes International SCA	71.71	2.268882834	73.97888283	A+
Linde	71.26	-8.932782928	62.32721707	A+
Kone Oyj	70.37	-10	60.37	A+
Beiersdorf AG	69.7	-9.868234043	59.83176596	A-
L'Oreal S.A.	69.3	-9.901887382	59.39811262	A-
Atlas Copco	68.67	-9.998134628	58.67186537	A-
ABB Ltd.	68.46	-9.997671642	58.46232836	A-
Geberit AG	68.07	-9.745416093	58.32458391	A-
Mondi plc	67.83	-9.996396026	57.83360397	A-
Logitech International S.A.	67.58	-9.996469841	57.58353016	A-
VERBUND AG	67.48	-9.996549144	57.48345086	A-
Kesko Corporation	66.96	-9.999982264	56.96001774	B+
Kuehne & Nagel International AG	66.76	-9.984519445	56.77548055	B+
Swatch Group Ltd.	66.63	2.557106349	69.18710635	A+
Schindler Holding AG	66.53	-9.99632724	56.53367276	B+
Remy Cointreau SA	66.3	-9.997178084	56.30282192	B+
Schroders PLC	65.67	-9.992840077	55.67715992	B+
Vestas Wind Systems A/S	65.65	-9.996955003	55.653045	B+
InterContinent	65.3	-9.99887813	55.3011218	B+

XIII. Reference

AASB. (2024). *Australian Sustainability Reporting Standards: Implementation roadmap.* Australian Accounting Standards Board. https://www.aasb.gov.au

Adnan, W., Tang, J., Zouggari, Y. B. K., Laatiri, S. E., Lam, L., & Caspani, F. (2024, August). A LayoutLMv3-based model for enhanced relation extraction in visually-rich documents. In *International Conference on Document Analysis and Recognition* (pp. 160–174). Cham: Springer Nature Switzerland.

APRA. (2021). *Prudential Practice Guide CPG 229: Climate Change Financial Risks.* Australian Prudential Regulation Authority. https://www.apra.gov.au/sites/default/files/2021-11/Final%20Prudential%20Practice%20Guide%20CPG%20229%20Climate%20Change%20Financial%20Risks.pdf

APRA. (2022, November 30). *Climate vulnerability assessment – November 2022 | APRA.* https://www.apra.gov.au/climate-vulnerability-assessment-november-2022

ASIC. (2022). *Information Sheet 271: How to avoid greenwashing when offering or promoting sustainability-related products.* Australian Securities and Investments Commission. https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products/

Bansal, P., & Song, H.-C. (2017). Similar but not the same: Differentiating corporate sustainability from corporate responsibility. *Academy of Management Annals, 11*(1), 105–149. https://doi.org/10.5465/annals.2015.0095

Business Council of Co-operatives and Mutuals. (2024). *Supporting SMEs in Sustainability Transition.* https://bccm.coop/campaign/co-operative-and-mutual-climate-policy/

Chauhan, A. (2019). A review on various aspects of MongoDB databases. *International Journal of Engineering Research & Technology (IJERT), 8*(05), 90–92.

Chen, T., He, T., Benesty, M., Khotilovich, V., Tang, Y., Cho, H., ... & Zhou, T. (2015). Xgboost: Extreme gradient boosting. *R package version 0.4-2, 1*(4), 1–4.

Deloitte. (2023). *2023 Global SME Sustainability Report.* Deloitte Insights. https://www.deloitte.com/global/en/issues/climate.html

Department of Industry, Science and Resources (DISR). (2021). *Australia's AI Ethics Framework.* Australian Government. https://www.industry.gov.au/data-and-publications/building-australias-artificial-intelligence-capability/australias-ai-ethics-framework

European Commission. (2023). *Corporate Sustainability Reporting Directive (CSRD).* https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

European Commission. (2024). *Corporate Sustainability Reporting.* https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

Huang, Y., Lv, T., Cui, L., Lu, Y., & Wei, F. (2022). LayoutLMv3: Pre-training for Document AI with unified text and image masking. *Proceedings of the 30th ACM International Conference on Multimedia.* https://doi.org/10.1145/3503161.3548112

IFRS. (2023). *IFRS S2 Climate-related Disclosures.* https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/

IFRS Foundation. (2023). *IFRS S1 and S2 sustainability disclosure standards.* International Financial Reporting Standards Foundation. https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/

LSEG. (2024). *ESG Scores.* https://www.lseg.com/en/data-analytics/sustainable-finance/esg-scores

MacKillop, F. (2025). ESG: New opportunities for a changing environment. *SGSCorp.* https://www.sgs.com/en-au/news/2025/08/esg-new-opportunities-for-a-changing-environment

MSCI. (2023). *ESG Ratings | MSCI.* https://www.msci.com/data-and-analytics/sustainability-solutions/esg-ratings

OAIC. (2023). *Australian Privacy Principles guidelines.* Office of the Australian Information Commissioner. https://www.oaic.gov.au/privacy/australian-privacy-principles

OECD. (2023). *SMEs and Entrepreneurship.* https://www.oecd.org/en/topics/smes-and-entrepreneurship.html

Sustainalytics. (2025). *Company ESG risk ratings – Sustainalytics.* https://www.sustainalytics.com/esg-ratings

World Bank. (2019, October 16). *Small and Medium Enterprises (SMEs) Finance.* https://www.worldbank.org/en/topic/smefinance

Worsley, J., & Drake, J. D. (2002). *Practical PostgreSQL.* O'Reilly Media, Inc.