

Net Purpose: Making impact measurement effortless

Highly commended: Jeffrey Unerman Award for Driving Change in the Finance Community

What

Net Purpose is a data provider that provides high-quality social and environmental outcomes data to investors. The company currently covers more than 2,000 listed companies across more than ten investable Sustainable Development Goal (SDG) themes.

Using Net Purpose's platform, investors can upload a portfolio and quickly get data about its social and environmental performance, based on existing global standards. User-friendly reports show both how well a portfolio is contributing to the SDGs compared to a benchmark and how the portfolio is performing against climate goals. Users can click through on any data point to see where it comes from.

A combination of Artificial Intelligence and expert human input enables Net Purpose to pull facts from thousands of sustainability reports into its database while ensuring data quality. Net Purpose has built a core team of experts, who review and validate this information with scientific literature. The Net Purpose team combines different kinds of expertise, including experts in impact investing, AI, financial data, and environmental science and public health. To add to its social impact, Net Purpose has partnered with Cloud Factory to hire analysts in an emerging market, Kenya.

The Net Purpose platform gives investors insight into the power their portfolios have for bringing about social and environmental change – and make more informed choices about where to direct capital.

'Net Purpose is using a combination of human and AI techniques effectively to pull out data, particularly qualitative data, that will be valuable to investors but may otherwise be hard to capture. The company presents it to investors in a simple format, and by linking it to the SDGs makes it easy for them to relate to.'

Finance for the Future Awards judges

Why

Net Purpose believes that financial markets can play a major role in achieving the SDGs and tackling the climate crisis. The sector is already starting to shift as ESG regulation, and increasing awareness of the commercial significance of sustainability, changes investor behaviour.

Increasingly, investors are investing for purpose, not just profit. This new generation of investor needs ready access to new kinds of data. They need to be able to clearly see the impact of their portfolios and how they perform compared to market benchmarks and sustainability goals. But getting data in a usable format can be challenging, even as the availability of data increases.

Net Purpose was founded to meet this need for high-quality, meaningful sustainability data. By doing so, the company aims to make impact measurement effortless for investors by 2025, and accelerate our transition to a sustainable world.



‘We support asset managers managing sustainable, impact and traditional portfolios to measure their contribution to global goals. We’re providing real facts to investors, not scores. The future of finance for us is a world where every investor optimises for social and environmental returns just like they optimise for financial returns.’

Samantha Duncan

Co-founder and CEO, Net Purpose

How

Net Purpose combines AI with human expertise to generate its data:

- > Rather than creating its own standard or framework, Net Purpose analysed existing reporting under different global sustainability standards. This analysis highlighted a great deal of commonality in the metrics used by public companies across the world. The company built its database of quantitative data around these common metrics and standards.
- > A team of analysts manually compiled the first data, for 250 listed companies, to get a clear sense of what the data looked like. The head of engineering then automated that process step by step. This generated a strong set of training data that was used to improve AI models with machine learning approaches such as natural language processing.
- > Net Purpose uses its AI models to automate data extraction from sustainability reports. These models leverage technology from Google and Stanford. This approach enables the company to extract data quickly and ensure data quality so data can be brought into the company's database shortly after it is published. Each data point Net Purpose records is tagged to its location in the source document, giving users click-to-source transparency.
- > Now, initial data extraction is carried out by the analyst team in Kenya, supported by the AI-assisted search process. A global cohort of sustainability students and quality-assurance analysts access the data and do a second layer of data validation. Finally, Net Purpose's core team of experts provide an extra layer of internal assurance and analysis, as well as client support.
- > As well as comparing their portfolio against a benchmark, such as a market index or sustainability taxonomy, investors can track their performance against a goal, such as a 1.5°C or 2°C warming scenario. Net Purpose matches its quantitative performance data with the carbon emission reductions that are needed to achieve the relevant scenario according to the International Energy Agency.
- > Net Purpose aims to offer a holistic picture of a portfolio's impact. So as well as looking at direct climate risks, such as the physical risks to assets and buildings from climate change, the company plans to incorporate health and other social impacts of climate change. This will make the impacts shown on the platform even more comprehensive and compelling.

www.netpurpose.com



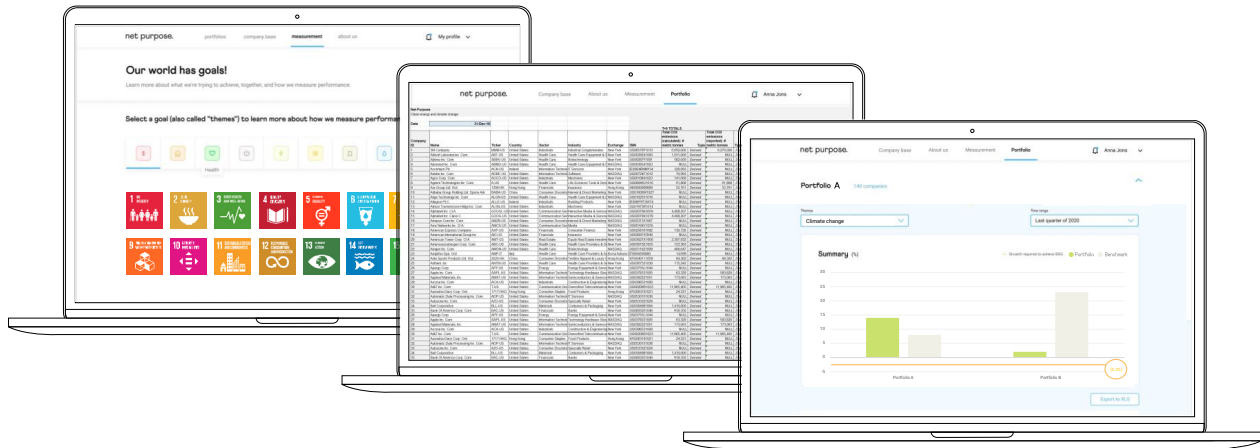
How it works



1. Select your goal(s)

2. Access data

3. Measure the impact of your portfolio.



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