



STUCK IN THE MIDDLE?

The state of ESG within Australian business

We surveyed over 160 Australian business leaders to gauge their views on the impact of ESG across their businesses.

Our report uses survey data to break down the challenges and opportunities that ESG presents for business operations and investment. With insights from lawyers at the forefront of new laws and regulations, our report gives Australian businesses a landscape-wide snapshot of the dynamic environment in which they are operating, alongside the legal and regulatory frameworks.

In this edition, we are leaning in to the increasingly important 'S'... and here is what you said:

The top 3 issues

- Climate change and carbon transition
- Human rights including modern slavery
- Privacy, cyber and data governance



72%

said investment criteria/diligence processes expressly included ESG considerations



70% said 'S' issues and opportunities understood and prioritised, but only 1/4 have integrated them into their activities



71%

said regulations are influencing sourcing and supplier management



Only 56% have a human rights risk management system in place



80% said the CEO/Exec/Board are now accountable for 'S' issues



62% said their organisation is publicly reporting on 'S' targets and performance



34% said their net zero commitments don't reflect scope 3 emissions, 27% have no net zero commitments



66% had net zero commitments, but just 2/3 had integrated them into their activities



2/3 don't know how much additional ESG aligned investment their organisation would need to meet net zero commitments



54% consider Australia in the 'late majority' in progressing toward ESG ambitions, but 32% consider their organisation in the 'early majority'



Top 4 barriers to investment

- Lack of stable financial return
- Lack of proven technologies
- Government policy
- Access to capital



These findings are from a survey designed and run by Herbert Smith Freehills. Data was gathered from 11 December 2023 to 31 January 2024.

The survey was anonymous and promoted widely in Australia. 161 respondents, including C-suite executives, board directors, company secretaries, general counsel and senior management.