



AUSTRALIA REPORT

ESG MONITOR 2024

Reputation and Responsible Business: What the Australian public expects



ESG MONITOR 2024



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Foreword

In Australia, expectations for what makes a 'good' business have changed forever.

Today, success requires not only financial performance but also responsible leadership in sustainability, employee welfare, and community impact.

A 'good business' has to be sustainable, a good employer and supply chain partner, to support communities and to be an agent for positive change. On top of this, it also has to generate revenue, investment returns, wages, profits and tax receipts.

All of this takes place in a judgmental world fuelled by increasing scrutiny and activism where pledging to lead change isn't enough - business has to prove it is delivering.

Statements like this do not fall onto neutral political ground and the push back against ESG by critics, who call corporate responsibility out as 'woke capitalism', continues to grow. Yet on the other side of the fence, activist, public and political voices are advocating for greater corporate ambition.

With increasing public scrutiny, political headwinds, and attacks on ESG initiatives, our report grounds corporate action in public opinion, and provides concrete recommendations for leaders, communicators, and employers.

SEC Newgate develops and runs this annual Global ESG Monitor research, polling over 14,000 people across 14 countries and territories to understand their views.

Our analysis reveals what Australians expect of the companies they engage with, and makes recommendations about how to communicate about ESG effectively.

What this report shows is that corporate responsibility remains a growing expectation which lies at the heart of what it means to be a good business with a good reputation.

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The questions clients ask us

We know that reputation and responsible business conduct are inextricably linked - and our clients are grappling with the best ways to deliver on public expectations.

How **important** are responsible business practices to consumers and the broader community?
Do they **really care** about them?

Are corporates **meeting community expectations**?
Where will action have the most **impact**?

Does performance in this area impact perceptions of **reputation** or **retail investor decision-making**?

Should corporates **communicate** their responsible business practices?

What does the community **expect** from corporates?

Should corporates **speak out** on environmental, social and political issues?

Background & Methodology

For the fourth year running, SEC Newgate has conducted this major survey to understand community awareness and perceptions around Environmental, Social and Governance (ESG) issues.

1,034

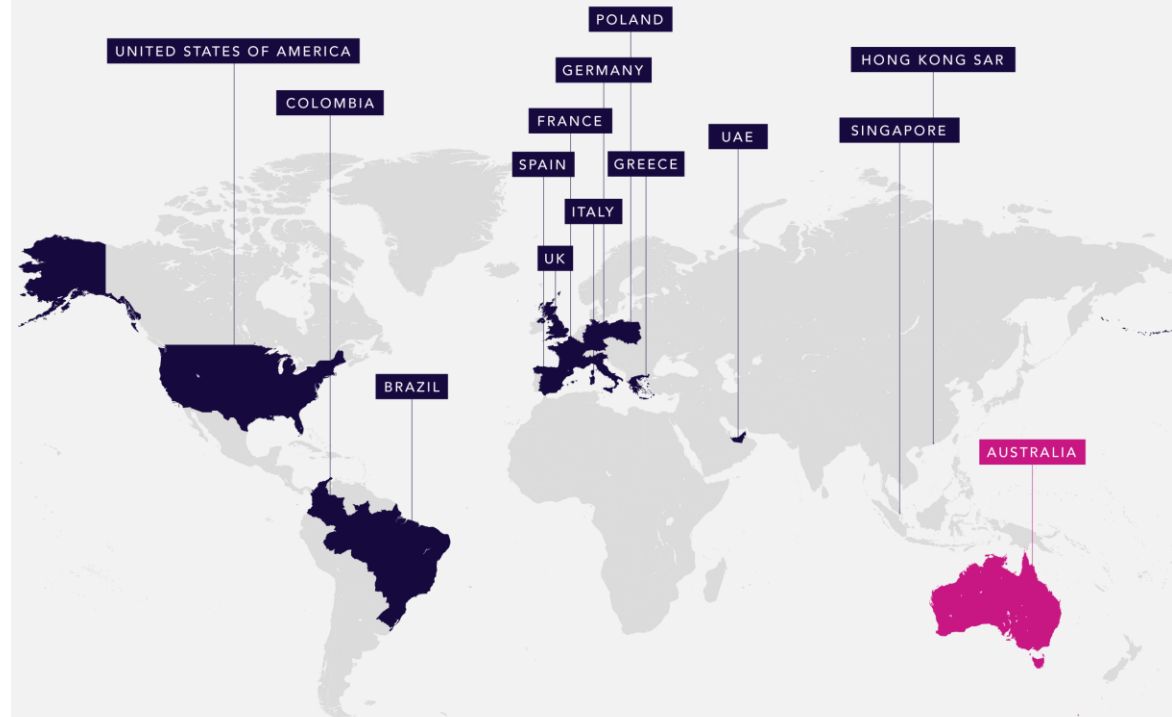
Sample in **Australia**

14,352

people surveyed across **14 countries and territories**

Participants were sourced from market research panels, with the survey translated and completed in-language where appropriate. Fieldwork was conducted over the period 4-29 July 2024.

Quotas were set by age, gender and location to ensure a nationally representative sample of citizens aged 18+, and the final results were weighted by the actual age and gender proportions within each country or territory. For the 'total' results, each country is given equal weighting.



Other notes

1. Survey questions and sample sizes are shown at the bottom of each page. Unless otherwise specified, questions were asked of all participants.
2. Results may not always total 100% due to rounding or questions allowing multiple-responses.

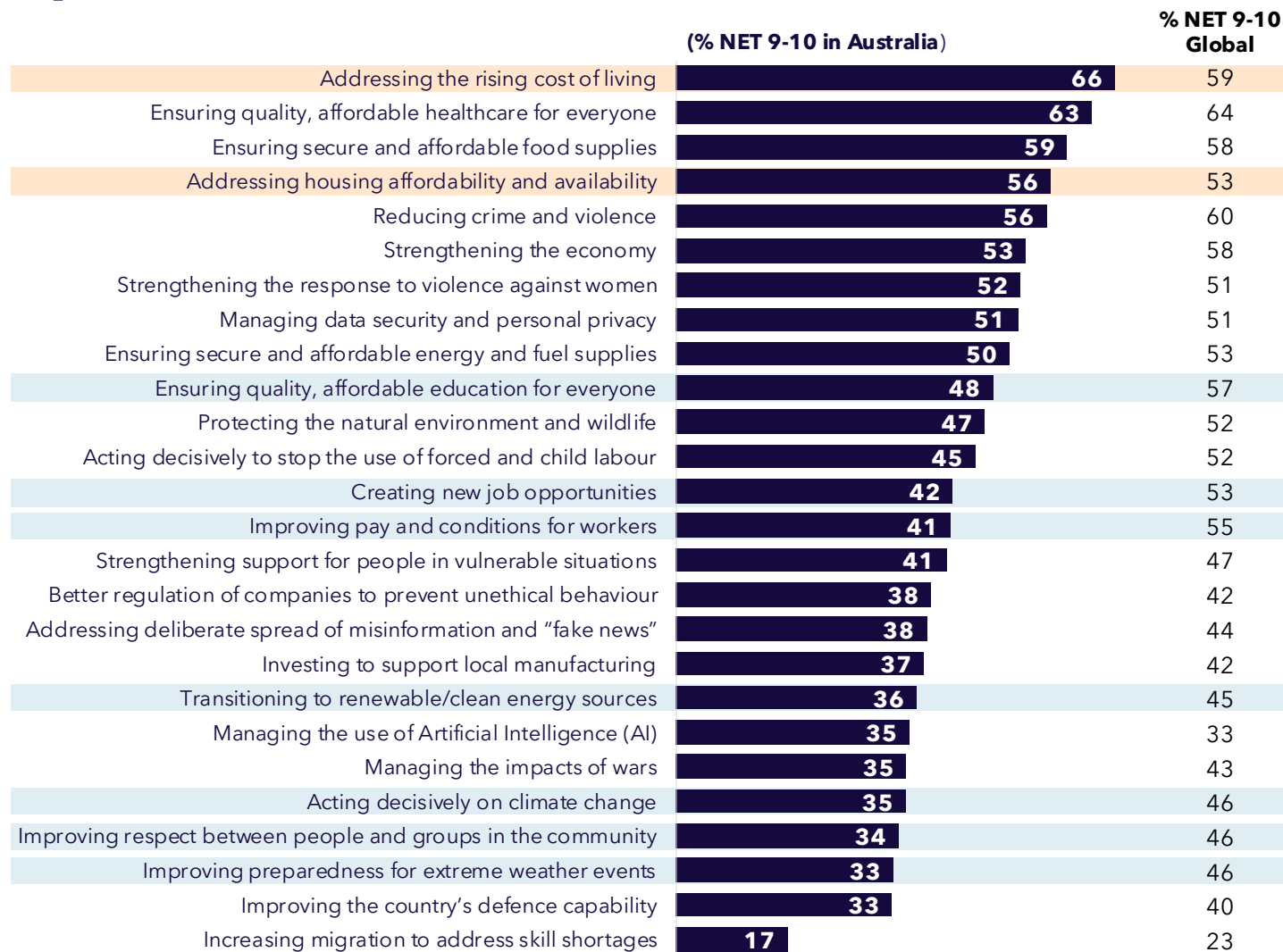
Chapter 1.

Where is public sentiment on ESG issues?

Australians are focused on their immediate needs, but they also care a lot about broader social and environmental issues.

The top issues of importance remain largely consistent with 2023, although reducing crime and violence has risen by 5 percentage points.

Importance of issues for the future of Australia



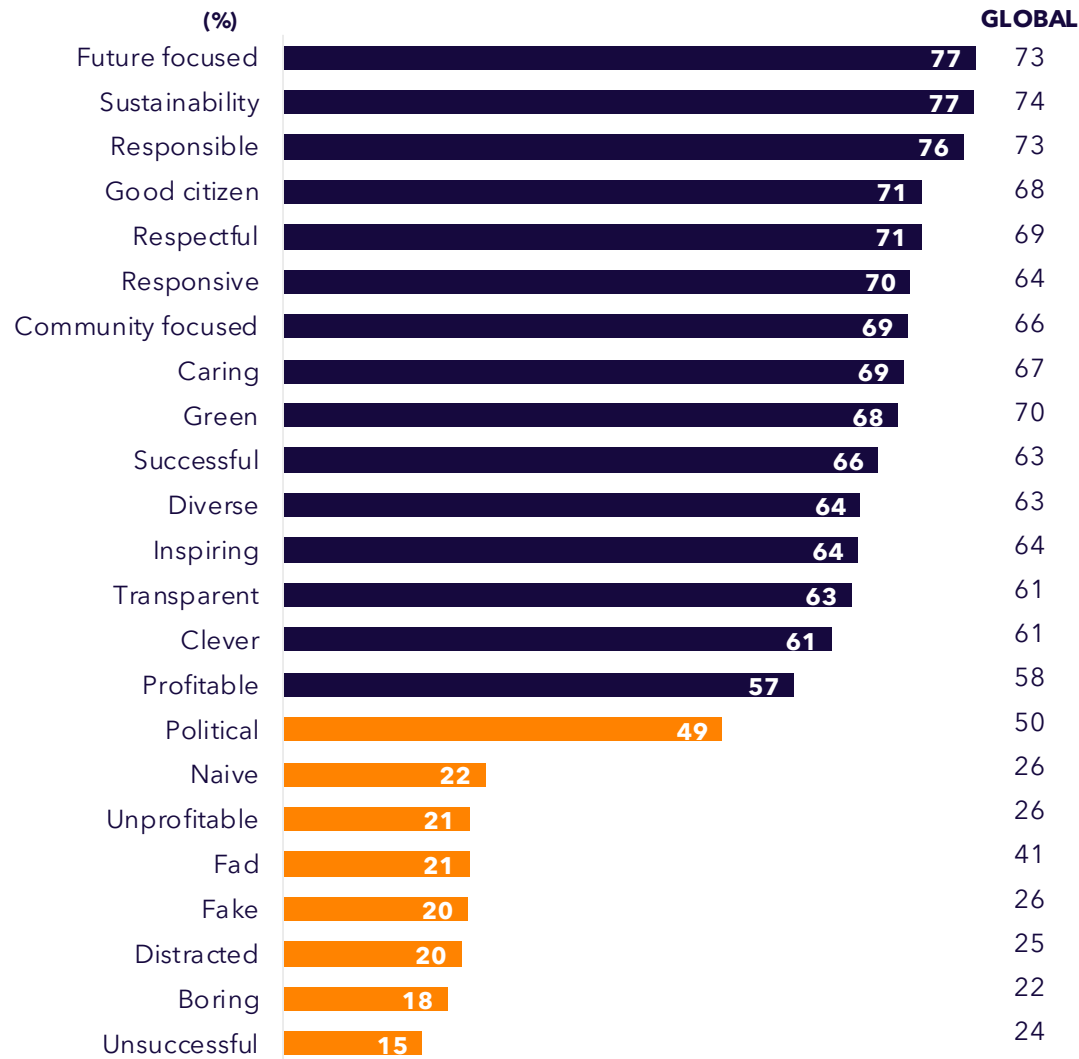
Q19. The following are things that some people believe are important for Australia's future. How important are these things to you personally?

Attributes with the largest differences compared to global are in orange (higher in Australia) and blue (lower in Australia)

The Australian public has overwhelmingly positive associations with companies that are focused on addressing ESG issues.

Negative words such as 'fake', 'distracted', 'boring' and 'unsuccessful' were not frequently associated with companies addressing ESG issues - and even less so than on a global basis.

Words associated with ESG-focused companies



Positive

associations were more likely among:

- Females
- Those who closely follow the news on politics and current affairs
- Labor supporters

Negative

associations were more likely among:

- Males
- Retail investors

Q12b. Which of these words or phrases do you associate with companies that are focused on addressing environmental, social and governance issues?



Chapter 2.

How does performance of corporates compare to community expectations?

The community's expectations of corporates are evolving: embracing greater responsibility and engagement

57% agree they expect companies to **play a more active role in society** these days



73% agree **Companies can be profitable** while also performing well on their environmental, social and governance responsibilities

Q15. To what extent do you agree or disagree with the following statements?

Most say companies should **act in the interests of all stakeholders** - not just shareholders



83% think Companies should **act in the best interests of ALL stakeholders**, including shareholders (compared to 78% globally)

Even **78%** of investors believe this (and 89% of "non-investors")



17% think Companies should **act in the best interests of THEIR shareholders** (i.e. those who own shares or stocks in the company)

Q60. Which one of the following best describes your view on who companies should act in the best interests of? Stakeholders includes anyone who has an interest in a company or could be affected by decisions or actions - e.g. customers, employees, government, communities in which they operate, and shareholders. A) Companies should act in the best interests of their shareholders (i.e. those who own shares or stocks in the company) ahead of other types of stakeholders. B) Companies should act in the best interests of all stakeholders, including shareholders.

Many want companies to **more clearly communicate** what they're doing in this area

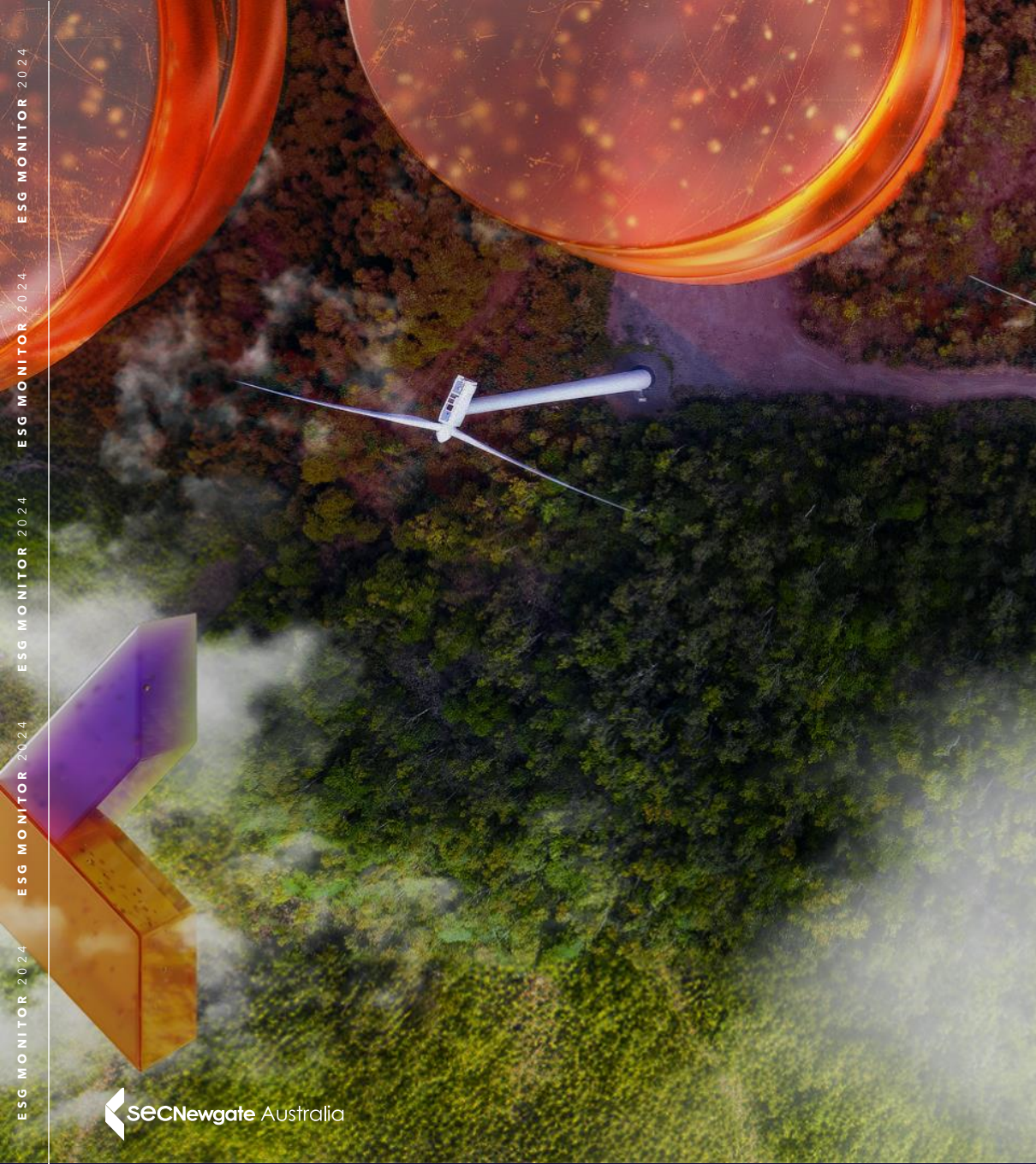
70% agree

Companies should more clearly communicate what they are doing to **improve their performance on environmental, social and governance issues**



72% agree

Companies should more clearly communicate what they are doing **to address the needs of their stakeholders**



Contact us to find out more:

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How we defined ESG in this study

The issue of terminology in a study like this is fraught with difficulty and we're aware that the term ESG has particular connotations in different countries.

We investigated the use of different terms in focus groups in 2022 but found similar issues or limitations with other phrases. For example, many felt the term sustainability referred primarily to actions that protect the environment.

On balance, most liked the use of ESG as a framework for companies to use to hold themselves to account on the issues that matter most to the community.

After asking participants whether they had heard of the term ESG, which we said stands for 'Environmental, Social and Governance', they were shown the text below.

As you may already know, the term "ESG" refers to standards, policies and behaviours that organisations have in relation to **Environmental, Social** and **Governance** issues.

Some examples of these issues include:

Environmental

Action on climate change, use of natural resources, waste management, pollution, toxin free environments and the preservation of habitats and living creatures.

Social

Human rights, working conditions, health and safety, social equality, diversity and inclusion, contributing to the local community, speaking out on social or political issues.

Governance

Ethical standards, transparent reporting, responsible policies and procedures, board diversity, data protection and privacy, risk management etc.

Thank you

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2024 Research Findings

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