

# ESG trends in 2023

Key ESG areas to keep a  
watch on this year



**pwc**

# What you need to know about ESG in 2023

2023 is shaping up to be a year where organisations continue to evolve their ESG and sustainability priorities. For some, it's business as usual; for others, it'll be a year of change and disruption. Regardless of where you're at on your ESG journey, there are five key areas to keep a watch on this year:



1 An increasing focus on ethics and integrity



2 Prioritising supply chain security, resilience and transparency



3 Transitioning workforces



4 First Nations inclusion and empowerment



5 A dynamic political landscape with expanding regulatory changes

PwC Australia's ESG experts have explored these themes in detail, providing insights that may shape or affirm your ESG focus this year.



# 1. An increasing focus on ethics and integrity

## At a glance



ESG ambition and targets are growing, but ambition needs to be translated into quality actions.



Consumers, investors, employees and regulators are increasingly on the lookout for false or misleading ESG claims.



The consequences of greenwashing are rising – in terms of reputation, business performance and legal penalties.



Transparency builds trust, so accurate disclosure is key.

In an era of greater scepticism and distrust, the ESG performance of the public and private sectors is under ever-increasing scrutiny.

Consumers, shareholders, investors, employees and broader stakeholder groups will keep raising the bar for ESG performance. And customers are putting their money where their values lie. More than 60% of people<sup>1</sup> are basing their purchasing behaviours on sustainability and ethical criteria, and this is growing by 10% each year. They're also prepared to pay more for ethically sourced, sustainably made products.

Recent research by PwC Australia showed that in FY22, 49% of the ASX200 disclosed a net-zero target, a 13% increase on FY21, but that there is still significant work to be done on transition plans and Board upskilling. This year, many more corporates and other organisations will increase their ESG ambitions and disclosures in line with growing community expectations – and we expect to see them extend their focus beyond net zero to also include broader environmental impacts and the important social and ethical principles intrinsic to a holistic ESG program.

ESG is also increasingly impacting investment and capital strategies, and that is going to continue to rise in importance this year. Investors and their stakeholders now expect transparency of ESG information to measure and compare performance.

There's increasing investor appetite to tackle sustainability issues that span multiple but closely linked sustainability themes (such as sponsoring a 'just transition' to a low-carbon economy) and we expect strong investor demand for reliable data-backed analysis to inform their ESG investment decisions. Data and technology, including analytics tools, are becoming central to investor decisions.



More than 60% of people are basing their purchasing behaviours on sustainability and ethical criteria, and this is growing by 10% each year. They're also prepared to pay more for ethically sourced, sustainably made products.





Government is out front on decarbonisation with the Australian Public Service Net Zero 2030 plan leading the way – and public reporting will begin later this year.

Targets are a great start, but consumers and investors are increasingly demanding that organisations ‘walk the talk’ and translate their ambitions, rhetoric and targets into meaningful action. We expect to see a much greater focus this year placed on progress rather than intentions, and alignment of business performance with stated claims.

After all, strong ESG performance is good for everyone – and it’s good for business. Companies that lead in ESG are attracting premiums in sales and mergers, and are magnets for investment and financing.

### Rising costs of greenwashing

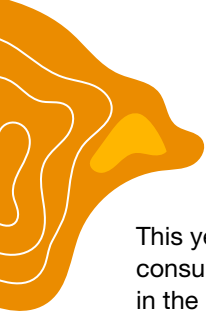
As stated commitments rise, so too must transparency. Consumers, investors, employees and regulators are becoming ever more alert to false or exaggerated ESG claims. In a recent internet sweep of 247 businesses, the Australian Competition and Consumer Commission (ACCC) identified 57% as making false, misleading, unclear or unsubstantiated claims, pointing to ‘greenwashing’ – whether intentional or not – on a concerning scale.<sup>2</sup>

And where there’s greenwashing, there’ll be consequences: brand damage, ongoing scrutiny from regulators, and the risk of fines and litigation.<sup>3</sup> Investors, too, are becoming more discerning about the ESG status of their investments, and will be watching carefully and quick to divest.



Consumers, investors, employees and regulators are becoming ever more alert to false or exaggerated ESG claims.





This year, the ACCC will expand its focus from consumer goods to target misleading ESG claims in the manufacturing and energy sectors. It plans to work closely with other regulators, including the Australian Securities and Investments Commission (ASIC) and the Clean Energy Regulator.

ASIC has made greenwashing a priority, issuing at least 8 infringement notices and penalties since October 2022 in a range of industries.<sup>4</sup>

We expect to soon see many more legal and regulatory actions relating to ESG claims and performance in Australia, including more shareholder resolutions filed by bodies such as the Australasian Centre for Corporate Responsibility (ACCR) and other investors. The legal framework is being used in novel ways, with many claimants not seeking monetary damages as much as societal shifts<sup>5</sup>. These dynamics raise a new and uncertain area of risk for Australian companies, advisors, directors and insurers, particularly with a growing trend towards personal responsibility.



Companies should ensure that any ‘green’ claims are clear and able to be substantiated, as this will be an enforcement focus for Australian regulators going forward.

Companies should ensure that any ‘green’ claims are clear and able to be substantiated, as this will be an enforcement focus for Australian regulators going forward.



### Quality of action, transparency of claims

As well as demanding greater translation of ambition to action and genuine transparency, consumers and investors will also be asking about the quality of ESG actions. Scrutiny of the quality of carbon credits,<sup>6</sup> for example, is likely to intensify with consideration of whether these credits are leading to genuine abatement.

Getting on the front foot with detailed, accurate reporting will help deliver a brand advantage and protect against greenwashing.

Consumers, investors and regulators understand that sustainability journeys take time. Rather than overstating progress, we recommend that organisations focus on increasing the transparency around the steps they are taking within their own operations and in their supply chains, demonstrate how they’re translating ambition into action, and back up any ESG claims through reputable reporting frameworks and third-party assurance.





## 2. Prioritising supply chain security, resilience and transparency

### At a glance



Geopolitics and COVID-19 have upended the status quo for supply chains and spurred a shift to sovereign manufacturing.



Supply chains can be a source of operational and reputational risk, but can also offer new opportunities for efficiencies, innovation and ESG improvements.



Scrutiny on supply chains will continue to grow in 2023 as the public seeks more understanding of the full product journey.



Expectations are growing for reporting and reducing scope 3 emissions – so it's time to get started.

Nothing has exposed our dependencies on global supply chains quite like COVID-19 and the war in Ukraine – and these factors will still be with us throughout 2023 and beyond. A key focus for government and business this year is ensuring secure, reliable and high-performing suppliers.

With greater control and transparency of supply chains comes more capacity to manage a range of risks: operational, commercial and reputational. And that means greater competitiveness and resilience for Australian businesses. Looking closely at how suppliers are progressing on their ESG journeys brings potential to up sustainability all along the chain – and to embed new innovations, technologies, efficiencies and circularity.

We predict a growing focus on supply chain sustainability, transparency, resilience, cybersecurity and technological innovation. We also anticipate significant shifts in global supply chains along with efforts to secure greater sovereignty of supply chains for essential goods through more on-shore and friend-shore capabilities.

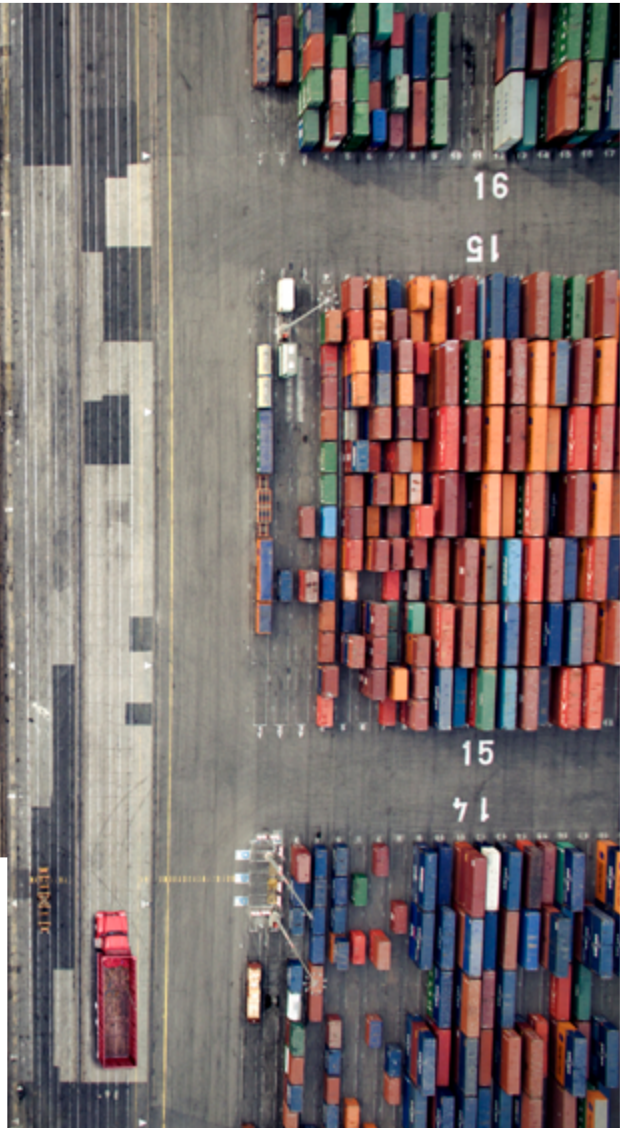
Regulatory and government support for greater resilience and transparency in supply chains is growing.<sup>7</sup> The Australian Government is doubling down on its support for strong sovereign industry sectors through programs such as the Buy Australian Plan<sup>8</sup> and \$15 billion National Reconstruction Fund.<sup>9</sup>

It is also collaborating closely with international powers to strengthen cooperation, through bodies such as the Global Supply Chain Resilience Forum.<sup>10</sup> With the establishment of the newly formed Critical Minerals Office, the government has signalled that there is a lot more that can be done with Australia's rich supply of the critical minerals and rare earths needed for renewable technologies (such as silicon) – with a lot of value adding done on-shore.



With greater control and transparency of supply chains comes more capacity to manage a range of risks: operational, commercial and reputational. And that means greater competitiveness and resilience for Australian businesses.





## Spotlight on supply chain ESG

Supply chains continue to come under greater scrutiny from consumers and investors – from emissions and environmental impacts through to labour and governance practices. Sustainability in supply chains will be a key criterion for investment decisions<sup>11</sup> over the next decade as investors increasingly seek evidence of integrity, circularity, and alignment with frameworks such as the Equator Principles<sup>12</sup> and UN Sustainable Development Goals.<sup>13</sup>


The Australian Government's 2022 review of the Modern Slavery Act<sup>14</sup> may bring stricter expectations and enforcement measures into the legislation in 2023 to prevent forced labour practices in supply chains. It's an area to watch.

## Getting to grips with scope 3 emissions

In 2023, we anticipate that the demand for reporting of scope 3 emissions will rise, as will expectations to reduce them – a challenging area for many. These are the emissions produced by all the parties involved in an organisation's supply chain. According to a 2021 report of 8,000 companies,<sup>15</sup> emissions in supply chains were as much as 11 times greater than in business operations. Moving towards lower carbon supply chains is a critical priority in any organisation's attempt to reduce its overall footprint.

In a 2021 survey conducted by the Australian Climate Leaders Coalition (CLC), its cross-sectoral Australian corporate CEOs ranked scope 3 emissions as one of their most pressing challenges to address.





The CLC felt so passionately about getting started on scope 3 emissions that it developed a scope 3 playbook for CEOs, featuring prototypes that clearly evidence where progress can be made. Communication, collaboration and shared goals are key to tackling scope 3.

The Australian Government has commenced consultation<sup>16</sup> on the development of a climate-related financial disclosure framework for companies and financial institutions, which is likely to include some scope 3 disclosure requirements. Many Australian businesses will also be impacted by the International Sustainability Standards Board's (ISSB) scope 3 disclosure requirements, which it announced in late 2022. Scope 3 reporting will be a priority internationally – so although the framework isn't yet clear, getting started on scope 3 is an important part of the decarbonisation roadmap. In Australia, only around half of ASX200 companies are disclosing any Scope 3 data,<sup>17</sup> with only 21 companies having set a scope 3 net zero target – so there is clearly still a long way to go. Given that supply chain data can be challenging to gather and will take time, companies should begin examining their scope 3 footprint now.



## Supply chain security in cyberspace

When considering supply chains, cybersecurity needs to be on the agenda. Digital transformation helps supply chains deal better with disruptions, but is also providing cybercriminals with ever-increasing opportunities. The Australian Cyber Security Centre (ACSC) recommends that all Australian organisations prioritise the implementation of the Essential Eight Maturity Model<sup>18</sup>, including knowing their networks and evaluating risks associated with cyber supply chains.

To build greater resilience to future shocks and strengthen ESG performance, this is a great year to focus on supply chains. We recommend that organisations take a deep dive into their supply chain strengths and vulnerabilities, and start to build the skills and gather the data that will soon be called for.





## 3. Transitioning workforces

### At a glance



More workers, new skills and training pathways will be needed to deliver and power the clean energy transition.



The transition to net zero must be a 'just transition' for workforces and communities affected by major industrial shifts.



Strong ESG credentials will help attract and retain talent.



Any true shift to be a sustainable organisation will require consideration of organisational structure as well as culture and behaviours.

Over the coming years, we anticipate that the already strong focus on labour and skills will intensify as our industries transition to a net zero economy and face into ever-evolving climate and societal concerns. Large structural shifts in sectors such as mining and energy will add to the disruptions in workforces and working practices experienced through COVID, and the ongoing adjustments workers are having to make as advanced technologies and digitisation transform the way we work.

The past few years have highlighted the impacts of change on workers, and underline how critical a resilient, engaged workforce is to an organisation's performance. As part of ESG performance, businesses will be expected to demonstrate that they value their personnel and ensure fair treatment and conditions, not only for those they're directly responsible for, but also across their supply chains. With a tight labour market and stalled skilled migration, workers will be in high demand in the 'war for talent', and will vote with their feet.

Where organisations are looking to transform and put sustainability at their core, in addition to structural changes, employee upskilling and sustainability programs, they'll also need to prioritise organisational culture and behaviours. This involves a deep understanding of cultural realities, setting clear cultural aspirations that support sustainability, and driving behavioural change.

### New jobs, more workers

As the clean energy transition in Australia gathers pace, new skills will be needed in many areas of the economy. For example, approximately 26,000<sup>19</sup> people were employed in the renewable energy sector in 2020, but as many as 194,000 workers<sup>20</sup> will be needed to support this industry by 2050.

It's no surprise, then, that as green economy jobs multiply, the recruitment pressures on companies will increase – especially in filling skilled roles. Already, many renewable energy companies are finding that job candidates lack the experience or qualifications<sup>21</sup> required to take up the opportunities available. Training will be crucial to skill up the workforce, especially given that an estimated 59% of the job opportunities<sup>22</sup> in the energy transition between 2025 and 2050 are expected to be higher skilled roles such as technicians and trade workers, professionals and managers. Our [National Hydrogen Skills and Training Analysis](#) for the Department of Employment and Workplace Relations bears this out, and it's a great example of the kinds of new opportunities emerging for a skilled and capable future workforce.



To better identify current and future skills and training needs, the Australian Government has established Jobs and Skills Australia, bringing together employers, employees, governments and training providers. It has also launched the Australian Energy Employment Report (AEER) survey<sup>23</sup> to inform policy and initiatives, and will support more than 10,000 'New Energy Apprenticeships<sup>24</sup>' and 180,000 free TAFE training opportunities.<sup>25</sup>

These new initiatives plus a review of the skilled migration system<sup>26</sup> are encouraging steps, but the challenge ahead remains substantial and complex.

### A 'just transition'

While jobs boom in the renewables sector,<sup>27</sup> many workers and communities connected with waning industries, such as fossil fuels, will be affected. For an inclusive and equitable energy transition, business and government will need to work together to create meaningful and timely jobs for displaced workers, support redeployment and retraining, and maintain economic opportunity and activity in affected regional communities. Transitional implications for workers, sectors, communities and regions will need to be managed, including proactively upskilling and reskilling, providing support for SME partners and suppliers, and integrating social metrics into reporting and disclosure around net zero.

Critically, the end goal in ESG is not just net zero, but a thriving, socially just, sustainable future. Although there will be impacts to be managed, there will also be vast opportunities to engage in the jobs of the future – for current workers, for communities, and for our children as they complete their studies and enter the workforce. Workforce planning needs action now, coupled with a long-term and inclusive view, regular skills audits to guide upskilling and focus recruitment, and greater encouragement of broad workplace diversity.

In future, we expect to see increasing awareness and engagement of all employees with ESG as a 'whole of company' challenge. With more workers starting to choose employers that match their values, and even taking to 'climate quitting<sup>28</sup>', organisations with strong ESG performance will have the upper hand in attracting and retaining talent. We recommend strong action this year to embed ESG in all functions of the business and incorporate it into business values and culture.





## 4. First Nations inclusion and empowerment

### At a glance



In late 2023, the referendum on an Indigenous Voice to Parliament will be a focal point on the journey for constitutional recognition for First Nations peoples.



There is a great opportunity for First Nations participation in the booming clean energy sector through employment, procurement and new ownership models (including co-investment/co-ownership from First Nations groups).



Businesses should consider stepping up their efforts in applying a First Nations lens to commercial activity.



Expectations are rising for organisations to consider these issues as a part of business as usual, and to be mindful of the social value that can be generated with key stakeholders as a result.

### Closing the gap

With the establishment of Raising the Bar by the Business Council of Australia (BCA) in 2019, many companies have already committed to supporting First Nations businesses and have moved to include policies in this space. This year, we foresee more following suit, evidencing that building economic capacity for First Nations Australians can be a collaborative public and private sector initiative.

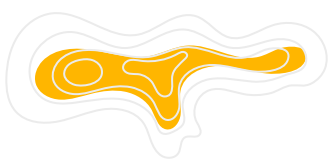
Stakeholders, customers and investors are likely to expect businesses to develop and implement reconciliation action plans<sup>29</sup> (RAPs) that move the dial towards better outcomes and economic benefits for First Nations peoples through, at minimum, First Nations employment and procurement strategies.

Only 33% of Australian ASX 200 businesses have a Reconciliation Action Plan (RAP), so much more still needs to be done – yet many organisations aren't aware of how their business can better respect the rights of First Nations peoples and support First Nations inclusion and empowerment.

A critical part of any organisation's ESG performance should be its relationships with Australia's diverse First Nations communities. Aboriginal and Torres Strait Islander peoples have consistently called for greater recognition of historical wrongs and ongoing impacts of colonisation, more say in the decisions affecting their lives, and practical steps towards 'Closing the Gap'.

None of these things are a matter for government alone. Business has a major role to play in ensuring appropriate consultation and inclusion, ethical practices, and support for First Nations businesses and workers.





Despite some gradual improvement towards some of the 17 measures included in the National Agreement on Closing the Gap,<sup>30</sup> progress remains slow. In 2023, only a few of the indicators are on track to be met. However, when it comes to First Nations constitutional rights, Australia is on the cusp of considerable change, with a referendum on a First Nation's Voice to Parliament expected towards the end of the year.

If the referendum succeeds, the Voice will be established as a nationwide, representative advisory body for First Nations people. It will provide a permanent means to advise the Australian Parliament and Government on the views of Aboriginal and Torres Strait Islander peoples on matters that affect them.

### Powering First Nations economies through the energy transition

Against this backdrop, there has also been a marked shift in the ambitions of Aboriginal and Torres Strait Islander groups around the country in terms of an appetite for more meaningful involvement in economic development, particularly in relation to renewable energy and related areas.

The Western Green Energy Hub (WGEH), a partnership between the mining sector, Traditional Owners and global leaders in ultra-scale renewable energy in Western Australia, is one such project that's likely to become a blueprint for positive economic and social impact. Its transformational power will take place across many generations with mutually beneficial outcomes anticipated for all stakeholders.

This is a significant development in Australia's push into renewables. We are now seeing large projects incorporating First Nations involvement from the very early stages, in a way that can deliver benefits to all stakeholders over the long term.

Looking further afield there are a number of international examples that are useful for showing what can be achieved when First Nations and public and private sector partnerships come to fruition including New Zealand's Mokai Power Station and Nau Mai Ra, and Canada's Kivalliq Hydro-Fibre Link.

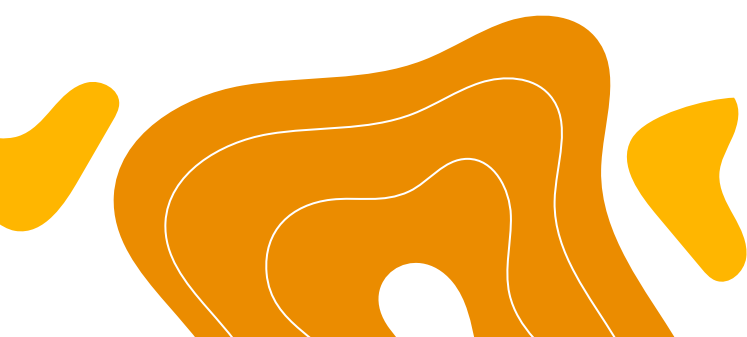


While Australia will approach its activities differently to cater to very different cultural nuances, it's encouraging to see what can be achieved when collaboration takes place.

There are also increasing levels of capital available for First Nations communities to become genuine co-investors in projects. For example:

- Social Ventures Australia reported that the asset base within Aboriginal and Torres Strait Islander trusts, in 2013, was a minimum of \$10bn and potentially up to \$40bn.
- The Northern Territory Aboriginal Investment Corporation (NTAIC) was officially launched in March 2023, and will be seeded with \$500m over the next 12–18 months to drive returns for the Aboriginal people of the NT.
- There are a range of specific groups around the country with investable assets of over \$200m, and some over \$600m.
- A total of \$15.9m has been allocated over the next 4 years, including establishing the Torres Strait Climate Centre of Excellence.<sup>31</sup> The centre will also create links with the new \$83.8m First Nations Community Microgrid program

Moreover, many First Nations groups are attracted to renewable energy and carbon-generating opportunities by their very nature, given an often strong cultural alignment to traditional views around Caring for Country.





### Trust, respect and mutual benefits

Where trusted relationships can be formed, and respect demonstrated, there is a very significant opportunity for proponents to partner with First Nations groups across the country for mutual, long-term benefit including employment and procurement.

We anticipate that with heightened focus across the nation on First Nations inclusion, businesses will increasingly be expected to ensure decisions are made with free, prior and informed consent. With an abundance of capital available, we're anticipating a marked shift from 'doing no harm' to increased inclusion, which will feature co-investment and co-ownership for mutually beneficial economic outcomes.

The benefits of greater inclusion of First Nations people and perspectives will flow both ways. Businesses who lead in this area will be best placed to achieve greater social licence and trust, attract and retain the best talent, and be able to take advantage of new commercial opportunities and advantageous partnerships. We recommend that organisations take meaningful action in 2023 to improve outcomes for everyone and to get ready for policy changes that may flow in coming years.



We anticipate that with heightened focus across the nation on First Nations inclusion, businesses will increasingly be expected to ensure decisions are made with free, prior and informed consent. With an abundance of capital available, we're anticipating a marked shift from 'doing no harm' to increased inclusion, which will feature co-investment and co-ownership for mutually beneficial economic outcomes.



## 5. A dynamic political landscape with expanding regulatory changes

### At a glance



Global crises have spurred governments to respond, but there's a risk of a race for green subsidies – with implications for Australian industries.



We've seen government and regulatory interventions in the energy sector in 2022 and there's a lot more we can expect ahead.



With recent changes to the safeguard mechanism, high emitters should be on the hunt for greater emissions reductions.



It's time to get ready for ESG reporting in line with international standards.

With the ESG challenge an urgent global priority, we're seeing continual, rapid changes in policy and regulation in Australia and internationally. In 2023, governments are responding swiftly to the changing geopolitical landscape to safeguard their nations' energy security, stabilise and strengthen supply chains, and capitalise on the opportunities of the energy transition.

### Green subsidies overseas have ripples for Australian projects

Some of these responses, such as the USA's Inflation Reduction Act<sup>32</sup> (IRA), could spark a global race for green subsidies. The IRA mobilises US\$369 billion in support for domestic energy production and manufacturing, creating enormous power to attract clean energy businesses, investment, talent and materials. Other jurisdictions are becoming concerned about what this might mean for their own clean energy ambitions.

The EU has responded with a Green Deal Industrial Plan<sup>33</sup> and Critical Raw Minerals Act<sup>34</sup> to safeguard its clean energy industry and maintain progress towards net zero. And, in Australia, a growing number of business leaders and advocates are urging the government to consider its own measures<sup>35</sup> to boost the strength of our clean energy industry and support the viability<sup>36</sup> of an Australian green hydrogen export industry. Already the impact of the IRA is being felt in the changing economics of the export hydrogen market, which is stymieing Australian projects<sup>37</sup> with some choosing the US as their preferred location over Australia.



Already the impact of the Inflation Reduction Act (IRA) is being felt in the changing economics of the export hydrogen market, which is stymieing Australian projects with some choosing the US as their preferred location over Australia.



## Australian interventions and developments

In the volatile market conditions of 2022, we witnessed more regulatory intervention in the electricity sector with the Australian Energy Market Operator suspending the National Electricity Market to control prices, the imposition of an emergency price cap on gas, and the fast-tracking of amendments to the Australian Domestic Gas Security Mechanism.<sup>38</sup>

In 2023, a new Energy and Climate Change Ministerial Council<sup>39</sup> will bring the states and federal governments together to tackle hurdles in the domestic energy sector, respond to global developments and support Australia's path towards becoming 'a renewable energy superpower'. Public consultation has kicked off in 2023 on a Critical Minerals Strategy<sup>40</sup> to enable the energy transition and improve ESG, while also growing Australian processing and manufacturing industries.

In the form of the 'National Energy Transformation Partnership'<sup>41</sup>, an agreed national plan will be developed between the states, territories and the Commonwealth to 'keep the lights on' with critical market reforms, investments in storage and transmission, and support for greater energy efficiency of homes and appliances.

Alongside these measures, in December 2022 the Australian Government agreed to establish the Capacity Investment Mechanism<sup>42</sup> (CIM) to accelerate the energy transition. Further details on how the scheme will operate are yet to be announced, but the first auction is expected to take place in 2023.

The recently announced reforms to the Safeguard Mechanism<sup>43</sup> lend further support to investment signals, and will enhance industry's international competitiveness. We recommend that high-emitters pore over their decarbonisation roadmaps in 2023 to uncover more opportunities for swift emissions reduction.

In this dynamic regulatory and policy landscape, it will be advantageous to do more than simply maintaining a watching brief. Organisations that clarify their perspectives, strategies and plans, and consider their potential alternatives, will be best placed if rapid adjustments are needed.





## Get ready for reporting

In 2023, we will see momentum grow towards standardised ESG reporting. The International Sustainability Standards Board (ISSB) is forging ahead with finalising international standards for sustainability and climate reporting. Meanwhile, the Australian Government has released a consultation paper on the development of a climate-related financial disclosure framework for companies and financial institutions<sup>44</sup>, with plans to phase in mandatory sustainability and ESG reporting requirements for large Australian entities from 2024.

The current proposal will require companies to collect, assess and report annual data and disclosures including:

- overarching climate risk governance and assessment – consistent initially with the Taskforce on Climate-Related Financial Disclosures<sup>45</sup>, which will ultimately transition to the IFRS Foundation's<sup>46</sup> new International Sustainability Standards Board (ISSB) sustainability reporting standards<sup>47</sup> set to be released in 2023 and effective in 2024<sup>48</sup>
- material climate and sustainability risks – assessed and disclosed using, at a minimum, financial materiality principles
- scope 1, 2 & 3 greenhouse gas emissions.

Government, too, is stepping up its own reporting, with a new requirement enshrined in the *Climate Change Act 2022* for an Annual Climate Change Statement<sup>49</sup>, including reporting of progress towards targets and effectiveness of policies, and an ongoing assessment of risk.

We expect that the fast-paced and dynamic state of the regulatory environment will continue for some time. This is the time to be alert to changes and to step up internal readiness to report on ESG in line with international standards. Early preparation will make adjustment quicker and easier when new requirements come into force.

[To learn more, read our recent report on ESG reporting trends.](#)

# What does this all mean for business?

There's a lot to get one's head around when it comes to ESG matters and pursuing sustainability ambitions.

Bringing yourself up to speed on the trends most likely to impact your organisation is vital. Preparedness and upskilling can't be overstated.

If you'd like to explore the impact of any of these trends on your organisation, please reach out to one of PwC Australia's ESG and sustainability experts.

## Contact us



**Liza Maimone**  
Chief Operating Officer and  
ESG Executive  
+61 414 746 742  
liza.maimone@pwc.com



**Gavin Brown**  
CEO, PwC's Indigenous Consulting  
+61 0413 604 339  
gavin.brown@pwc.com



**Varya Davidson**  
Partner and Energy Transition Leader  
+61 412 414 853  
varya.davidson@pwc.com



**Kushal Chadha**  
Partner, Energy Transition and  
Regional ESG Deals Lead  
+61 451 318 703  
kushal.chadha@pwc.com



**Jon Chadwick,**  
Partner, Energy Transition  
and Regional ESG Leader  
+61 424 299 056  
jon.d.chadwick@pwc.com



**Janette O'Neil**  
Partner, Energy Transition and  
Chief Sustainability Officer  
+61 428 691 683  
janette.oneill@au.pwc.com



**Caroline Mara**  
Partner and ESG Assurance Leader  
+61 402 304 594  
caroline.mara@pwc.com



**Gyanam Sadananda**  
Partner, Sustainable Supply Chains  
+61 466 152 745  
gyanam.sadananda@pwc.com



# Endnotes

- 1 <https://powerretail.com.au/in-focus/will-consumers-pay-more-for-sustainable-products-we-asked/>
- 2 <https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-change-litigation-2022/>
- 3 <https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-change-litigation-2022/>
- 4 <https://asic.gov.au/about-asic/news-centre/articles/playing-the-green-card/>
- 5 <https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-change-litigation-2022/>
- 6 <https://www.dcceew.gov.au/climate-change/emissions-reduction/independent-review-accus>
- 7 <https://www.minister.industry.gov.au/ministers/husic/media-releases/strengthening-global-supply-chain-resilience>
- 8 <https://www.finance.gov.au/business/buyaustralianplan>
- 9 <https://www.industry.gov.au/news/national-reconstruction-fund-diversifying-and-transforming-australias-industry-and-economy>
- 10 <https://www.minister.industry.gov.au/ministers/husic/media-releases/strengthening-global-supply-chain-resilience>
- 11 <https://www.proximagroup.com/resource/investing-in-a-sustainable-supply-chain/>
- 12 <https://equator-principles.com/>
- 13 <https://sdgs.un.org/goals>
- 14 <https://consultations.ag.gov.au/crime/modern-slavery-act-review/>
- 15 [https://cdn.cdp.net/cdp-production/cms/reports/documents/000/005/554/original/CDP\\_SC\\_Report\\_2020.pdf?1614160765](https://cdn.cdp.net/cdp-production/cms/reports/documents/000/005/554/original/CDP_SC_Report_2020.pdf?1614160765)
- 16 [https://treasury.gov.au/sites/default/files/2022-12/c2022-314397\\_0.pdf](https://treasury.gov.au/sites/default/files/2022-12/c2022-314397_0.pdf)
- 17 <https://www.climateworkscentre.org/resource/1-5c-climate-goal-how-does-the-asx200-stack-up-in-2022/>
- 18 <https://www.cyber.gov.au/acsc/view-all-content/publications/essential-eight-maturity-model>
- 19 <https://assets.cleanenergycouncil.org.au/documents/resources/reports/Clean-Energy-at-Work/Institute-for-Sustainable-Futures-renewable-energy-jobs-methods-report.pdf>
- 20 <https://energytransitionsinitiative.org/wp-content/uploads/2023/02/Skilling-Australian-industry-for-the-energy-transition-February-2023-Accenture-report-for-Australian-Industry-ETI-phase-3.pdf>
- 21 <https://www.cleanenergycouncil.org.au/resources/resources-hub/skilling-the-energy-transition>
- 22 <https://energytransitionsinitiative.org/wp-content/uploads/2023/02/Skilling-Australian-industry-for-the-energy-transition-February-2023-Accenture-report-for-Australian-Industry-ETI-phase-3.pdf>
- 23 <https://www.energy.gov.au/government-priorities/energy-workforce/australian-energy-employment-report>
- 24 <https://www.energy.gov.au/news-media/news/new-energy-apprenticeships-power-australias-path-net-zero>
- 25 <https://www.dewr.gov.au/newsroom/articles/180000-fee-free-tafe-courses-now-available-0>
- 26 <https://www.homeaffairs.gov.au/reports-and-publications/reviews-and-inquiries/departmental-reviews/migration-system-for-australias-future>
- 27 [https://assets.cleanenergycouncil.org.au/documents/CEC\\_Skilling-the-Energy-Transition-2022.pdf](https://assets.cleanenergycouncil.org.au/documents/CEC_Skilling-the-Energy-Transition-2022.pdf)
- 28 <https://www.bloomberg.com/news/features/2023-01-05/how-to-quit-your-job-to-fight-climate-change>
- 29 <https://www.reconciliation.org.au/reconciliation-action-plans/>
- 30 <https://www.pc.gov.au/closing-the-gap-data/dashboard>
- 31 <https://www.dcceew.gov.au/climate-change/policy/adaptation>

- 32 <https://www.iea.org/policies/16156-inflation-reduction-act-of-2022>
- 33 [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_510](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_510)
- 34 [https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT\\_22\\_5523](https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_22_5523)
- 35 <https://www.cleanenergycouncil.org.au/news/australia-at-risk-of-being-locked-out-of-global-superpower-race>
- 36 <https://www.innovationaus.com/hydrogen-strategy-will-be-reviewed-in-response-to-ira/>
- 37 <https://www.innovationaus.com/port-of-newcastle-macquarie-hydrogen-hub-canned/>
- 38 <https://oia.pmc.gov.au/published-impact-analyses-and-reports/adgsm-refining-australian-domestic-gas-security-mechanism>
- 39 <https://www.energy.gov.au/government-priorities/energy-and-climate-change-ministerial-council>
- 40 <https://consult.industry.gov.au/2023critminsstrategy>

- 41 <https://www.energy.gov.au/government-priorities/energy-and-climate-change-ministerial-council/priorities/national-energy-transformation-partnership#:~:text=On%2012%20August%202022%2C%20Commonwealth,transformation%20of%20Australia's%20energy%20sect>
- 42 <https://www.energy.gov.au/news-media/news/capacity-investment-scheme-power-australian-energy-market-transformation>
- 43 <https://www.cleanenergyregulator.gov.au/NGER/The-safeguard-mechanism>
- 44 [https://treasury.gov.au/sites/default/files/2022-12/c2022-314397\\_0.pdf](https://treasury.gov.au/sites/default/files/2022-12/c2022-314397_0.pdf)
- 45 <https://www.fsb-tcfd.org/>
- 46 <https://www.ifrs.org/about-us/who-we-are/>
- 47 <https://www.ifrs.org/news-and-events/news/2022/03/issb-delivers-proposals-that-create-comprehensive-global-baseline-of-sustainability-disclosures/>
- 48 <https://www.ifrs.org/news-and-events/news/2023/02/issb-ramps-up-activities-to-support-global-implementation-ahead-of-issuing-inaugural-standards-end-q2-2023/>
- 49 <https://www.dcceew.gov.au/climate-change/strategies/annual-climate-change-statement>



## Links to the companies and organisations mentioned in this report

[Australian Competition and Consumer Commission \(ACCC\)](#)

[Australasian Centre for Corporate Responsibility \(ACCR\)](#)

[Australian Securities and Investments Commission \(ASIC\)](#)

[Australian Cyber Security Centre](#)

[Australian Climate Leaders Coalition \(CLC\)](#)

[Critical Minerals Office](#)

[IFRS Foundation](#)

[International Sustainability Standards Board](#)





**[pwc.com.au](https://www.pwc.com.au)**

© 2023 PricewaterhouseCoopers. All rights reserved. PwC refers to the Australia member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](https://www.pwc.com/structure) for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. Liability limited by a scheme approved under Professional Standards Legislation. At PwC Australia our purpose is to build trust in society and solve important problems. We're a network of firms in 156 countries with more than 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com.au](https://www.pwc.com.au)

D0491384