New ESG Reporting Requirements

Voltage as a Service (VAAS)^{TM} is an energy-saving service solution for regulating and optimising the voltage supplied to electrical equipment to the optimal level for efficient operation. The purpose of VAAS is to reduce energy consumption, lower electricity bills, and decrease carbon emissions by ensuring that electrical devices operate at their most efficient voltage level.

New ESG Reporting Requirements for Companies in Australia: Outline with Mandatory Elements and Timelines

Australia's evolving Environmental, Social, and Governance (ESG) reporting landscape is increasingly moving towards mandatory compliance, particularly for climate-related disclosures. The following table provides a detailed outline for Australian companies.

Issue	Scope and Applicability	Mandatory Elements	Timeline
Mandatory Climate-Related Disclosures	**Large Listed Entities:** Australian Securities Exchange (ASX)-listed companies and large proprietary companies are the primary targets. **Framework:** Disclosures must align with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which are becoming increasingly mandatory.	**Governance:** Companies must disclose their governance structures related to climate risks and opportunities. **Strategy:** Disclosure of how climate-related risks and opportunities impact business strategy and financial planning. **Risk Management:** Details on the processes used to identify, assess, and manage climate-related risks. **Metrics and Targets:** Companies must disclose the metrics used to assess climate-related risks and opportunities, along with their greenhouse gas emissions and targets.	**2024-2025:** Expected phased implementation beginning with the largest entities. The Australian Government has indicated that mandatory reporting will begin to take effect from the 2024 financial year, with full compliance required by 2025. **Ongoing:** Smaller companies will be gradually included as part of a phased rollout.
Social and Governance Reporting	Although not yet universally mandatory, there is a strong push towards mandatory disclosure, particularly for governance practices and workforce diversity.	**Workforce Diversity**: Companies are encouraged to report on gender diversity and other demographic factors. **Executive Remuneration**: Disclosure of executive pay structures and their alignment with long-term performance and ESG goals. **Anti-Corruption Practices**: Reporting on measures taken to prevent bribery and corruption.	**2023-2025**: Social and governance reporting is largely voluntary but is expected to become mandatory for larger companies within this timeframe as regulators integrate these aspects into broader ESG mandates.
Sustainability-Related Financial Disclosures	These disclosures are being integrated into financial reporting, reflecting the financial implications of ESG factors.	**Material ESG Risks**: Identification and disclosure of ESG risks that materially affect financial performance.	**2024**: Large companies are expected to begin integrating these disclosures as part of

VAASCO GROUP
VAASCO Group Ltd ABN 80 653 685 164
corporate HQ – Suite 3, Level 10, 45 William Street, Melbourne VIC 3000 Australia
correspondence - PO Box 7, Flinders Lane Victoria 8009 Australia

phone +61 2 9475 0971 fax +61 2 9475 4055 email sales@vaasco.net web www.vaasco.net

Issue	Scope and Applicability	Mandatory Elements	Timeline
		Climate Impact on Financial Statements: Integration of climate-related risks into financial statements, such as impairment of assets or changes in asset valuations.	their financial reporting under the new guidelines.
Carbon Emission Reduction Targets	Companies are required to disclose their emission reduction targets and their progress in meeting these goals.	**Emissions Data**: Detailed reporting on Scope 1, Scope 2, and, where relevant, Scope 3 greenhouse gas emissions. **Reduction Strategies**: Disclosure of strategies and plans to achieve emission reduction targets.	**2024 Onward**: Expected to be mandatory for large emitters and public companies starting from the 2024 financial year.
Third-Party Assurance	Companies may be required to obtain third-party assurance for their ESG disclosures, enhancing data credibility.	**Verification of Data**: Independent assurance of the accuracy of ESG metrics and disclosures.	**2025**: Anticipated to become mandatory, particularly for large listed entities.
Regulatory Oversight and Penalties	**Regulatory Bodies**: The Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA) are leading the enforcement of these requirements.	**Penalties**: Non-compliance could lead to fines, sanctions, or legal actions.	**2024-2025**: As the regulatory framework solidifies, penalties for non-compliance will become more stringent, with full enforcement expected by 2025.
Future Developments		**Upcoming Requirements**: Additional ESG aspects such as biodiversity, natural capital, and circular economy practices are expected to become part of mandatory reporting.	**Post-2025**: New requirements will likely be phased in after 2025 as global standards evolve and Australia continues to align with international best practices.
Useful References	1. Australian Government. (2023). "National ESG Reporting Framework." 2. ASIC & APRA Joint Statement (2023). "Climate-Related Financial Disclosures." 3. TCFD Recommendations (2023). "Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures." 4. Australian Treasury (2024). "Proposed Climate Reporting Requirements." 5. Global Reporting Initiative (2023). "GRI Standards for Sustainability Reporting."		

This outline provides a detailed overview of the mandatory aspects and the timelines associated with ESG reporting requirements in Australia. Companies should consult the relevant regulatory updates and professional advisors to ensure compliance.

VAAS can provide a very useful contribution to a company's plans to meet its Carbon emission targets, as well as reporting requirements. VAAS provides the right voltage to electrical equipment, ensuring efficiency, cost savings, environmental benefits and performance reporting while maintaining equipment performance and longevity.

For further information, contact us at sales@vaasco.net

VAASCO GROUP
VAASCO Group Ltd ABN 80 653 685 164
corporate HQ – Suite 3, Level 10, 45 William Street, Melbourne VIC 3000 Australia
correspondence - PO Box 7, Flinders Lane Victoria 8009 Australia
phone +61 2 9475 0971 fax +61 2 9475 4055 email sales@vaasco.net web www.vaasco.net