



Vista Group

Climate-related Financial Disclosures Report

For the year ended 31 December 2022

About this report

This report provides information about the actions that Vista Group are taking to identify and manage climate-related risks and opportunities.

The report is framed around the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) which provides a framework for climate-related financial disclosures across four core elements: governance, strategy, risk management and metrics and targets.

This is Vista Group International Limited's (Vista Group) first voluntary disclosure report. External assurance has been obtained on Vista Group's operational greenhouse gas (GHG) emissions calculations through our certification under the Toitū Envirocare (Toitū) carbonreduce programme, which includes reasonable and limited assurance that GHG emissions were measured in accordance with ISO 14064-1:2018, an international standard for quantifying and reporting GHG emissions,

and Toitū programme requirements.

We are conscious that we are in the early stages of our climate reporting journey and integrating climate change risks and opportunities into our day-to-day operations. Our disclosures will evolve as we develop our capability and understanding of our risks and opportunities.

We are committed to progressing our response to climate change and we will report on our progress to our stakeholders each year. For the financial year ended 31 December 2023, Vista Group will report in accordance with the Aotearoa New Zealand Climate Reporting Standards, which align to the TCFD framework.



Our climate roadmap

✓ Completed ⚙️ Ongoing

	Action	FY22	FY23	FY24+
Governance	• Review and confirm governance roles and responsibilities	✓		
	• Grow climate capability across the business	✓	⚙️	⚙️
	• Establish reporting cadence at executive level		⚙️	
Strategy	• Define sustainability strategy framework (including climate)	✓		
	• Develop and perform climate-related scenario analysis		⚙️	
	• Development of transition plan			⚙️
Risk Management	• Include climate in Risk Appetite Statement	✓		
	• Integrate climate change into risk management framework, policies and practices	⚙️	⚙️	⚙️
	• Undertake qualitative risk and opportunities assessment (physical and transitional)	⚙️	⚙️	
Metrics and Targets	• Measure and set Scope 1,2 and selected Scope 3 operational GHG emissions baseline	✓		
	• Maintain Toitū carbonreduce certification	✓	⚙️	⚙️
	• Set reduction targets for Scope 2 & selected Scope 3 operational emission categories		⚙️	
	• Measure & set reduction targets across remaining Scope 3 operational emission categories		⚙️	⚙️
	• Reduce Scope 2 and 3 operational emissions in line with science-aligned targets		⚙️	⚙️

Governance

Vista Group’s governance of climate-related risks involves the Vista Group Board and senior management.

To successfully evaluate and respond to the challenges and opportunities posed by climate change, Vista Group acknowledges that it must embed an understanding and awareness of climate change issues across the business. It must be facilitated by effective governance that ensures climate-related issues receive appropriate board and management attention.

Board’s oversight of climate-related risks and opportunities

The Vista Group Board (the ‘Board’) sets the strategic direction and risk appetite for the Group and provides oversight of climate-related risks and opportunities through the Board’s Audit and Risk Committee (ARC). The ARC oversees, reviews, and advises the Board on Vista Group’s compliance with its operational risk framework, which was refreshed during 2022. The ARC provides a formal forum for communication between the Board and the executive leadership team and is the primary channel through which climate-related issues are raised and addressed.

The ARC is overseeing the climate-related programme of work, which includes the design and implementation of climate strategies, policies and targets. The ARC is provided quarterly updates from management on our progress.

Through the development of the climate change strategy and uplifting the risk

management framework, Vista Group’s ARC and management is well placed to ensure its governance is aligned and responsive to climate-related issues. This includes evaluating mechanisms to monitor the effectiveness of Vista Group’s response to climate-related risks and opportunities, and progress against corporate performance targets. We expect to strengthen our reporting during 2023 as we set and implement our metrics and targets.

Management’s role in assessing and managing climate-related risks and opportunities

The Chief Executive Officer and Commercial Director has management oversight for climate-related risk. To ensure integration of climate-related risks, and responses to those risks into the businesses decision making, Vista Group’s Commercial Director’s role includes accountability for climate-related works. In 2022, Vista Group appointed a dedicated Group Risk, Compliance and Sustainability Manager who is responsible for leading the assessment of climate related risks and opportunities and coordinates our response as part of our sustainability programme.

This includes the development of the sustainability framework (including climate change), the uplift of Vista Group’s risk management framework and the assessment of Vista Group’s Scope 1, 2 and 3 GHG emissions for the purpose of achieving Toitū carbonreduce certification.

During 2022, members of our executive and senior leadership teams participated in a series of risk and control assessment workshops which included consideration of climate-related impacts. We expect to

broaden our management oversight in 2023, as we implement the climate strategy and refine the process for being informed, making decisions on, and monitoring climate-related issues within the businesses.

Strategy

Climate-related risks and opportunities the organisation has identified over the short, medium, and long term

Vista Group takes a holistic approach to understanding the impact of climate-related risks in Aotearoa New Zealand and the international markets in which we operate. This provides insights into the drivers of risks and opportunities and how to respond accordingly.

Vista Group understands that the scale of ambition and speed of change required

to meet net zero targets (particularly regulatory changes), along with the changes in temperature and weather patterns present both risks and opportunities to businesses. These risks and opportunities are framed within the time horizons set out in the table below. These particular time horizons were initially chosen for the purpose of our desktop climate risk assessment, because they align with Vista Group’s business planning timeframes, the TCFD reporting framework and relevant emissions reductions targets. We expect these time horizons will be refined over the next 12 months through further developing our understanding and from the insights obtained through the climate scenario analysis assessment.

Impact	Time horizon (Yrs)	Alignment to:
Short-term	0-1	Vista Group annual reporting period
Medium-term	1-3	Vista Group’s strategic targets and three-year planning cycle
Long-term	4-8	Paris Agreement 2030 targets (aligned with Aotearoa New Zealand emissions reduction targets and those of the international markets Vista Group serves).

Our preliminary desktop review of climate-related risks and opportunities identified the following potential risks and opportunities for Vista Group, using the TCFD risk categorisations.

Risk	Time horizon	Mitigation	Related opportunities
Transition (Market) <i>- Access to capital</i> Major investors are increasingly orienting their portfolios towards lower-carbon economies or firms that have credible transition plans in place.	Short term	<ul style="list-style-type: none"> • Development and execution of our sustainability framework and climate roadmap. • Commitment to reduce our GHG emissions through the Toitū carbonreduce programme. • Annual reporting of our progress on these programmes for increased transparency. 	Low-carbon firms may attract greater business from customers who want to ensure the firm's supply chain is low-carbon and resilient. Eventual transition to a low-carbon business model is likely to attract lenders and investors.
Transition (Policy) <i>- Regulatory changes</i> Disclosure of climate-related risks is currently, or is anticipated to become, mandatory in a number of jurisdictions in which Vista Group operates and may expose us to increased costs of assessing or risk associated with failure to disclose in alignment with multi-jurisdictional requirements.	Short to medium term	<ul style="list-style-type: none"> • Monitoring of climate-related regulatory change. • Alignment of our climate reporting with the globally recognised TCFD framework. 	
Physical (Acute) <i>- Increased severity of extreme weather events</i> Extreme rain or temperatures may impact Vista Group's or our clients' operations through damage to buildings, employee safety or impact attendance at cinemas which can have financial implications.	Short to long term	<ul style="list-style-type: none"> • Leveraging the resilience of Microsoft Azure as a major data centre operator to build resilience and allow for business continuity in our data centres against rising temperatures and water stress. • Review of our disaster management plans. • Maintain sufficient capital reserves. 	Measures to reduce our exposure to climatic events can reduce our risk to disruption of our operations and likely to form a prerequisite to affordable insurance.

Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

In recognising that climate change increasingly represents an important risk that we need to factor into our decision-making and the challenges and opportunities this can present to us, Vista Group created a new Group Risk, Compliance and Sustainability Manager role in 2022. This position is important for Vista Group to embed environmental sustainability into our operations and risk practices and allows us to accelerate our programme of work.

During 2022, we established our sustainability framework and for the first time, measured our GHG emissions so we can understand our impact on the planet and potential areas of vulnerability in our supply chain. These key steps in our programme, combined with the climate scenario analysis to be conducted during 2023, will provide us with a more detailed view of our actual and potential risks and opportunities to formulate our transition to a lower carbon economy.

Further information on Vista Group's sustainability framework is available on pages 46-47 of our 2022 Annual Report.

Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

During 2023, Vista Group aims to develop and undertake an assessment of relevant climate-related scenarios (both Aotearoa New Zealand-based and international) that we will take into consideration when evaluating the resilience of our strategy, of building a sustainable platform that will connect the industry and power the moviegoer experience. In doing so, we will conduct a detailed assessment of the potential risk and opportunities noted above, along with any additional risks and opportunities identified through the scenario analysis, and how these have, or in the future are likely to affect Vista Group's business, strategy, and financial planning.



Risk management

Vista Group manages climate-related risks within its overarching risk management framework.

Covid-19 has presented unprecedented challenges for businesses globally and has further highlighted the importance of companies effectively understanding and responding to novel and emerging risks. Recognising the challenges this brings to Vista Group, we prioritised the review and uplifting of our risk management framework to incorporate climate-related issues.

Identifying and assessing climate-related risks

Vista Group has an overarching Risk Management Framework (RMF) in place, which is supported by risk and compliance policies that aim to ensure that Vista Group, its directors, and employees comply with all relevant legal and regulatory requirements. The purpose of the RMF is to ensure a consistent approach to risk across all Vista Group's businesses in all geographies where Vista Group operates.

The Chief Executive Officer and Executive Leadership Team are accountable for managing material risks (including climate risk) and promoting a culture of good risk practices across all Vista Group's operations and businesses. The Commercial Director, supported by the Group Risk, Compliance and Sustainability Manager has management responsibility for the effective implementation of the Board approved RMF (as defined on page 13) across all Vista Group's businesses.

Vista Group Risk Management Framework



The mechanisms used to identify and assess climate-related risks are primarily our risk and control assessments using the methodologies within our RMF and climate-related scenario analysis. Key risks are assessed against a rating matrix of consequence and likelihood in accordance with our Risk Management Policy.

In our 2022 assessment of our material strategic, operational and financial risks, management considered the risks associated with physical climate impacts, such as loss of access to buildings, the loss of service or outages of applications, and risks associated with the transition to a lower carbon economy, such as regulatory changes and reputation.

Through the climate-related scenario analysis, to be conducted during 2023, Vista Group is seeking to understand how a broader range of climate-related risks (physical and transitional), may impact its businesses, suppliers and clients.

Managing climate-related risks

Vista Group's management of material risks is through our risk assessment criteria. Each risk is assessed against the likelihood and consequence matrix and provided both an inherent and residual rating, the latter being based on the current mitigations and controls in place.

The risks are prioritised against the acceptance matrix informed by our risk appetite and reported to the Audit and Risk Committee.

The mitigations and controls currently in place for managing our climate-related risks include:

- Development of our sustainability programme (including climate roadmap) and integration into business processes.
- Enhancement of our risk management framework and practices
- Strengthening our governance process

How identifying, assessing and managing climate-related risks are integrated into our overall risk management

Our material risks, including climate related risks, are identified, assessed, and managed using the methodology from our Risk Management Policy and recorded within our risk register. Our overarching RMF and policy was reviewed and uplifted in 2022 and will continue to evolve to accommodate regulatory expectations and best practice.

Metrics and targets

Vista Group is committed to establishing meaningful targets that support the transition to a net zero emissions economy in the various countries it operates.

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Vista Group assesses its impact on the climate by measuring our absolute Scope 1, 2 and 3 greenhouse gas emissions.

We understand a core part of our climate strategy will be embedding cross-industry and industry-specific metrics (as far as they are material) within our strategy and risk management processes and will look to the TCFD and International Financial Reporting Standards global climate-related disclosure prototype for IT and media specific metrics, for ease of comparison across markets.

Disclose Scope 1, Scope 2 and Scope 3 greenhouse gas emissions and the related risks.

Assessment of Scope 1, 2 and 3 GHG emissions¹ for year ending 31 December 2022:

Scope	Emission Source	tCO ₂ e
		2022
Scope 1	Direct emissions	0
Scope 2	Office electricity ²	123.4
Scope 3	Category 1: Purchased goods and services	170.0
	Category 3: Fuel and energy	10.2
	Category 5: Waste	13.1
	Category 6: Business travel	952.1
	Category 7: Employee commuting	267.8
	Category 9: Downstream transportation and distribution	34.0
Total Vista Group GHG emissions (tCO ₂ e) ³		1570.6

¹ Prepared in accordance with ISO 14064-1:2018 international standard for quantifying and reporting GHG emissions and Toitū carbonreduce programme requirements.

² Emissions are reported using a location-based methodology.

³ A financial control consolidation approach was used to account for emissions.

We are conscious there may be reputational and market risks associated with our GHG emissions if we do not take steps to decrease them. As a global company headquartered in NZ, with a large proportion of our assessed emissions related to business travel, in particular long-haul flights, we are exposed to technology risk and innovation within the aviation sector, through use of next generation sustainable aviation fuels, to support our transition to a lower carbon business.

Vista Group is committed to achieving and maintaining Toitū carbonreduce certification. The certification is proof of our positive contribution to a sustainable future through measuring and reducing our carbon footprint.

Targets used to manage climate-related risks and opportunities and performance against targets

As 2022 is our first year of measuring our GHG emissions, targets relating to our emissions will be developed during 2023 and reported in our FY23 report. Where appropriate, additional targets will be considered in relation to climate risks and opportunities following the completion of the climate scenario analysis to be conducted during 2023.

Appendix

GHG measurement reporting approach

Vista Group aims to expand its value chain assessment for Scope 3 categories of GHG emissions reported. The table below outlines the categories currently assessed and where further work is required to understand our value chain.

Scope 1	Scope 2	Scope 3
Direct emissions and removals	Indirect emissions from purchased electricity	1. Purchased goods and services
		2. Capital goods
		3. Fuel and energy related activities (not included in Scope 1 or 2)
		4. Upstream transportation and distribution
		5. Waste generated in operations
		6. Business travel
		7. Employee commuting
		8. Upstream leased assets
		9. Downstream transportation and distribution
		10. Processing of sold products
		11. Use of sold products
		12. End of life treatment of sold products
		13. Downstream leased assets
		14. Franchises
		15. Investments

- Partially assessed and included in gross GHG emissions
- Not applicable or excluded due to immateriality
- Included in FY22 gross GHG emissions
- Need to determine applicability and/or materiality and set baseline



Vista Group International Limited

Shed 12, City Works Depot
90 Wellesley St West
Auckland 1010
New Zealand

+64 9 984 4570
info@vistagroup.co.nz
vistagroup.co