



**Vista Group**

Group Climate Statement

2023

Vista Group's purpose is to bring more people together to share the magic of cinema.

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## Disclaimer

Climate change is an evolving challenge and involves high degrees of uncertainty.

This report reflects Vista Group's understanding as at 30 April 2024. It sets out our approach to scenario analysis, our understanding of, and response to, our identified climate-related risks and opportunities, and the current and anticipated impacts of climate change that we have identified as at that date. This report contains estimates and assumptions about future external physical and transitional changes driven by climate change and their anticipated impacts on our business as at that date. The representations in this report are subject to significant uncertainties and assumptions, and it should be acknowledged that the approach, understanding, responses, estimates and assumptions included in this report will continue to evolve and develop over time.

This report contains forward looking statements, including climate related scenarios, targets, assumptions, climate projections, forecasts, statements of Vista Group's future intentions, estimates and judgements. These statements involve assumptions, forecasts and projections about Vista Group's present and future strategies, the industry in which Vista Group operates, and the environment in which Vista Group will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which may be inaccurate or incomplete and is likely to change. The risks and opportunities described here, and the strategies identified to achieve any stipulated targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Vista Group's actual results, performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Vista Group's control. Vista Group has used reasonable efforts to provide a reasonable basis for forward-looking statements and is committed to progressing its response to climate-related risks and opportunities over time, but is constrained by the novel and developing nature of this subject matter and the availability and quality of the information that is available to it at the date of this report. Vista Group remains committed to progressing its response to climate-related risks and opportunities over time, and to report progress each year, but cautions any person's reliance on aspects of this report that are necessarily less reliable than other aspects of Vista Group's annual reporting. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. Unless otherwise stated, all currency amounts are in NZ dollars.

This report is dated 30 April 2024 and signed on behalf of Vista Group International Limited by Susan Peterson and James Miller.



**Susan Peterson**  
Chair



**James Miller**  
Chair Audit and Risk Committee



# About this report

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

Vista Group International Limited (**Vista Group**) is a climate-reporting entity (**CRE**) under the Financial Markets Conduct Act 2013. This climate report is for the financial year ending 31 December 2023.

While this is Vista Group's second climate-related disclosures report, this is our first year reporting in accordance with Aotearoa New Zealand Climate Standards (**NZ CS**). These climate-related disclosures comply with NZ CS issued by the External Reporting Board. In preparing this report, we have applied the following adoption provisions:<sup>1</sup>

- Adoption provision 2: Anticipated financial impacts
- Adoption provision 3: Transition planning
- Adoption provision 4: Scope 3 GHG emissions
- Adoption provision 5: Comparatives for Scope 3 GHG emissions
- Adoption provision 6: Comparatives for metrics
- Adoption provision 7: Analysis of trends

Vista Group has obtained external verification of our operational greenhouse gas (**GHG**) emissions calculations through certification under the Toitū Envirocare carbonreduce programme<sup>2</sup>.

Vista Group is in the early stages of its climate reporting journey and integrating climate-related risks and opportunities into its day-to-day operations. Vista Group's disclosures will evolve, as we develop our capability and understanding of the risks and opportunities that currently present or may do so in the future.

Vista Group is committed to progressing our response to climate change and will report our progress annually to stakeholders as required by NZ CS.

<sup>1</sup> Refer to page 50 for a description of each adoption provision and the exemption it provides Vista Group.

<sup>2</sup> For more information about the Toitū Envirocare carbonreduce programme please refer to [toitu.co.nz](https://toitu.co.nz)



# Our climate roadmap

✓ Completed    ⚙️ Ongoing

	Action	2022	2023	2024+
<b>Governance</b>	Review and confirm governance roles and responsibilities	✓		
	Grow climate capability across the business	✓	✓	⚙️
	Establish reporting cadence at Vista Group’s Global Senior Leadership Team level		⚙️	
	Consider how climate is incorporated into remuneration policies			⚙️
<b>Strategy</b>	Define sustainability strategy framework (including climate)	✓		
	Develop and perform climate-related scenario analysis		✓	
	Development of transition plan			⚙️
	Identify anticipated financial impacts of climate-related risks and opportunities			⚙️
<b>Risk Management</b>	Include climate in our Risk Appetite Statement	✓		
	Integrate climate change into our risk management framework, policies and practices	✓	✓	⚙️
	Undertake a qualitative risk and opportunities assessment (physical and transitional)		✓	
<b>Metrics and Targets</b>	Measure and set Scope 1, 2 and selected Scope 3 operational GHG emissions base year	✓		
	Maintain Toitū Envirocare carbonreduce certification	✓	✓	⚙️
	Set reduction targets for Scope 2 and 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

# Governance

## Board governance

Vista Group's Board is responsible for setting our strategic direction and operation and has overall responsibility for overseeing our performance (including Vista Group's response to climate change).

Vista Group's Audit and Risk Committee (**ARC**), on the formal delegation of Vista Group's Board, has responsibility for overseeing, reviewing, and reporting back to the Board on compliance with our risk management framework, including climate-related risks and opportunities. At the direction of the ARC, the Global Senior Leadership Team (**GSLT**) has developed the process for the preparation of this report and, with the support of third parties, prepared the contents of this report, including the identification, design and implementation of Vista Group's climate related strategies, scenarios and scenario analysis, climate risks and opportunities, and metrics and targets. These have been presented to the ARC for review, feedback and development, before being recommended by the ARC to Vista Group's Board for approval. Climate-related matters are raised by the GSLT to Vista Group's Board through the Chair of the ARC. Climate related strategies, scenarios and scenario analysis, climate risks and opportunities, and metrics and targets are monitored by the GSLT, with progress regularly reported to the ARC, and by the Chair of the ARC to Vista Group's Board.

The ARC had six meetings during the 2023 financial year with climate-related matters presented at five of those meetings.

## Board climate capability

The Board is composed to ensure that as a collective group it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities. The Board's Nominations and Remuneration Committee (**NRC**), on the formal delegation of Vista Group's Board, has responsibility for assessing the skills of each individual director on Vista Group's Board and, with the support of the GSLT, undertakes a review and updates the Board skills matrix annually. Since the 2022 financial year, the skills matrix has included an assessment of each individual director's sustainability capabilities, including climate-related skills. A summary of the Board skills matrix is available on page 66 of [Vista Group's 2023 Annual Report](#).

The Board accesses climate-related expertise from within Vista Group, and has access to external experts as required.

## Vista Group's Board

The directors of Vista Group as at the date of this Group Climate Statement are as follows:



**Susan Peterson**  
BCom, LLB  
Independent Chair



**Claudia Batten**  
BCom, LLB (Hons)  
Independent Director



**Murray Holdaway**  
BSc, BCom  
Executive Director



**James Miller**  
BCom, FCA  
Independent Director



**Cristiano (Cris) Nicolli**  
BMS, FAICD  
Independent Director



**Kirk Senior**  
BCom, CA  
Non-Independent  
Non-Executive Director



## Integrating climate into our strategy

In 2022, Vista Group established its sustainability strategy and framework to complement Vista Group's existing strategy. This process involved a series of workshops where the GSLT analysed key material sustainability topics for the technology industry and feedback from various stakeholders. The sustainability framework has been developed around three pillars:

- **People:** Stronger together
- **Trust:** Building greater trust
- **Environment:** Consuming responsibly and impactful innovation.

At the direction of the ARC, during 2023, the GSLT conducted an annual review of the sustainability framework, including the climate-related initiatives in that framework, to ensure it continued to align with Vista Group's strategy. The ARC oversees delivery of progress against those climate-related initiatives through regular reporting from management.

The sustainability framework is monitored by the GSLT, with progress regularly reported to the ARC, and by the Chair of the ARC to Vista Group's Board.

## Incentivisation and remuneration

The NRC, on the formal delegation of Vista Group's Board, has responsibility for Vista Group's remuneration framework. Vista Group's short-term incentive (STI) scheme includes a sustainability focused target linked to employee satisfaction. Historically, Vista Group's long-term incentive (LTI) scheme has not contained specific sustainability targets. The STI and LTI schemes do not contain specific climate-related targets.

As Vista Group continues to develop our climate-related metrics and targets, the NRC will consider how these may be incorporated into Vista Group's remuneration frameworks.

For more information regarding Vista Group's STI and LTI schemes please refer to page 53 of [Vista Group's 2023 Annual Report](#).

## Executive governance

Vista Group's Board is responsible for setting Vista Group's strategy. On the formal delegation of the Board, Vista Group's CEO is responsible for the delivery of the strategy through day-to-day management of Vista Group. This includes oversight of the delivery of Vista Group's sustainability framework (including climate-related risks and opportunities) and ensuring risk management practices continue to be embedded within Vista Group's systems and business processes.

At an operational level, Vista Group's General Counsel and Company Secretary and supporting team members oversee the risk management and the climate change work programmes, including weekly progress meetings, leading the assessment of climate-related risks and opportunities and coordinating Vista Group's response as part of the sustainability programme.

Our identified climate-related risks and opportunities are being integrated into our enterprise risk management framework, so they will be reported to and reviewed by the GSLT on a quarterly basis in accordance with our policy.





Strategy



# Strategy

## Our purpose

Vista Group's purpose is to bring more people together to share the magic of cinema.

## Our vision

Vista Group's vision is for our digital ecosystem to connect the film industry and power the moviegoer experience.

Vista Group has several brands that provide software and technology solutions across the distribution, exhibition and moviegoer sectors of the film industry. Our people are predominantly based in New Zealand, United Kingdom, United States, Mexico, South Africa and the Netherlands. Our people and solutions provide services to clients in more than 100 countries worldwide.

Our purpose drives our team, fuelling our commitment to innovation. Vista Group's unified business model brings together our brands to provide an innovative range of technology solutions across the industry. Our solutions empower industry stakeholders right from a film's inception, all the way to its exhibition in cinemas, and subsequent box office reporting and moviegoer insights.

## Strategy area

## Objective

### OUR PEOPLE

—  
Stronger together

Vibrant and unified culture, enabling our people to thrive

### OUR CLIENTS

—  
Enable our clients to thrive

Exceptional service with clients at the heart of everything we do

### OUR SOLUTIONS

—  
Deliver remarkable cloud solutions

Connected, compelling, reliable, and secure solutions that our clients need and value

Vista Group's strategy is complemented by our sustainability framework, developed in 2022 and built around three pillars:

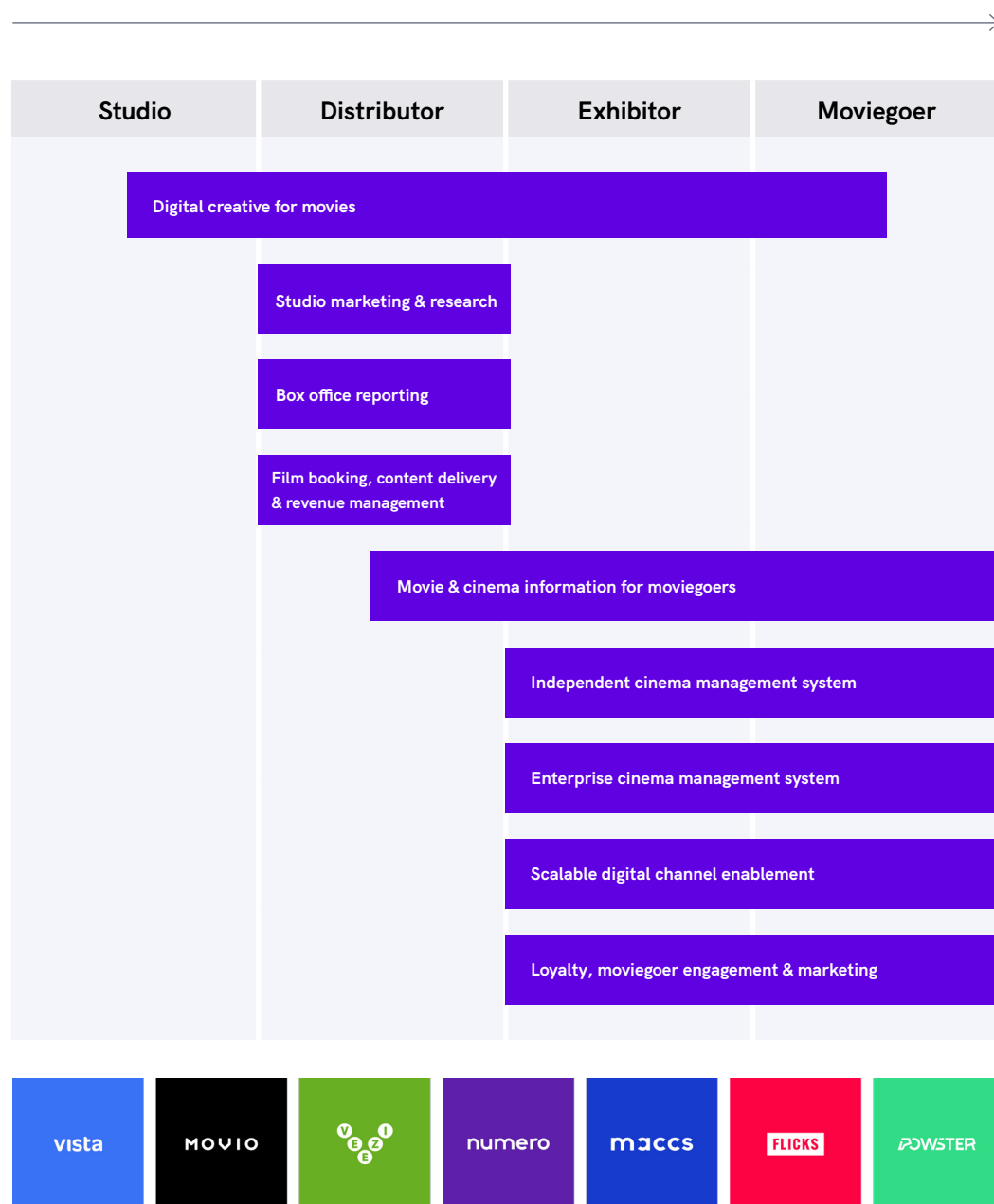
- **People:** Stronger together
- **Trust:** Building greater trust
- **Environment:** Consuming responsibly and impactful innovation.

Our focus areas are supported by annual and short-term initiatives up to 2030.

The sustainability framework informs and guides how Vista Group manages our business, and the targets are intended to measure and drive delivery of the positive impact Vista Group is seeking to achieve.

Vista Group will continue to evolve the framework and integration into our strategy as sustainability practices are further embedded into our business and support the move towards a low emissions future.

## Our connected ecosystem supports the entire industry value chain



For further information about Vista Group's key strategies for 2024 refer to page 18 of [Vista Group's 2023 Annual Report](#).





# Current climate-related impacts

Vista Group understands that climate change is a challenge that needs to be navigated today and in the future. Vista Group recognised the following two climate-related impacts (one physical and one transition) during the 2023 financial year:

1. **Extreme weather event (physical):** Vista Group experienced a minor productivity impact as an indirect result of the extreme weather events in New Zealand that occurred in January and February 2023, which impacted a small number of our people. The financial impact of this event was assessed as not being material for Vista Group.
2. **Our climate journey (transition):** Over the last three years Vista Group has actively developed its sustainability approach and climate journey as part of our transition towards a sustainable future. Our climate roadmap outlines our initial journey and the actions we need to take to build our processes and capabilities. During the 2023 financial year we engaged external advisers specialising in climate related matters to support our programme of work and the development of our capability. The financial impact of these transition services were assessed by management as not being material for Vista Group, with the associated costs all included within Vista Group's 2023 financial results.

For more information on the impact of climate-related matters on Vista Group's financial statements refer to page 100 of [Vista Group's 2023 Annual Report](#).

# Scenario analysis

## Our approach

Climate change presents a global challenge of unprecedented scope, velocity, complexity, and interconnectivity. In accordance with NZ CS 1, Vista Group has used scenario analysis to test our resilience under uncertain futures. External advisers from KPMG NZ were engaged to facilitate the development of three integrated climate scenarios to enable Vista Group to test the resilience of our business model and strategy. These scenarios were created to enable the identification of climate-related physical and transition risks and opportunities that might plausibly emerge between 2023 and 2050. These scenarios do not present an ideal transition, instead they each present unique and difficult challenges for multiple plausible futures.

We believe that the scenarios selected are relevant and appropriate to test Vista Group's business model as they explore a range of warming scenarios which present varying risks and opportunities, and the scenarios are tailored to Vista Group's drivers of change.

The scenarios are not intended to be probabilistic predictions about how the future might unfold, nor are they the inevitable outcome of a given trajectory. As such, they should not, and are not intended to, be used as a lens to determine the most likely future conditions.

The purpose of the scenarios assist in identifying and interrogating the assumptions that underpin critical business decision making. With the support of advisers from KPMG NZ, Vista Group's GSLT developed the scenarios and identified the climate-related risks and opportunities. The scenarios and the identified risks and opportunities were presented to the ARC and, on the recommendation of the ARC, adopted by the Board.

The scenarios have a primary focus on Australasia (Australia and New Zealand), North and Central America (including Mexico) and Europe. These geographic regions were agreed as they are most applicable to Vista Group's operational and market footprint.

The scenarios have focused on the following three time horizons, which were chosen to fit within Vista Group's strategic planning cycles:

- **Short-term:** 2023-2028
- **Medium-term:** 2029-2039
- **Long-term:** 2040-2050

The end point of 2050 was selected to be long enough to capture the range of potential transition risks and the initiation of physical risk divergence. This end point also aligns with international standard frames of reference (e.g. Net Zero targets).

# Overview of Vista Group's three climate scenarios

Vista Group provides a summary of each climate scenario developed using publicly available global references and guidance from NZ CS 1, Network for Greening the Financial System (NGFS) scenario guidance, and shared socio-economic pathway (SSP) narratives.

	1	2	3
<b>Scenario</b>	Net Zero 2050 (Orderly)	Delayed Transition (Disorderly)	Current Policies (Hothouse)
<b>Policy Ambition</b>	<1.5°C	<1.6°C	>3.0°C
<b>Pathways</b>	NGFS 'Net Zero 2050' IPCC AR6 RCP 1.9 SSP1: Sustainability	NGFS 'Delayed Transition' IPCC AR6 RCP 2.6 SSP2: Middle of the Road	NGFS 'Current Policy' IPCC AR6 RCP 6.0 SSP3: Regional Rivalry
<b>Severity of physical risk</b>	Low	Moderate	High
<b>Severity of transition risk</b>	Moderate	Higher	Low
<b>Policy reaction</b>	Immediate & smooth	Delayed	None
<b>Regional policy variation</b>	Medium	High	Low
<b>Technology change</b>	Fast	Slow then fast	Slow
<b>Carbon dioxide removal</b>	Medium to high	Low-medium	Low



# 1

## Net Zero 2050 (Orderly)

An ambitious, collaborative and coordinated transition to a low-emissions, climate-resilient future. Stringent climate policies, innovation, investment, consumer behaviour change, and medium-high deployment of carbon removal (including nature-based) solutions limits warming to less than 1.5°C by 2100.

### Macro-economic conditions

The immediate transition generates short-term economic turbulence but pronounced benefits in the medium and long-term. Physical impacts of climate change exert measurable but limited downward pressure on the economy.

### Consumption

Consumers commit to sustainable lifestyles and purchase low-carbon goods and services. Feeling threatened from the physical effects of climate change, consumers prioritise products, experiences and services that promote their wellbeing. The democratisation and personalisation of content is a core theme of consumption as users want to define their own experience.

### Society

Cities are far denser and centred around public transport hubs. The transition to a lower carbon future has substantially reallocated labour and skills to 'green' jobs in renewable energy and computing.

### Economy

By 2050 the economy is highly circular and centred around low consumption. The concept of prosperity has shifted from economic to human and planetary wellbeing.

### Technology

Rapid technological innovation has brought new products to market faster than predicted as money is invested into green technology. Rapid artificial intelligence (AI) advancements grew AI generated media and distribution channels.

# 2

## Delayed Transition (Disorderly)

Bold action is delayed until 2030, followed by an uncoordinated transformation that causes social, political and economic turmoil. Extensive, stringent and punitive but late government intervention, in combination with consumer behaviour change and some deployment of carbon removal solutions limits warming to less than 1.6°C by 2100.

### Macro-economic conditions

The delayed transition generates sharp economic downturn but eventually supports economic stability. Physical impacts of climate change exert moderate downward pressure on the economy.

### Consumption

Some consumers remain committed to sustainable lifestyles and value low-carbon goods and services. Rapid transition to green products drives up prices, limiting the consumers ability to afford non-essential items.

### Society

Climate migrant crisis sparks public outrage. Governments impose drastic policies reshaping our ways of living, travelling and consuming.

### Economy

Some businesses invest in low emission technology and practices to align with a low-emissions future, globally weak regulation means that business as usual remains a viable option for many sectors. Governments impose sanctions on trade from countries failing to do 'their fair share' in the transition to a sustainable future. Domestic protection policies reduce exposure to global turmoil and protect domestic resources.

### Technology

Business as usual in the 2020s means low investment and development of sustainable technologies, such as carbon capture and storage. Drastic policy changes in the early 2030s drive rapid technology development in an attempt to reduce emissions. Immature technology fails to meet energy demands.



# 3

## Current Policies (Hothouse)

Current emissions reduction policies are implemented, and current socio-economic trends continue, seeing worsening inequality. Consumption is materially intensive, resulting in irreversible climate change and environmental degradation. Nations are distracted by concerns of resource insecurity. There is limited technology change and use of nature-based solutions to mitigate climate change, resulting in warming of greater than 3°C by 2100.

### Macro-economic conditions

Physical impacts of climate change exert increasingly significant downward pressure on economy, potentially growing to destabilise financial institutions and systems by mid-century.

### Consumption

By 2050, consumption is similar to the early 2020s - it is energy and material intensive. Soaring food prices have constrained the ability for consumers to afford non-essential items. Living a sustainable lifestyle is mostly a luxury choice. Damaged roads from successive weather events makes it difficult to pursue leisure activities outdoors and so discretionary leisure activities are targeted towards home or near home environments.

### Society

Climate events strain government budgets, investment in education and healthcare declines, exacerbating present-day inequalities. Urban sprawl spreads and new infrastructure has resilience requirements but not low-emissions requirements. Climate migration intensifies.

### Economy

Climate events drive economic volatility, including labour productivity loss during heat events, soaring food prices as entire crops are destroyed, and insurance retreat causing stranded assets. Concerns of food and energy insecurity and resulting trade wars drive a focus on domestic production and limit the free flow of goods, people and knowledge.

### Technology

Energy supply is dominated by the economics of energy resource availability and energy conversion technologies. Carbon capture and storage technology falters. Investors want 'safe bets' and take immediate cash generation over the chance of long-term returns from technology investment. Consumers crave technology that helps them escape from present-day realities.

# Climate-related risks and opportunities

During 2023, with the support of KPMG NZ, Vista Group's GSLT conducted a climate-related risk and opportunity workshop. The GSLT considered the three climate change scenarios, making note of whether the scenarios felt plausible, and created a system map of Vista Group's key stakeholders which highlighted that Vista Group's relationship to its cinema clients remained critical to our value creation. This system map was used as a base to explore the climate-related risks and opportunities under each scenario and time horizon. The focal question that guided this process was, 'How might climate-related risks and opportunities plausibly impact Vista Group?'

Placing Vista Group in these three challenging future scenarios, assisted the GSLT to identify key themes and a number of climate-related risks and opportunities. A summary of the themes and business impacts that could arise from these climate-related risks and opportunities is outlined in the table below.

Themes, business impacts and opportunities	Time horizon	Climate scenario	Vista Group's response
<b>The fast pace of climate-related regulatory change (Transition)</b>			
<b>Direct impact</b> - Non-compliance with internationally evolving climate-related regulations and insufficient capability, capacity or technology to achieve compliance could result in rising compliance costs (eg. carbon taxes), and reputational impacts for Vista Group.	Short-term Medium-term	Net Zero 2050 Delayed Transition	Vista Group monitors international regulatory and legislative developments in the regions it operates within. This allows Vista Group to consider any changes, assess the risks and opportunities for Vista Group and pro-actively manage a response.  Vista Group has developed a climate-related work programme to respond to the current disclosure requirements. In addition, through our annual budgeted operational expenses, Vista Group engages external consultants to support internal capability development and the use of tools to support GHG emissions measurement.
<b>Rising cost of utilities and commodities (Transition and Physical)</b>			
<b>Direct impact</b> - Rising energy costs as jurisdictions decarbonise their economies could have an impact on Vista Group leading to increased operational costs.	Short-term Medium-term Long-term	Net Zero 2050 Delayed Transition Current Policies	Vista Group has set an absolute reduction target for our Scope 2 GHG emissions. Actions Vista Group may consider in order to achieve this target are:  <ul style="list-style-type: none"> <li>• Review of capacity and efficiency of leased premises at contract renewal.</li> <li>• Evaluate market based electricity options such as fully renewable energy and renewable energy certificates for our New Zealand office.</li> </ul> Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.
<b>Indirect impact</b> - The rising cost of utilities and commodities (food & beverages) for cinemas could have a negative influence on Vista Group's revenue if cinemas are unable to offset costs through pricing or efficiency measures.	Short-term Medium-term Long-term	Net Zero 2050 Delayed Transition Current Policies	
<b>Indirect impact</b> - Moviegoers spend less when they attend the cinema or reduce attendance due to less disposable income. This could result in reduced revenue for Cinemas and could indirectly impact Vista Group's revenue.	Short-term Long-term	Net Zero 2050 Current Policies	
<b>Indirect impact</b> - Rising costs associated with production of movies shifts the film industry towards more low-budget movies made for in-home viewing and fewer high budget movies for in-cinema viewing. Indirectly impacting Vista Group through reduced revenue and business disruption (where extreme weather events increasingly disrupt filming.)  <b>Opportunity</b> - Vista Group could develop products to support cinemas through the transition to a low carbon economy.	Medium-term Long-term	Delayed Transition Current Policies	

# Climate-related risks and opportunities (continued)

Themes, business impacts and opportunities	Time horizon	Climate scenario	Vista Group's response
Increasing frequency and intensity of extreme weather events and pandemics (Physical)			
<p><b>Direct impact</b> - Risk of IT service failure or cloud disruption and damage to property through increasing frequency and intensity of extreme weather events (heatwaves, flooding, storms). This could impact Vista Group through increasing costs of insurance to meet all credit requirements.</p> <p><b>Direct impact</b> - Future pandemics causing lockdowns and business disruption to Vista Group and Cinemas due to increasing temperature (and the associated spread of various disease vectors) being one of many factors that can cause pandemics.</p> <p><b>Indirect impact</b> - Where cinemas are vulnerable to extreme weather events this could result in decreased cinema attendance and have negative impacts on their revenue and capital expenditure.</p>	Long-term	Current Policies	<p>Vista Group leverages its supplier relationships such as 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.</p> <p>Disaster management plans are being developed and tested to respond to events.</p> <p>Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.</p>
Civil unrest, increasing inequality and geopolitical tensions (Transition)			
<p><b>Direct impact</b> - Vista Group could experience malicious attacks on IT systems and/or SaaS services as a result of civil unrest, increasing inequality and geopolitical tensions. This could lead to an increase in operational costs, an increasing difficulty to obtain insurance, regulatory or contractual penalties if data loss occurred, reputational damage and potential client churn.</p> <p><b>Indirect impact</b> - Potential for decreased cinema attendance as a result of civil unrest, increasing inequality and geopolitical tensions, reducing revenue for cinemas and the potential to indirectly impact Vista Group revenue.</p>	Medium-term Long-term	Delayed Transition Current Policies	<p>Vista Group maintains security controls and processes to respond to cyber-attacks. A summary of these mitigation activities are available on page 79 of <a href="#">Vista Group's 2023 Annual Report</a>.</p> <p>Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.</p>
Stakeholder demand for climate action (Transition)			
<p><b>Direct impact</b> - Changing preferences of employees to work for employers taking climate and sustainability action resulting in lower attraction and retention of talent if Vista Group's climate change response does not meet employee expectations.</p> <p><b>Opportunity</b> - To be a sustainability leader and maintain social license to operate through Vista Group's climate change response exceeding stakeholder expectations.</p>	Short-term Medium-term	Net Zero 2050 Delayed Transition	<p>Vista Group has developed a sustainability framework which includes environmental objectives and Vista Group's climate disclosures outlines our response to climate change.</p>



# Climate-related risks and opportunities (continued)

Vista Group’s business model reliance on key stakeholders (cinemas and exhibition) could be exacerbated by climate risk leading to other indirect business risks (as outlined above), including reduced revenue for cinemas and fewer direct customers (due to reduced cinema attendance, increasing utility/commodity prices, an inability to keep pace with climate-related regulation), and higher costs of movie production for studios and distributors.

Viewed through a different lens, the strength of our relationship with our clients opens up avenues for collaboration and mutual benefit. There are opportunities for Vista Group to consider developing solutions that support cinemas to reduce operating costs associated with energy and to support cinemas with meeting their obligations under relevant climate regulations. Actions such as this have the potential to increase the value chain’s resilience to the impacts of climate change. Additionally, Vista Group could consider developing low-carbon market offerings.

Themes, business impacts and opportunities	Time horizon	Climate scenario	Vista Group’s response
Shifting consumer demand to value low-carbon goods and services (Transition)			
<p><b>Indirect impact</b> - Society increasingly perceives moviegoing to be environmentally-damaging, due to the carbon impact of production, travel to the cinema, or cinema infrastructure. Potentially resulting in reduced revenue for cinemas if the experience does not align with demand for low-carbon goods and services.</p> <p><b>Opportunity</b> - Opportunity to expand market offering to be in line with shifting consumer expectations of low-carbon goods and services.</p>	Short-term Medium-term	Net Zero 2050 Delayed Transition	Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.

## Next Steps

Vista Group will consider the opportunities and identify those we may progress through our strategic planning and evolve our risk management processes to embed the complexities of climate risk, including developing strategies for horizon scanning and methods for risk management that support climate uncertainty.

Vista Group has elected to apply the adoption provisions 2 and 3 available under NZ CS 2 (See page 50 for more details) for disclosing anticipated financial impacts and transition planning. Vista Group’s initial actions towards our transition to a low carbon economy has been to:

- establish our sustainability framework incorporating environmental objectives and targets;
- establish the base year for measurement of our greenhouse gas emissions; and
- set an absolute target for our Scope 2 emissions, consistent with limiting global warming to 1.5°C above pre-industrial levels.

As Vista Group’s climate change response journey continues, we will incorporate anticipated impacts into financial modelling, and further work through transition planning to strengthen Vista Group’s business model to critical uncertainties.

# Risk management

# Risk management

Risk management is an integral part of Vista Group. The Board has established an enterprise Risk Management Framework (RMF) which is designed to identify material financial, strategic and operational risks that may impact Vista Group's ability to achieve our strategic objectives. The ARC is responsible for oversight of the RMF, monitoring and reporting to the Board on the adequacy of Vista Group's risk management and internal control processes, and recommending to the Board any areas of focus.

The CEO is responsible for Vista Group's compliance with the RMF by ensuring Vista Group maintains processes to manage material risks (including climate-related risks) and promoting a culture of good risk practices across Vista Group's operations.

Vista Group's enterprise risk assessments are conducted by the GSLT and senior management annually in accordance with Vista Group's Risk Management Policy. This assessment includes identification of material risks. The risks are assessed against our risk matrix, based on the consequence of impact and the likelihood of occurrence, and consideration of controls and mitigation measures to achieve a level of residual risk that is within Board defined tolerances, based on the Board approved risk appetite statement.

Management reports to the ARC annually the top risks across Vista Group.

During 2023, the identification of Vista Group's climate-related risks (physical and transition) and opportunities, was conducted as a stand-alone exercise through the process of scenario analysis, as outlined on page 23. The short, medium and long-term time horizons used for assessing the climate-related risks are the same as those used for the scenario analysis. A system map of key stakeholders was developed to ensure Vista Group considered all parts of our value chain during the risk and opportunity identification workshop undertaken by the GSLT.

The identified climate-related risks and opportunities were reviewed and approved by the GSLT, presented to the ARC and recommended by the ARC for review and approval by the Board.

These climate-related risks are being integrated into our existing risk management processes, so that the risks continue to be assessed, monitored and prioritised with all other enterprise risks, relative to the risk exposure for Vista Group.

During 2024, Vista Group will continue to integrate the climate-related risks into our existing risk management processes by assigning operational ownership of the risks, considering strategies for horizon scanning, assessing the anticipated financial impacts, and determining the criteria for refreshing and reviewing scenario analysis.





# Metrics and targets

# Metrics and targets

## Our GHG emissions

Vista Group assesses its operational impact on the climate by measuring our absolute Scope 1, 2 and 3 GHG emissions. We first started measuring our emissions in 2022, the base year, which included Scope 1, 2 and a selected subset of Scope 3 emission sources relating to business travel, employee commuting, work from home, waste generated in our operations, freight and third-party cloud-hosted data centres. During 2023, Vista Group expanded its boundary to include capital goods and additional emissions sources from purchased goods and services. We also retrospectively measured these new sources for 2022 and have adjusted our 2022 base year accordingly.

External verification has been obtained on Vista Group's operational GHG emissions calculations through our certification under the Toitū Envirocare carbonreduce programme. Through this programme our operational GHG emissions were measured and certified in accordance with the requirements of International Standard *ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals* (ISO 14064-1:2018) and aligned with the GHG Protocol.

In 2023 Vista Group's total emissions were 3,213 tCO<sub>2</sub>e, which represents a 13% (490 tCO<sub>2</sub>e) decrease on our 2022 base year total emissions.

While we have a 15% reduction in our Scope 2 emissions for the imported energy of our office premises, we note this was primarily driven by a change in the calculation methodology of the emission factor from the Ministry for Environment for NZ electricity, which reflects the latest scientific data on carbon emissions.

Our Scope 3 emissions have reduced by 13%, primarily driven by emissions reductions across purchased goods and services and capital goods. Capital goods emissions have reduced as a result of lower expenditure, which can fluctuate due to the lifespan of our assets. The reduction in emissions for purchased goods and services is primarily due to the variability of spend by category. The Scope 3 emissions associated with 'purchased goods and services' are calculated by emissions per dollar spent with different final products and industry services attracting a different emissions factor. The difference in goods and services purchased from one measurement period to the next can result in a significant variance in the total emissions per dollar spent across measurement periods.

		2023	Adjusted 2022 base year	% change against 2022 base year
Scope	Emission Source	tCO <sub>2</sub> e	tCO <sub>2</sub> e	
Scope 1	Direct emissions and removals	-	-	-
Scope 2	Office electricity <sup>1</sup>	104.5	123.4	(15.3%)
<b>Total gross Scope 1 and 2 emissions</b>		<b>104.5</b>	<b>123.4</b>	<b>(15.3%)</b>
Scope 3	Purchased goods and services	1,803.6	2,148.0	(16.0%)
	Capital goods	63.9	188.9	(66.2%)
	Fuel and energy	10.2	10.2	-
	Waste	16.4	13.1	25.2%
	Business travel	955.9	952.1	0.4%
	Employee commuting	258.8	267.8	(3.4%)
	Downstream transportation and distribution <sup>2</sup>	-	-	-
<b>Total gross selected Scope 3 emissions</b>		<b>3,108.8</b>	<b>3,580.1</b>	<b>(13.2%)</b>
<b>Total gross emissions</b>		<b>3,213.3</b>	<b>3,703.5</b>	<b>(13.2%)</b>

<sup>1</sup> Emissions are calculated using the location-based method.

<sup>2</sup> Hardware shipping, previously measured and reported within downstream transportation and distribution, required a change to the 2023 calculation methodology. The emissions relating to this source have been consolidated within purchased goods and services. This is due to the unavailability of data from third party providers. Our base year has been adjusted to enable comparability in a like for like manner.

See page 52 of this report for more information on the GHG inventory basis of preparation.

## Emissions reduction target

During the 2023 financial year, Vista Group set an absolute reduction target for Scope 2 combined emissions of a 42% reduction by 2030 from our 2022 base year. This target has been set in line with the requirements of the Toitū Envirocare carbonreduce certification and developed using the Science Based Targets initiative target setting tool (version 2.2). This target is not validated by the Science Based Targets initiative.

## Next steps

Vista Group's emissions measurement journey will continue into 2024. During 2024, and following completion of our transition planning, we will look to further expand our Scope 3 boundary to measure the current exclusions and, where appropriate, set value chain Scope 3 emissions reduction targets.



## Other metrics

Vista Group has selected an economic intensity ratio metric which is suitable when aggregating or comparing across entities that produce different products. This metric has been set in line with the requirements of the Toitū Envirocare carbonreduce certification.

Metric	Type of metric	2023	2022
Operating Revenue (gross tCO2e per \$millions)	GHG emissions intensity	22.49	27.41

As Vista Group's climate change response journey continues into 2024, we plan to incorporate anticipated impacts into our financial modelling, and work through transition planning to seek to strengthen Vista Group's business model to critical uncertainties. We expect to also develop additional metrics relating to our risks and opportunities relating to the following areas:

- Transition risks - amount or percentage of assets or business activities vulnerable to transition risks
- Physical risks - amount or percentage of assets or business activities vulnerable to physical risks
- Climate-related opportunities - amount or percentage of assets, or business activities aligned with climate-related opportunities
- Capital deployment - amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities
- Internal emissions price.

The industry standards for Vista Group's sector (software and information technology services) are not widely adopted. Vista Group will continue to monitor the adoption of these standards and we expect to develop relevant industry based metrics.





# Other information

# Adoption provision exemptions

The below table outlines the adoption provision exemptions applied by Vista Group in the preparation of this Climate Statement.

<p><b>Adoption provision 2: Anticipated financial impacts</b></p>	<p>This adoption provision exempts Vista Group from disclosing:</p> <ul style="list-style-type: none"> <li>• the anticipated financial impacts of climate-related risks and opportunities reasonably expected by Vista Group;</li> <li>• a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur; and</li> <li>• an explanation of why Vista Group is unable to disclose quantitative information on the anticipated financial impacts.</li> </ul>
<p><b>Adoption provision 3: Transition planning</b></p>	<p>This adoption provision exempts Vista Group from disclosing:</p> <ul style="list-style-type: none"> <li>• the transition aspects of our strategy, including how our business model and strategy might change to address our climate-related risks and opportunities; and</li> <li>• the extent to which the transition plan aspects of our strategy are aligned with our internal capital deployment and funding decision-making processes.</li> </ul>
<p><b>Adoption provision 4: Scope 3 GHG emissions</b></p>	<p>This adoption provision exempts Vista Group from disclosing all or a selected subset of our Scope 3 GHG emissions sources. Vista Group has not disclosed our Scope 3 GHG emissions relating to the following sources:</p> <ul style="list-style-type: none"> <li>• use of sold products;</li> <li>• end-of-life treatment of sold products; and</li> <li>• investments.</li> </ul>
<p><b>Adoption provision 5: Comparatives for Scope 3 GHG emissions</b></p>	<p>This adoption provision exempts Vista Group from disclosing comparative information for Scope 3 GHG emissions disclosed for the immediately preceding two reporting periods.</p>
<p><b>Adoption provision 6: Comparatives for metrics</b></p>	<p>This adoption provision exempts Vista Group from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.</p>
<p><b>Adoption provision 7: Analysis of trends</b></p>	<p>This adoption provision exempts Vista Group from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.</p>

# GHG inventory basis of preparation

## Base year

Vista Group's base year for emissions reporting is the 2022 financial year, which is from 1 January 2022 to 31 December 2022. This base year period was selected because it represents the first year in which Vista Group had access to a considerably complete set of data records to form the inventory.

## Changes to historic base

Historical recalculations of our 2022 base year were conducted in 2023, as a result of expanding our boundary for Scope 3 emissions categories. Scope 3 now includes full purchased goods and services and capital goods.

Scope	Emission Source	Previously reported 2022 base year	Recalculation adjustments <sup>2</sup>	Adjusted 2022 base year
		tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
Scope 1	Direct emissions and removals	-	-	-
Scope 2	Office electricity <sup>1</sup>	123.4	-	123.4
<b>Total gross Scope 1 and 2 emissions</b>		<b>123.4</b>	<b>-</b>	<b>123.4</b>
Scope 3	Purchased goods and services	170.0	1978.0	2,148.0
	Capital goods	-	188.9	188.9
	Fuel and energy	10.2	-	10.2
	Waste	13.1	-	13.1
	Business travel	952.1	-	952.1
	Employee commuting	267.8	-	267.8
	Downstream transportation and distribution	34.0	(34.0)	-
<b>Total gross selected Scope 3 emissions</b>		<b>1,447.2</b>	<b>2,132.9</b>	<b>3,580.1</b>
<b>Total gross emissions</b>		<b>1,570.6</b>	<b>2,132.9</b>	<b>3,703.5</b>

<sup>1</sup> Emissions are calculated using the location-based method.

<sup>2</sup> Hardware shipping, previously measured and reported within downstream transportation and distribution, required a change to the 2023 calculation methodology. The emissions relating to this source have been consolidated within purchased goods and services. This is due to the unavailability of data from third party providers. Our base year has been adjusted to enable comparability in a like for like manner.

# Scenario analysis limitations

Our three climate scenarios reference some of the latest scientific research and data as of June 2023 when the scenarios were prepared.

An important limitation to note is that the Network for Greening the Financial System frameworks were used to frame the context of the global policy direction for emissions under each scenario. NGFS has modelling data available, however it uses the same shared socioeconomic pathway of SSP2 throughout the scenarios. In addition, Vista Group's scenarios draw on SSP1 ('Net Zero 2050'), SSP2 ('Delayed Transition') and SSP3 ('Current Policies').

With regard to scenario design, the options for parameters and granularity were subject to data availability. As a result, some of the transition risk parameter used is for the OECD region as an approximation for Australasia (Australia and New Zealand), North and Central America (including Mexico) and Europe.

# Operational boundaries

## Scope 1 – Direct emissions

Vista Group's direct emissions have been assessed as de minimis, see page 59 for Scope 1 sources excluded.

## Scope 2 – Office electricity

Vista Group's consumption of purchased electricity.

## Scope 3 – Other indirect emissions sources

Other direct value chain emissions. Vista Group is making progress towards full value chain emissions reporting, and we expanded our Scope 3 inventory to include purchased goods and services and capital goods for the reporting period and base year. Excluded Scope 3 items are now use of sold products, end-of-life treatment of sold products and investments. See page 50 which details the adoption provision exemptions applied by Vista Group in the preparation of this Group Climate Statement.



# Organisational boundaries

Vista Group uses a financial control consolidation approach, as defined in the ISO 14064-1: 2018 standard and GHG protocol. This approach aligns with Vista Group's organisational boundaries for financial reporting. It has been selected as this is where we have the greatest ability to direct the financial and operating policies of entities within Vista Group and gain access to information. A description of our financial reporting basis of consolidation is available on page 100 of [Vista Group's 2023 Annual Report](#).

The diagram shows the subsidiaries that have been included in the context of our emissions inventory.

Vista Group subsidiaries that are inactive or holding companies are excluded as they have no emissions from their operations.

For the consolidated list of subsidiaries please refer to page 136 of [Vista Group's Annual Report](#).



# Data collection and quantification

The table below provides detail on the methodologies and assumptions used in data collection and quantification of Vista Group's GHG emissions inventory:

Scope	Emission source	Calculation method	Data source	Assumptions and estimates	Emissions factor <sup>1</sup>
Scope 1	Direct emissions and removals	De minimis	N/A	N/A	N/A
Scope 2	Office electricity	Location-based method	Invoices from electricity retailers	Where data was unavailable at the time of collection, historical data and average increases were used to estimate kWh usage.	MfE, NZ IEA, France
Scope 3	Purchased goods and services - data centre usage	Supplier-specific pre-calculated tCO <sub>2</sub> e	GHG emissions reports from suppliers	GHG emissions usage was obtained directly from supplier provided data.  Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	tCO <sub>2</sub> e provided by suppliers
	Purchased goods and services - all remaining	Spend-based method used	Financial accounting spend by category	Spend by category sourced from internal financial records and converted to NZ dollars, with NZ emissions factors assigned based on the category of the spend.  High level of assumptions based on final product, changes in assumptions could significantly impact the measurement of these emissions.	Auckland Council, NZ MOTU, NZ
	Capital goods	Spend-based method used	Financial accounting spend by category	Spend by category sourced from internal financial records and converted to NZ dollars, with NZ emissions factors assigned based on the category of the spend.  High level of assumptions based on final product, changes in assumptions could significantly impact the measurement of these emissions.	Auckland Council, NZ
	Fuel and energy (T&D Losses)	Location-based method used	Invoices from electricity retailers	Where data was unavailable at the time of collection, historical data and average increases were used to estimate kWh usage.	MfE, NZ IEA, France

Scope	Emission source	Calculation method	Data source	Assumptions and estimates	Emissions factor <sup>1</sup>
Scope 3	Waste	Waste weight	Supplier provided waste weight records	Waste weights by category provided by supplier. Average kilogram of waste per employee is applied at office locations where usage data is unavailable. Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	MfE, NZ DESNZ, UK
	Business travel - transportation	Distance-based	Invoices from travel providers and employee expense claims	Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	MfE, NZ DESNZ, UK EPA, US
	Business travel - accommodation	Hotel-nights	Invoices from travel providers and employee expense claims	Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	MfE, NZ DESNZ, UK
	Employee commuting	Distance-based	Results from a survey of our people's commuting and working from home habits	Survey response data extrapolated for full year based on the headcount of our people.	MfE, NZ DESNZ, UK Toitū Envirocare, NZ

<sup>1</sup> The emission factors used are drawn from a variety of sources, primarily: Government published emission factors (such as the NZ Ministry for the Environment); other government publications or data; industry publications or data; international bodies; technical reports; peer-reviewed journals or literature; the IPCC; supplier-specific data (from providers).

Full details of the sources and GWP (**Global Warming Potential**) are outlined below:

MfE, NZ	New Zealand Ministry for the Environment - MfE Guidance for Voluntary Greenhouse Gas Reporting (2023)	AR5
IEA, France	International Energy Agency - IEA Emission Factors - France (2022)	AR4
Auckland Council, NZ	Auckland Council - Consumptions Emissions Modelling 2023	AR4
MOTU, NZ	MOTU - Greenhouse Gas Emissions in New Zealand: A preliminary Consumption-Based Analysis (2014)	AR2
DESNZ, UK	UK Department for Energy Security and Net Zero - Government greenhouse gas conversion factors for company reporting (2023)	AR4, AR5
EPA, US	U.S. Environmental Protection Agency - Emission Factors for Greenhouse Gas Inventories (2023)	AR4, AR5
Toitū Envirocare, NZ	Toitū Envirocare - Emission factor derived internally - New Zealand	AR4, AR5

**Exclusions:** There are a number of identified emissions sources that have been excluded from our inventory due to being de minimis<sup>1</sup> or limitations in the availability or quality of the requisite data. These sources include Scope 1 direct emissions from refrigerants, mobile combustion from the single petrol vehicle leased by Vista Group and stationary combustion office gas usage.

As noted previously, Vista Group has also utilised the adoption provision under the climate standards and has not disclosed the full extent of our Scope 3 emissions. Sources excluded for 2023 are:

- Use of sold products;
- End-of-life treatment of sold products; and
- Investments.

Over the coming year we will expand our Scope 3 inventory to cover these remaining categories and include in our 2024 inventory if the sources are considered material to our inventory.

<sup>1</sup> These de minimis sources form less than one percent of the total scope or category, and total emissions and removals (classified as de minimis) do not exceed five percent of our total inventory.



# Glossary of terms

<b>2022</b>	The financial year ended 31 December 2022.
<b>2023</b>	The financial year ended 31 December 2023.
<b>2024</b>	The financial year ended 31 December 2024.
<b>ARC</b>	Vista Group's Audit and Risk Committee.
<b>Board</b>	Vista Group's Board of Directors.
<b>CO2</b>	Carbon dioxide.
<b>CO2e</b>	Carbon dioxide equivalent.
<b>CRE</b>	Climate-reporting entity.
<b>GHG</b>	Greenhouse Gas.
<b>GHG Protocol</b>	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).
<b>GWP</b>	Global Warming Potential.
<b>GSLT</b>	Vista Group's Global Senior Leadership Team.
<b>IPCC</b>	Intergovernmental Panel on Climate Change – the United Nations body for assessing the science related to climate change.
<b>ISO 14064-1:2018</b>	International Standard ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals (2018).
<b>LTI</b>	Vista Group's long-term incentive scheme.
<b>NGFS</b>	Network for Greening the Financial System.
<b>NRC</b>	Vista Group's Nominations and Remuneration Committee.
<b>NZ CS</b>	The Aotearoa New Zealand Climate Standards.
<b>NZ CS 1</b>	The Aotearoa New Zealand Climate Standard 1 - Climate-related Disclosures
<b>NZ CS 2</b>	The Aotearoa New Zealand Climate Standard 2 - Adoption of Aotearoa New Zealand Climate Standards
<b>RCP</b>	Representative Concentration Pathway.
<b>RMF</b>	Vista Group's risk management framework.
<b>SSP</b>	The shared socioeconomic pathway.
<b>SSP1</b>	The 'Sustainability (Taking the green road)' climate change scenario.
<b>SSP2</b>	The 'Middle of the road' climate change scenario.
<b>SSP3</b>	The 'Regional rivalry (A rocky road)' climate change scenario.
<b>STI</b>	Vista Group's short-term incentive scheme.
<b>TCFD</b>	Taskforce On Climate Related Financial Disclosures.
<b>tCO2e</b>	Tonnes of carbon dioxide equivalent.
<b>Vista Group</b>	Vista Group International Limited (NZX & ASX: VGL).
<b>XRB</b>	New Zealand External Reporting Board.



**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](mailto:info@vistagroup.co.nz)  
[vistagroup.co](http://vistagroup.co)