Task Force on Climate-Related Financial Disclosures Report 2023

Videndum

Image credit: Felix Belloin

Contents

Image credit: Felix Belloin

Introduction

Climate change is a complex issue; the negative impact it is having, and will continue to have on all of society, is something that Videndum and our employees continue to work hard to address. To represent our commitment to addressing climate change and improving our position as a sustainable business, we are proud to publish our third Task Force on Climate-related Financial Disclosures ("TCFD") Report. This report builds on our existing responsible business programme and the previous two years of TCFD progress. In 2021, we determined climate change as a principal risk and uncertainty. Further details can be found in our Annual Report on pages 36 to 41. Throughout 2023, we continued to enhance many sustainable processes across the Group. We conducted a robust data collection process throughout the business and continued to improve our sustainability disclosures. This enables us to communicate our ambitions and progress in managing climate-related risks and opportunities accurately for our stakeholders.

In order to continue fostering the transition to a low-carbon economy, in 2023:

1. We continued to work closely with our independent, specialist ESG Consultant, Inspired ESG, to measure, analyse and report the risks that climate change poses to the Group, implementing mitigation measures where possible.
2. Our ESG working group met bi-weekly, ensuring the close management of climate-related risks and opportunities.
3. We widened our climate scenario analysis to consider the vulnerability of our supply chain and key supplier routes to climate change in our risk assessment process.
4. We continued to calculate our 2023 Scope 1, 2 and 3 emissions, allowing for additional year-on-year comparisons.
5. We refined our methodology and processes to calculate Scope 3 emissions. For example, for Category 6 (Business Travel), more granular flight data was collected to improve business travel calculations across 2022 and 2023. Category 9 (Downstream Transportation and Distribution) was calculated for the first time in 2023.
6. Regarding Scope 2 emissions, we improved our calculation methodology by using global electricity factors which align more accurately with our reporting sites. We continue to introduce energy-efficient measures across the business, and to drive a year-on-year reduction in the Group's carbon footprint through energy saving measures, such as the installation of solar panels.
7. We streamlined our data collection processes internally to improve our compliance with the recent and upcoming reporting policies, not only on Greenhouse Gas ("GHG") emissions, but also on our packaging, recycling and waste.

About TCFD

Climate change presents potential risks that may impact the longevity and success of our business. But it also presents potential opportunities, which we aim to capitalise on where possible to enhance our business model and position in the market.

We aim to continuously improve our TCFD reporting over time as guidance evolves and our responsible business programme progresses. We are committed to providing information about climate-related risks and opportunities that are relevant to our business. We are evolving our strategy and governance framework, to take account of these risks and opportunities. In 2023, Videndum complied with the requirements of the Listing Rule ("LR") 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures (Table 1). We complied with the mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Figure 1: TCFD Structure.

About TCFD continued

Table 1: TCFD recommendations and locations in the 2023 TCFD Report.

TCFD Area	TCFD Recommendation	Climate-related Financial Disclosures Regulations	Compliance Status	Location in report
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	A description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities.	Compliant	Pages 8 - 10
	b) Describe management's role in assessing and managing climate-related risks and opportunities.			Pages 11 - 14
Strategy	a) Describe the climate-related risks and opportunities identified over the short, medium and long term.	A description of (i) the principal climate-related risks and opportunities arising in connection with the operations of the Company and (ii) the time periods by reference to which those risks and opportunities are assessed.	Compliant	Pages 15 - 17
	b) Describe the impact of climate-related risks and opportunities on business, strategy and financial planning.	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company.		Pages 20 - 32
	c) Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	An analysis of the resilience of the business model and strategy of the Company, taking into consideration different climate-related scenarios.		Page 19
Risk Management	a) Describe the processes for identifying and assessing climate-related risks.	A description of how the Company identifies, assesses and manages climate-related risks and opportunities.	Compliant	Pages 33-35
	b) Describe the processes for managing climate-related risks.			Page 36
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.	A description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the Company.		Page 36
Metrics and Targets	a) Describe the targets used to manage climate-related risks and opportunities and performance against targets.	A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and performance against those targets.	Compliant	Pages 37 - 40
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and related risks.	The Key Performance Indicators ("KPIs") used to assess progress against targets to manage climate-related risks and realise climate-related opportunities, and a description of the calculations on which those KPIs are based.		Pages 41 - 46
	c) Disclose the metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process.			Pages 47 - 49

About TCFD continued

TCFD is a framework for assessing and managing the climate-related risks and opportunities related to an organisation's operations, strategy and financial planning. The framework has four interconnected themes: Governance; Strategy; Risk Management; Metrics and Targets; and 11 disclosure recommendations. TCFD groups climate-related risks into two significant categories:

1. Transition risks – are risks associated with the decarbonisation of the global economy with four areas of consideration: policy and legal; technology; market; and reputation.
2. Physical risks – which include the physical impacts of climate change, such as flooding or wildfires.

We have an internal climate risk framework, details of which can be found in the Risk Management section on pages 33 to 36. In 2023, we identified 19 risks and four opportunities, and have detailed their associated impacts in the Strategy section of this report, which can be found starting at page 15. A physical climate risk workshop was held for each of the three Divisions (Media Solutions, Creative Solutions and Production Solutions), in June and July 2023, as well as a Group transition risk workshop held in September 2023. In addition, the Directors assessed the financial and strategic impacts of climate change as a principal risk and determined it does not materially impact the Group's longer term viability assessment.

Starting on page 8, we have outlined our Governance structure in relation to climate change, including the roles and responsibilities of the Board, its Committees and executives throughout the Group and how they manage and mitigate climate-related risks and opportunities. We have also detailed our targets and the steps we will take to achieve these in the Metrics and Targets section on page 37. We aim to continuously improve our TCFD reporting over time, as guidance evolves, and our responsible business programme progresses.

Understanding Videndum

Videndum is a leading global provider of premium branded hardware products and software solutions to the content creation market.

We design and manufacture a portfolio of market-leading, premium brands – from traditional mechanically engineered products through to electronics and software.

Videndum's purpose is to enable our customers, in a full range of creative industries, to capture and share content through a wide variety of media. Videndum's success is dependent on our ability to understand and respond to our customers' needs. Our core customers can be categorised as:

TV broadcaster, production company, independent content creator and professional sound crew
Producing video and audio content for TV programmes, live news or live sports events

Film or production company, including independent film-makers
Making content for feature films and scripted TV shows to share in cinemas or on subscription channels like Netflix, Amazon Prime Video, Apple TV+ and Disney+

Professional photographer/videographer, including prosumer
Creating and sharing digital content for social media platforms or retail e-commerce, where images and videos of new products are frequently published online

Influencer/vlogger
Creating and sharing video and audio content on social media platforms like TikTok, YouTube and Instagram

Live streaming enterprise, including government, education establishment or house of worship
Creating video and audio content to stream live or pre-recorded to their employees, customers and communities.

We employ around 1,600 people in ten different countries and are organised in three Divisions: Media Solutions, Production Solutions and Creative Solutions.

Our Divisions

Media Solutions
Media Solutions designs, manufactures and distributes premium branded equipment for photographic and video cameras, and smartphones. It provides dedicated solutions to professional and amateur photographers and videographers, Independent Content Creators ("ICC"), vloggers/influencers, enterprises, governments and professional musicians.

Products include camera supports (tripods and heads), smartphone and vlogging accessories, lighting supports and controls, LED lights, audio capture and noise reduction equipment, carrying solutions and backgrounds.

Media Solutions represents c.50% of Group revenue.

Production Solutions
Production Solutions designs, manufactures and distributes premium branded and technically advanced products and solutions for broadcasters, film and video production companies, ICCs and enterprises.

Products include video fluid heads, tripods, LED lighting, batteries, prompters and robotic camera systems. It also supplies premium services including equipment rental and technical solutions.

Production Solutions represents c.30% of Group revenue.

Creative Solutions
Creative Solutions develops, manufactures and distributes premium branded products and solutions for film and video production companies, ICCs, enterprises and broadcasters.

Products include wired and wireless video transmission and lens control systems, live streaming solutions, monitors and camera accessories.

Creative Solutions represents c.20% of Group revenue.

Statement from Stephen Bird, Group Chief Executive

"Videndum has a clear purpose and strategy, and strongly believes in doing business the right way.

Although 2023 was an exceptionally challenging year for the Group, we continued to enhance our approach to sustainability, climate disclosures and data collection, and I am proud of our commitment to tackling climate change. Our third TCFD Report provides insight into our climate-related risks and opportunities, and how climate change awareness is embedded throughout the business.

Product sustainability was a major area of focus for the Group in 2023. In addition to continuing with energy reduction pathways, improving data collection around the tracking of waste, and expanding our supply chain engagement programme, our cross-Divisional ESG Committee ensures that the business continues to operate responsibly and make year-on-year improvements. We continue to make great progress on sustainability-related matters, working to achieve our Group targets of carbon neutrality by 2025, net zero for Scope 1 and 2 by 2035 and absolute net zero for Scope 3 by 2045. We have published our third standalone ESG Report this year; together, our TCFD and ESG Reports provide transparency to our stakeholders on the progress that we have made and our ambitions for the future."

Stephen Bird
Group Chief Executive

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Climate governance

Organisations are recommended to establish and disclose appropriate internal governance processes for climate-related risks and opportunities.

Disclosure recommendations:

- Describe the Board's oversight of climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

Accountability for managing climate-related risks and opportunities is held by Videndum's senior leaders, with collaboration in governance forums at Board, executive and employee levels. This multi-layered approach ensures that we have a strong governance structure to handle climate-related risks effectively, aligning with our stakeholders' expectations. Climate governance has been integrated into our existing processes and an ESG Committee has been in place since 2021.

Board-level oversight

The Board is responsible for overseeing and approving major decisions regarding business strategy and financial planning. In 2023, the Board met 16 times. The Board provides oversight on climate-related risks and opportunities, which have been integrated into the Group's strategy and targets. The Board considers climate change in long-term financial planning and is committed to enhancing Videndum's position as a sustainable business. This is demonstrated through our recent capital allocation for energy generation — for example, €0.5m was allocated for the solar panel installation in Feltre, Italy in 2023. The Board also approved research and development into improving our sustainable products, resulting in the production of our new Salt-E Dog portable power solution (see page 42 for more details).

We work closely with our independent, specialist ESG Consultant, Inspired ESG, to assess the potential climate-related risks for the short, medium and long term across all sites and selected supply chain operations. To support the Board with their role and responsibility, they were informed about ESG and TCFD matters throughout the financial year. A training session in December 2022 was run by Inspired ESG that provided background on climate change, and associated risks and opportunities specific to Videndum. The session included an overview discussion of progress in reducing emissions from 2019 and an evaluation of the business's current position on net zero targets to inform decision-making.

Updates on the impact of climate-related risks and opportunities on Videndum's operations are presented to Board members at least once a year. The roles and responsibilities of each Board member are outlined on page 10. The Board has set several ambitious targets to manage climate-related risks and reduce our impact on the environment. For example, committing to net zero for Scope 1 and 2 by 2035 and net zero for Scope 3 by 2045. We continued to work on achieving these targets in 2023. Our transition plan and roadmap to net zero can be found on page 39.

As a result of the growing importance of sustainability and climate change to our stakeholders, the Board established a cross-Divisional Environmental, Social and Governance ("ESG") Committee in early 2021. During 2023, the Committee continued to implement best practice across the Group and achieved a coordinated ESG approach across Divisions. The Committee reviewed Divisional progress and provided updates to the Board four times in 2023, regarding Videndum's management of ESG topics, climate-related risks and opportunities, the Group's Scope 1, 2 and 3 emissions, and progress on climate-related meeting targets. Members of the Board, such as the Group Chief Executive, attend the ESG Committee meetings, where key priorities for reaching the Group's targets are often established. More information on the ESG Committee can be found on page 12.

The Board of Directors

Table 2: During 2023, the Videndum Board of Directors roles and responsibilities comprised the following:

Director	Responsibility
 **Ian McHoul — Chairman; Chairman of the Nominations Committee** Appointed in February 2019 Committee Membership: Nominations (Chairman) • Ceased to be Chairman on 1 May 2024 and will cease to be a Director on 19 June 2024.	• Ensures that the Board constructively plays a part in ensuring climate-related impacts shape the development of strategy. • Ensures effective engagement between the Board and all stakeholders.
 **Stephen Harris — Non-Executive Director and Chairman with effect from 1 May 2024** Appointed in November 2023	• Ensures that the Board constructively plays a part in ensuring climate-related impacts shape the development of strategy. • Ensures effective engagement between the Board and all stakeholders.
 **Stephen Bird — Group Chief Executive** Appointed in April 2009 Committee Membership: Nominations	• Manages the Group's climate-related risks and implements mitigation plans. • Leads the Group's ESG programme including the response to climate change
 **Andrea Rigamanti — Group Chief Financial Officer** Appointed in December 2022	• Supports the Group Chief Executive in embedding climate change into business strategy. • Provides financial and risk control leadership for climate-related risks.
 **Caroline Thomson — Independent Non-Executive Director; Responsible for Employee Engagement** Appointed in November 2015 Committee Membership: Audit, Nominations, Remuneration (Chair)	• As Chair of the Remuneration Committee, leads the work of the Committee in connection with Directors' remuneration with climate-related issues. • Is responsible on behalf of the Board for employee engagement.
 **Dr Erika Schraner — Independent Non-Executive Director; Chair of Audit Committee** Appointed in May 2022 Committee Membership: Audit (Chair), Nominations, Remuneration • Will cease to be a Director and Chair of the Audit Committee on 19 June 2024.	• As Chair of the Audit Committee, oversees the financial reporting and risk management for the Group, including TCFD and climate change risk.
 **Richard Tyson — Independent Non-Executive Director; Senior Independent Director** Appointed in April 2018 Committee Membership: Audit, Nominations, Remuneration	
 **Teté Soto — Independent Non-Executive Director** Appointed in November 2022 Committee Membership: Audit, Nominations, Remuneration • Will cease to be a Director on 19 June 2024.	• Provides constructive challenge and advice to the Executive Directors, assisting in the development of strategy and monitoring performance. • Acts with the highest levels of integrity and governance and helps to ensure this culture is promoted within the Group • Oversees and sets levels of remuneration for key senior management. • Ensures that financial and risk appetite and mitigating controls are appropriate and robust.
 **Graham Olroyd — Independent Non-Executive Director** Appointed in October 2023 Committee Membership: Audit, Nominations, Remuneration.	
 **Anna Vikström Persson — Independent Non-Executive** Appointed in May 2023 Committee Membership: Audit, Nominations, Remuneration	

How we govern

The Board provides oversight on all ESG-related issues. To manage internal control of climate risks, the Board has delegated responsibility to the Audit Committee which works closely with the ESG Committee. The ESG Committee has specific oversight of ESG and climate-related matters.

The responsibility for managing climate-related risks is delegated to senior management throughout the Group by the ESG Committee. The Head of Group Risk Assurance who is a member of the ESG Committee, with help from the Group Communications and ESG Manager, coordinates the work between the Committee and Divisional management across the business.

In 2023, we further strengthened our overall ESG governance, creating a new dedicated role at head office by expanding the remit of the Communications Manager who is now the Group Communications and ESG Manager. This enables us to improve the coordination of the Divisional ESG Coordinator activities while allowing the Head of Group Risk Assurance to lead the climate change risk management.

Figure 1: Videndum's governance structure for ESG and TCFD in 2023.

The Videndum Board
Executive Responsibility Group Chief Executive Stephen Bird
The appropriate Board Committees handle oversight for certain sustainability topics

Nominations Committee	**Audit Committee**	**Remuneration Committee**
Chaired by Ian McHoul	Chaired by Dr Erika Schraner	Chaired by Caroline Thomson
Membership: Chairman, Group Chief Executive and the independent Non-Executive Directors	Membership: The independent Non-Executive Directors	Membership: The independent Non-Executive Directors
Ensures there is the required expertise on the Board, including the background and skills to grow sustainably	Oversees the risk management and control systems, including climate-related risks and opportunities	Reviews policy on Executive Director and senior management remuneration to ensure alignment with strategy and performance, including ESG targets

ESG Committee Chaired by the Group Chief Executive Members: Group Chief Executive, Group Chief Financial Officer, Group Company Secretary and HR Director, Group Communications Director, Head of Group Risk Assurance, Divisional representatives, including dedicated Divisional coordinators, Group Communications and ESG Manager Supports the Board's ESG standards and ambitions
Divisional ESG responsibility: Management and execution of ESG initiatives is the responsibility or each Division and the respective Divisional CEOs

Executive responsibility

Executive responsibility for climate issues is held by the Group Chief Executive, Stephen Bird, as the ESG sponsor. Together with the Operations Executive and senior management, he ensures that climate-related risks and opportunities are integrated into existing business strategy. The Head of Group Risk Assurance, Group Chief Financial Officer, Group Company Secretary and HR Director, and Group Communications Director work with third-party experts. They assess the potential climate-related risks for the short, medium and long-term, to annually review the climate change principal risk criteria. In 2023, climate change remained a principal risk for the business. Control of each climate risk has been agreed upon and assigned by the ESG Committee. The responsibility for managing Videndum's climate-related risks and opportunities is assigned between Divisional CEOs, Divisional Operations Directors, the Head of Group Risk Assurance and the Group Company Secretary and HR Director. The Head of Group Risk Assurance regularly reviews mitigation plans on behalf of the ESG Committee and provides updates on climate-related issues to Group operations.

Audit Committee

The Group has a well-established framework for reviewing and assessing risks on a regular basis. It has put in place appropriate processes and procedures to mitigate risk. The Board has delegated responsibility to the Audit Committee for oversight of the Group's system of internal controls, to safeguard shareholders' investments and the Company's assets. As part of its responsibility, the Audit Committee formally reviews the effectiveness of the Group's internal controls twice a year. The Audit Committee reviews financial and non-financial risks outlined in the Group Risk Register, including climate risks. The Head of Group Risk Assurance provides updates on TCFD to the Audit Committee at least once a year. A climate change specialist at our external auditor, Deloitte, provided an overview of climate change regulation requirements to our Head of Group Risk Assurance in 2023. The ESG Committee updates the climate risk register annually and prepares the mitigation steps to mitigate these risks.

ESG Committee

The ESG Committee was established in 2021 to support the Board in achieving our net zero targets for Scope 1 and 2 by 2035, and 2045 for Scope 3. The ESG Committee is mandated by the Board to set objectives and has responsibility for climate change policy for the Group. Chaired by the Group Chief Executive, the Committee comprises Group Chief Financial Officer, Group Company Secretary and HR Director, Group Communications Director, Head of Group Risk Assurance and Divisional Management. Climate change and progress on TCFD are standing agenda items at ESG Committee meetings. Key information is shared by members of the Committee, for example to Board members where relevant.

The Committee oversees environmental reporting and ESG initiatives, to mitigate the impacts of climate-related risks across the Group, capitalise on opportunities and ensure compliance with emerging regulation. The Committee also tracks the short and medium-term emissions reduction targets with bi-monthly reports, to align progress between each Division. Our targets and motivations are communicated across the business and where necessary, incorporated into Divisional plans.

The ESG Committee met four times during 2023 to review Divisional progress against our targets. Members of the Board attend the ESG Committee meetings where they monitor and oversee progress against goals and targets for addressing climate-related issues through updates from the Divisional Leads. Divisional management updated the Committee on actions against the seven key pillars in our ESG strategy (see figure 2).

Figure 2: Videndum's seven key pillars in our ESG strategy.

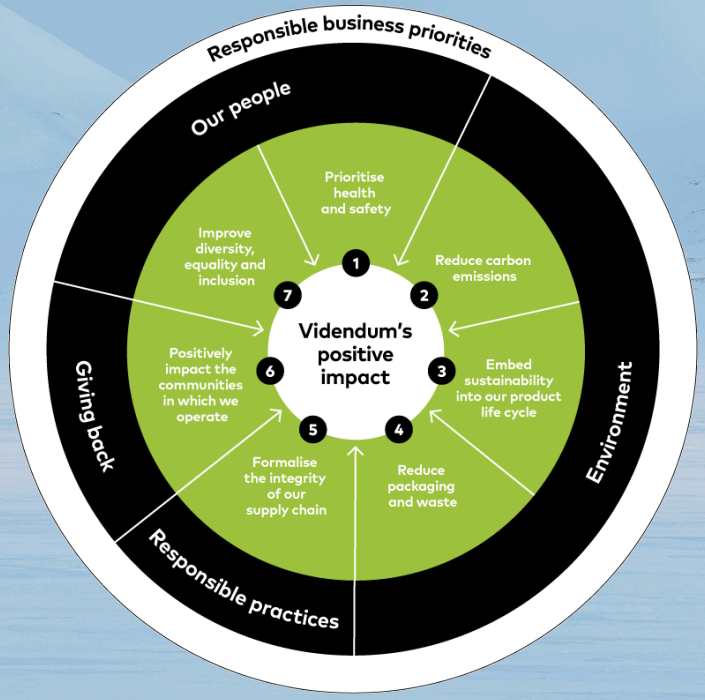


Image credit: Felix Belloin

Executive responsibility continued

Each Division has developed site plans to reduce our Scope 1 and 2 emissions to support us on our journey to net zero. The ESG Committee members all have knowledge of TCFD, ESG and climate-related matters, through training provided by Inspired ESG, who also provide a TCFD update at each Committee meeting.

In 2023, updates were provided to the ESG Committee on transition risks, such as emerging regulations, including the Corporate Sustainability Reporting Directive ("CSRD"), sustainable products, and lower emissions technology. Updates on physical risks throughout the year included storms, hurricanes, heatwaves and flooding.

The ESG Committee made considerable progress during 2023, including engaging with our top 90 suppliers by financial spend on a range of ESG-related topics, with each ESG Divisional lead tailoring questions to their retrospective suppliers. The ESG questionnaires include specific questions concerning climate change, asking suppliers to identify any specific challenges including environmental concerns. As an example, one of Videndum's suppliers is located in Taiwan and we spent time understanding the supplier's protocols and physical controls to mitigate the impact of typhoons. This informs our supply chain risk assessment and our assessment of supply chain dependencies.

In 2023, the ESG Committee continued to improve the formalisation of internal ESG data collection such as emissions data, waste and water management, aiming to make annual improvements where possible. Key focus areas moving forward include developing a more consistent framework for product sustainability across the business, further widening the scope of supplier engagement, planning for upcoming regulation, continuing to analyse low-emission technology and sustainable products, and downstream customer engagement processes. The ESG Committee was responsible for the development of this TCFD Report.

2023 progress of the ESG Committee's work

- Further embedded climate-related risks and opportunities within our financial, operational, technological and wider ESG goals by quantifying the impact of climate risks as presented in our risk register.
- Improved data collection across the Group for waste, water and emissions reporting.
- Supported the calculation of the Group's full Carbon Balance Sheet for 2023; the methodology continues to be refined.
- Continued focus and initiatives on reducing site-level emissions, in accordance with the emissions pathway strategy.
- Continued to drive specific projects, such as the installation of solar panels at the main manufacturing facility in Italy.
- Engaged with the top 90 largest suppliers, based on spend across the Group, to inform our climate risk assessment and Scope 3 carbon analysis.

ESG Working Group

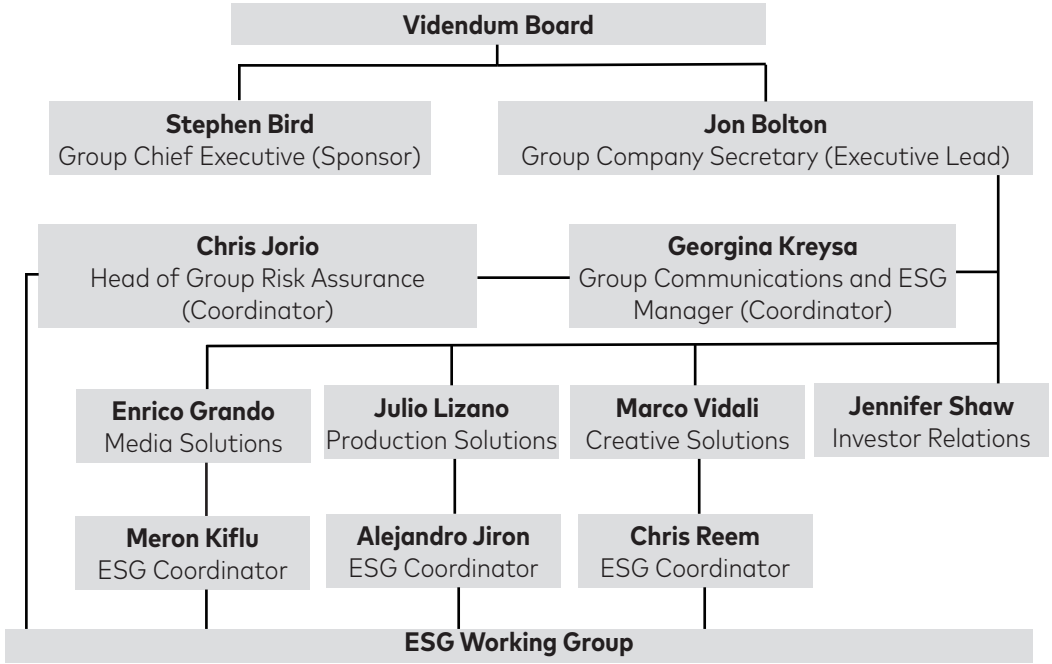
To ensure our ESG strategy develops holistically, in 2021 we created an ESG Working Group. In 2023, we expanded the remit of the Group Communications Manager's role to include ESG management. Together with the dedicated Divisional ESG Coordinators and the Head of Group Risk Assurance, the Working Group increased lines of communication and collaboration across all parts of the business.

The ESG Working Group continued to meet bi-weekly to provide regular updates and feedback, allowing for a collective and complete approach to achieving our ESG and net zero targets. The implementation of low-emission technology, Product Life Cycle Assessments ("PLCAs") and sustainable product development were among the key topics of discussion during 2023. Several Divisional climate risk management workshops were held in 2023 (June, July and September) to identify and assess our climate-related risks and opportunities. This year we further developed our climate analysis across our operations and supply chain. These sessions were attended by Inspired ESG, Divisional ESG Coordinators, Head of Group Risk Assurance, and the relevant operational lead, together with representatives from the finance team. The risks are individually reviewed, followed by a discussion of their potential and realised impacts, and mitigation strategies. The Divisions take their environmental responsibilities seriously and have implemented initiatives with the aim of reducing the environmental impacts of our operations, products and services based on their expertise. For example, each Division has established its own ESG team, which is led by an ESG Coordinator to ensure climate change-related issues are embedded into our day-to-day operations. These ESG teams oversee the implementation and progress of sustainability initiatives and mitigation plans within their Division and then brief the ESG Committee on progress and the overall direction of the initiative.

More details on our environmental initiatives can be found on pages 47 to 51 in the Metrics and Targets section of this report.

Executive responsibility continued

Figure 3: Videndum's ESG Committee structure.



Aligning remuneration with ESG goals

A part of the Group Chief Executive's remuneration is tied to the Group's climate action and wider ESG performance, including the progress made towards net zero targets. Senior employees are assigned specific individual performance objectives related to ESG. We aim to develop our disclosures regarding these further in 2024. More details can be found in the Directors' Remuneration Report in the Annual Report starting on page 112.

Table 3: Climate-related responsibility of our Videndum stakeholders.

Role	Climate-related risks responsibility
Group Chief Executive	• Responsible for Group climate policy and action. • Oversees reputation and regulations around climate-related matters.
Group Chief Financial Officer	• Responsible for financial risks around increased costs (carbon pricing, energy, materials or carbon credits and offsetting) as well as cost and disruption of phasing out of non-renewable energy sources such as gas.
Group Company Secretary and HR Director	• Responsible for supporting the Group's reputation and regulations around climate-related matters. • Delegated responsibility from the Group Chief Executive for overseeing day-to-day climate-related actions and reporting. • Maintaining Group Insurance policies including property and business interruption insurance.
Divisional CEOs	• Responsible for adapting to changing customer preferences and market demands due to climate change. • Responsible for mitigating physical risks, including rising mean temperatures, water stress and flooding risks.
Divisional Operations Leads	• Responsible for managing local climate change regulation and taxes affecting operations, for example, Plastic Tax introduced in 2023 in France and UK. • Responsible for financial impact of increased cost of energy and materials. Also, the cost and disruption of phasing out of non-renewable energy sources such as gas. • Responsible for mitigating physical risks, including rising mean temperatures, water stress and flooding risks. • Oversees Divisional ESG Coordinators and their progress to drive ESG initiatives in coordination with other Divisions. • Maintains the business continuity framework.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities.

Climate change strategy

It is recommended that organisations disclose the nature and impact of their material climate-related risks and opportunities, as well as the resilience of their strategy under each climate scenario chosen.

Disclosure recommendations:

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.
- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Our approach is to ensure we provide our customers with products that take climate change into consideration. To do that, we have worked to understand the impact of climate change on the Group's operations, strategy and financial planning. Adopting the TCFD recommendations within our existing risk management processes, has enabled us to develop a climate-risk impact framework. This framework considers transition, and physical risks and opportunities through climate scenario analysis in the short, medium and long term. A climate scenario is a plausible representation of a future climate that has been constructed for explicit use in investigating our future vulnerability to the impacts of climate change. We have assessed the potential impact of each physical and transition risk across our global operations.

We conducted a third detailed climate scenario analysis in 2023, reassessing the analysis completed in 2022 to identify any changes in impact on our operational sites. We widened our climate scenario analysis to include all sites across the Group and 17 of our top supplier locations (five Production Solutions suppliers, seven Creative Solutions suppliers and five Media Solutions suppliers). Each Division provided information on the key supply route locations for analysis.

In June and July 2023, supported by Inspired ESG, we held a Climate Change Physical Risk workshop for each Division where the findings of the climate scenario analysis were presented to the Divisional Lead, Head of Group Risk Assurance, ESG Committee members, supply chain management and site managers. In each workshop, we reassessed the classification of the potential climate-related risks and opportunities across Videndum's operations to ensure they remained appropriate. The physical Climate Risk Workshop was held for Media Solutions, Creative Solutions and Production Solutions in June and July 2023, with the Group Transition Risk Workshop being held in September 2023.

The Head of Group Risk Assurance and Group Chief Financial Officer also assessed whether the potential climate-related risks and opportunities would significantly increase the climate change principal risk criteria in the short, medium and long term. Discussions around risk levels occurred at each Climate Risk Workshop. The climate-related risks and mitigations were then collated into our 2023 Group Climate Risk Register, which was then presented to the Head of Group Risk Assurance, where risk scores were finalised as shown below:

- Low: (Moderate): Risks with a potential financial impact lower than £1.0 million.
- Medium: Risks with a potential financial impact between £1.0 million and £5.0 million.
- High: Risks with a potential financial impact greater than £5.0 million.

Risks that may have a potential financial impact of >£1.0 million were deemed as material to the business. Therefore, these risks will be prioritised, and mitigation measures will be implemented. The tables on pages 20 to 31 summarise all climate-related risks identified. More information on our Principal Risks and Uncertainties can be found in our 2023 Annual Report.

In accordance with the 2018 UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three-year period, taking into account the principal risks and uncertainties outlined in our 2023 Annual Report on pages 36 to 41, which include the climate-related risk. The Directors believe that three years is an appropriate period, which a reasonable expectation of the Group's longer-term viability can be evaluated and is aligned with the Group's business and strategic planning time horizon. The climate-related risk does not materially impact the Group's longer-term viability assessment. The maximum annual impact of climate change, based on the impact ranges below, was factored into the long-term financial modelling for the Group's Cash Generating Units ("CGUs"). There is no material impact on the available headroom. Any impact assessed in respect of 2024 is already incorporated in the budget, such as in relation to additional headcount/consultancy costs.

Climate scenario analysis

Consistent with the TCFD recommendations, we consider a range of scenarios to assess the impact of climate change on Videndum. The scenarios model warming pathways ranging from the best-case global warming scenario below 2°C to the worst-case scenario above 3°C. Climate scenarios provide a common reference point for understanding how climate change (physical risk and transition risk) could evolve under different warming pathways. Each scenario focuses on a different combination of key factors. This enables us to evaluate the operational resilience of our business under a range of future uncertainties.

We modelled our climate scenarios across three time horizons using several established models. These included the International Energy Agency's World Energy Models ("WEM"), the Shared Socioeconomic Pathways ("SSPs"): Climate Natural Catastrophe Damage Model, the Co-ordinated Regional Climate Downscaling Experiment ("CORDEX") forecasts, Central Banks and Supervisors Network for Greening the Financial System ("NGFS") and Intergovernmental Panel on Climate Change ("IPCC's") Reprehensive Concentration Pathways ("RCPs"). These models have been used as they are internationally recognised and help to provide a consistent risk measurement across our global portfolio and supply chain.

It is important to remember that climate scenarios make projections on hypothetical futures and as such come with a degree of uncertainty. While some of the information obtained from existing climate models has a high degree of accuracy, there is still a level of uncertainty. As a result, scenario analysis should only be used as a guide for climate-related risks and opportunities. Our ESG consultancy, Inspired ESG has designed three overarching scenarios, in alignment with the ISO 14091 standard, with the help of existing modelled trends, to cover a range of physical risks. They provide a common reference point for understanding how climate change could evolve under different futures. Each scenario was chosen to show a range of higher and lower-risk outcomes.

Table 4: The time horizons used in 2023 to identify when a risk or opportunity will have the most significant impact on the business.

Time horizons	
Short term up to 2025	This is consistent with the Group's first major milestone, which will be the achievement of carbon neutrality by the end of 2025.
Medium term 2025-2035	Consistent with the Group's net zero target for scopes 1 and 2 by 2035.
Long term 2035-2050	Consistent with the UK Government's net zero pledge by 2050. Videndum's long-term goal is to become net zero by 2045 for all three scopes.

The climate scenario analysis investigates three separate scenarios, based on the predicted increase in global average temperature by 2100, compared to the pre-industrial era. Our climate modelling is conducted until 2050 to align with the UK net zero target. Each scenario highlights significant points in which parts of the climate cannot return to normal, known as a tipping point. Tipping points are elements of the Earth's system that have the potential to change abruptly, in response to warming. A small change marks a point of no return and permanently alters our climate. The following table provides detail of Videndum's climate scenarios.

Table 5: The scenario warming pathways used in our climate scenario analysis in 2023.

Scenarios warming pathways	
Below 2°C Scenario: Organisations begin to align more closely with the Paris Agreement and Science Based Targets initiative (1.5°C), for an orderly and coordinated transition to a low-carbon economy.	In this scenario, efforts to curb climate change are taken seriously. Governments, industry and the public collaborate to keep the global average temperature rise well below 2°C by 2100, and coordinate to implement firm policies and regulations to reduce carbon emissions. Organisations begin to align with the Paris Agreement and the Science Based Targets initiative, to achieve net zero by 2050. Each business strives to lead the way in climate action to reduce emissions. This organised approach to taking climate action results in a well-structured process at an incremental cost to businesses. Although transition risks are high in this scenario, this will limit the severity of the physical hazards of climate change in the long-term.
Between 2-3°C Scenario: Businesses respond to patchwork policies, with intermittent action, aligning with current forecasts.	The commitments made at COP26 will take us to this scenario. In this scenario, the response to climate change is delayed and ad hoc, leading to global warming of 2-3°C by 2100. Governments implement policies and legislation in an unstructured manner, leading to high transition risks in the medium term. Business continues as usual in the short term and decarbonisation efforts remain in the high emitting sectors. Governments will rely heavily on technology, such as carbon capture to help alleviate the strain of climate change. This pathway has the highest transition risks due to a lack of coordination from governments, resulting in increased severity of physical impacts as specific tipping points are reached.
Above 3°C Scenario: Bank of England models a recession; minimal climate action and global emissions rise unchecked.	In this scenario, business continues as usual and emissions continue to rise until 2040, leading to a global temperature rise above 3°C. Pressure from the public and an increase in physical climate change events forces governments to take climate action. Energy and fuel markets are highly volatile. Policies are introduced in a patchwork manner in the long term. Governments turn to expensive low carbon technology, such as carbon capture and storage. Several tipping points are passed in this scenario, resulting in increased severity of physical impacts.

Analysis outcome

We identified 19 climate-related risks and four opportunities that will impact the Group. The transition risks were analysed at Group level, with the physical risks by location relevant to each of our three Divisions. The tables on pages 20 to 32 summarise the risks and opportunities to the Group, which together form the classification of our Climate change principal risk and uncertainty. Although climate change is a principal risk, our analysis has determined that the impact of climate change is low in the short term. Cross-industry metrics form the basis for estimating the financial impact of climate-related risks and opportunities on our business. These metrics include GHG emissions, transition and physical risks, climate-related opportunities, capital deployment, carbon pricing and remuneration. We have considered all the cross-industry metrics as per TCFD guidance. We will look to continuously develop these metrics as our climate reporting progresses.

Transition risks

Given the nature of our business, in 2023, transition risks were identified to be the most significant to the Group, given the recent increase in reporting obligations. We anticipate transition risks to increase over time as the global economy decarbonises, impacting all businesses. Transition risks are more prominent in the below 2°C scenario or 2-3°C scenario, as governments introduce more aggressive climate change reporting requirements and expand carbon pricing and similar mechanisms.

Climate disclosures involves many moving parts in our business, and increased management time and additional resources are required. Our reports must stand up to external scrutiny or the business could be at risk. In addition, as the demographic and expectations in the labour market shift, we expect potential employees could place an increasing value on Videndum's reporting and ESG credentials, further compounding this potential financial impact.

Another transition risk, carbon pricing, aims to reduce GHG emissions by placing a fee on emitting and/or offering an incentive to reduce emissions. Our carbon costs refer to carbon taxes and offsetting to hit our emission reduction targets. As regulation on carbon pricing in the form of emission trading schemes and/or taxes increases, we will utilise the internal pricing figures to anticipate the financial impact. In the proactive scenario, carbon pricing is introduced earlier, therefore there is an initial cost associated with carbon emissions. However, while the carbon price increases in the medium term, the actual cost decreases for the Group due to carbon reduction initiatives and our net zero strategy. In the reactive scenario, the later introduction of carbon pricing creates a sharper cost rise in the medium and long term. In the inactive scenario, a smaller carbon cost is introduced, with limited variation across the short, medium and long term.

Table 6: UK carbon pricing projections per tonne emission.

Carbon cost assumptions (£ per tonne of CO_2) tonne)	Short (up to 2025)	Medium (2025-2035)	Long (2035-2050)
Proactive Scenario 1	49	98	238
Reactive Scenario 2	13	188	441
Inactive Scenario 3	13	18	23

We recognise that to reduce our carbon emissions as part of our journey to net zero, we must invest in lower-emission alternative technologies across our operations, as well as the procurement of lower-emission alternative products from suppliers. Demand for these technologies and materials will be reflected in higher costs for the business. Continued procurement of lower-emission technologies occurred in 2023, as the Group installed solar panels at our site in Feltre, Italy. This therefore decreases the need for natural gas. The Group also has a policy to convert all electricity contracts to renewable energy.

Throughout 2023, we focused on understanding and preparing for the new and upcoming legislation, including The Carbon Border Adjustment Mechanism ("CBAM"), EU Extended Producer Responsibility ("EU EPR"), and Corporate Sustainability Reporting Directive ("CSRD"). As we have operations in the EU, such as our Media Solutions sites in Italy, we will be impacted by such legislation. During the cross-Divisional ESG Committee meetings, Inspired ESG presented an overview of key legislation and regulation, such as CSRD, discussing how it may impact the business and how best to prepare. We are focussing on preparing for this legislation and collecting the data needed, as Media Solutions is expected to start reporting in 2025. We acknowledge that CBAM may bring additional costs to the procurement of products in the short to medium term and we will prepare accordingly.

Physical risks

Several risks have been flagged for the future. We plan to monitor and review these risks on an annual basis. The impact of the physical risks increases across the scenarios and time horizons, with the above 3°C scenario in the long-term posing the most considerable risk. The potential physical risks outweigh the transition risks in this scenario. We anticipate extreme weather to become more frequent and intense, impacting locations and transport routes. We expanded our climate scenario analysis in 2023, to assess the impact on our top suppliers and crucial supplier routes. These results show extreme weather events have a higher potential impact on our supply chain operations, with many suppliers or supply chain routes located across higher risk locations. Mitigation measures continued to be implemented, based on climate scenario

Analysis outcome continued

analysis. For example, our Stroud, UK site was closed after it was identified to be in a high flood-risk area.

Capitalising on opportunities
In 2023, we identified four climate-related opportunities which could contribute to our success as a business. We continue to invest in our digital capabilities, environmental projects and lower-emission products. We anticipate the demand for sustainable products to increase, as the world transitions to a low-carbon economy, resulting in potential increased revenue for the business. We have a significant competitive advantage as many of our competitors lack the digital talent, supply chain and global infrastructure to seize the opportunities for sustainable products. Substituting existing products with lower emission alternatives depends on how long it takes to implement change.

Our analysis indicates that only a few competitors would introduce innovative products, especially in the 2-3°C scenario. Lower-emission energy projects have been identified as an opportunity for the business. For example, the solar panels at our Bury St. Edmunds, UK and Cartago, Costa Rica sites. These projects are currently generating a financial return. In 2023, Feltre, Italy had solar panels installed. We are in the process of rolling these projects out to other sites. As we optimise the use of our sites and the rationalisation of our site portfolio, our costs and associated carbon emissions will decrease. Capitalising on these opportunities will increase our resilience to some transition and physical risks.

Image credit: Felix Belloin

Climate-related risks

Table 7 : The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Policy & legal	Increased reporting requirements due to climate change	<2°C to 2-3°C	Short — Medium (up to 2025 - 2035)	Expenditures — Increased operating costs	Low to Medium	• Videndum is impacted by environmental reporting regulation, the Climate-related Financial Disclosure ("CFD") and additional reports which have been introduced to reduce energy use and carbon emissions, including the UK Energy Savings Opportunity Scheme ("ESOS") and Streamlined Energy and Carbon Reporting ("SECR"). As a result of the new and upcoming environmental reporting and regulation, it is likely that there will be an additional associated cost to remain compliant, as well as the incremental headcount required to deliver initiatives related to climate change and reporting. • Corporate Sustainability Reporting Directive ("CSRD") which will impact Videndum. • Other regulation that may impact Videndum includes the ISSB Standards, the TNFD, which is not yet mandated but may be expected by stakeholders and increased regulation surrounding ESOS. • Newly introduced regulations in the US — increased emissions reporting legislation in California and New York that are expected in 2025. • The Green labels ban, which could potentially impact Videndum's EU operations, is a bid submitted for Parliament's approval to (1) ban the use of climate claims like "climate neutral" or "eco" based solely on offsetting, whether on the company's products, labels and marketing materials, or in any form of marketing; (2) ban the use of green labels that are not from an approved sustainability scheme. Once law, this will require additional reporting to get the approval we need for using green labels on our marketing materials, website, packaging, etc. • In 2021 we were mandated by UK regulation to report on our progress against the recommendations of the TCFD. The costs and resources required to ensure we remain compliant with additional reporting and to coordinate internal processes and management is likely to increase. We have allocated internal resources and engaged with a third-party specialist to ensure compliance with current and emerging regulation. The costs and resources required to ensure Videndum remains compliant with additional reporting and to manage internal initiatives are likely to increase.	We engage with third-party specialists to support data capture and reporting in line with requirements. We have allocated internal resources, increased management efforts for ESG steering groups and engaged with a third-party specialist to ensure compliance. We carefully monitor legislative developments and have strong engagement with our supply chain to drive environmental leadership. Videndum is exposed to a growing number of legal and regulatory compliance requirements, therefore we have an existing process to ensure compliance.

Climate-related risks continued

Table 8 : The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Policy & legal	Carbon pricing mechanisms	2-3ºC	Medium Term (2025-2035)	Expenditures — Increased direct costs. A maximum additional cost of £0.5m per annum is derived by reference to available carbon cost benchmarks, applied to Videndum's projections for Scope 1 and 2 emissions over the next 15 years. This includes projections for any offset cost from 2025 onwards. Our projections have increased due to the EU Carbon Border Tax, which was recently announced and will apply to certain commodity imports into Italy, from 2026 onwards.	Medium	• Our industry may be impacted by a potential carbon tax within the UK in the medium term, resulting in increased direct costs. The Group would be at the highest risk to this within the 2-3°C scenario, particularly in 2026 when carbon pricing is projected to peak. Failure to prepare could significantly impact the financial performance of the business. See table 6. • From 2025 onwards, we may need to offset carbon costs to achieve neutrality, which could potentially add to carbon costs. • The EU's new Carbon Border Adjustment Mechanism ("CBAM") tax on imports of raw materials, such as aluminium and iron, will be implemented in 2026 and further products are expected to be introduced annually. This could impact Videndum's imports in the medium term as this system gradually replaces the current Emissions Trading Scheme ("ETS") to capture carbon leaks. It may therefore cost suppliers more to obtain such resources, with the cost predicted to be passed on to their end customers, such as Videndum.	We have set targets to become a net zero business by 2035 for Scope 1 & 2 and 2045 for Scope 3. On this journey, we will be reducing our carbon emissions annually, helping to mitigate the risk of carbon pricing. We aim to monitor the impact of carbon pricing on our business as we develop on this journey and update our pricing model with accurate Scope 1 & 2 carbon emissions. Videndum is not currently subject to carbon tax. Carbon emissions will likely decrease year-on-year as we work towards understanding and reducing our carbon footprint. By the end of 2025, the Company aims to become carbon neutral, which means reducing emissions as much as possible before resorting to offsets.

Climate-related risks continued

Table 9 : The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Policy & legal	Mandates on and regulation of existing products and services	<2°C	Short - Medium Term (up to 2025 - 2035)	Increased direct costs; at this point the impact is deemed minor (less than £0.1m per annum).	Low	• The UK's Plastic and Packaging Tax ("PPT") – if importing or manufacturing over 10 tonnes of finished plastic packaging material of non-recycled plastic (if it contains more than 30% of non-recycled plastic), then Videndum may be subject to a new tax on plastics and packaging, which is currently £210 per tonne. • The UK's Extended Producer Responsibility ("EPR") – the extended producer responsibility scheme for packaging will see businesses that place packaged goods on to the market become responsible for the full cost of recycling and waste management for packaging materials when they have come to the end of their intended life. There will be a waste management fee, an environment fee and an administration fee. This might result in increased reporting requirements for the business. • France could introduce a plastic levy in the future at a national level. At the moment the country is targeting food containers. • Videndum may also be impacted by EU Deforestation Regulation ("EUDR"), which covers seven commodities, such as rubber and wood. The EUDR is effective from 30th December 2024 or 30th June 2025 for micro or small businesses. It will be prohibited to place or import into the EU market products unless they are: 1) "deforestation-free"; 2) produced in accordance with the relevant legislation of the country of production; and 3) covered by a due diligence statement (no more than a negligible risk of non-compliance). We have already engaged with key suppliers on a range of ESG topics and work with suppliers of a high standard. Therefore, we do not see the EUDR having a large impact on the procurement of supplies for the business.	We are redesigning our packaging to reduce material consumption. For example our Production Solutions Division started a cardboard pillow box project for its spares coming from Cartago, Costa Rica. This packaging is being tested to replace plastic bags. This project also aims to replace plastic bubble wrap for certain applications with expansible paper. We expect to start the implementation in 2024. We continue to lower the environmental impact of current packaging by gradually changing product boxes to recycled and FSC compliant paper. In addition, we are replacing current polybags with recycled polybags or non-plastic bags. Our Creative Solutions Division has incorporated recyclable air pillows and eco-friendly bubble wrap (made with 40% recycled content) at the Irvine, US office. Our Media Solutions Division launched the Safe and Green Project, which aims to reduce plastic use within the Division. Sustainable alternative packaging, including FSC-graded paper and cardboard, recycled plastic and non-plastic bags continues to be investigated and implemented.

Climate-related risks continued

Table 10 : The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Policy & legal	Exposure to litigation	2-3ºC	Short -Medium Term (up to 2025 -2035)	Increased direct costs; at this point the impact is deemed minor, however the financial impact is not currently quantifiable.	Low	• The introduction of new legal standards and reporting requirements in the short and medium term exposes Videndum to litigation issues such as compliance, fines and lawsuits. • Any litigation may have an adverse impact on brand reputation.	• Our ESG steering group ensures that the business remains compliant and prepared for the new reporting regulations. Regular compliance checks will allow Videndum to stay informed of upcoming environment and climate policies in the industry. • We continue to establish and maintain relations with policymakers. We continue to review supply contracts for breaches of conduct. • Videndum has allocated internal resources and engaged with a third-party specialist to remain aware of emerging regulations.
Market	Changing consumer preferences and increased sensitivity to ESG	<2ºC to 2-3ºC	Medium Term (2025-2035)	Expenditure — Increased indirect (operating) costs. Increased operating costs. Net impact is not quantified, but we expect to be broadly offset by initiatives to manage energy consumption.	Low	• Videndum is sensitive to customer spending conditions. A reduction in customer spending could have an adverse effect on Videndum's revenue and profitability. • With ESG growing in importance, customers may change their shopping preferences, to purchase more sustainable alternatives. The potential loss of business to more sustainable competitors could be detrimental to revenue. Failure to effectively predict and respond to changes could affect the Group's sales and financial performance.	• Videndum monitors customer trends, with competitors' propositions also closely monitored. • Videndum continues to make investments to reduce our impact on the environment, by ensuring our buildings are energy efficient. • Videndum is well-positioned, given the development of our ESG Programme and the focus already underway to improve the sustainability of Videndum's products. • We are planning to implement Product Life Cycle Assessment ("PLCA") (cradle to grave) methodology and tools across a wider range of products. A PLCA was started in November 2023 to a family of products in our Production Solutions Division. Expansion to new product ranges is planned for the future when we add PLCA to our New Product Introduction Process. • As part of our R&D efforts, we continue to research environmentally sustainable solutions. In 2023 we successfully developed the first sustainable motion picture and TV power supply, the Salt-E Dog mobile battery powered by sodium. • Videndum continues to publish a TCFD Report to communicate our efforts to our stakeholders including customers.

Climate-related risks continued

Table 11 : The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Market	Increased cost of energy and raw materials	<2°C to 2-3°C	Medium Term (2025-2035)	Expenditure — Increased indirect (operating) costs. Increased operating costs. Net impact is not quantified, but we expect to be broadly offset by initiatives to manage energy consumption.	Low to medium	• Climate change may result in increased energy prices and cost of raw materials. Volatility in prices of our raw materials is a financial risk to our business. Increases in procurement costs could adversely impact the Group's profitability. • Supply chain disruptions will likely become exacerbated with climate change, along with wider geopolitical events. • Currently, we are not able to estimate the impact of climate change on the cost of energy and materials. The increases we have experienced recently are linked to geopolitical issues and post COVID-19 supply chain issues. At this point, we assess the impact to be neutral based on initiatives to reduce energy consumption. We will continue to seek operational efficiencies and implement cost reduction initiatives.	• The impact will be offset by Videndum's ability to pass incremental input costs on to customers and efforts to increase the use of sustainable components and renewable energy. We worked with a third-party specialist to conduct site surveys to identify energy-saving opportunities to reduce our energy usage. We aim to implement energy efficiency technology and renewable power generation to reduce the impact of this risk on the Company. Solar panels were implemented on the roof of our Production Solutions Division at our Cartago, Costa Rica and Bury St. Edmunds, UK sites in 2022. In 2023, the Division expanded the Cartago, Costa Rica solar panels, adding an additional one third to the original installation. • Full conversion to LED lighting at Feltre, Italy is in progress. These measures will likely reduce the impact of rising energy costs. • Videndum aims to procure more sustainable materials, which are likely to be more expensive than the less sustainable alternatives, resulting in increased operating costs for the business. Our 2024 budget reflects assumptions of increased energy costs. We will continue to monitor the impact of the Middle East regional conflicts/ tensions on energy prices. • Videndum continues to maintain strong relationships with key suppliers.

Climate-related risks continued

Table 12 : The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Market	Uncertainty in financial markets	<2°C and 2-3°C	Medium Term (2025-2035)	Expenditure — Increased indirect (operating) costs. Increased operating costs.	Low	• Policy that pushes technological and behavioural change will filter through to the financial markets. Investors are well advised to look carefully at the potential impact climate policies will have on markets. • It may be difficult for businesses to predict the changing markets and therefore plan accordingly. • As a result, Videndum must be seen to be proactive in responding to climate-related issues in order to be able to appropriately and quickly respond to changes.	• Videndum monitors emerging trends and responds to changing consumer tastes. Since 2021, we have engaged a third-party consultant to improve climate-related reporting. • Videndum continues to publish a TCFD Report to communicate our efforts to our stakeholders.
Reputation	Increased stakeholder concern damaging our reputation	<2°C and 2-3°C	Short Term (up to 2025)	Capital and Financing – Decreased access to capital.	Low	• Investing in sustainable businesses is becoming increasing importing to our stakeholders, and this interest is likely to increase. Failing to communicate our ESG strategy and plans to reduce our carbon emissions could result in low investment opportunities. Reputational damage in some cases could be material and could significantly impact the financial performance of the business. • Failure to protect the Group's brands, in terms of product quality and safety, could result in the Group's reputation, sales and prospects being adversely affected.	• At Videndum we are committed to minimising our impact on the environment, and established an ESG Committee in 2021 to support our journey. • In 2021, we took the development of our ESG Strategy to the next level by enhancing our ESG reporting. To operate as a transparent business, we published our first ESG and TCFD Reports, communicating our strategy to our stakeholders. We have also partnered with a third-party ESG consultancy to support us in the development of our Net Zero roadmap. • We also made a climate change submission to CDP in 2023 to enhance the transparency of our environmental reporting. • We will continue to report on our TCFD and ESG progress annually.

Climate-related risks continued

Table 13: The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Reputation	Shifts in customer preferences	<2°C and 2-3°C	Medium Term (2025-2035)	Capital and Financing – Decreased access to capital.	Medium	• Videndum's business is sensitive to customer spending conditions. A reduction in customer spending could have an adverse effect on Videndum's revenue and profitability. With ESG growing in importance, customers may change their shopping preferences in a way that is detrimental to revenue. Failing to communicate how we will reduce our environmental impact proactively could result in losing customers and could impact our position in the market. • Customers may reduce their purchasing from retail companies which are seen to be harmful to the environment due to the use of raw materials, and instead opt for second-hand purchases.	• Videndum monitors emerging trends and responds to changing consumer tastes. • Competitors' propositions are closely monitored. Videndum has a significant competitive advantage as many of our competitors lack the digital talent, supply chain and global infrastructure to seize the opportunities for sustainable products. • We integrate the recommendations of the TCFD to ensure our ESG strategy develops with guidance from best practice.
Reputation	Stigmatisation of the sector	<2°C and 2-3°C	Medium Term (2025-2035)	Capital and Financing – Decreased access to capital.	Low	• Due to the industry that Videndum operates in, this risk is inherently low, however like many businesses, Videndum's business is sensitive to customer spending conditions. • A reduction in customer spending could have an adverse effect on Videndum's revenue and profitability. • With ESG growing in importance, customers may change their shopping preferences in a way that is detrimental to revenue. • Failing to proactively communicate how we will reduce our environmental impact could result in losing customers and impact our position in the market.	• Videndum monitors emerging trends and responds to changing consumer tastes. Competitors' propositions are also closely monitored. • Videndum has a significant competitive advantage as many of our competitors lack the digital talent, supply chain and global infrastructure to seize the opportunities for sustainable products. • For the third year in a row we have integrated the recommendations of the TCFD. This ensures that our ESG strategy develops with guidance from best practice.

Climate-related risks continued

Table 14: The Group's climate-related transition risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Technology	Substitute existing products and services with lower emissions alternatives	<2°C and 2-3°C	Short – Medium Term (up to 2025 -2035)	Reallocation of R&D expenditure to more sustainable products. The impact is not quantifiable, but is likely to be a straight reallocation, so no net impact is present.	Medium	• The costs to ensure that our products are sustainable are likely to increase as we may need to invest in more technology and resources. Shifting to more efficient technology and sustainable products may require a write-off or the retirement of existing assets. This may have a significant impact on the Group as it could lead to increased capital investment over time due to a reduction in demand for existing high-emitting products and services.	• We aim to procure more sustainable/recycled materials, however, these are likely to be more expensive, resulting in increased operating costs for the business. An increasing proportion of our R&D will be directed to the development of more sustainable products and services. This programme will be further accelerated in 2024, with the expansion of PLCA programmes. The increased capital expenditure associated with this risk will be mitigated by our opportunity to increase revenue from an increase in demand for sustainable products.
Technology	Costs to transition to lower emissions technology	<2°C and 2-3°C	Short – Medium Term (up to 2025 -2035)	Capital expenditure expected to increase by £1m to £2m over the next couple of years. Depreciation will be offset by energy savings.	Low to medium	• More sustainable technology is likely to come onto the market over the coming years. Adopting or deploying new practices or processes will come at a cost to the business. However, we expect such changes to gradually occur over time. As we aim to reduce our carbon emissions, we may need to invest in lower-emission technology, resulting in increased costs for the Company.	• We have invested a significant amount of capex for energy efficiency technology across the Group, including LED lighting and other energy management systems. Significant capital expenditure has been allocated to the implementation of energy efficiency initiatives. For example, €535,000 capital was • allocated for solar panel installation in Feltre in 2023. The payback associated with the use of lower emissions energy use (energy efficiency technology and renewable power generation) outweighs the upfront cost of investment. • We expect the investment to decrease natural gas consumption will have a less attractive return than projects to reduce energy. Investment will require installation of air source pumps that have a much shorter payback. Significant capital expenditure is projected to take place at several sites over the next two years, including but not limited to the rollout of solar panels in Ashby, UK, continued investment in LED solutions, and other more energy efficient machinery. In all these cases, there is a compelling payback. • We are planning several site rationalisations which will help towards progress on achieving our net zero target.

Climate-related risks continued

Table 15: The Group's climate-related physical risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Acute	Heatwaves	2-3°C and >3°C	Short / Long Term (up to 2025 - 2050)	Cost of property and business interruption insurance may increase. Other risks of supply chain disruption are difficult to quantify at this point. We may need to increase safety stock, which can affect our working capital.	Medium	• All our sites will be impacted by heatwaves. Increased temperatures will lead to a higher demand for cooling. • As a result, energy costs will rise as sites required additional cooling to maintain optimum temperatures for staff and operations. • However, due to the increased energy demand, power outages may increase due to the increased pressure on the grid, leading to operation disruption.	• We have and continue to implement energy efficiency initiatives, such as renewable energy generation (solar panels). This means we will need less power from the grid during periods of sunshine. • During heatwaves, employees can take more frequent breaks to avoid health risks associated with higher temperatures.
Acute	Flooding	>3°C	Medium - Long Term (2025-2050)	Cost of property and business interruption insurance may increase. Other risks of supply chain disruption are difficult to quantify at this point. We may need to increase safety stock which could affect our working capital.	Medium	• Videndum sites may be impacted by flooding, such as Tokyo, Japan and Cartago, Costa Rica. • The latest IPCC figures show that for every 1°C of warming, the atmosphere can hold 7% more water which means rain can be more intense and frequent, resulting in an increased risk of flooding. Flooding could have an associated financial loss, for example, through direct damage to Property, Plant and Equipment. • Insurance costs could increase. Global property insurance premiums are forecast to rise by 29% by 2040 as weather-related catastrophes become both more intense and frequent. • Employee absence rates are predicted to increase as a result of flooding and difficulty accessing the sites.	• Across the Group, high-standard drainage systems are well maintained and serviced to reduce the risk of flooding. We will analyse the feasibility of conducting site specific flood risk assessments in 2024. • In 2023 we analysed the potential impact of climate risks, such as flooding on 17 key supplier sites and key supply routes, providing a better understanding of how our supply chain may be impacted. • Our Production Solutions Division has incorporated specific soakaways to reduce the risk of flooding and improve ground stability at our Bury St. Edmunds, UK, site. We can use alternative storage sites in the event of a flood. • Our Media Solutions Division relocated our Stroud, UK, site, partially driven by health and safety and environmental concerns, with the site not being fit-for-purpose and the site being in a flood plain. • Employees can work remotely where possible in the event of a flood.

Climate-related risks continued

Table 16: The Group's climate-related physical risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Acute	Wildfires	>3°C	Long Term (2035-2050)	Cost of property and business interruption insurance may increase. Other risks of supply chain disruption are difficult to quantify at this point. We may need to increase safety stock which could affect our working capital.	Medium	• Wildfires may increase over time due to more heatwaves and extreme weather events. • Additional financial investment may be required to install appropriate ventilation due to increased requirements for air filtration systems. • We will continue to monitor our insurance coverage as we are aware that some insurance companies have begun to alter insurance coverage to exclude wildfire damage in California.	• We will continue to conduct Climate Scenario analysis annually to identify key risk areas. Using this information we will devise preparation plans, for example, vent covers to prevent smoke damage to products, as well as installing appropriate ventilation. • We will ensure our properties are covered by appropriate insurance policies.
Acute	Storms and Typhoons	2-3°C and >3°C	Short/ Long term (up to 2025–2050)	Cost of property and business interruption insurance may increase. Other risks of supply chain disruption are difficult to quantify at this point. We may need to increase safety stock which could affect our working capital.	Medium	Southeast Asia • Southeast Asian countries are projected to be heavily impacted by climate change. • The number and intensity of extreme weather events in the region have been increasing, often leading to severe economic damage. • A typhoon lasts a few days and it can close ports and divert ships, leading to shipping delays of up to ten days. • During an El Niño year, stronger and more frequent typhoons are expected across the Eastern Pacific and Asian region.	• For critical suppliers located in Asia-Pacific countries, we are requesting information regarding their preparedness for Typhoons. For example, a Climate Change questionnaire with a major Taiwanese supplier discussed the typhoon risk and supplier mitigations. • We seek to reduce overall reliance on China and APAC generally, for example, battery production has been partially moved to Costa Rica and the JOBY Range has been insourced to Italy. • Where possible, we aim to ensure we have multiple supplier sources, for example, an LED supplier provides products to Videndum from one factory in Thailand and one in China.

Climate-related risks continued

Table 17: The Group's climate-related physical risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Chronic	Rising Mean Temperatures	2-3°C and >3°C	Medium - Long Term (2025-2050)	Expenditures – Increased direct and indirect costs. No quantified impact.	Low in the short term but longer term impact is difficult to measure.	• All our sites will be impacted by rising mean temperatures. Increased rising mean temperatures may cause a higher demand for cooling to maintain optimum temperatures for our staff and products, resulting in higher energy costs. Increased energy usage in summer months could obstruct our progress in reaching our targets to be net zero for Scope 1 and 2 by 2035. • There may also be an impact on staff productivity and health and safety concerns.	• We have and continue to implement energy efficiency initiatives, such as renewable energy generation (solar panels). This means we will need less power from the grid during periods of sunshine. • During heatwaves, employees can take more frequent breaks to avoid health risks associated with higher temperatures. Where needed, we also adjust working hours and practices, for example, employees in Phoenix start earlier than normal and finish earlier, to avoid the heat.
Chronic	Sea Level Rise	>3°C	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs. No quantified impact.	Medium	• Rising sea levels may result in damage to ports along key supply chain routes, resulting in delays and increased costs for the business. In the longer term, some sites may no longer be viable or so inhospitable that workforce cannot be attracted. Sites such as Tokyo, Japan and Shelton, US are at risk. • Rising seas increase the risk of erosion, storm surges and saltwater intrusions into aquifers that supply sites with fresh water. • Damage to sites could lead to closures and increased insurance premiums. • Damage and disruption to major routes such as ship ports could also impact Videndum's supply routes. Our scenario analysis conducted in 2023 has identified that one of the key suppliers of the Creative Solutions Division has a shipping site based in Hong Kong, which is predicted to be at risk from Sea Level Rise in the long term.	• Where needed, we may have to engage with suppliers to see if they conduct site-specific flood risk assessments and monitor flood risk at sites for long-term impacts. • We will continue to conduct annual climate scenario analysis to monitor this risk. • We work with brokers to maintain backup shipment methods (such as air). • Our Media Solutions Division's building leases are initially for five years, then renewed for a further three years, allowing for sites to be relocated if needed.

Climate-related risks continued

Table 18: The Group's climate-related physical risks.

Area	Climate-related risk	Scenario	Timeline	Impact	Magnitude of impact	Impact description	Mitigation description
Chronic	Water Stress	>3°C	Medium - Long Term (2025-2050)	Expenditures – Increased direct and indirect costs. No quantified impact.	Low	• Climate scenario analysis revealed some of our sites are in areas of high (such as Bury St. Edmunds, UK) or extremely high water stress (such as Tokyo, Japan). These areas may be impacted by restricted water usage and additional regulation to report on water consumption. • Water will require greater treatment which will result in increased costs. Pressure is also put on energy generation as hydropower, nuclear, gas and coal power stations reduce productivity.	• Across the Group we record and understand water consumption, allowing the identification of processes that are water intensive. • We continue to introduce water efficiency initiatives, such as water-saving urinals and maintaining systems and inspecting for leaks. In addition, water storage solutions continue to be evaluated for cost, for example in our Production Solutions Division. • Furthermore, one of our Creative Solutions Division's sites is based in California, where the government encourages Californians to reduce water usage. • Our Production Solutions Division's processes are not water intensive, reducing the demand for water.

Climate-related opportunities

Table 19: The Group's climate-related opportunities.

Area	Climate-related opportunity	Timeline	Impact	Explanation and mitigation
Resource efficiency	Dispose of underutilised sites through improved management of property portfolio.	Short/ Medium/Long Term (up to 2025 - 2050)	Reduced indirect (operating) costs. Major benefit >£1m per annum.	• One of our strategies for reducing emissions is to optimise the use of our sites and the rationalisation of our site portfolio. For example, we plan to lease and relocate employees into smaller properties, where there is unutilised space. In 2023, the Stroud, UK site was relocated which resulted in savings of £750,000 per annum and a 62% reduction in Scope 1 and 3 emissions compared to 2022. Due to the high number of sites this is a significant opportunity for the business. We have also closed the New Jersey, US site, consolidating the operations into Phoenix, US, and are in the process of selling the Shelton, US site (and leasing a small portion). This site rationalisation strategy results in significant year-on-year cost savings. Cumulating all site closures for the last few years would result in annual savings well in excess of £1m per annum. Other site closure and consolidations are possible over the next few years owing to the size of our property portfolio and many smaller operations.

Climate-related opportunities continued

Table 20: The Group's climate-related opportunities.

Area	Climate-related opportunity	Timeline	Impact	Explanation and mitigation
Energy resources	Use of lower-emission sources of energy	Short/ Medium-Term (up to 2025 - 2035)	Reduction in operating expenses because of increased efficiency (for example, energy costs). Moderate benefit >£0.25m per annum.	• Use of lower emission technology such as LED lighting, Building Energy Management Systems and solar panels improves energy efficiency and reduces energy usage. Therefore, this will reduce energy costs over time. The payback associated with the use of lower emissions energy (energy efficiency technology and renewable power generation) outweighs the upfront cost of investment. Projects are already generating a financial return. For example, the solar panels installed in Bury St. Edmunds, UK have a payback period of less than five years, including tax incentives. In 2023 the revenue from selling excess energy at Bury St. Edmunds was £9,875. • Solar panels were installed at our Feltre, Italy site in 2023. As well as significantly reducing emissions this project, which was implemented as a lease, will generate net annual expenditure savings exceeding €100k per annum with a very short payback period. Ongoing energy efficiency projects in our Media Solutions Division, including LED lighting, heater controls and compressed air leak repairs, will save £90,000 per annum with an estimated reduction of 110 tCO_2e. The conversion to LED lighting at our Bad Kreuznach, Germany site is now complete.
Resource efficiency	Use of more efficient production and distribution processes	Short/ Medium-Term (up to 2025 - 2035)	Reduced indirect (operating) costs.	• Where possible, we diversify our supplier base and source away from countries with higher risk from a climate change perspective. For example, we have insourced some of the production relating to JOBY. This is beneficial from an ESG standpoint as it increases the utilisation of Videndum's sites that have sound environmental credentials (Feltre, Italy and Cartago, Costa Rica) and reduces emissions relating to transport. This is financially beneficial due to a greater proportion of margin remaining within the Group. Currently, no cost savings have been calculated.
Products and services	Development of new products or services through R&D and innovation	Short/ Medium-Term (up to 2025 - 2035)	Increased revenue resulting from increased demand for products and services. Benefits are not quantified at this point but are likely to be major.	• As sustainability grows in importance, there will be an increased demand for sustainable products. We believe that Videndum is well-positioned to capitalise on this opportunity given the development of our ESG Programme and the focus already underway to improve the sustainability of our products. As pressure grows for products to be more sustainable, there is an opportunity to increase this revenue stream. We are continually exploring new/sustainable product solutions such as the Salt-E Dog sodium battery.

Risk Management

Disclose how the organisation identifies, assesses and manages climate-related risks.

Climate risk management

It is recommended that organisations disclose their processes for identifying, measuring and managing climate-related risks, as well as describing how these processes are integrated into the organisation's overall risk management.

Disclosure recommendations:

- Describe the organisation's processes for identifying and assessing climate-related risks.
- Describe the organisation's processes for managing climate-related risks.

The Board has ultimate responsibility for climate-related risks and opportunities. We have a well-established framework for assessing our risks and assigning mitigation actions from many years operating in a competitive business landscape. We have embedded the TCFD recommendations within our risk management process.

During 2023, we continued to work on our climate risk management process to improve the identification, evaluation and management of potential risks and opportunities associated with climate change on our operations. Climate change has been integrated into Videndum's overall risk management process and follows four interconnected steps, which are outlined below.

Step 1: Identifying Risks

Potential climate-related risks and opportunities facing Videndum were identified in 2021 during our first round of TCFD reporting, through research, stakeholder engagement and risk workshops. During 2023, we repeated this process on existing climate risks for the third time to determine whether they were still relevant to Videndum, or if there are any new risks or opportunities. Stakeholders were engaged in sharing their local knowledge of the region and various aspects of the business. The Group's decentralised structure across the three Divisions enables us to manage climate-related issues on a location basis.

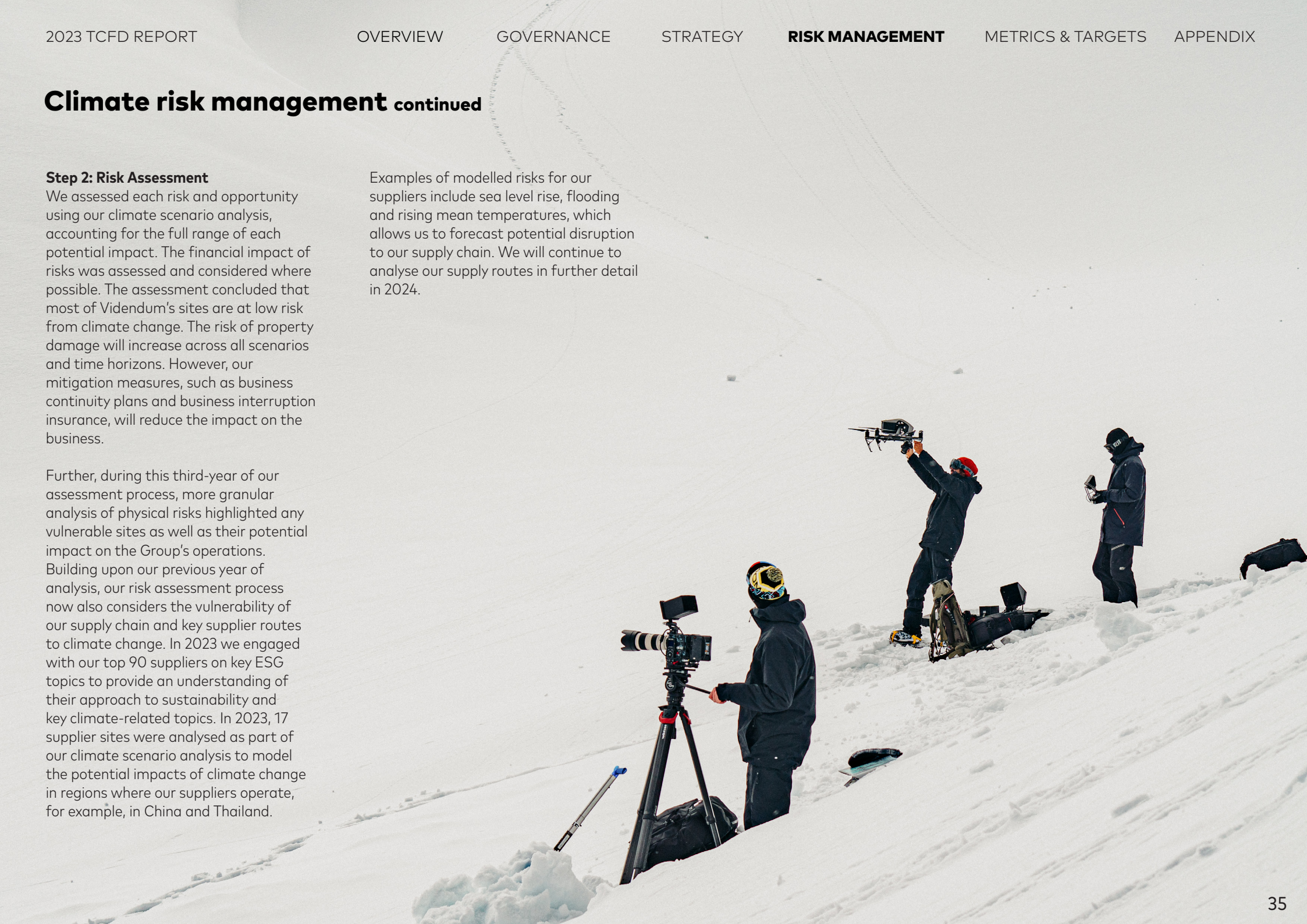
To enhance our process, we worked to identify the risks and opportunities across our top suppliers and routes. In total, 19 climate-related risks and four opportunities were identified in 2023. In addition, starting in 2024 we have implemented a new software solution to enable the capture and tracking of climate change risks, this will further improve the effectiveness of the climate change risk management process. It will also allow us to more accurately measure impact and likelihood of individual risks.

Climate risk management continued

Step 2: Risk Assessment
We assessed each risk and opportunity using our climate scenario analysis, accounting for the full range of each potential impact. The financial impact of risks was assessed and considered where possible. The assessment concluded that most of Videndum's sites are at low risk from climate change. The risk of property damage will increase across all scenarios and time horizons. However, our mitigation measures, such as business continuity plans and business interruption insurance, will reduce the impact on the business.

Further, during this third-year of our assessment process, more granular analysis of physical risks highlighted any vulnerable sites as well as their potential impact on the Group's operations. Building upon our previous year of analysis, our risk assessment process now also considers the vulnerability of our supply chain and key supplier routes to climate change. In 2023 we engaged with our top 90 suppliers on key ESG topics to provide an understanding of their approach to sustainability and key climate-related topics. In 2023, 17 supplier sites were analysed as part of our climate scenario analysis to model the potential impacts of climate change in regions where our suppliers operate, for example, in China and Thailand.

Examples of modelled risks for our suppliers include sea level rise, flooding and rising mean temperatures, which allows us to forecast potential disruption to our supply chain. We will continue to analyse our supply routes in further detail in 2024.

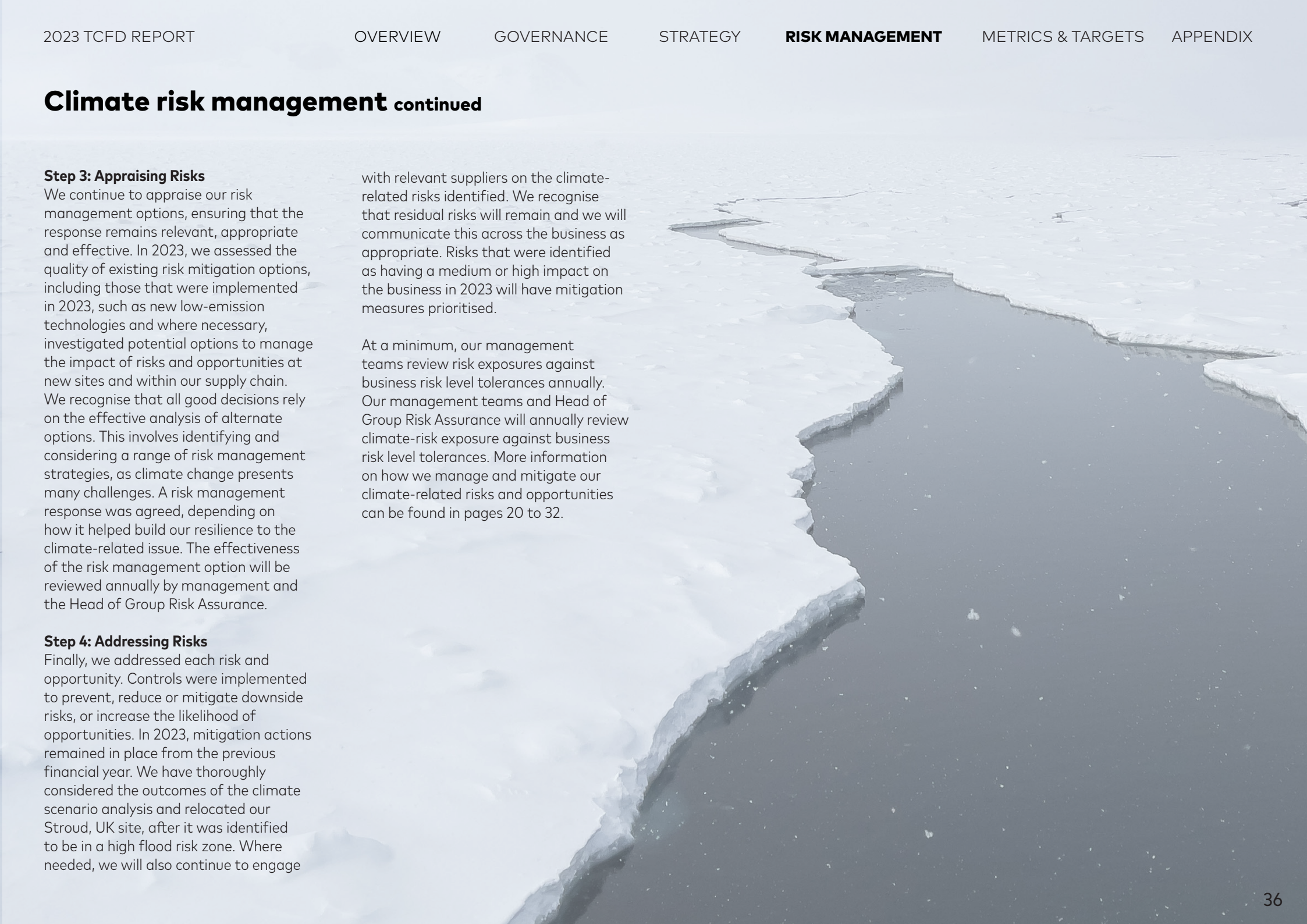


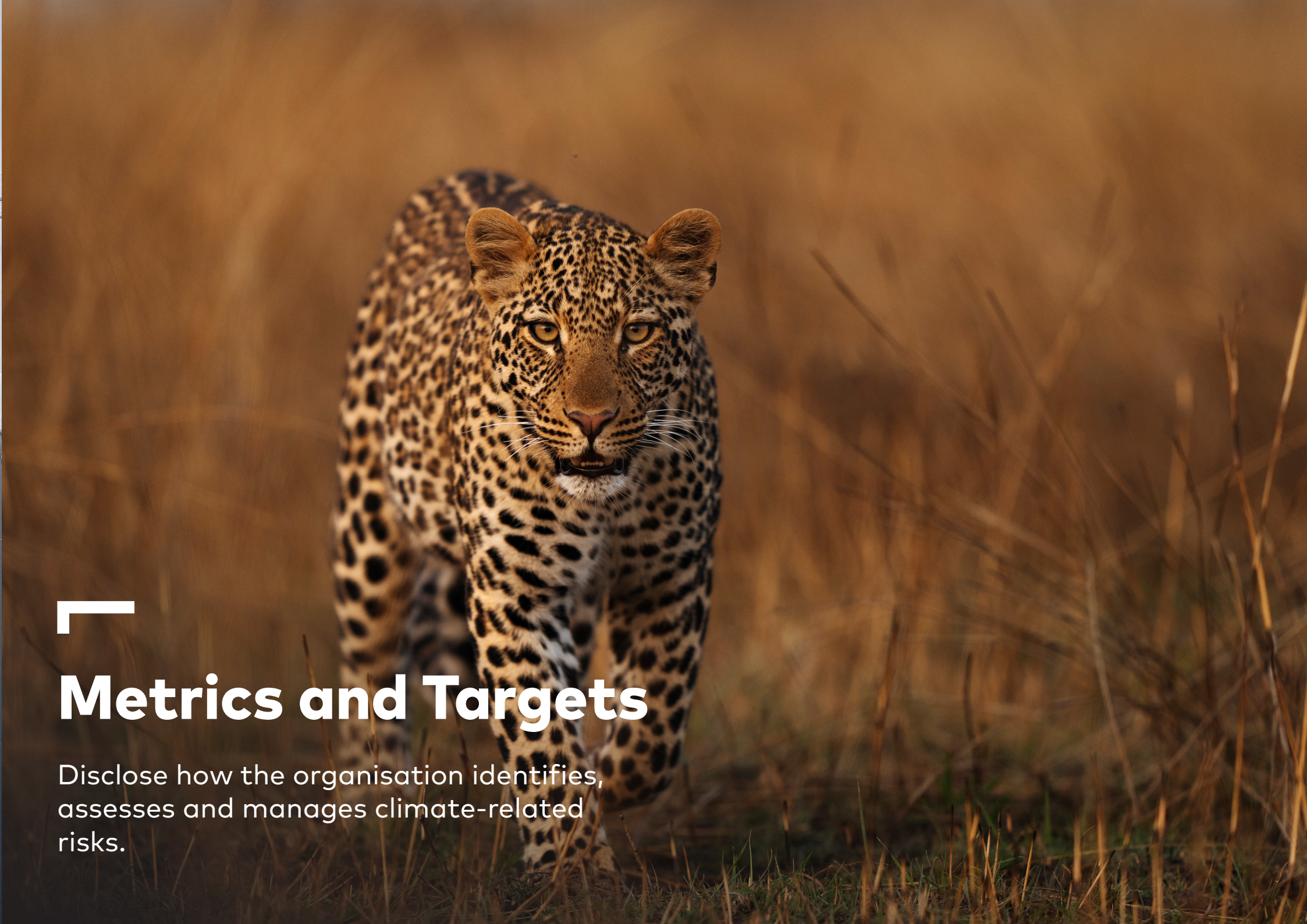
Climate risk management continued

Step 3: Appraising Risks
We continue to appraise our risk management options, ensuring that the response remains relevant, appropriate and effective. In 2023, we assessed the quality of existing risk mitigation options, including those that were implemented in 2023, such as new low-emission technologies and where necessary, investigated potential options to manage the impact of risks and opportunities at new sites and within our supply chain. We recognise that all good decisions rely on the effective analysis of alternate options. This involves identifying and considering a range of risk management strategies, as climate change presents many challenges. A risk management response was agreed, depending on how it helped build our resilience to the climate-related issue. The effectiveness of the risk management option will be reviewed annually by management and the Head of Group Risk Assurance.

Step 4: Addressing Risks
Finally, we addressed each risk and opportunity. Controls were implemented to prevent, reduce or mitigate downside risks, or increase the likelihood of opportunities. In 2023, mitigation actions remained in place from the previous financial year. We have thoroughly considered the outcomes of the climate scenario analysis and relocated our Stroud, UK site, after it was identified to be in a high flood risk zone. Where needed, we will also continue to engage with relevant suppliers on the climate-related risks identified. We recognise that residual risks will remain and we will communicate this across the business as appropriate. Risks that were identified as having a medium or high impact on the business in 2023 will have mitigation measures prioritised.

At a minimum, our management teams review risk exposures against business risk level tolerances annually. Our management teams and Head of Group Risk Assurance will annually review climate-risk exposure against business risk level tolerances. More information on how we manage and mitigate our climate-related risks and opportunities can be found in pages 20 to 32.





Metrics and Targets

Disclose how the organisation identifies, assesses and manages climate-related risks.

Videndum's transition plan — a roadmap to net zero

Aligning with the TCFD recommendations, in this section we:

- Present our roadmap to become net-zero.
- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.

Our goal is to be net zero by 2045. This is supported by seven key pillars (figure 2 on page 12). Initiatives include, for example, installing solar panels, entering renewable contracts for electricity, substituting petrol and diesel company cars to EVs, and rolling out LED lighting upgrades at our sites. We report on our carbon emissions to track our progress. In the next financial year we are planning a 38% reduction in our Scope 1 and 2 GHG emissions using the market-based approach. We acknowledge that our Scope 3 emissions are harder to reduce. Therefore, we are developing strategies and initiatives to support the reduction. For example, we plan to monitor and reduce our employees' travel. Our Production Solutions Division implemented a car-pooling scheme in 2023 at the Cartago, Costa Rica site, with the aim to implement the scheme at the Division's Bury St. Edmunds, UK site in 2024.

Videndum's transition plan — a roadmap to net zero continued

Table 21: The Group's Net Zero transition plan.

Scope	Area	Short-term (to 2025)		Medium-term (2025-2035)				Long-term (2035-2050)
		2023	2024	2025	2027	2030	2035	2045
Scope 1 & 2	Near-term target	Ensure that 100% of Group operations capture and report on CO_2e emissions.	38% reduction since 2021 using the market-based approach to measuring emissions from electricity.	42% reduction since 2021 using the market-based approach to measuring emissions from electricity. We expect that emissions will be further reduced through gas substitution measures that are at an evaluation stage. The maximum cost of offsets will be £65,000 (less if gas substitution measures are implemented).	50% reduction.	60% reduction.	70% reduction, remaining offsets through carbon sequestration schemes.	
	Key actions	Improve energy efficiency of electricity and gas – measurable actions have been identified to further reduce emissions for Scope 1 and 2. This includes: further solar panel projects (Feltre, Italy and Ashby, UK); increased LED lighting coverage; investment in more energy-efficient machinery; and continued conversion of Company cars to electric or hybrid as and when leases expire. We are working to ensure that all electricity contracts are based on renewable energy so as to reduce Scope 2 emissions under the market-based method.						
	Electricity	Energy metering and circuit level monitoring. LED lighting upgrade in Feltre, Italy, and Ashby, UK, Bad Kreuznach, Germany and Tokyo, Japan. Carbon fibre upgrade and other investment in more modern and energy-efficient machinery. Installation of solar panels at Feltre, Italy. 30% expansion of solar panels in Cartago, Costa Rica.	Second installation of solar panels at Feltre, Italy. LED system implemented in Phoenix, US.	Reduction in size of property portfolio (under-utilised sites) will reduce annual emissions by at least 500tCO_2e per annum against 2021 baseline.	Introduce further energy efficiency measures across our US sites.	Continue to implement the more complex/ expensive site survey recommendations to ensure further reductions.	All site survey recommendations implemented and residual Scope 2 emissions that cannot be eliminated are offset using "carbon removal offsets".	
	Gas	Evaluate investment required to convert heating systems to air source pumps. Evaluate cost of substituting gas used by paint shops.		Continued conversion of Company cars to electric or hybrid as and when leases expire.	Begin to implement site survey recommendations to improve efficiency of gas consumption.	Continue to implement the more complex/ expensive site survey recommendations to ensure year-on-year reductions.	All site survey recommendations implemented and residual Scope 1 emissions that cannot be eliminated are offset using "carbon removal offsets".	
	Carbon neutral target	Reduce Scope 1 and 2 emissions as much as possible.		From 2025, we will purchase offsets annually to be carbon neutral until we reach our Scope 1 and 2 net zero target in 2035. At the end of 2025, we expect that c.1,400 tCO_2e (with electricity measured using the market-based approach) i.e. the remaining emissions, will be offset using quality offset programmes available, however this may be reduced further if we implement measures to substitute gas.				
	Net zero target						Net zero by 2035	
Scope 3	Near-term target	Ensure that 100% of Group operations capture and report on CO_2 emissions.		-	-	-	-	90% reduction
	Key actions	Implement measures to reduce Scope 3 emissions from business travel, supply chain, transportation of goods and employee commute. This includes: – Conduct PLCAs (cradle to grave) for key product lines. – Work with our top five biggest suppliers by revenue to request supplier-specific data on products by 2025. – Insource production to our energy-efficient manufacturing processes to reduce the emissions associated with brought-in finished goods. – Expand the use of car pooling. – Monitor flights for business, encourage alternative forms of travel (e.g. rail) where possible.						
	Net zero target							**Net zero by 2045**

Videndum's transition plan — a roadmap to net zero continued

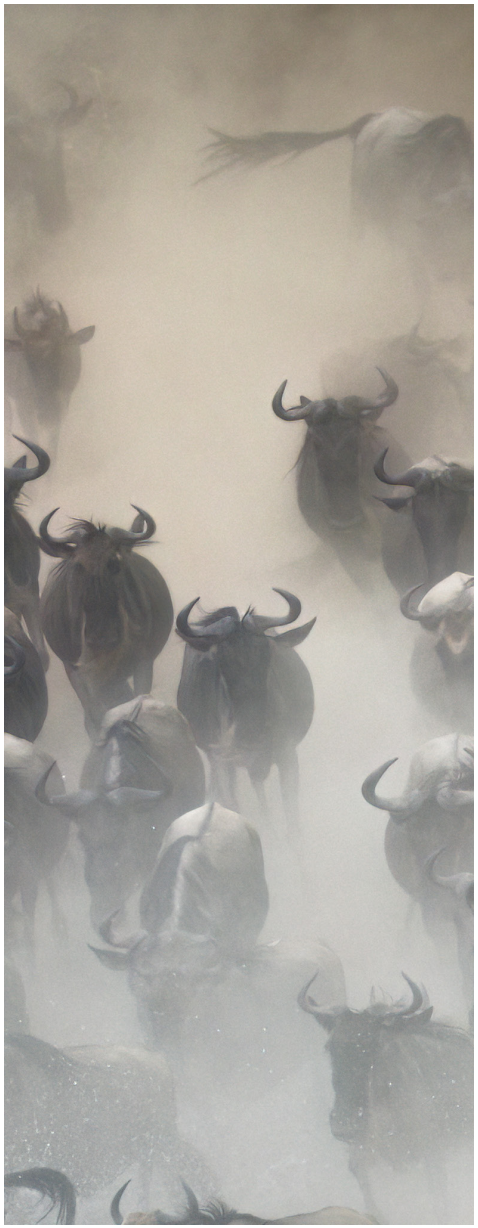
In 2022, we started to develop our transition plan and a strategy to support us on our journey to net zero for Scope 1 and 2 by 2035, and Scope 3 by 2045. This financial year, we updated the transition plan to reflect our progress. The 2035 targets for Scope 1 and 2 differ from the 2045 objectives for Scope 3, because 2023 is the first year that we were able to calculate Category 9 (Downstream Transportation and Distribution). In addition, it is partly due to the complexities associated with mitigating emissions beyond our direct operational control. Our formal baseline for measuring Scope 1, 2 and 3 emissions is 2021 when the methodology was fully rolled out. We have reviewed progress against 2019 in order to analyse year-on-year trends, although 2019 is not technically the baseline year.

We analysed and improved the data for Scopes 1, 2 and 3 in accordance with the Greenhouse Gas ("GHG") Protocol. Further details can be found on page 46. No formal assurance has been provided for this report.

The transition plan on page 39 outlines our interim targets and the necessary steps we plan to take to meet our long-term targets. We are working to be carbon neutral (emissions equal to Scope 1 and 2 emissions are prevented from being emitted elsewhere) on our operational emissions by 2025. We will work to reduce our Scope 1 and 2 emissions as far as possible before this target date. From 2025, we will annually purchase offsets, to be carbon neutral, until we reach our Scope 1 and 2 net zero target in 2035. On page 39, we have outlined our energy efficiency measures to decarbonise our Scope 1 and 2 emissions. Videndum committed to having near-term and long-term net zero emission reduction targets validated by the Science Based Targets initiative ("SBTi") in 2022, demonstrating our commitment to the UK's Nationally Determined Contribution ("NDC") under the Paris Agreement 2015 to limit global warming to 1.5°C. We are currently in the process of reviewing our targets to align with the latest SBTi criteria. Our proposed Scope 1, 2 and 3 SBTi targets were baselined on 2021 data. We will review the feasibility of submitting our targets for SBTi validation in 2024.

We use a wide variety of metrics to measure climate-related impacts. These metrics consist of Videndum's GHG inventory, including the Group's Scope 1, 2 and 3 carbon emissions. Our emissions reduction pathway is aligned with the Paris Agreement 1.5°C warming scenario. Since 2018, we have been measuring and reporting on our energy usage, associated emissions, energy efficiency action and energy performance for the Group, under the UK Government's policy on Streamlined Energy and Carbon Reporting ("SECR"). Our 2023 SECR Report can be found in our 2023 Annual Report. We monitor and track our usage of electricity, gas and water across our manufacturing, warehouse and administrative sites. Where possible we aim to reduce our usage.

Videndum's other environmental indicators (see pages 47 to 49) on energy efficiency measures, waste reduction, water consumption, product sustainability and supply chain integrity, contribute towards mitigating some transition and physical risks, and capitalise on the potential opportunities in substituting products to lower-emission alternatives.



Reducing our greenhouse gas emissions

Reducing the Group's carbon footprint is a priority for Videndum. We engage external specialists to determine our carbon emissions to ensure accuracy, using the GHG Protocol as the basis of the calculations for our Scope 1, 2 and 3 emissions. Our 2023 Scope 1 and 2 emissions represented 3.6% of our total Group emissions, with our 2023 Scope 3 emissions represented the remaining 96.4%. Due to the strikes by US writers and actors in 2023 , the Group had a very difficult year, however, we continued to invest in emission reduction initiatives where possible.

Scope 1, 2 and 3 emissions

Table 22: Group's Scope 1, 2 and 3 emissions.

Emissions Scope	2023 Gross emissions (tCO_2e)	2022 Gross emissions[2] (tCO_2e)	2021 Gross emissions[1] (tCO_2e)	2020 Gross emissions (tCO_2e)	2019 Gross emissions (tCO_2e)	Interim target	Net zero target year
Scope 1	1,155	1,336	1,193	-	-	50% reduction by 2030	2035
Scope 2	2,556	2,903	2,533	-	-		2035
Total Scope 1 and 2	**3,711**	**4,239**	**3,726**	**3,535**	**4,580**		
Scope 3	100,531	176,299	155,636	130,820	Not fully captured	-	2045
Total	**104,242**	**180,538**	**159,362**	**134,355**	**-**	**-**	**-**

1 We have re-stated our 2021 Scope 1 and Scope 2 figures which were previously 1,456 and 2,524 tCO_2e, respectively. These restatements are due to recalibration of our natural gas and electricity emissions. This has resulted in a slight increase in our overall emissions for 2021. Our Scope 3 emissions were also restated as improved business travel data was collected. Previously, the total was 154,550 tCO_2e.

2 We have re-stated our 2022 Scope 1 and Scope 2 figures which were previously 1,467 and 2,773 tCO_2e, respectively. These restatements were due to recalibration of our natural gas and electricity emissions. Scope 3 emissions were also restated as improved business travel data was collected. The previous total was 173,148 tCO_2e.

The marginal increase in Scope 1 and 2 emissions between 2021 and 2022 was due to new businesses acquired in 2021 (Savage and Audix). Removing emissions associated with these businesses would result in an overall decrease. A further decrease took place in 2023, due to the impact of several energy saving schemes and consolidation of several sites, as well as the impact upon the business of the US writers, and actors, strikes. The above Scope 2 information is provided under the location basis; using the market based approach, the reduction is much steeper which is due to the majority of large sites having entered into renewable energy contracts. More of such contracts will be entered into in 2024 which will be a key instrument to achieving carbon neutrality.

In terms of the Scope 3 emissions, the significant decline in 2023 is principally due to reduced activity. We also recognise that the pandemic reduced the Group's carbon emissions in 2020. As the pandemic subsided and regular work practices resumed, our 2021 carbon emissions began to increase.

In 2019, we calculated our Scope 1 and 2 carbon emissions across our key manufacturing sites. In 2021, we partnered with Inspired ESG to improve our data collection, expanding it to cover all our operations. This partnership continued in 2022 and 2023. Our Scope 1 and 2 carbon emissions now cover all sites across the Group. Since 2019, we have measured a c.30% reduction in Scope 1 and 2 carbon emissions from 4,580 tCO_2e in 2019 to 3,711 tCO_2e in 2023, not including newly acquired businesses. This demonstrates the energy efficiency measures rolled out across our key manufacturing sites.

Scope 1 and 2 - decarbonising our operations

We are committed to reducing the environmental impact of our operations, reducing our Scope 1 and 2 carbon emissions with the aim of becoming net zero for Scope 1 and 2 by 2035. Near-term targets have been developed to support us on this journey, including reducing our Scope 1 and 2 carbon emissions by 38% by 2024, 42% by 2025, 50% by 2027, 60% by 2030 and 70% by 2035.

We are working to be carbon neutral on our operational emissions by 2025, reducing our Scope 1 and 2 emissions as far as possible before this date. From 2025, we will annually purchase offsets to be carbon neutral until we reach our Scope 1 and 2 net zero target in 2035. To meet our long-term and near-term targets, the Group is committed to year-on-year improvements in our operational energy efficiency to begin decarbonising our Scope 1 and 2 emissions, such as the carpooling scheme that was implemented at the Production Solutions' Cartago, Costa Rica site in 2023. This scheme will also be implemented at the Bury St. Edmunds, UK site in early 2024.

Energy usage

We monitor and track our usage of electricity, gas and water across our manufacturing, warehouse and administrative sites and make efforts, where possible, to reduce our usage.

The Group is committed to year-on-year improvements in our operational energy efficiency. At our main Media Solutions' manufacturing site in Feltre, Italy, we have installed 1.0 MWp of rooftop solar panels that generate 350KWp, and ground solar panels that generate 650 KWp. This covers 25% of the total energy use at Feltre, resulting in a 15% (600 tCO_2e) emissions reduction. The solar panels were installed in Q4 2023. Following the success of the solar panel installation at Cartago, Costa Rica and Bury St. Edmunds, UK, solar panels will be installed on the roof of our Ashby, UK site in the next two years. We are aiming to conduct Energy Site Surveys at our North America sites in early 2024 and we aim to implement the recommendations where possible in 2024.

LED lighting rollout continues throughout the Group. In 2023, an additional 20% of lighting was converted to LED at our Ashby, UK site, with the estimated amount of 0.7 tCO_2 emissions reduction. The project is planned to be completed in 2024. Furthermore, the China office and Bad Kreuznach, Germany site converted to LED lighting in 2023. Up to 90% of all lights are now LED in both our Production Solutions Bury St Edmunds, UK and Cartago, Costa Rica sites, with LED lights also installed at Creative Solutions' Los Angeles, US site towards the end of 2023. LED lighting conversion for our site in Arizona, US is under evaluation with suppliers and planned for the next financial year. The complete transition to LED lighting in Feltre, Italy, was deferred until 2024.

Compressed air leak detection and repairs, along with heating and air conditioning controls have been installed across many of our sites. For example, at our Feltre, Italy site, 70% completion of compressed air leak detection and repairs has been achieved and 30% of heating and air conditioning controls at the site have been implemented.

In June 2023, we relocated our Stroud, UK site, partially after it was identified to be in a high-risk flood area, saving £0.75m per annum. Site rationalisation continues to be a key priority. Our Shelton, US site was rationalised at the end of 2023, now leasing one third of the original area, as some of the building was minimally used by the Group. This will lead to energy savings at this site.

A Green Certificate has been provided for Media Solutions' Ashby, UK site, from the energy supplier to evidence that 100% of the power provided to this site has been generated by renewable energy sources. Creative Solutions will move SmallHD, Wooden Camera and CSLA to a Renewable Energy Contract in 2024. Furthermore, the Production Solutions Cartago, Costa Rica site is now officially certified for its Energy Management System (ISO 50001:2018). Renewable energy contracts result in zero market-based Scope 2 emissions, and therefore will help the Group achieve carbon neutrality for Scope 1 and 2 by the end of 2025. Where available in the utility market, we enter green energy contracts to reduce emissions using the market based approach.

Production Solutions' Anton/Bauer brand, a leading manufacturer of mobile power solutions for broadcast and cinematic equipment, has launched a sodium-based 9kWh mobile power source called Salt-E Dog. It is designed specifically for motion picture and television production. The industry-first power source delivers consistent and reliable energy and addresses the pressing issue of carbon emissions associated with traditional fossil fuel or lithium generators. It signifies a major milestone in sustainable power for the media and entertainment industry, positioning Anton/Bauer as a leading provider of clean energy solutions. Unlike gas generators, Salt-E Dog produces no harmful CO_2 or NOx emissions, resulting in cleaner air and a safer production experience. Its near-silent operation and compact design allow for placement closer to where a production needs power, eliminating lengthy and hazardous cables and reducing time-consuming Alternative Dispute Resolution ("ADR") work. Salt-E Dog offsets greenhouse gas emissions, allowing productions to offset 2.6 kg of CO_2 and associated NOx per litre of fuel saved, contributing to a greener future.

We will continue to convert our motor vehicles to electric as and when leases expire. A technology repair truck at Creative Solutions' California, US site operates on stored energy from eight solar panels, which are located on the roof. Production Solutions is projected to have 70% electric or hybrid vehicles by the end of 2025.

Scope 1 and 2 - decarbonising our operations continued

Table 23: Total consumption (kWh) figures for energy supplies reportable by the Group.

Utility & Scope	UK (kWh) (2023)	UK (kWh) (2022)	UK (kWh) (2021)	Global (excluding UK) (kWh) (2023)	Global (excluding UK) (kWh) (2022) re-stated	Global (excluding UK) (kWh) (2021) re-stated	Total kWh (2023)	Total kWh (2022)[1]	Total kWh (2021)[1]
Scope 1 — gaseous and other fuels (voluntary)	783,283	872,109	945,124	4,624,549	5,112,471	4,053,757	5,407,832	5,984,580	4,998,881
Scope 1 — transport (Company fleet)	195,019	275,041	236,608	506,567	669,388	1,093,729	701,585	944,428	1,330,337
Scope 2 — electricity	1,208,408	1,322,599	1,716,613	7,506,194	8,940,700	8,709,990	8,714,602	10,263,299	10,426,603
Scope 2 — transport (Company fleet)	19,857	5,448	6,473	-	1,727	-	19,857	7,175	6,473
Scope 2 — purchased heat, steam and cooling	2,475	2,675	9,148	-	-	-	2,475	2,675	9,148
Scope 3 — grey fleet[2]	124,765	35,880	51,642	63,154	69,097	49,342	187,919	104,977	100,984
Total energy use — all Scopes	**2,333,807**	**2,513,752**	**2,965,608**	**12,700,464**	**14,793,383**	**13,906,818**	**15,034,270**	**17,307,134**	**16,872,426**

1 We have restated our UK and Global kWh figures across 2021 and 2022 as improved data quality has become available. These changes align with the restated emissions in Table 22.
2 Grey fleet is the use of employees' personal vehicles for business purposes, as opposed to belonging to the Company.

Scope 1 and 2 - decarbonising our operations continued

Table 24: The Total Carbon Emissions (tCO_2e) figures for Group (location-based).

Utility and Scope	UK (tCO_2e) 2023	UK (tCO_2e) 2022	UK (tCO_2e) 2021	Global (excluding UK) (tCO_2e) 2023	Global (excluding UK) (tCO_2e) 2022	Global (excluding UK) (tCO_2e) 2021	Total (tCO_2e) 2023	Total (tCO_2e) 2022	Total (tCO_2e) 2021
Scope 1 total	**189**	**224**	**228**	**966**	**1,112**	**1,002**	**1,155**	**1,336**	**1,231**
Scope 1 — gaseous and other fuels	143	159	173	847	938	745	990	1,097	919
Scope 1 — transport (Company fleet)	46	65	55	119	159	257	165	224	312
Scope 1 — refrigerants	-	-	-	-	15	-	-	15	-
Scope 2 total	**255**	**258**	**367**	**2,301**	**2,645**	**2,167**	**2,556**	**2,903**	**2,535**
Scope 2 — electricity	250	256	364	2,301	2,645	2,167	2,551	2,901	2,532
Scope 2 — transport (Company fleet)	4	1	1	-	0.33	-	4	1	1
Scope 2 — purchased heat, steam and cooling	1	1	2	-	-	-	1	1	2
Scope 3 total (Grey Fleet)	**29**	**8**	**12**	**15**	**16**	**12**	**43**	**25**	**24**
Total emissions — all Scopes	**473**	**490**	**607**	**3,282**	**3,773**	**3,181**	**3,754**	**4,264[1]**	**3,790[1]**

1 We have restated our 2021 and 2022 emissions totals to incorporate improved data quality. Previous totals equalled 4,265 and 4,005 tCO_2e for 2022 and 2021, respectively

Table 25: The intensity metric of tCO_2e per £million turnover applied for the annual total consumption.

Intensity metric	UK Intensity metric (2023)	UK Intensity metric (2022)	UK Intensity metric (2021)[1]	Global (excluding UK) Intensity metric (2023)	Global (excluding UK) Intensity metric (2022)	Global (excluding UK) Intensity metric 2021 [1]	Total Global Intensity metric 2023)	Total Global Intensity metric 2022	Total Global Intensity metric 2021
tCO_2e / £m turnover	4.55	3.71	4.79	16.17	11.82	11.89	12.23	9.45	9.61

1 We have re-stated our 2021 intensity metrics as a result of now applying a UK only specific £m revenue value to UK only emissions. This methodology has also been applied to global (excluding UK) intensity metric calculations. i.e., applying a global (excluding UK) only £m revenue value to global (excluding UK) emissions.

Scope 3 - Improving our data collection & decarbonising our value chain

We began to calculate our entire Scope 3 emissions for the first time in 2021, following the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, using 2020 data.

Under the GHG Protocol, there are 15 reporting categories, of which 11 apply to the Group. The following categories are not applicable to the nature of Videndum's operations given we have no Upstream leased assets (Category 8), do not further process sold products (Category 10), have no Franchises (Category 14) or any significant applicable investments in financial instruments (Category 15). For the first time in 2023, all applicable Scope 3 Categories have been calculated, as a result of calculating Category 9 (Downstream Transport and Distribution) in 2023.

Scope 3 Category 1 (Purchased Goods and Services)
We have improved our data capture systems to begin collating mass-based data relating to the purchase of packaging materials. This allows us to utilise more accurate emissions factors due to an improvement in the quality of activity-based data. Also, it ensures that all packaging is accounted for in Scope 3 Category 12 (end-of-treatment of sold products).

Scope 3 Categories 4 (Upstream Transport and Distribution) and 9 (Downstream Transport and Distribution)
For our 2023 Scope 3 calculations, we have been working with Inspired ESG to improve the quality of the activity-based data that is being collected, to calculate emissions associated with upstream and downstream transportation and distribution. We have engaged with our suppliers to collect data. 2023 is the first year downstream transportation and distribution emissions were calculated. The aim is to further improve our data quality for both upstream and downstream transportation and distribution in 2024.

This continued improvement in data quality will be extended across all three Scopes to help create a clearer picture of higher-emitting areas of our operations. The improved quality of data has enabled us to develop a roadmap to target the most appropriate areas to reduce across Scopes 1, 2, and 3. This financial year, we launched an ESG Supplier Questionnaire, engaging with our top 90 suppliers based on spend. The questionnaire requested details of our suppliers' Scope 1 and 2 carbon emissions, energy usage, reduction targets and wider ESG programmes.

Furthermore, given the magnitude of assessing the carbon emissions of our supply chain, we have set annual milestones to extend the reporting boundaries of complex categories.

By widening our emissions data collection, we can improve our understanding of the high-emitting areas of our operations and supply chain, which will help us develop our roadmap to achieve net zero in 2035 for Scopes 1 and 2, and net zero by 2045 for Scope 3.

Image credit: Felix Belloin

Carbon balance sheet

Our carbon balance sheet provides us with our full Scope 1, 2 and 3 emissions (table 26) for the current financial year inventory. This carbon balance sheet enables us to identify the material emissions sources throughout our supply chain and where we can make the most significant impact on global emission reductions. Our Scope 1 and 2 (location-based) emissions represent 3.6% of our total Group emissions, with our Scope 3 emissions representing the remaining 96.4%. The most significant emissions sources are from the purchased goods and services consumed by the Group, accounting for 53.8% of the Company's total carbon footprint. This approach provides us with a consistent way to report and measure our progress year-on-year.

Table 26: The Group's Carbon Balance Sheet.

GHG Inventory				
	2023	**2022**	**2021**	**% Change from 2021 (baseline) to 2023**
Scope 1	**1,155**	**1,336**	**1,193**	**-3%**
Natural Gas	955	1,058	918	+4%
Transportation (excluding grey fleet)	165	224	257	-36%
Other Fuels	35	39	18	+94%
Refrigerants	-	15	-	-
Scope 2 (Location-based)	**2,556**	**2,903**	**2,533**	**+1%**
Scope 2 (Market-based)	**1,064**	**1,304**	**971**	**+10%**
Scope 3	**100,531**	**176,299**	**155,636**	**-35%**
1. Purchased Goods & Services	56,095	112,701	100,257	-44%
2. Capital Goods	1,440	2,605	4,030	-64%
3. Fuel-related Emissions	795	963	1,120	-29%
4. Upstream Transportation and Distribution	15,592	29,115	30,726	-49%
5. Waste Generated in Operations	134	229	84	+60%
6. Business Travel	3,615	4,086	1,442	+151%
7. Employee Commuting	2,748	3,784	2,141	+28%
8. Upstream Leased Assets	n/a	n/a	n/a	-
9. Downstream Transportation and Distribution	1,805	-	0	-
10. Processing of Sold Products	n/a	n/a	n/a	-
11. Use of Sold Products	18,298	22,796	15,818	+16%
12. End-of-life Treatment of Sold Products	7	20	9	-22%
13. Downstream Leased Assets	2	0	8	-75%
14. Franchises	n/a	n/a	n/a	-
15. Investments	n/a	n/a	n/a	-
Total All Scopes (Location-based)	**104,242**	**180,538[1]**	**159,362[1]**	**-35%**
Total All Scopes (Market-based)	**102,750**	**178,939[1]**	**157,800[1]**	**-35%**

1 Our 2022 and 2021 emissions totals have been restated. Previously, total location-based emissions equalled 177,388 and 158,530 tCO_2e, respectively. Previous market-based emissions totalled 175,790 and 156,977 tCO_2e, respectively. Restatements have been driven by improved data quality in Scopes 1 and 2 and business travel.

Carbon reduction targets

We have established comprehensive action plans to reduce carbon emissions and to accelerate Videndum achieving net zero for Scope 1 and 2 by 2035, and net zero for Scope 3 by 2045. Our detailed environment targets are outlined below in the table below.

Table 27: The Groups environmental targets.

Area	Target	Progress achieved in 2023
Reduce carbon emissions	• Reduce our Scope 1 and 2 emissions by 38% by 2024; 50% by 2027; 60% by 2030; by 70% by 2035, based on our 2021 baseline of 3,980 tCO_2e. • Reach net zero (absolute reduction) by 2035 in Scope 1 and 2. • Reach carbon neutrality for Scope 1 and 2 in 2025. • Strategically reduce our Scope 3 emissions to meet our 2045 net zero target.	Scope 1 and 2 emissions have reduced by c.30% since 2019 (excluding the impact of newly acquired businesses). Scope 1 emissions are direct greenhouse emissions that occur from sources that are controlled or owned by Videndum i.e. gas usage and transportation fuel. • We are gradually converting the Company's motor fleet to electric/hybrid vehicles, with 33.3% of Production Solutions' vehicles being hybrid or electric in 2023, compared to 27.3% in 2022. Production Solutions aims to have 63.6% of vehicles converted to electric/hybrid by the end of 2024. • Media Solutions has converted 80% of Company vehicles to electric (2022: 54%). The Division has a target to achieve a 100% conversion by 2025. • A technology repair truck at our Creative Solutions' California site operates on stored energy from eight solar panels, which are located on the roof. • In 2023, a carpooling scheme was implemented at Production Solutions' Cartago, Costa Rica site. This scheme will also be implemented at the Bury St. Edmunds, UK site in early 2024. Scope 2 emissions are indirect GHG emissions associated with Videndum's purchase of electricity, steam, heat or cooling: • Measures were initiated to optimise consumption, including solar energy systems implemented Feltre, Italy, with further implementations planned for 2024. We are currently assessing the feasibility at other Group sites. • Full conversion to LED lighting at Feltre, Italy is in progress. • Up to 90% of all lights are now LED in both our Production Solutions' Bury St. Edmunds, UK and Cartago, Costa Rica sites. • LED lighting for Bad Kreuznach, Germany was completed, with the office now using 100% LED lighting. • LED lights were installed at Creative Solutions' Los Angeles, US site. • We have sold the Shelton, US site and leased one-third of the area, reducing the size of the site leased by the Group. We have also switched all the lighting to LED and checked all HVACs to ensure compliance with the latest energy efficiency standards. • A total of seven sites have renewable energy contracts, as at the end of 2023. The sites are: Richmond-upon-Thames, Twickenham, Byfleet, Bury St. Edmunds, UK; Irvine, US; Cassola and Feltre, Italy. Whilst officially not on a renewable contract, our Cartago, Costa Rica site uses 99.3% renewable energy. Scope 3 emissions are indirect GHG emissions of Videndum's value chain: • We have engaged several key suppliers to understand their energy consumption and identify improvement opportunities. • Using Salt-E Dog instead of a fuel generator, reduces greenhouse gas emissions, allowing productions to offset 2.6 kg of CO2 and associated NOx per litre of fuel saved. • A pilot programme called "Digital 5S" is being used in Cartago, Costa Rica in the Supply Chain and Quality departments. Lessons learned from this exercise will be used to implement Digital 5S in all departments and all Production Solutions sites, helping to organise and reduce cloud storage and associated emissions.

Additional environmental metrics and targets

Table 28: The 2023 progress achieved against additional environmental targets.

Area	Target	Progress achieved in 2023
Reduce packaging & waste	• Group target: 50% of current cardboard packaging consumption will be replaced by sustainable, FSC-grade cardboard or eliminated across the Group by the end of 2024, from a 2019 baseline. • 50% reduction in annual consumption of single-use plastics by the end of 2024. • Continue to reduce waste in landfills. • Continue recording water consumption.	• Industrial scraps from our aluminium and magnesium stages of production are targeted for waste reduction, both in the design of our products and the end-of-life scraps. • We re-evaluate the condition of returned products to resell or reuse parts within the manufacturing processes. • Our largest manufacturing sites are already close to 0% waste to landfill, supported by ISO environmental programmes. • Water consumption monitoring continued throughout 2023 at all key sites. Media Solutions: • The bulk of our paper and cardboard packaging usage sits within Media Solutions. The Division converted 70% of our main paper and cardboard packaging to FSC-graded, which ensures the sustainable sourcing of our packaging materials. • At the end of 2023, 40% of our main plastic packaging was from recycled material. This is expected to reach 50% by the end of 2024, removing plastic from packaging wherever possible. • SPS Membership for Australia: Media Solutions Distribution Australia is a member of the Sustainable Product Stewards. This is a nationwide e-waste recycling scheme, which is now compulsory for our business. • Enhanced e-waste recycling further reduced the waste going to landfill. • At our Feltre, Italy site, c.6% of the total amount of waste generated goes to waste-to-energy. Creative Solutions: • Implemented quick-start guides in our product packaging. The guides helped cut down our overall packaging procurement. • For all new products, printed product quick-start guides replaced with cards containing a QR code as part of an initiative to reduce paper consumption. • Eco-friendly bubble wrap is being utilised in our fulfilment processes. In addition, our Teradek and SmallHD brands incorporated 100% recycled poly bags into their operations. • Recyclable air pillows and eco-friendly bubble wrap (made with 40% recycled content) are still in use. • Implementing these sustainable alternatives (the eco-friendly bubble wrap and the 100% recycled poly bags) has resulted in Creative Solutions mitigating over 500 lbs of single-use plastics in 2023. • The All-Cardboard packaging project has been implemented for Teradek Bolt and SmallHD's Ultra 7 Monitor products. Creative Solutions' other brands and products will be incorporating the all-cardboard packaging in 2024. Production Solutions: • The Division trialled the use of cardboard packaging instead of plastic sleeves for Anton/Bauer spares, with a positive result. • FSC-certified cardboard is used for packaging in operations in Japan. • Production Solutions is seeking an FSC certification for the cardboard used at the Cartago, Costa Rica site. • A high demand painted part was locally modified in Cartago, Costa Rica to ensure that plastic masking and plastic labels are no longer required, saving more than $5,800 a year and reducing process time.

Additional environmental metrics and targets

Table 29: The 2023 progress achieved against additional environmental targets.

Area	Target	Progress achieved in 2023
Reduce packaging & waste (continued)		• We continued a large recycling effort in Cartago, Costa Rica which sorts materials to be transferred to a third-party recycling company. • Tradebe in the US continues to recycle electronic waste from our Shelton, US site, partnering with a certified downstream vendor. • Over the last ten years, foam inserts for all packaging have been transitioned to cardboard at the Cartago, Costa Rica site. Only a few inserts remain where the technical limitations of cardboard do not permit the swap.
Embed sustainability into our product lifecycle	• PLCAs (cradle to grave) for five of the top-selling products by 2025.	• PLCA methodology and Sustainable Design Principles are embedded in internal design processes in Media Solutions and are used to support R&D decisions around sustainability. • Media Solutions plans to implement a PLCA on three representative mechanical and electrical supports products, which will be completed in 2024. • Since 2022, all new Lowepro products launched have had 50% recycled materials by mass and 0kg PFC coating. By 2024, all Lowepro products and packaging will be "green line" which clearly shows our commitment to sustainable product development • For top-selling products, we are conducting a customer study to ascertain the disposal method and identify opportunities to reduce the environmental impact. • In 2023, Production Solutions began a PLCA programme with the aktiv and flowtech systems. This will also involve training employees to develop their PLCA capabilities.
Formalise the integrity of our supply chain	• Work with our top five biggest suppliers by revenue to request supplier-specific data on products by 2025.	• A detailed ESG survey was distributed to Videndum's 90 most significant vendors based on financial spend. • Supplier due diligence and supplier audit programme has been strengthened to focus on all relevant ESG dimensions.

Our progress

Waste reduction
The Group is committed to reducing our packaging and waste, aiming to eliminate or replace 50% of current cardboard packaging consumption with sustainable, FSC-certified cardboard, from a 2019 baseline. We will continue to use templates to improve data collection methods on packaging and plastics, to better monitor progress against our targets. Waste is sorted for recycling at our manufacturing sites across the Group in Italy, UK, US and Costa Rica.

In 2023, we continued working towards eliminating single-use plastic and the recyclability of packaging and other product components. For example, Production Solutions removed solvent waste from its carbon fibre manufacturing cell, reducing waste output. The energy efficiency of the cell is currently being analysed.
Production Solutions returns almost 100% of the component packaging materials to IMATS, the largest supplier in Cartago, Costa Rica, with the damaged material being recycled. The Division has developed a new project, which is researching reusable packaging with other suppliers. We aim to report on this progress in our 2024 TCFD report.
The Division reuses packaging boxes and bubble wrap to ship between sites, to reduce the waste generated. There is an ongoing project to reduce the number of printed user safety guides and include a QR code so the documentation can be downloaded or viewed online. The aim is to launch this initiative in 2024. This would ensure that customers have the required safety instructions in a manner that minimises waste.

Production Solutions adopted DocuSign in 2022, to reduce its impact on the environment by enabling employees to electronically sign documents, reducing the need for printing. The Division continues to reuse packaging boxes and bubble wrap to ship between sites to reduce waste generated. Our Bury St. Edmunds, UK, and Cartago, Costa Rica, sites are both certificated to ISO14001 environmental management systems. The management system audit helps build a framework to manage environmental impacts and assists in meeting legal compliance.

Production Solutions continues to partner with "Call2Recycle" to recycle batteries at their US site and for existing US customers. Additionally, larger corporate customers have started using Redwood Materials, another US battery recycling company. Redwood will soon expand to Europe, where we plan to continue to use their services. In addition, our Anton/Bauer brand launched Salt-E Dog, a battery that utilises sodium chemistry, which is more sustainable and efficient than traditional lithium-ion batteries. Sodium, the sixth most abundant element on Earth, allows for safe extraction without the use of destructive and unethical mining methods associated with lithium. As a salt, sodium is 100% recyclable. This technology contributes to a more sustainable power source for the entertainment industry.

Creative Solutions has taken steps to develop an e-waste recycling and tracking scheme for their Teradek brand's B-Stock. To date, Teradek has recycled over 30 lbs of lithium batteries and over 2,000 lbs of older generation, B-Stock products. These products are derived from impactful materials like copper chassis. The Teradek Bolt product will also be packaged in foam-free, all-cardboard packaging. Additionally, our SmallHD and Wooden Camera brands are sending older generation products to e-waste sites.

Similarly, Media Solutions has been collecting data on total packaging and water usage, with Production Solutions also implementing more granular waste measurements in both manufacturing sites. The Group encourages employees to recycle wherever possible.

We aim to continue to improve our waste data collection for more accurate analysis and understanding of processes. Media Solutions continues to work on sustainable packaging initiatives by replacing product boxes with recycled and FSC-certified paper, designing packaging to be used as part of the product, reducing the volume of products and utilising reusable packaging.

Our progress continued

In 2023, Media Solutions continued with their Safe and Green Project, which aims to reduce plastic use within the Division.

Printers across the Group are automatically programmed to print double-sided black and white to reduce costs, waste and emissions. This programme continues to be rolled out to all newly acquired sites. This initiative helps to encourage employees to adopt sustainable behaviours in their everyday lives. Similarly, a new initiative has been introduced in Media Solutions to stop paper printing, by shifting completely to a digital system. Through this project, the EMEA customer service team was able to reduce 518kg of paper printing (invoices, shipping docs, customer POS, OCs and claims), compared to 2021 data. In 2023, paper usage was reduced by 93%, and the team aims to provide completely paper free services from 2024.

Supply chain

We aim to work with our supply chain to ensure preference is given to materials with a low embodied energy, minimal environmental impact and locally sourced materials where possible. We have long-standing relationships with many of our suppliers and operate in a transparent and timely manner. We aim to upgrade our supply chain analysis to reduce environmental-related impact and risk. We will conduct a Group-wide formal review to ensure all suppliers operate in terms broadly like our policies and procedures (at a minimum consistent with Videndum's Code of Conduct) and that all raw materials are sourced ethically and sustainably. As a part of our Industry 4.0 programme, we look to localise our supply chain. In 2022 we engaged with seven of our top suppliers by financial spend and in 2023 we engaged with 90 suppliers. We aim to engage with additional suppliers in 2024.

Sustainable products

Our products and services have a comparatively low impact on the environment. We use low hazard materials and minimise the use of resources during the manufacturing process.

Water stewardship

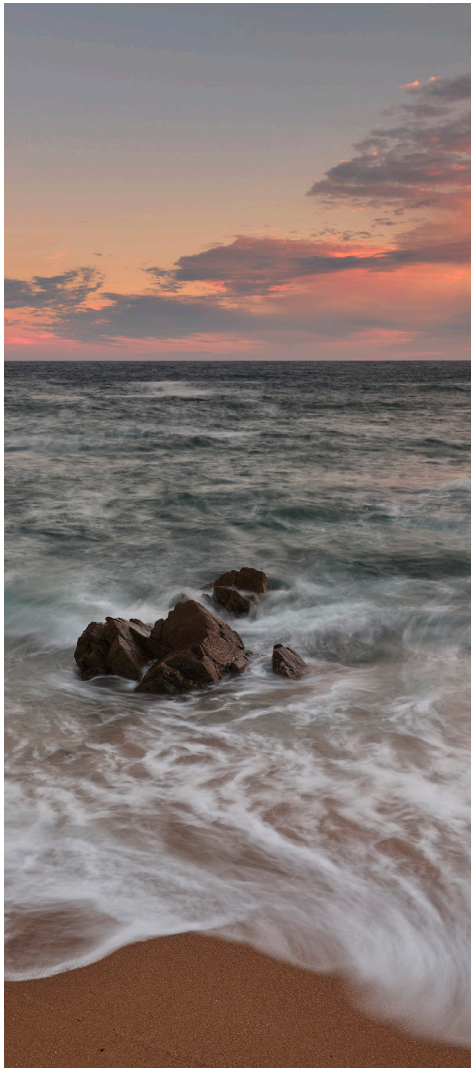
While our water usage is low, used mostly for human consumption, we are reducing our usage where possible. All Divisions have begun implementing water-saving initiatives, such as waterless urinals, limiting flushing options on toilets and installing motion-controlled faucets in lavatories. For example, in Production Solutions' Cartago, Costa Rica building, all urinals are water-free, hand washing faucets are timed or motion activated and toilets have been made water-efficient. This building was recently expanded, with the aim to install these water-saving features in the new expansion in 2024. Water-saving faucets and urinals for Bury St. Edmunds, UK, have been incorporated into the financial planning for 2024.

Additionally, by choosing solution-dyed fabrics over the traditional dying process for our Lowepro brand, we were able to use 60 tonnes less water in production compared to the "non-green line" products. Our "green line" materials help prevent emitting 259 tonnes of carbon compared with non-green line materials.

Although the Group has little direct contact with biodiversity, our Divisions ensure our sites emit limited pollution and are not disruptive to any nearby wildlife. Production Solutions continued their partnership with the Rainforest Trust again this year as part of their Action4Good Wellness Month. The Division saved 9,000 acres of rainforest through this project, by raising £9,000. £1, equivalent to one acre, was donated for every 30 minutes of exercise logged in the Action4Good app between September and October 2023.

Media Solutions has a commitment to sustainability that is multi-faceted. Their Lowepro brand has taken a significant step by introducing the Green Protocol, where ambassadors pledge positive actions to minimise their impact on the planet.

In 2023, Media Solutions collaborated with Beyond Epica to support the Italian Institute of Polar Sciences, contributing to the analysis of climate change. Our Gitzo brand further reinforces our commitment by supporting blogs focused on expeditions and sustainability, aiming to create awareness of the profound impacts of climate change.



Appendix - methodology

Scope 1 and 2 consumption and CO_2e emission data for UK sites have been calculated according to the 2019 UK Government environmental reporting guidance and the GHG Protocol. An operational reporting boundary was used. Consistent with the guidance, the following emissions factors utilising the current kWh gross calorific value (CV) and kg CO_2e emissions factors relevant to reporting year 1 January – 31 December 2023 were applied. Scope 3 emissions have been calculated based on the guidance in the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Scope 1 emissions
Direct emissions from our own operations e.g. fuel combustion.

Scope 1 fuel consumption — natural gas, transport fuel and other fuels — are converted to CO_2e figures using conversion factors outlined below.

- To convert Scope 1 natural gas usage in the UK, the UK DESNZ 2023 emissions factors database was used. For the US, the United States Environmental Protection Agency GHG Emissions Factors Hub 2023 was used. For Australia, the Australia National GHG Account Factors 2022 database was used. For remaining countries, we default to the UK DESNZ 2023 emissions factors database.
- Scope 1 (Company fleet) and Scope 3 (grey fleet) – the UK DESNZ 2023 emissions factors database was used to convert transport fuel consumption in the UK into CO_2e emissions. For the US, the United States Environmental Protection Agency GHG Emissions Factors Hub 2023 was used. For remaining countries, we default to the UK DESNZ 2023 emissions factors database.

Scope 2 emissions
Indirect emissions generated from purchased electricity. Scope 2 emissions are calculated based on both the "location" and "market" based methods outlined in the GHG Protocol. Scope 2 country-specific electricity emissions factors were used on the sources in the table on page 53.

Location-based methodology
Methodology to calculate Scope 2 emissions using the average electricity grid emission conversion factor of a region. For all UK facilities we use the DESNZ 2023 conversion factors. For all non-USA facilities, we use national carbon conversion factors for grid purchased electricity from a variety of published sources; including national grid suppliers and government agencies (see table on next page). For USA sources we use the latest regional intensity factors available from the Environmental Protection Agency's Emissions and Generation Resource Integrated Database (eGrid). Emissions associated with the use of purchased electricity (Scope 2 emissions) were calculated using country-specific electricity emissions factors as per the sources in the table on the next page.

Market-based methodology
Methodology to calculate Scope 2 emissions using electricity conversion factors specific to the contractual instruments in place for procured electricity. To select conversion factors for market-based reporting, the following hierarchy of choice is implemented:

1. Electricity conversion factors as provided on an energy agreement contract.
2. Supplier specific electricity conversion factors as per the supplier's fuel mix disclosure.
3. Emission conversion factors derived from published residual mix emissions factors (please see below for definition of residual mix).
4. If none of the above can be sourced, default to the location-based emissions factor.

A market-based approach is only applied to Scope 2 emissions, as per the existing GHG protocol guidance. Scope 1 and Scope 3 emissions therefore remain the same for both the location-based and market-based reporting.

Residual mix
The proportion of electricity remaining in the grid once certified/tracked renewable electricity has been removed. It is used in a market-based approach where if the contractual instrument is unknown. This is so that the reporting company does not account for renewable energy that other consumers have already claimed.
Where billing data was missing for properties directly invoiced to the Group, usage was estimated at the meter level by pro-rating the kWh/day known consumption. The estimations equate to 1.6% of reported consumption.
Intensity metrics have been calculated utilising the 2023 reportable figures for each metrics and tCO_2e for both individual sources. Total emissions were then divided by this figure to determine the tCO_2e per metric.

Scope 3 emissions
All the indirect emissions (excluded in Scopes 1 and 2) that occur in our value chain. For all Videndum sites, applicable Scope 3 categories were identified based on an operational control boundary. Scope 3 emissions for applicable categories were calculated following methodologies outlined in the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", with further guidance taken from the GHG Protocol's detailed methodology chapters for each applicable Scope 3 category.
For UK sites, most conversion factors were sourced from UK Government GHG Conversion Factors for Company Reporting, v1.0 2023. Where a spend-based approach was used, as per the

Appendix - methodology continued

GHG Protocol guidance, conversion factors were taken from the University of Leeds and Department for Environment, Food and Rural Affairs' "UK Footprint Results (1990 – 2018)" study or the Department for Environment, Food and Rural Affairs' "Indirect emissions for the supply chain" database. Scope 3 emissions include Well to Tank and T&D losses.

For international sites, country-specific emissions factor databases were used where available. For example, for US sites, 2023 specific emissions factors were taken from the EPA GHG Emission Factors Hub and spend based emission factors were sourced from a Quantis database.

Country-specific 2023 electricity emissions factors were used to estimate emissions associated with Categories 11: Use of Sold Products and 13: Downstream Leased Assets. These factors were taken from the sources outlined in the table to the right.

Table 30: Country-specific emissions factors and souces.

Country	Source used
Australia	Australia National GHG Accounts 2022
China	Climate Transparency Report 2022
Costa Rica	Costa Rica IMN 2022 Factor
Germany	AIB Factors 2023
Hong Kong	Hong Kong Electric Company 2023
India	Climate Transparency Report 2023
Israel	Carbon Footprint Ltd's 2023 Factors
Italy	AIB Factors 2023
Japan	Climate Transparency Report 2022
New Zealand	Ministry of Environment 2022
Singapore	Singapore Energy Market Authority 2022
UK	DESNZ 2023
USA	EPA 2023

Videndum plc
Bridge House
Heron Square
Richmond
TW9 1EN
United Kingdom

t +44 (0)20 8332 4600
info@videndum.com
www.videndum.com

This report has been printed on material which is certified by the Forest Stewardship Council.