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Task Force on Climate-related Financial Disclosures Report ("TCFD")

In 2024, we continued to develop our TCFD reporting, further embedding the recommendations and latest guidance into our existing processes.

We aim to continuously improve our TCFD reporting as guidance evolves and our responsible business programme progresses. We are committed to providing information about climate-related risks and opportunities relevant to our business. In 2024, Videndum ("the Group") was consistent with the requirements of the Listing Rule ("LR") 6.6.6R(8) by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. Videndum is producing this statement to be consistent with the mandatory climate-related financial disclosure ("CFD") requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. As a Main Market listed company with more than 500 employees, Videndum is captured by CFD regulations. We are consistent with all 11 TCFD recommendations and all eight CFD recommendations for 2024.

The Board has considered the TCFD additional guidance (2021 TCFD Annex) in preparing the disclosures.

Governance

We have a robust governance framework designed to ensure the continued success of our business while minimising risks to our operations and supply chains. We have a coordinated Group-wide approach to ESG, focusing on the material issues affecting the business and its stakeholders.

The Board provides oversight and has overall responsibility for the Group's ESG programme and climate-related risks and opportunities. The Board delegates authority for monitoring and managing climate-related topics to the ESG Committee, comprising senior executives from across the Group. The ESG Working Group meets bi-weekly and is facilitated by our third-party ESG consultants, Inspired ESG, to ensure TCFD and CFD consistency across the Group. The Working Group's progress was reported to the ESG Committee at every meeting in FY 2024, of which there were two. The ESG Committee is responsible for monitoring and managing climate-related topics and driving ESG performance. The ESG Committee provides climate data to our ESG consultants, Inspired ESG, to identify the climate-related risks and opportunities.

The ESG Divisional Leads are provided with regular updates on climate-related matters from the relevant departments, and this is communicated in the ESG Working Group, ensuring all climate-related risks are monitored. The Head of Group Risk Assurance, who has been delegated the responsibility for identifying and assessing climate risks and opportunities, attended all climate risk management workshops in 2024, which were supported by Inspired ESG. The Head of Group Risk Assurance also leads the climate change risk management and regularly reviews mitigation plans on behalf of the ESG Committee, providing updates at all ESG Committee meetings. The Head of Group Risk Assurance provides updates on TCFD, including emissions by site, to the Audit Committee at least once a year to track progress towards achieving emission reduction targets. The Board received training on climate-related issues and ESG matters through updates from ESG Committee meetings. This ensures that the Board had oversight of climate change throughout 2024 and remained informed on the developing mitigation measures for climate-related risks. Inspired ESG also provided an overview of upcoming and existing climate legislation, including the Corporate Sustainability Reporting Directive ("CSRD") at each ESG Committee meeting in 2024. Key ESG Committee discussion points, included CSRD progress, a review of emission reduction progress and the implementation and success of energy efficiency initiatives. Such points were distributed to the Board after each ESG Committee meeting.

ESG and climate governance have been integrated into the Group's risk management processes. The Board considers climate change when reviewing and guiding business strategy, for example, the Board incorporates the financial planning of future compliance costs relating to climate change into strategies including costs of CSRD consistency and the need to purchase Renewable Energy Certificates ("RECs") to help meet targets. RECs were purchased for aspects of the business, including SmallHD, Wooden Camera and Creative Solutions Los Angeles sites. In addition, to ensure the Board can effectively guide the Group's ESG targets, regular updates on progress to achieve the emission reduction targets are provided to the Board, at the ESG Committee meetings. Inspired ESG supports the Group in Scope 1, 2 and 3 emissions calculations and advise on any changes to targets where necessary.

The Audit Committee continues to review financial and non-financial risks outlined in the Group Risk Register, including climate change. Although climate change is classified as a principal risk, the impact is considered minimal and manageable in the short to medium term as we have integrated climate-related mitigation measures to address climate-related risks. The Head of Group Risk Assurance provides updates on TCFD to the Audit Committee at least once a year.

We have used a range of scenarios to assess the impact of climate change on our business, including warming pathways as adopted by the Intergovernmental Panel of Climate Change ("IPCC").

Table 1. Scenario warming pathways used in 2024.

Scenarios warming pathways		
Below 2°C ("proactive") scenario:	**Between 2–3°C ("reactive") scenario:**	**Above 3°C ("inactive") scenario:**
The proactive scenario is mapped in alignment with the Paris Agreement and the UK's net zero target of 2050. International and national governments are expected to systemically implement strict environmental mandates, which drive investment in low-carbon emissions to promote innovative solutions to reducing emissions. Markets are expected to shift to low-carbon and sustainable alternatives, increasing the need for such products. Videndum is seeking to adapt to the potential climate risks under this scenario through annual reviews of climate-related risks and mitigations, and fostering an innovative culture throughout the Group. Capitalising on the identified opportunities (Table 4) will further support a transition to a low-carbon economy and build operational resilience.	Under the reactive scenario, government policies are likely to be introduced in an uncoordinated and staggered approach, leaving little time for companies to comply. Global strategies and agreements such as COP29 are likely to influence decision-making. Funding for climate action is likely to be delayed or minimal, promoting a lack of incentive for companies to implement or invest in low-emission technology. The impact of physical risks is likely to be exacerbated as many climate tipping points are exceeded, leading to an unpredictable climate where businesses face many climate-related disruptions across the supply chain and operations. To enhance resilience, Videndum will conduct annual reviews to ensure mitigations remain appropriate, continue to improve energy efficiency across the portfolio and strengthen relations with key stakeholders.	The inactive scenario will likely occur under a "business as usual" approach, where governments fail to enact climate policy, and organisations fail to reduce emissions. In this scenario, few organisations are expected to set net zero targets, resulting in little investment into low-emission technology, hindering a smooth transition. Most climate tipping points are reached, creating a volatile climate with severe physical risks. Significant operational disruption is expected as supply chains collapse in some regions. Videndum will prioritise climate mitigations and adaptations to build resilience under this scenario. This includes building and reviewing contingency plans for disruptions and working with suppliers to drive climate-resilient strategies.

We conducted the analysis using three timeframes that align with the UK's net zero target by 2050:

- **Short term** (2024–2029) aligns with the Group's short-term financial planning for 2025.
- **Medium term** (2030–2039) is consistent with the Group's net zero target by 2035.
- **Long term** (2040–2051) is consistent with the UK Government's net zero pledge by 2050.

We work closely with Inspired ESG, to assess the potential climate-related risks across all sites and selected supply chain operations, analysing the impact of both physical risks (the physical impact of climate change), which can be acute (event-driven) or chronic (longer-shifts in climate patterns) and transition risks (risks associated with the transition to a decarbonised economy such as the increased cost of raw materials and energy, and increase in carbon pricing). See page 44 for our risk-scoring methodology.

Since 2021, climate change has been considered a principal risk for the business. The aforementioned timeframes align with the Group's business and strategic planning horizon. We modelled our climate scenarios using several established models, such as the International Energy Agency's World Energy Models ("WEM") and the Shared Socioeconomic Pathways ("SSPs"). Climate scenarios make projections on hypothetical futures and come with a degree of uncertainty, such as projected discrepancies between potential and actual conditions. Variables can be overestimated or underestimated, leading to some unreliable predictions. There have been no significant changes in our methodology compared to previous years, only updates to improve accuracy for best practice reporting.

Climate scenario analysis: results

We identified 18 climate-related risks and eight opportunities that could impact the Group. Transition risks were analysed at the Group level, and physical risks were assessed at the site level. Tables 2 and 3 summarise these risks, forming our climate change principal risk and uncertainty classification. These risks were considered to have the greatest potential impact on the Group's financial performance, with a potential financial impact of more than £1 million. The potential financial impact for each risk is shown in Tables 2 and 3, and the Group's opportunities are shown in Table 4.

Due to the expected increase in future reporting obligations, transition risks were identified as the most significant to the Group. These risks are expected to grow as the global economy decarbonises, especially in scenarios below 2°C or 2–3°C, with governments imposing stricter climate reporting requirements and expanding carbon pricing mechanisms. The maximum annuity impact of climate change was included in the Group's long-term financial modelling for cash-generating units ("CGUs"), showing no material impact on available headroom. The 2025 budget already accounts for compliance and consultancy costs, such as CSRD reporting. Cross-industry metrics, including greenhouse gas ("GHG") emissions, risks, opportunities, and carbon pricing, were used to estimate the financial impact of climate-related factors, as per TCFD guidance. Details are on pages 30 to 44. We will continue to develop these metrics as our climate reporting evolves. Transition risks are most prevalent in the short to medium term, under a 2°C warming scenario. In contrast, physical risks are expected to significantly impact the business in the long-term, across a more than 3°C warming scenario.

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Videndum has an emission reduction transition plan covering the short, medium and long term. This plan will support the Group in the transition to a low-carbon economy, reducing emissions across operations and the value chain to reach the established net zero targets (Table 5). The initiatives detailed in the plan have been investigated and trialled where necessary and will support the mitigation of the material climate risks shown below. This transition plan also allows for more accurate financial planning for each emission reduction and climate risk mitigation initiative, contributing to the Group's overall financial planning process and creating value and climate resilience over time.

The future impacts of climate change are expected to impact the business. However, with our annual assessment and risk mitigations, the climate change impact is considered minimal and manageable in the short to medium term. Despite climate change being a principal risk, no climate-related material impacts were experienced by the Group in 2024. We prioritise building business resilience under each scenario to promote business continuity, demonstrated through annual reviews of our risk register and developing mitigations for arising risks.

Table 2: Climate-related transition risks that could have a greater potential impact on the Group than other climate risks, and the mitigations.

Risk description	Timeline	Financial impact	Magnitude of impact	Risk response
Policy and legal – Increased reporting requirements due to climate change in the <2°C and 2–3°C scenarios. As the UK aims to be net zero by 2050, enhanced regulation may be introduced over time to encourage businesses to reduce energy usage and emissions. Videndum has already seen an increase in regulation in the UK, such as Streamlined Energy and Carbon Reporting ("SECR") and TCFD. The EU's CSRD will impact the Group's Media Solutions Division in 2025, and reporting in 2026. There will be a financial cost associated with achieving consistency. The EU could also ban the use of climate claims like "climate neutral" or "eco" based solely on carbon removals and ban the use of green labels that are not from an approved sustainability scheme. Increased regulation requirements will increase third-party consultancy fees and the need for internal resources. Failing to prepare or meet the enhanced regulations may result in litigation and reputational damage.	Short/Long term (2024–2051)	Expenditures/ Increased operating costs (higher compliance costs).	Medium/ High	Videndum is exposed to a growing number of legal and regulatory compliance requirements and has developed a governance process to ensure compliance. Videndum engages with third-party specialists to support data capture and reporting in line with requirements. Internal resources have been allocated to support this. The Group also has strong engagement with suppliers to drive environmental leadership. Videndum's ESG Committee, supported by the ESG Working Group, ensures Videndum is well prepared for any new or upcoming climate regulation. The Audit Committee regularly assesses changes in the regulatory environment. **Related metrics and targets:** Scope 1, 2 and 3 emissions, and net zero target.

Risk description	Timeline	Financial impact	Magnitude of impact	Risk response
Policy and legal – Increase in carbon/GHG pricing in the <2°C, 2–3°C and >3°C scenarios. Carbon pricing, or carbon taxing, would put a price on Videndum's direct emissions, therefore increasing operational and compliance spending. Carbon pricing is a variable cost that will fluctuate with changes in emissions and government mandates. Using projected carbon tax values across each scenario, the cost could be most significant for Videndum in the reactive scenario in the long term. Carbon pricing mechanisms may capture companies in Videndum's supply chain, with their increased costs reflected in the price of commodities produced by the Group. The EU's Carbon Border Adjustment Mechanism ("CBAM") will put a carbon price on manufactured products imported from outside the EU. Materials, such as aluminium and iron will be captured in the definitive regime, which will be mandatory in 2026 and could impact the cost of materials Videndum imports. The UK is planning to introduce a similar carbon border taxation scheme that will likely be made mandatory from 2027.	Short/Long term (2024–2051)	Expenditures – Increased direct costs.	Medium/ High	Videndum's target is to be a net zero business by 2035 for Scope 1 and 2 and 2045 for Scope 3. Videndum will reduce carbon emissions year-on-year mitigating the risk of carbon pricing. Videndum aims to monitor the impact of carbon pricing on its business and update pricing models with accurate Scope 1 and 2 carbon emissions annually. Videndum is not currently subject to a carbon tax. Carbon emissions will likely decrease year-on-year as Videndum works towards understanding and reducing our carbon footprint. **Related metrics and targets:** Scope 1 and 2 and reduction target.
Market – Increased costs of raw materials in the <2°C, 2–3°C and >3°C scenarios. As the push for net zero continues, there becomes a greater emphasis on moving away from fossil fuels. This could come in the form of carbon taxation, sanctions or restrictive policies. The unit cost of renewable electricity is more constant than that of electricity from fossil fuel sources, but it can be more expensive, resulting in increased energy costs for Videndum. Increased energy costs can also arise due to more businesses competing for RECs and Renewable Energy Guarantees of Origin ("REGOs"). High-impact materials captured under CBAM will see an added carbon cost to account for embedded emissions. High-impact products will be forced to decarbonise. As a result, new processes and technology may be introduced increasing the cost of the raw material. Rising costs of raw materials will increase Videndum's operational spend and may decrease profitability. Material alternatives can be sourced. However, they may not be suitable for the Group.	Short/Long term (2024–2051)	Expenditures – Increased indirect (operating) costs.	Medium	Videndum aims to implement energy efficiency technologies and renewable power generation to reduce the impact of this risk on the Group (see Table 10 for information on energy-efficiency measures). These measures will likely reduce the impact of rising energy costs. Videndum's close supplier relationships support the monitoring of potential increases in costs of raw materials. **Related metrics and targets**: Scope 1, 2 and 3 emissions, and net zero target.

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Risk description	Timeline	Financial impact	Magnitude of impact	Risk response
Technology – Costs to transition to lower emissions technology in the <2°C, 2–3°C and >3°C scenarios. To reach net zero Scope 1 and 2 by 2035, Videndum must invest in technology to shift away from fossil fuel use. Low-emission technology can be more expensive compared with traditional alternatives, resulting in high capital costs. Payback periods for some technologies can be years, which may affect profit and loss forecasts. In addition, early retirement of existing technology may be required (write-off of existing assets).	Short / Long term (2024–2051)	Expenditures/ Increased capital costs.	Medium/ High	Videndum has already invested a significant amount of capital for energy efficiency technologies across the Group, including LED lighting and other energy management systems (see Table 10 for information on energy-efficiency measures). These investments will support Videndum in achieving the net zero target shown in our transition plan (Table 5). The return on investment typically outweighs the cost of investing in new low-emission technology. Technology is introduced in a staggered approach to spread costs across a necessary period. Videndum is planning several site rationalisations, which will deliver progress on achieving our net zero target. Related metrics and targets: Scope 1 and 2 and Scope 3 emissions (Category 1 – Purchased Goods and Services, Category 12 – Use of Sold Products).

Table 3: Climate-related physical risks that could have a greater potential impact on the business other than climate risks, and the mitigations.

Risk type	Risk description	Timeline	Financial impact	Magnitude of impact	Risk response
Acute	**Heatwaves/extreme heat in the 2–3°C and >3°C scenarios.** All Videndum sites will experience heatwaves in the short to long term in the reactive and inactive scenarios. Extreme heat/heatwaves may adversely impact staff, causing a decrease in productivity. Governments impose restrictions on work in extreme heat, especially for manual labour. To maintain optimal temperatures for staff, there may be an increased demand for cooling through air-conditioning units, leading to an increase in energy costs and Scope 1 and 2 emissions. Certain construction materials and their properties may change under extreme heat conditions. Electrical efficiency also decreases as temperature rises, resulting in an increased demand for energy at potentially a higher cost.	Short/ Long term (2024 –2051)	Expenditures /Increased direct and indirect costs.	Medium	We continue implementing energy efficiency initiatives (Table 10) and technology to reduce reliance on energy supplied from the grid, such as solar panels. Our facilities are modern with appropriate air conditioning and working practices to enable employees to work safely during heatwaves and extreme heat.

Risk type	Risk description	Timeline	Financial impact	Magnitude of impact	Risk response
Acute	**Increased severity of flooding in the 2–3°C and >3°C scenario.** Several Videndum sites have potential risk of flooding in the event of sea levels rising and localised flooding from rivers. Flood events could lead to a closure of sites and damage properties and equipment, which will result in revenue loss. Building standards such as Building Research Establishment Environmental Assessment Method ("BREEAM") may be introduced to mitigate flood risks, which will increase capital costs. Indirect impacts of flooding could also impact Videndum. Transport networks may be impacted, preventing employees from reaching the site, resulting in reduced revenue as well as disruptions to supply chains.	Medium/ Long term (2030–2050)	Expenditures /Increased direct and indirect costs.	Medium	Across the Group, a number of sites have high standard drainage systems, such as soakaways which are well maintained and serviced. The risk of flooding is monitored and assessed across the Group, and for key suppliers annually. However, no sites in Videndum's portfolio were flooded in 2024. **Related metrics and targets:** Scope 1, 2 and 3 emissions.
Acute	**Increased frequency of wildfires in the >3°C scenario.** Several sites have a moderate risk of being impacted by wildfires, most importantly the Irvine site in California. Wildfires can affect commercial activity, for example the fires in Los Angeles in early 2025 temporarily disrupted the film industry. While wildfires are not expected to have direct impacts on all sites, their occurrence is expected to increase across all territories. Should a wildfire reach an operating site, it can damage buildings, equipment and stock. This will require capital spend to repair any damage. Insurance coverage may decrease for sites known to be impacted by frequent wildfires. Transport networks such as roads and railways around a site may be closed in the event of a wildfire, leading to supply disruptions and employees being unable to reach sites.	Long term (2040–2050	Expenditures /Increased direct and indirect costs.	Medium	No direct impacts from wildfires occurred in 2024. In January 2025, the LA wildfires however impacted Hollywood productions and indirectly impacted our businesses. Fire safety measures are in place. Fire drills, assembly points, and detection systems exist across the Group. Evacuation routes are mapped along with infrastructure for fire detection. Business continuity plans are in place for key sites. **Related metrics and targets:** Scope 1, 2 and 3 emissions.
Chronic	**Sea level rise in the >3°C scenario.** Several Videndum sites have potential risk of flooding in the event of sea levels rising and localised flooding from rivers. Sea level rise could directly impact operating sites through flooding or subsidence. It could lead to a closure of sites and damage to properties, stock and machinery which will result in a loss of revenue. Sea level rise can also have indirect impacts, such as reduced insurance coverage, disrupted transport networks and closure of seaports.	Long term (2040 – 2051)	Expenditures /Increased direct and indirect costs.	Medium	Videndum engages with suppliers and conducts analysis on the potential impact of key suppliers annually. Annual climate scenario analysis is also conducted on our operating sites to monitor the potential impact. Where possible, we can utilise dual sourcing as a number of our suppliers operate in multiple locations. **Related metrics and targets:** Scope 1, 2 and 3 emissions.

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Table 4: Opportunities identified for 2024.

Opportunity description	Timeline	Impact
Resource efficiency – Use of energy-efficient technology in the <2°C and 2–3°C scenario. While the technology may have a high capital cost, improved process efficiency, along with reduced energy bills and operating costs will help offset the initial investment. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	Reduction in operating expenses because of increased efficiency (e.g., energy costs).
Energy source – Use and installation of low-emission energy technology in the <2°C and 2–3°C scenarios. Low-emission energy technology, such as installing additional solar panels, allows for further electricity generation onsite and transition away from grid reliance, as well as reducing our emissions. We will also monitor financing schemes and investment opportunities to help subsidise the upfront costs of low-emission technology. There is potential for reputational benefits as well. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	Self-generated electricity can be used in business operations and excess sold to the grid, increasing savings as the cost of energy is reduced.
Products and services – New low-emission product and service lines in the <2°C and 2–3°C scenarios. Videndum has the opportunity to innovate and develop new low-emission products and services which may improve its competitive position to capitalise on shifting consumer and producer preferences. This relates mainly to opportunities to support customers in reducing their emissions. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	New revenue streams.
Markets – New emerging low-emission markets in the <2°C and 2–3°C scenarios. Videndum may be able to capitalise on new markets, should it proactively seek out opportunities to diversify its activities to better position itself for the transition to a lower-carbon economy. Opportunities exist for organisations to access new markets through collaborating with small-scale local businesses and community groups in developed and developing countries as they work to shift to a lower-carbon economy. New opportunities can also be captured through green investment in low-emission technology and infrastructure (e.g. low-emission energy production, energy efficiency, grid connectivity). Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	New revenue streams.
Resilience – The business is well adapted and positioned to deal with climate change in the <2°C and 2–3°C scenarios. Videndum has an adaptive strategy to respond to climate change, better managing the associated risks and seizing opportunities, including the ability to respond to transition risks and physical risks. Videndum has already allocated capital to develop this strategy, such as installing solar panels, engaging with a third-party ESG consultancy, and developing a net zero strategy. To increase resilience, the Group has set environmental targets (see page 38). Progress towards these targets will be reported on annually, demonstrating our commitment to reducing our carbon footprint. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	Developing an adaptive strategy, and capitalising on the identified opportunities will promote new revenue streams.
Resource efficiency – Opportunity to rationalise site portfolio in the <2°C and 2–3°C scenarios. Videndum is proactively reducing its property portfolio. This will not only support the journey to reduce emissions but also reduce costs significantly. In recent years, several sites were disposed of including Chatsworth, Stroud, Videndum Production Solutions France, New Zealand and Dallas. In 2025, we expect further site rationalisation. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	Developing an adaptive strategy and capitalising on the identified opportunities will reduce operational costs.

Opportunity description	Timeline	Impact
Resource efficiency – Digital carbon footprint reductions in the <2°C and 2–3°C scenarios. Our Media Solutions Division uses the 5S approach to optimise workplace organisation and data efficiency. The 5S's are sort, straighten, shine, standardise, and sustain. This includes eliminating unnecessary items and establishing consistent practices, which can reduce data storage costs. Our Production Solutions Division is also adopting this approach. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	Reduced data storage costs.
Markets – Access to green finance in the <2°C and 2–3°C scenarios. Possible access to finance for certain green initiatives, such as the Salt-E Dog battery, which uniquely uses 100% recyclable sodium cells, which have a lower Global Warming Potential than lithium-based counterparts. This will be monitored going forward to capitalise on opportunities where possible. Related metrics and targets: Scope 1, 2 and 3 emissions.	Short / Medium Term (2024–2039)	Cheaper financing.

Climate risk management

We have a well-developed process and framework for identifying, assessing and managing our climate-related risks and capitalising on opportunities where possible, for which the Board has ultimate responsibility. We followed four interconnected steps:

Step 1 – Identification – This is our fourth year identifying the climate-related risks and opportunities that may potentially impact Videndum. The Head of Group Risk Assurance, in partnership with Inspired ESG, identify the climate-related risks and opportunities for all our sites and our top 49 suppliers. Analysing the potential impact of a number of physical risks, such as flooding, on our supplier locations and supply routes, allows us to forecast potential disruptions to our supply chain. In July 2024, supported by Inspired ESG, we held a climate risk workshop which covered transition risks at a Group level. In September 2024, we held three additional climate risk workshops on the physical risks for each of our Divisions at a site level. Conducting these workshops allows us to identify any new risks and opportunities for the business and understand if those previously identified are still relevant. In total, 18 climate-related risks and eight opportunities were identified in 2024.

Step 2 – Assessment – At the climate risk workshops, stakeholders assessed the potential likelihood and impact of each climate risk across three global warming pathways and three different timeframes (see page 31 for more information). This allowed us to identify which transition and physical risks and opportunities were most material to the Group (see Tables 2, 3 and 4). Members of the ESG Committee continuously monitor emerging and changing climate-related regulatory requirements, which are reviewed at least annually with Inspired ESG. Stakeholders who attended the workshops include the Head of Group Risk Assurance and the ESG Coordinators for each Division. The Head of Group Risk Assurance finalised the impact scores for each climate-related risks based on these workshops, considering the potential financial impact. Risks were scored according to the Group's Risk Register methodology for impact:

- Low (Moderate): Risks with a potential financial impact lower than £1 million.
- Medium (Major): Risks with a potential financial impact between £1 million and £5 million.
- High (Critical): Risks with a potential financial impact greater than £5 million.

Existing mitigation measures were considered as part of the risk assessment process (net risk). Risks scored as medium or high for impact were considered material (Tables 2 and 3) and will have mitigation measures prioritised. Risks that were not deemed to be material will be monitored and transferred for re-evaluation in 2025 to understand whether additional mitigation measures are needed.

Step 3 – Appraisal – We continue to appraise our risk management options, ensuring the response remains relevant and most effective. In 2024, we assessed the effectiveness of existing risk mitigation options and discussed plans for developing and implementing future measures. Where necessary, we also investigated potential options to manage the impact of risks and opportunities within our supply chain, including further supplier engagement and monitoring.

Step 4 – Management – Finally, in 2024, following the climate risk workshops, the stakeholders who attended, discussed the management strategies for each risk, ensuring effective frameworks and actions were in place for all risks and opportunities. Controls were implemented to prevent, reduce or mitigate risks or increase the likelihood of opportunities (Tables 2, 3 and 4). For example, Videndum has already invested significant capital expenditures for energy efficiency technology across the Group, including LED lighting and other energy management systems (Table 10). The Head of Group Risk Assurance and Inspired ESG ensures the Board is updated on key developments throughout the year, such as at the two ESG Committee meetings held in 2024. Discussions focused on existing emissions and waste reduction targets, as well as updates on emerging legislation that will impact the Group, such as CSRD. We recognise that residual risks will remain and will communicate this across the Group as appropriate. Our management teams and the Head of Group Risk Assurance will annually review climate risk exposure against business risk level tolerances. Climate-related risk identification and management processes are integrated into the Group's general risk management process, with climate change identified as a principal risk. The Group's climate-related strategy is developed annually based on the material climate-related risks identified and the implementation of additional mitigation measures where necessary. Increasing legislation, such as CSRD, is a prime example of a climate risk being strategically important for the business. Throughout this process, Videndum has evaluated the current resilience of our business model and strategy under each climate scenario and timeframe, assessing the potential impacts and deemed that they are resilient to the three climate scenarios. We will review this annually to ensure that our resilience is maintained. Videndum is currently monitoring the latest CSRD omnibus changes to determine if our Media Solutions Division will still be captured under these regulations.

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Metrics and targets

In 2024, we continued to make progress on our journey to net zero (minimum 90% absolute reduction, with residual emissions neutralised using permanent carbon removals) for Scope 1 and 2 by 2035 and Scope 3 by 2045, from a 2021 baseline year. The 2035 targets for Scope 1 and 2 differ from the 2045 objectives for Scope 3, due to the complexities associated with data collection and mitigating emissions beyond direct operational control. We have set several ambitious targets to manage and mitigate the climate-related risks described in Tables 2 and 3, and to reduce our impact on the environment. Videndum's other environmental indicators, such as energy efficiency measures (Table 10), waste reduction, 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. We use a wide variety of metrics to measure climate-related impacts. These metrics consist of Videndum's greenhouse gas inventory, including the Group's Scope 1, 2 and 3 carbon emissions and our emissions reduction pathway, aligned with the Paris Agreement 1.5°C warming scenario. No third-party verification has been provided for emissions calculations.

Table 5: Videndum's transition plan – a roadmap to net zero.

Scope	Area	Short term (up to 2025) 2024	Medium term (2025–2035) 2025	2027	2030	2035	Long term 2045
Scope 1 and 2	Near-term target	38% reduction since 2021 using the market-based approach to measuring emissions from electricity. Not achieved. Further reductions are expected in 2025 to help achieve a 42% reduction by the end of 2025.	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.	50% absolute reduction from 2021.	60% absolute reduction from 2021.	90% absolute reduction from 2021. Neutralise residual emissions through permanent carbon removals.	
	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); increased LED lighting coverage; investment in more energy-efficient machinery; site rationalisation 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	Second installation of solar panels at Feltre, Italy. LED system implemented in Phoenix, US.	Reduction in the size of the property portfolio (under-utilised sites) will reduce annual emissions by at least 500 tCO_2e per annum against the 2021 baseline.				

Scope	Area	Short term (up to 2025) 2024	Medium term (2025–2035) 2025	2027	2030	2035	Long term 2045
	Natural gas and other fuels	Evaluate the investment required to convert heating systems to air source pumps. Evaluate the cost of substituting gas used by paint shops. Initial costs and feasibility studies have been completed.	Convert 100% of company cars to electric or hybrid, when leases expire.			Implement heat recovery systems for all Media Solutions manufacturing sites and replace all paint ovens with electric alternatives.	
	Net zero target					2035	
Scope 3	Near-term target		Identify the percentage of Group suppliers that have provided emissions data.			58.8% absolute reduction in Purchased Goods and Services Emissions by 2034, from 2021.	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 bought-in finished goods. – Expand the use of carpooling. – Monitor flights for business, encourage alternative forms of travel (e.g. rail) where possible.					
	Net zero target						2045
		– 90% absolute reduction from 2021. – Neutralise residual emissions through permanent carbon removals.					

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TCFD continued

Reducing our greenhouse gas emissions

We understand that data quality and improvements are an important part of reducing our emissions footprint. In 2024, we expanded the ESG Supplier Questionnaire, with our Videndum Creative Solutions Division engaging with an additional ten suppliers based on spend, covering topics such as carbon emissions, energy usage, reduction targets and wider ESG programmes. Media Solutions has incorporated ESG as one of the criteria in our vendor rating system, and in 2024, as a result of closely working with suppliers on ESG topics, six have now obtained the Global Recycled Standard certificate, and four have achieved ISO 14001 Environmental Management Standard certification. We will use the information from suppliers to improve the accuracy of our Scope 3 Category 1: Purchased Goods and Services and Category 2: Capital Goods data. We deem this approach to be effective and will widen the scope of this approach over time. In 2024, we worked with Inspired ESG to further refine our data collection methods across the Group and make appropriate restatements, where required. Under the GHG Protocol, there are 15 Scope 3 reporting categories, of which 11 apply to Videndum. The following categories do not apply: upstream leased assets (Category 8), selling goods which require further processing (Category 10), franchises (Category 14), and any significant applicable investments (Category 15). Annually, we aim to introduce measures to improve the accuracy of our data collection. We will continue to utilise the GHG Protocol in all our emissions calculations.

In 2023, we set a goal of reducing our year-on-year Scope 1 and 2 (market-based emissions) by 38.0% compared to the 2021 baseline. While we have achieved a reduction of over 17.5%, we did not meet the overall goal. However, this has helped get the Group back on track to meet its 2035 net zero target. To meet this target, an annual reduction of 8.0% is required, from 2024 up to and including 2035. One of the key measures of reducing our Scope 2 emissions is incorporating renewable energy contracts. As some renewable energy contracts were implemented later than expected, we expect further reductions in 2025 from our already completed actions. To sit alongside the renewable energy contracts, we are constantly looking to reduce overall energy consumption from the grid. This has been showcased in the 89.2% increase in onsite renewable energy production from 2023 to 2024. 2025 will also see rationalisation of sites to ensure existing spaces are being used as efficiently as possible. Previously, the Group had planned to be carbon neutral (offsetting total Scope 1 and 2 emissions, without a minimum reduction requirement) by 2025. Due to current business conditions, we are focusing our financial resources on actual decarbonisation efforts towards achieving our net zero target. Therefore, Videndum will not be looking to achieve a carbon neutral status, instead net zero Scope 1 and 2 by 2035, will be the primary focus.

For Scope 3, we aim to reduce our Purchased Goods and Services emissions by 58.8% by 2034. The Group is well on track to meet this target, having achieved a 52.7% reduction to date. The reduction in Scope 3 emissions has largely been driven by a decrease in spend on Goods and Services. Beyond the near-term target, it is important to continually work towards additional reductions. In 2024, a continued focus was placed on both Upstream and Downstream transportation and distribution. Each business within the Group is making annual improvements to data quality to enable informed decision-making geared towards efficiencies and emission reductions. Our progress in all Scopes is demonstrated in Table 6.

Table 6: Group emissions from 2021 to 2024 and emission reduction targets.

Emissions Scope	2024 Gross emissions (tCO_2e)	2023 Gross emissions[1] (tCO_2e)	2022 Gross emissions[1] (tCO_2e)	2021 Gross emissions (tCO_2e)	Interim target	Net zero target year	Progress to meet target
Scope 1	**1,068**	1,155	1,336	1,231	50% reduction by 2030.	2035	16% reduction from 2021 to 2024.
Scope 2 (Market-based)	**748**	1,064	1,304	971		2035	
Scope 3	**84,931**	103,147	176,299	164,737	58.8% absolute reduction in purchased goods and services by 2034, from 2021.	2045	We have reduced our Scope 3 emissions by 48.4% from a 2021 baseline. Purchased Goods and Services have reduced by 52.7%.
Total	**86,747**	**105,366**	**178,939**	**166,939**	**–**	**–**	**We have reduced our total footprint by 48.4% since our 2021 baseline assessment, showcasing the positive steps we have taken to achieve net zero by 2045.**

1 All previous year's Scope 3 emissions figures have been restated in 2024. This is a result of the Department for Environment, Food & Rural Affairs (UK) restating conversion factors. Additional restatements have occurred as improved data quality has been achieved to ensure methodologies align across all years. The decrease in Scope 2 emissions using a market-based approach is due to energy saving measures. In addition, the Group enters renewable energy electricity contracts where available. Scope 3 has significantly reduced in 2024 mainly as a result of reduced business activity.

Streamlined Energy and Carbon Reporting

This section summarises the energy usage, associated emissions, energy efficiency actions and energy performance for the Group, under the government policy Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Carbon emissions are categorised as follows:

Scope 1: Consumption and emissions related to direct combustion of natural gas, fuels utilised for transportation operations, such as company vehicle fleets, refrigerant gases, and any other fuels.

Scope 2: Consumption and emissions from indirect emissions, relating to the consumption of purchased electricity, heat, and steam in daily business operations.

Scope 3: Energy and emissions from business travel conducted in vehicles not owned or operated by the business, otherwise known as grey fleet mileage.

Table 7: Total consumption (kWh) figures for energy supplies reportable by the Group.

UK (kWh) 2024	UK (kWh) 2023	UK (kWh) 2022	UK (kWh) 2021	Global (excluding UK) (kWh) 2024	Global (excluding UK) (kWh) 2023	Global excluding UK) (kWh) 2022	Global excluding UK) (kWh) 2021	Total kWh 2024	Total kWh 2023	Total kWh 2022	Total kWh 2021
Scope 1 – gaseous and other fuels (voluntary)											
752,858	783,283	872,109	945,124	4,395,143	4,624,549	5,112,471	4,053,757	5,148,001	5,407,832	5,984,580	4,998,881
Scope 1 – transport (Company fleet)											
105,884	195,019	275,041	236,608	430,120	506,567	669,388	1,093,729	536,004	701,585	944,429	1,330,337
Scope 2 – grid electricity											
1,292,762	1,208,408	1,322,599	1,716,613	6,874,583	7,506,194	8,940,700	8,709,990	8,167,345	8,714,602	10,263,299	10,426,603
Scope 2 – Self-generated renewable electricity*											
371,077	396,273	379,612	–	1,131,794	397,860	359,599	–	1,502,871	794,133	739,211	–
Scope 2 – transport (Company fleet)											
28,265	19,857	5,448	6,473	346	–	1,727	–	28,611	19,857	7,175	6,473
Scope 2 – purchased heat, steam and cooling											
1,239	2,475	2,675	9,148	0	–	–	–	1,239	2,475	2,675	9,148
Scope 3 – grey fleet											
154,266	124,765	35,880	51,642	12,582	63,154	69,097	49,342	166,848	187,919	104,977	100,984
Total energy use – all Scopes											
2,706,351	**2,730,080**	**2,893,364**	**2,965,608**	**12,844,568**	**13,098,324**	**15,152,982**	**13,906,818**	**15,550,919**	**15,828,403**	**18,046,346**	**16,872,426**

* Self-generated electricity is being reported for the first time as data has now become available. This represents solar PV electricity being generated and directly consumed across our sites.

Responsible business continued

TCFD continued

Table 8: The Total Carbon Emissions (tCO_2e) figures for Group.

UK (tCO_2e) 2024	UK (tCO_2e) 2023	UK (tCO_2e) 2022	UK (tCO_2e) 2021	Global (excluding UK) (tCO_2e) 2024	Global (excluding UK) (tCO_2e) 2023	Global excluding UK) (tCO_2e) 2022	Global excluding UK) (tCO_2e) 2021	Total (tCO_2e) 2024	Total (tCO_2e) 2023	Total (tCO_2e) 2022	Total (tCO_2e) 2021
Scope 1 Total											
164	**189**	**224**	**228**	**904**	**966**	**1,112**	**1,002**	**1,068**	**1,155**	**1,336**	**1,231**
Scope 1 – gaseous and other fuels (voluntary)											
139	143	159	173	806	847	938	745	945	990	1,097	919
Scope 1 – transport (Company fleet)											
25	46	65	55	98	119	159	257	123	165	224	312
Scope 1 – refrigerants											
1*	–	–	–	1*	–	15	–	1*	–	15	–
Scope 2 Total											
274	**255**	**258**	**367**	**2,131**	**2,301**	**2,645**	**2,167**	**2,405**	**2,556**	**2,903**	**2,535**
Scope 2 – grid electricity											
268	250	256	364	2,131	2,301	2,645	2,167	2,399	2,551	2,901	2,532
Scope 2 – transport (Company fleet)											
6	4	1	1	1*	–	1	–	6	4	1	1
Scope 2 – purchased heat, steam and cooling											
1*	1	1	2	–	–	–	–	1	1	1	2
Scope 3 – grey fleet											
35**	29	8	12	2	15	16	12	37	43	25	24
Total energy use – all Scopes											
473	**473**	**490**	**607**	**3,038**	**3,282**	**3,773**	**3,181**	**3,510**	**3,754**	**4,264**	**3,790**

*These values are less than 0.5 tCO_2e and have been rounded up.

** The increase in the UK grey fleet emissions from 29 to 35 tCO_2e is down to an increase in expensed mileage. Production Solutions accounts for a majority of the UK expense mileage and had an increase in 2024.

Table 9: Intensity metric of tCO_2e per £million turnover applied for the annual total consumption.

UK Intensity Metric 2024	UK Intensity Metric 2023	UK Intensity Metric 2022	UK Intensity Metric 2021	Global (excluding UK) Intensity Metric 2024	Global (excluding UK) (Intensity Metric 2023	Global excluding UK) Intensity Metric 2022	Global excluding UK) Intensity Metric 2021	Total Global Intensity Metric 2024	Total Global Intensity Metric 2023	Total Global Intensity Metric 2022	Total Global Intensity Metric 2021
Intensity Metric											
18.85	18.19	12.72	16.36	11.74	11.35	9.14	8.90	12.37	11.92	9.45	9.61

Energy efficiency improvements

The Group is committed to year-on-year improvements in our operational energy efficiency. A register of energy efficiency measures has been compiled and will be implemented within five years. Reducing the Group's emissions mitigates certain climate risks stated in Table 3.

Table 10: Energy efficiency improvements that will reduce Group emissions in 2024 and planned for 2025 onwards.

Category	Measures undertaken in 2024	Measures planned for 2025 onwards
Renewable energy contracts and sustainable energy sourcing	– Creative Solutions moved SmallHD, Wooden Camera and the Los Angeles site to RECs. The Agreement is for 755MW of solar power, comprised of three solar farm sites. – Media Solutions Ashby site is sourcing 100% renewable energy and biogas that produces lower carbon emissions compared to fossil fuel equivalent.	– Creative Solutions will look to renew the REC agreement for the 2025 calendar year, for the three sites.
Energy efficient transportation	– Creative Solutions technology repair truck is still in operation, with solar panels installed on the vehicle roof. – Production Solutions have one plug-in hybrid and three electric vehicles representing 50% of the Divisions fleet. – At Production Solutions Cartago site, the carpooling scheme remained in use, with four groups of people commuting (10 people in total). – A programme called Cyclescheme is still in place at Production Solutions, Bury St Edmunds, UK site, to finance conventional and electric bicycles for our employees. Two additional applicants requested to join the scheme during the year, with 80 applicants since 2014. – Media Solutions continued to transition the fleet to hybrid and electric. The Division has 66 vehicles, with 82% being hybrid or electric.	– Assess the Group's fleet to understand where it would be possible to further convert our vehicle fleet to EV and Hybrid. – Continue the Cartago carpooling scheme. – Continue the Bury St. Edmunds Cyclescheme. – Media Solutions has set a target for 85% of the vehicle fleet to be hybrid and 15% fully electric by the end of 2025.
LED lighting	– Media Solutions extended the LED light conversion project at the Savage site in Phoenix. This initiative is projected to save 119.828 MWh, representing 58% of the site's total electricity consumption. To date, the exterior conversion has been completed, achieving a 6% reduction in electricity usage. The project will continue into 2025 to complete the full transition to LED lighting.	– Complete the full LED lighting transition for our site at Phoenix.

Responsible business continued

TCFD continued

Methodology

Scope 1 and 2 consumption and CO_2e emission data for UK sites have been calculated in accordance with the 2019 UK Government environmental reporting guidance and the Greenhouse Gas Protocol ("GHG Protocol"). The current kWh gross calorific value ("CV") and $kgCO_2e$ emissions factors for the reporting year from 1 January to 31 December 2024, were applied. Scope 3 emissions have been calculated based on the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Scope 1 emissions

Direct emissions from our operations, such as fuel combustion, are categorised under Scope 1. To convert Scope 1 natural gas usage in the UK, the UK DESNZ 2024 emissions factors database was used. For the US, the United States Environmental Protection Agency GHG Emissions Factors Hub 2024 was used. For Australia, the Australia National GHG Account Factors 2024 database was used. For remaining countries, we default to the UK DESNZ 2024 emissions factors database.

Scope 2 emissions

Indirect emissions generated from purchased electricity, heat and steam. Scope 2 emissions are calculated based on both the "location-based" and "market-based" methods outlined in the GHG Protocol.

Location-based methodology

Methodology to calculate Scope 2 emissions using the average electricity grid emission conversion factor of a region. We applied country-specific factors for all sites.

Market-based methodology

Methodology to calculate Scope 2 emissions using electricity conversion factors specific to the contractual instruments in place for procured electricity (REGOs and RECs). Where contract-specific data was not available, location-specific residual factors were used, except for sites within the USA. For our American sites, US eGrid factors have been applied. Where neither is present, the location-based factor was used.

Scope 3 emissions

All applicable Scope 3 categories were identified based on an operational control boundary. Emissions 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. Most conversion factors were sourced from UK Government GHG Conversion Factors for Company Reporting, v1.1 2024. In addition, 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 when a spend-based approach was used. Scope 3 emissions include Well to Tank and Transmission & Distribution ("T&D") losses.