

Vista

2024 TCFD Report



Details

Prepared for:

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Acronyms and abbreviations

BAU	business as usual
CO2	carbon dioxide
CO2e	carbon dioxide equivalent
COO	Chief Operating Officer
ETS	Emissions Trading Scheme
EU	European Union
EXCO	Executive Committee
FSB	Financial Stability Board
GHG	greenhouse gas
IEA	International Energy Agency
ISCC	International Sustainability and Carbon Certification
NZE	Net Zero Emissions
RCP	Representative Concentration Pathway
R&O	risks and opportunities
SAF	Sustainable Aviation Fuel
SAG	Safety Action Group
SRB	Safety Review Board
SSP	Shared Socioeconomic Pathways
STEPS	Stated Policies Scenario
TCFD	Task Force on Climate-Related Financial Disclosures
US	United States



Introduction

In 2024, Vista¹ introduces its third comprehensive Task Force on Climate-related Financial Disclosures (TCFD) report, containing updates to the report previously disclosed in 2023. The present report includes disclosures relevant to the extended Vista network, including the operators VistaJet Limited, VistaJet GmbH, Vista America, Talon Air, as well as other affiliated entities such as XO and ApolloJets.

The first section of this report introduces an updated governance structure that aligns further with the TCFD recommendations and Vista's sustainability ambitions and details the roles and responsibilities of the relevant stakeholders. The second section includes a more complete scenario analysis encompassing an in-depth assessment of carbon pricing. In the third section, the implications of the results of the scenario analysis and the integration of climate risks into the company's risk management are disclosed, while in the last section, the results of the 2023 GHG accounting exercise are presented.



¹"Vista" is a trade name for Vista Global Holding Limited. Vista does not operate any aircraft. All flights are performed by properly licensed operators, which may include subsidiaries such as VistaJet Limited or VistaJet GmbH. Vista also holds a non-controlling minority stake in FAA-licensed and DOT registered US direct air carriers XOJET Aviation LLC (DBA Vista America), Red Wing Aeroplane LLC (DBA Vista America), Western Air Charter, Inc. (DBA Jet Edge, Vista America), Jet Select, LLC (DBA Vista America), and Talon Air LLC.

2. Governance

The Executive Committee (EXCO), the Chief Operating Officer (COO) representing the Sustainability Department, and the Internal Audit and Risk Team are the main bodies in Vista’s climate governance structure. These are complemented by the Safety Review Board (SRB) and the Safety Action Group (SAG). The ultimate responsibility for overseeing climate-related issues rests with the Executive Committee (EXCO).

A key update from last year’s report is the full integration of the Chief Operating Officer role into Vista’s sustainability governance structure, reflecting Vista’s ongoing sustainability ambitions and commitment to improving internal processes to achieve its goals.



The responsibilities of the key stakeholders are described in the following table:

Executive Committee (EXCO)	<p>The Executive Committee plays a critical role in approving and overseeing Vista’s sustainability strategy and its implementation:</p> <ul style="list-style-type: none"> Monitors risks and opportunities, including those related to climate change. Approves and monitors all key sustainability initiatives and targets, ensuring they are on track and ingrained into the broader corporate strategy.
Chief Operating Officer (COO)	<p>Vista has a COO responsible for overseeing the development, implementation, and monitoring of the sustainability strategy:</p> <ul style="list-style-type: none"> The COO sits on the Executive Committee and reports directly to the Chairman. The COO updates and interacts directly with the EXCO on climate-related goals, and relevant climate-related regulations, policies, and market developments, opportunities and risks.
Sustainability Department	<p>Reporting to the COO, the Sustainability Department has the following responsibilities:</p> <ul style="list-style-type: none"> Executes the sustainability strategy and monitors its progress, engaging with various departments including but not limited to, operations, procurement, finance, legal, human resources, and corporate communications to ensure that sustainability is embedded across the business and value chain. Conducts horizon scanning for the latest climate-related developments, informing and supporting other departments to ensure compliance with regulations. Coordinates the compilation and publication of the annual GHG accounting and TCFD reports and overall sustainability reporting.

Internal Audit and Risk Team	<p>This function compliments the work carried out by the Sustainability Department and the wider business by assessing the risks in climate-related initiatives, ensuring such initiatives have the necessary controls.</p>
Safety Review Board (SRB)	<p>This function ensures that climate-related risks are considered in the context of the fleet operations and provides a forum that meets twice per year to discuss safety issues. This includes but is not limited to evaluating the company wide implementation of safety policies, reviewing safety performance and monitoring the effectiveness of the organisation's management system processes.</p>
Safety Action Group (SAG)	<p>Reports and takes strategic direction from the SRB. Actions include but are not limited to coordinating and implementing safety risk controls, including associated climate-related risks, reviewing safety data and the effectiveness of safety recommendations and controls.</p>
External Advisors	<p>Vista seeks guidance from external sustainability advisors to access specialised knowledge. These professionals provide insights, offer recommendations, and ensure that Vista's sustainability efforts are in line with best practice.</p>



3. Strategy

In their [2023 TCFD Report](#), Vista assessed two types of risks and opportunities (R&O): physical and transition.

Physical R&O are defined as those that affect companies due to changes in the climate, for example more frequent and/or intense extreme weather events like heatwaves, extreme rainfall events, and flooding. The impact of physical risks can translate into operational interruptions and delays as well as damage to infrastructure and aircraft. Transition R&O, meanwhile, are associated with the economic and policy shifts necessary to mitigate climate change and transition to a low-carbon economy, such as regulatory and policy changes, and the introduction of low carbon technologies. The impact of transition risks can be translated into increased costs of investment in green technologies, while opportunities can be harnessed in the form of enhanced reputation and consumer confidence due to strong sustainable offerings.

Physical and transition risks and opportunities were assessed for the short, medium and long-term. The time horizons were defined as follows:

- Short: Current day (baseline)
- Medium: 2030
- Long term: 2050

This year, Vista undertook an in-depth assessment of a transition risk, carbon pricing. This risk was assessed under two scenarios and two time horizons: the medium (2030) and the long term (2050).

3.1 Physical risks

The main impacts of the key hazards as well as the risk rating based on the results of the climate scenario analysis under a high impact, +4°C scenario², are shown in the table below. A qualitative rating was assigned to each physical risk, varying from very low to very high, according to its projected degree of change from historical conditions until a medium-term (2030) and a long-term (2050 onwards) time horizon.

When revisiting the climate indicators used in the previous screening exercise, the thunderstorms score was adjusted based on the availability of more accurate data³.



² 4°C refers to the temperature change by the end of the century compared to preindustrial levels. The correct scientific name for the scenarios are Representative Concentration Pathway (RCP) 8.5 or the new Shared Socioeconomic Pathway (SSP) 5-8.5

³ This is common for physical climate risk assessments as the capabilities of the scientific community to model these hazards and therefore the understanding of the influence of climate change on such hazards is increasing. New datasets are then released to the public and need to be incorporated into scenario analysis performed by organisations around the world.

Hazard	High-level impact	2030	2050
Extreme temperatures	Extreme temperatures can affect operations by decreasing an aircraft payload capacity as well as potentially causing delays in take-off and landing due to melting runways. Airports in France, Italy, Spain, Malta, United States (Florida and California), Bahamas, Hong Kong and Saudi Arabia as well as offices in Malta, Hong Kong, and Florida in the United States are projected to have the largest increases in annual maximum temperatures and hot days.		
Riverine flooding	Flooding caused by the overflowing of rivers can lead to operational interruptions and road closures. Airports in New York, Boston and Barcelona are projected to have the highest inundation heights.		
Coastal flooding	Coastal flooding can lead to operational interruptions and road closures. Airports in Amsterdam, Hong Kong and San Francisco are projected to have the highest inundation heights.		
Heavy rainfall	Extreme precipitation can impact operations by causing flooding and potentially causing interruption of operations and closure of roads nearby airports. Airports in Kuwait, Doha, Central and Northeast US, and offices located in New York, Dubai and Hong Kong are projected to have the highest increases in extreme rainfall amounts over five consecutive days.		
Thunderstorms	Thunderstorms and lightning strikes can damage aircraft. Airports located in Asia are projected to have the biggest increases in the long term.		
Storms and tropical cyclones	Storms can affect aircraft take-off, cause delays and cancellations, or even a total interruption of ground operations. Severe storms can cause damage to office and airport infrastructure, increasing operational costs. Airports located in the Western Pacific are projected to experience increases in storm strength.		
Frost	Frost can damage aircrafts. Decreases in the number of cold days ($T_{min} < 0^{\circ}C$) were found in all of the key airports across Vista's global operator network.		
Heavy snowfall	Extreme snowfall can cause damage to aircrafts, as well as operational delays by interrupting take-off and landing. Only the airport located in Aspen, Colorado, is projected to have slight increases in the amount of heavy snowfall days.		
High winds	High winds can affect take-off and landing, cause delays, or even total interruption of operations, as well as aircraft damage. No changes in the highest yearly wind speeds were found at the locations analysed.		
Clear air turbulence	Sudden severe turbulence can harm crew and passengers, cause aircraft damage, and increase operational costs due to safety inspections. Airports in North America and Europe are projected to have the largest increases in the long term.		



Vista will continue monitoring the impacts of the physical risks on its aircraft and operations. Measures to mitigate such impacts will be explored and implemented as per Vista's risk management process, described in the [following section](#) of the report.

3.2 Transition risks and opportunities

There are no changes in any of the transition risks and opportunities assessed last year. To see the results of the scenario analysis for transition risks and opportunities, please refer to the [Vista 2023 TCFD report](#).

3.2.1 Carbon pricing assessment

This year, Vista focused its efforts on better understanding and quantifying its future carbon pricing risk, via an in-depth assessment. Carbon pricing is a crucial topic for Vista as countries and regions that implement carbon pricing schemes are not only growing in number, but also expanding in scope and coverage, for example, in 2023 the European Union increased the ambition of its emissions trading system (ETS) and created a new ETS for the buildings, road transport and other industry sectors (due to become operational in 2027). Today, there are 73 direct carbon pricing instruments in place, covering around 40 countries and over 30 subnational jurisdictions, and it is worth noting that 23% of global energy-related emissions are currently covered by a carbon price of some form⁴. In the future, carbon pricing schemes are expected to become a prominent policy instrument to meet national emission reduction targets pledged under the Paris Agreement on Climate Change.

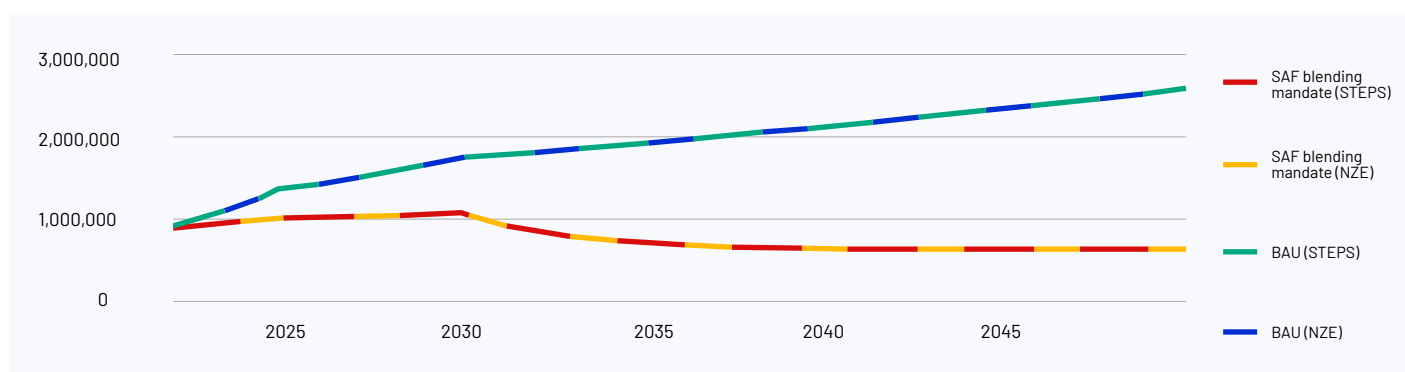
The scenarios used to stress test Vista's carbon pricing exposure are published by the International Energy Agency (IEA) and are the Net Zero Emissions by 2050 and the Stated Policies Scenario. Under both scenarios, Vista could be both directly and indirectly affected by carbon costs in future via a price on direct emissions, increasing cost of the use of fuel, and increased costs of goods and services as suppliers pass their carbon costs on to customers.

- The Net Zero scenario represents a high transition towards a low-carbon global economy, assuming a global mean temperature increase of 1.5°C by 2050 compared to pre-industrial levels. In this scenario, the global energy sector achieves net zero CO₂ emissions by mid-century, with carbon pricing schemes expected to be established across all regions and rise rapidly, particularly in advanced economies such as the US and Europe.
- The Stated Policies scenario is more cautious by not assuming that governments will automatically achieve all their stated goals and examines the progress towards their energy-related objectives sector by sector. It considers policies that are currently in development, on top of existing ones. The global mean temperature increase is assumed to be 2.5°C by 2050 compared to pre-industrial levels.

The approach used in the analysis is composed of three steps: 1) the exposure pathways are defined, these are based on Vista's GHG footprint and for the purposes of this analysis were based on a business-as-usual pathway (that assumes that emissions rise in line with projected business growth, with no mitigation) as well as a SAF blending mandate (where emissions allocated to Europe are assumed to decrease in line with upcoming EU SAF blending requirements); 2) the hazard is modelled through an analysis of how the carbon price is projected to evolve over time, at this stage the two IEA scenarios are used; and 3) the two previous elements are combined to calculate the impact, which is the carbon cost that Vista could face in the future. For the purposes of this assessment, the same time horizons used previously were modelled: 2030 and 2050. The carbon pricing assessment evaluates a range of GHG emission exposure pathways to 2050 using Vista's RY22 footprint as the baseline.

3.2.1.1 Exposure pathways

Active Scope 1 decarbonization (in alignment with the EU's ReFuel SAF blending mandate) reduces total Scope 1 and 2 emissions by ~30% between 2022 and 2050. The chart below shows the Scope 1 and 2 GHG emissions in tCO₂e.



⁴ World Bank. (2023). "State and Trends of Carbon Pricing Dashboard". <https://carbonpricingdashboard.worldbank.org/compliance/coverage>

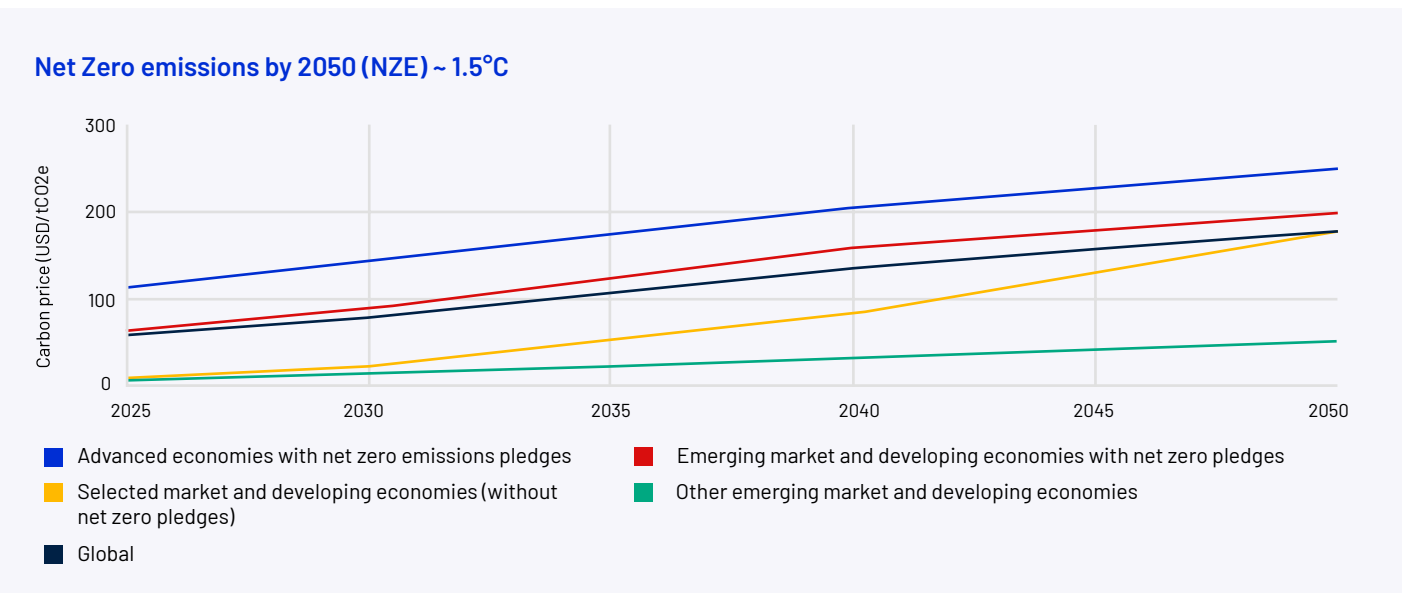
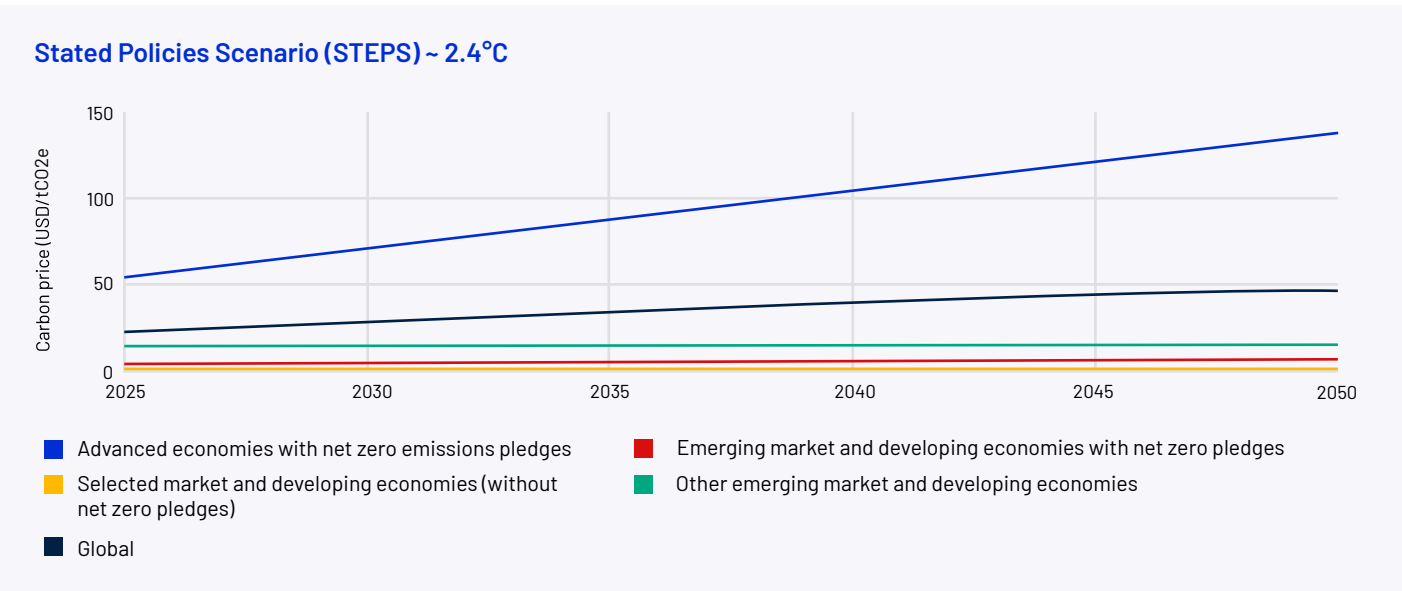
The blue/green line, the business as usual (BAU) pathway, assumes no action is taken to reduce GHG emissions, with Scope 1 and 2 emissions growing in line with business growth. The red/yellow line, the SAF blending mandate pathway, assumes Scope 1 emissions will grow in line with the aviation sector's expected business growth to 2050 (same as BAU pathway), with a share of the consumption of jet fuel in the EU being substituted for SAF fuel in line with the ReFuel blending mandate. Whereas Scope 2 emissions decrease in line with the projected rate of grid decarbonization in the respective scenarios.

The decline of emissions after 2030 in the SAF blending mandate pathway is due to the alignment with the EU's ReFuel blending mandate, which increases the percentages of SAF blends significantly during the 2030 to 2050 period. For the purpose of this modelling, the compound annual growth rate in emissions averaged to an almost 28% yearly reduction in GHG emissions in the period 2031-2050.

3.2.1.2 Hazard

Examples of carbon pricing mechanisms that play a part in the calculation of the overall carbon costs are the EU ETS, the China national ETS, the UK Carbon Price Support, and the UK ETS. The United States currently has no national carbon price, but it does have state and regional carbon pricing mechanisms, such as Washington's cap-and-invest program (CCA), the Regional Greenhouse Gas Initiative Program (RGGI), the Pennsylvania ETS, the Oregon ETS, the New York ETS, the Massachusetts ETS, and the California Cap-and-Trade Program.

Carbon prices are expected to rise significantly to mid-century under both scenarios used.

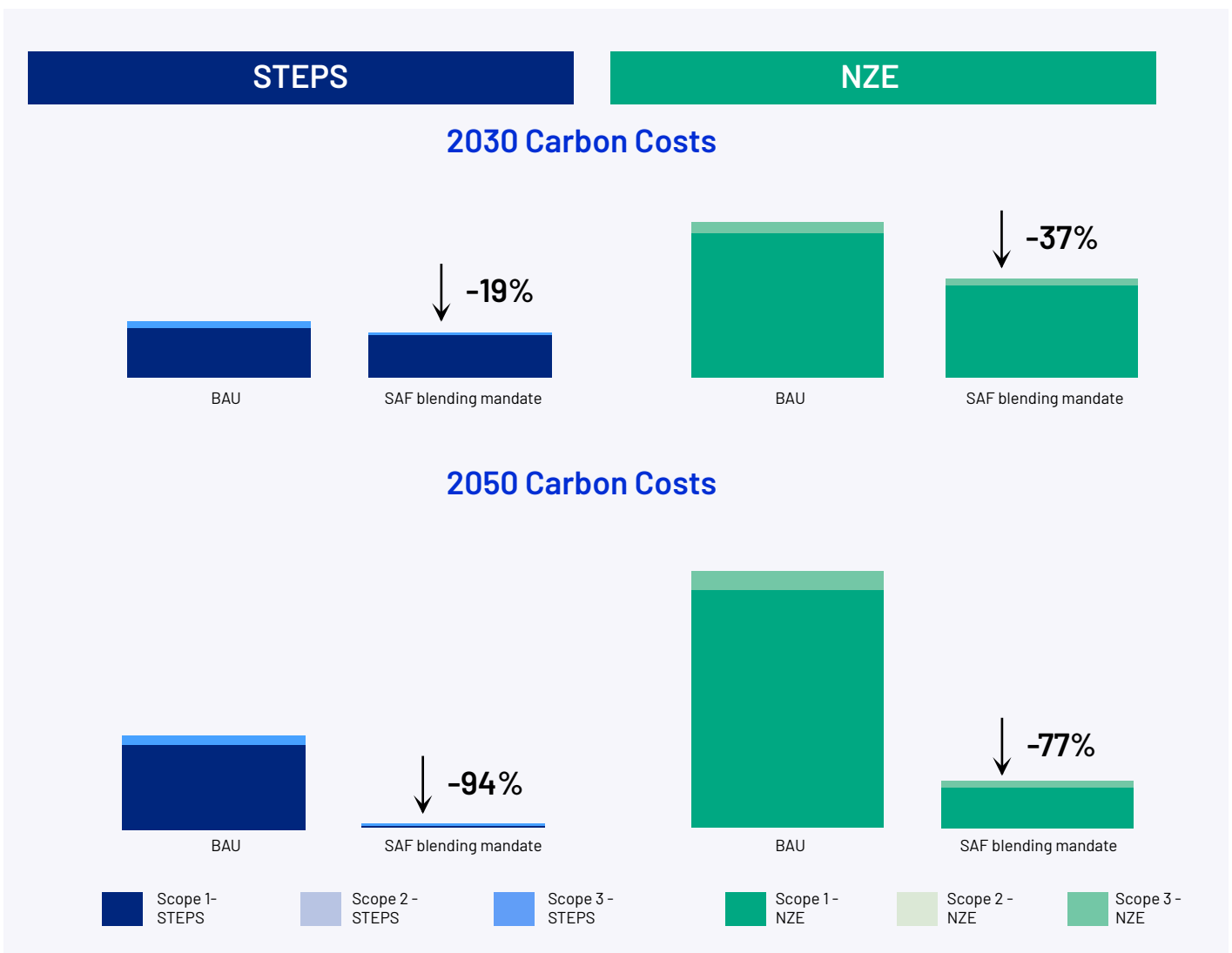


3.2.1.3 Carbon costs

The results of the carbon pricing assessment indicate that:

1. Under a **BAU pathway**, total **Scope 1, 2 and 3 carbon costs could increase by ~1.7-2.7x between 2030 and 2050** in a STEPS and NZE scenario, respectively.
2. In 2030, active alignment of Vista's jet fuel emissions in the EU with the SAF blending mandate results in a **~19% reduction in carbon cost vs BAU in the STEPS scenario, and ~37% in the NZE scenario**. This is mainly due to extensive use of a lower carbon intensive fuel.
3. By 2050, active alignment of Vista's jet fuel emissions in the EU with the SAF blending mandate results in a **~94% reduction in carbon cost vs BAU in the STEPS scenario, and ~77% in the NZE scenario**. As is the case of 2030, the widespread use of SAF significantly reduces Vista's exposure to future carbon pricing schemes, and by 2050 more so as the ambitious SAF blending mandates projected in the EU reach 70%.
4. Carbon costs under the SAF blending mandate in the STEPS scenario are significantly lower than the rest of the pathways and scenarios due to Vista's alignment to the EU's ReFuel policy, and the lower carbon prices from the STEPS scenario.
5. When comparing the reduction in carbon costs from the BAU pathway and the SAF blending mandate pathway, by 2050 there is greater reduction in carbon prices from the STEPS scenario, due to the assumption that the US is not likely to implement a national carbon price under this scenario; whereas for the NZE scenario, the US falls under the Advanced economies with Net Zero pledges category and is expected to implement a national carbon scheme with ambitious prices for carbon emissions.

The next figure shows the difference in carbon costs for both exposure scenarios and time horizons, for Scope 1, 2 and 3.



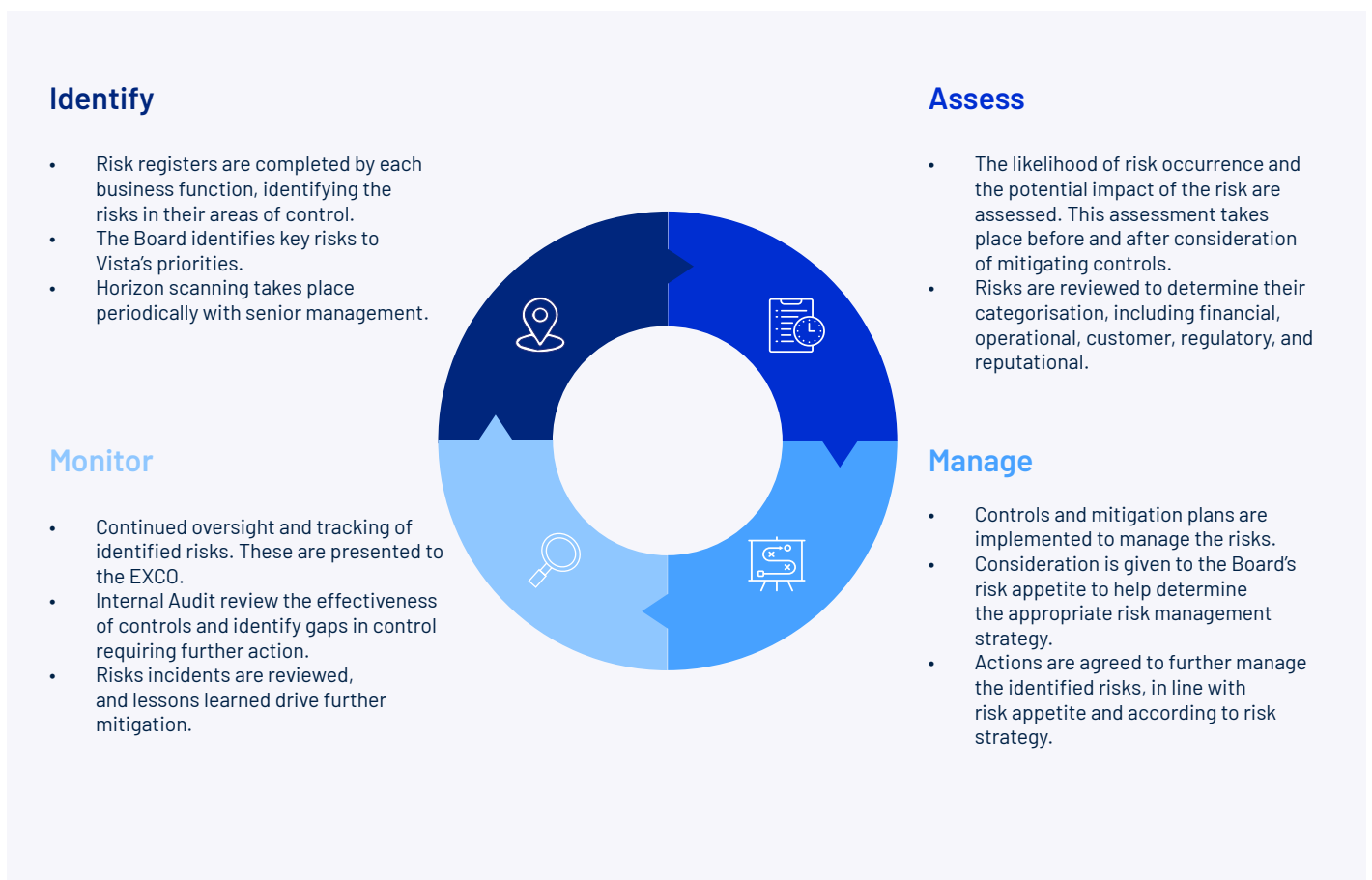
4. Risk Management

This section explores how climate-related risks and opportunities are detected, assessed, and integrated into Vista’s risk management processes.

In order to assess the future changes and impacts of physical and transition R&O, last year Vista conducted a scenario analysis; its key results can be found in [Vista’s TCFD Report](#) published in 2023. This year, Vista expanded on its transition risk assessment by quantifying the future impact of carbon pricing; the methodology and key results can be found in the Strategy section of this report.

Key climate-related risks are identified and assessed following the same established framework as other significant risks impacting the business. The risk identification (including climate-related risks and opportunities) is done via an internal and detailed risk classification framework, where risk is defined as uncertainty around the organisation’s ability to achieve its objectives and execute its strategy effectively. Throughout this stage, stakeholder consultation, external advisors and climate scenario analysis results are used, as well as consistent analysis of existing and emerging regulatory requirements, in order to identify key physical and transition climate-related risks and opportunities affecting Vista’s operations.

The next figure shows Vista’s risk management process which gives more details on the identification, assessment, management, and monitoring of identified risks across the business, which include climate-related risks. Risks that are identified and incorporated into the risk registers of each business function are scored from 1 to 5 and assessed on a 5 x 5 scoring matrix which describes both the probability of it arising and its potential impact on the organisation.



Vista considers climate change a principal risk through the overall risk management approach. Appropriate mitigation plans are prepared depending on the severity of the identified climate-related risk, and similarly, a plan to leverage transition opportunities is put together.

The main roles and responsibilities of the Board and management within Vista’s risk management process are outlined in the following table:

<p>The Board</p>	<p>Collective responsibility for the management of risk throughout the business:</p> <ul style="list-style-type: none"> • Oversight of appropriate risk management systems that identify risks facing Vista and its stakeholders. • Determines the nature and extent of the principal and emerging risks faced by Vista and those risks which the business is willing to take in achieving its strategic objectives (determining its ‘risk appetite’). • Agrees how the principal risks should be managed or mitigated and over what timeframe. • Establishes clear internal and external communication channels on the identification of risk factors. • Determines the monitoring and review process.
<p>Executive Committee (EXCO)</p>	<p>Manages the risk management process on a day-to-day basis:</p> <ul style="list-style-type: none"> • Conducts a quarterly review of Vista’s risk register. • Members have responsibility for managing risk within their areas of responsibility. • Manages the implementation of policy principles and processes.
<p>Operational Management</p>	<p>Identifies and manages risks on a day-to-day basis:</p> <ul style="list-style-type: none"> • Maintains the departmental risk registers. • Identifies and assesses risk and implements action to mitigate risk within their area. • Embeds and manages internal controls and risk management processes as part of business-as-usual operations. • Adopts the principles of effective risk management outlined in this policy, through direction from the Executive Committee.
<p>Group Internal Audit & Risk team</p>	<p>Provides assurance through independent reviews of agreed risk areas:</p> <ul style="list-style-type: none"> • Maintains the corporate risk register. • Presents the outcome of the risk review to the Executive Committee. • Ensures that principal risk topics are scheduled for regular review. • Shares risk management information and best practice across the Group. • Develops the Group Risk Management Policy and facilitates training to assist the Executive Committee in the implementation of its guiding principles.

5. Metrics and Targets

Since 2021⁵, Vista has undertaken yearly assessments of greenhouse gas (GHG) inventories for its companies, adhering to the recommendations outlined in 'The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition' (GHG Protocol), alongside the accompanying 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

In line with best practices, Vista reports its Scope 1, Scope 2 and Scope 3 emissions:

- Scope 1: Emissions directly generated from sources owned or controlled by the company
- Scope 2: Emissions generated by the generation of purchased electricity
- Scope 3: Emissions indirectly generated as a result of the activities of the company from sources that the company does not own or control

Vista's GHG emissions for 2023 by scope and subcategory, in tonnes of CO2 equivalent, are shown in the following table.

Scope	Sub-category	2023 data
Scope 1	Direct emissions	832,336
Scope 2	Indirect emissions	1,588
Scope 3 (total)	Other indirect emissions	557,958
Scope 3	Purchased goods and services	201,876
Scope 3	Capital goods	854
Scope 3	Fuel & energy related activities	174,713
Scope 3	Upstream transportation and distribution	5,044
Scope 3	Waste generated in operations	466
Scope 3	Business travel	59,980
Scope 3	Employee commuting	1,734
Scope 3	Direct use of sold products	113,293
TOTAL (SCOPE 1, 2 & 3)		1,391,882

Vista compensates part of its carbon footprint through the use of certified carbon credits and has offset over 1.8 million tons of CO2 since 2020 by investing in projects that mitigate GHG emissions through, among others, the generation of renewable energy, forest conservation, and reforestation.

Vista supports the development of more energy efficient, hybrid aircraft and invested in Dufour Aerospace, a manufacturer of hybrid-electric tilt-wing aircraft that uses electric motors.

Additionally, Vista continues its transition to the use of SAF with over 4 million U.S. Gallons of blended SAF being contracted for a 12 month period ending in November 2024, with more planned in the pipeline. All SAF used by Vista are certified by the International Sustainability and Carbon Certification (ISCC). Target setting in relation to SAF use is dependent on market developments increasing fuel availability, however, Vista continues to monitor and advocate its adoption in the aviation industry, and works towards securing larger volumes in the future.

⁵ VistaJet first released a standalone TCFD report including GHG emissions in 2020, based on 2019 data



south pole The Climate Company