# FY23 Climate Statements

*CLIMATE-RELATED DISCLOSURES 2023*

# FY23 Climate Disclosures

## Contents

## Background

In 2017, the Taskforce on Climate-related Financial Disclosures (TCFD) released climate-related financial reporting recommendations designed to help ensure that the effects of climate change are routinely considered in business, investment, lending and insurance underwriting decisions.

Because climate change has a significant impact on the long-term value of a company, investors need to understand a company's potential climate-related risks to understand investment risks. In other words, climate change and a company's financial health are inextricably connected.

As of the time of writing, all publicly listed companies in 35 markets including the UK, EU, New Zealand and Canada are mandated to disclose climate-related information alongside their annual financial disclosures.

### *thl*'s Climate-related Disclosures

FY23 was ***thl***'s second year of reporting our climate-related disclosures.
These disclosures are aligned with External Reporting Board (XRB) / Te Kāwai Ārahi Pūrongo Mōwaho standard NZ CS 1. NZ CS 1 was developed in response to the TCFD framework and adjusted to take account of the International Sustainability Standards Board (ISSB) development of sustainability reporting standards.
***thl***'s climate-related disclosures are structured by the four thematic areas:

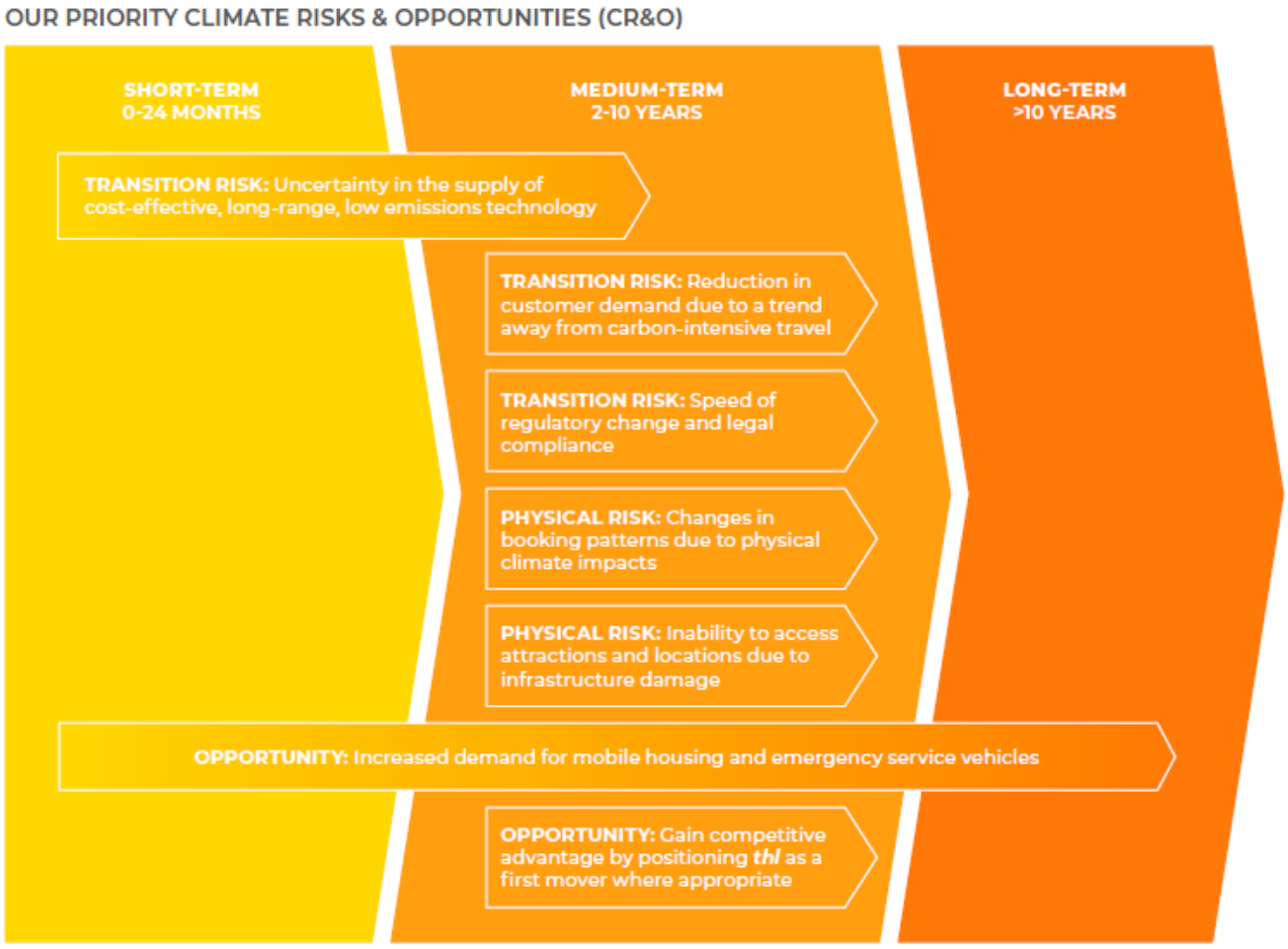
## Our Climate Risks and Opportunities (CR&O)

In 2023, we updated our Climate Risks and Opportunities (CR&O) and the scenarios we use to reflect our global business and the new disclosure standard NZ CS 1.

There are two categories of climate risks: transition risks - risks related to the transition to a lower-carbon economy; and physical risks - risks related to the physical impacts of climate change.

A high proportion of our business is exposed to transition risks, in particular the need to decarbonise our fleet. A low to moderate portion of our business is exposed to physical risks, including the impacts of extreme weather events.

Quantitative metrics for our climate disclosures will be developed in FY24 aligned with industry metrics. These will be informed by qualitative metrics that are already used within our Future-Fit Business Benchmark.



To understand our CR&O we used two methods to identify and assess scope, size, and impact: a Climate Scenario Analysis and our first Future Fleet Global Scan.

Our priority CR&O, shown above, were assessed and reviewed through our annual scenario analysis and materiality exercise. In June 2023, our Executive-level RIC members and other internal stakeholders attended climate scenario analysis workshops to re-assess and re-prioritise ***thl***'s priority CR&O and test these against three updated climate scenarios. Our climate-related risks are managed through the ERM framework, with regular risks reviews, quarterly RIC and Regional Risk Network meetings and quarterly ARC meetings. This ensures our climate-related risks are properly managed at governance, management and operational levels. Opportunities are managed through our Transformation and Future Fleet workstreams.

# Climate Disclosures: Governance

## Aotearoa New Zealand Climate Standard 1: Disclosures 7-9

Disclosure objective: To enable users to understand both the role ***thl***'s *governance body* plays in overseeing climate-related risks and climate-related opportunities, and the role *management* plays in assessing and managing those climate-related risks and opportunities.

| NZ CS 1 | Disclosure Requirement | Disclosure Response |
|---|---|---|
| 7(a) | the identity of the governance body responsible for oversight of climate-related risks and opportunities | The ***thl*** Board oversees and is ultimately responsible for group-wide risks, including those relating to climate change. The Audit & Risk Committee (ARC) and Health, Safety and Sustainability Committee (HSSC) also have oversight of climate-related risks and opportunities (CR&O).<br>Refer to the organisational structure below of ***thl***'s committees and groups involved in climate-related risks and opportunities (CR&Os) across our levels of business including governance. |
| 7(b) | a description of the governance body's oversight of climate-related risks and opportunities (see paragraph 8); and | |
| 7(c) | a description of management's role in assessing and managing climate-related risks and opportunities (see paragraph 9) | The identification and management of CR&Os is integrated throughout all levels of our business. Our operational-level Regional Risk Networks (RRN – previously Risk Champions Networks) report up to the Executive-level Risk & Improvement Committee (RIC) reports up to the ARC, which in turn makes recommendations to the Board. These committees are responsible for implementing ***thl***'s Enterprise Risk Management (ERM) framework across our business and escalating key risks up to ARC as required. |

| Governance | | |
|---|---|---|
| 8(a) | the processes and frequency by which the governance body is informed about climate-related risks and opportunities; | Climate-related risks are standing strategic and operational agenda items that are reported to the ARC and RIC on a bi-monthly / quarterly basis. Members of our Board regularly consider the integration of climate and sustainability into strategic decision-making through ARC meetings. |
| 8(b) | how the governance body ensures that the appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities; | The ***thl*** Board has not completed formal training in climate-related matters but members of our Board regularly consider the integration of climate and sustainability into strategic decision-making through meetings with ***thl***'s Chief Responsibility Officer. |
| 8(c) | how the governance body considers climate-related risks and opportunities when developing and overseeing implementation of the entity's strategy; and | The ARC and HSSC consider CR&O when developing and overseeing the implementation of business strategy. Each ***thl*** business unit develops business plans that must include elements of our 23 science-based future-fit goals. Our priority goal is 'Products emit no greenhouse gases' (GHG), which presents the significant challenge to rapidly decarbonise our fleet. For example, our highest priority future-fit goal is centred around the challenge to decarbonise our fleet. Our subsidiary, Action Manufacturing, leads our future fleet strategy and is developing new EV campervans for the New Zealand market. The ***thl*** Board has approved ongoing capital expenditure to trial EV and other low carbon vehicle technologies. |
| 8(d) | how the governance body sets, monitors progress against, and oversees achievement of metrics and targets for managing climate-related risks and opportunities, including whether and if so how, related performance metrics are incorporated | The ARC selects and reviews metrics and targets at quarterly meetings. The ARC and HSSC have oversight over the Future-Fit Business Benchmark qualitative metrics including an annual Health Check across all 23 science-based, future-fit goals. ARC meetings focus on priority goals for ***thl*** which include |

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| | into remuneration policies (see also paragraph 22(h)) | procurement, product harm and product GHG emissions (the latter being ***thl***'s most material climate-related risk).<br>The ARC has committed to setting and verifying science-aligned emissions reduction targets. The current carbon reduction target is to reduce emissions by 50.4% by 2032 from an FY20 baseline. The target will be updated in FY24 once our baseline is restated as a merged business.<br><br>The methodology for identification and assessment of quantitative metrics will be progressed in FY24 to prepare for mandatory FY24 reporting and full financial disclosures in FY25. Key performance metrics are not yet incorporated into our remuneration policies – the status of this will be reviewed in FY24. |
| **Management** | | |
| 9(a) | how climate-related responsibilities are assigned to management-level positions or committees, and the process and frequency by which management-level positions or committees engage with the governance body; | Our Chief Responsibility Officer and Responsible Management team undertake climate and carbon reporting associated with ***thl***'s CR&Os. Our Responsible Management team works with stakeholders to undertake the measurement and verification of ***thl***'s greenhouse gas emissions and, through the ERM framework, sees that the CR&Os identified, assessed and mitigated. CR&Os are managed by ***thl***'s RIC and mitigation will be implemented via our new regional-specific risk networks. The ARC reviews CR&Os on a quarterly basis.<br>See ***thl***'s organisational chart (below) for how climate related responsibilities are allocated to management level positions and committees. |

| | | |
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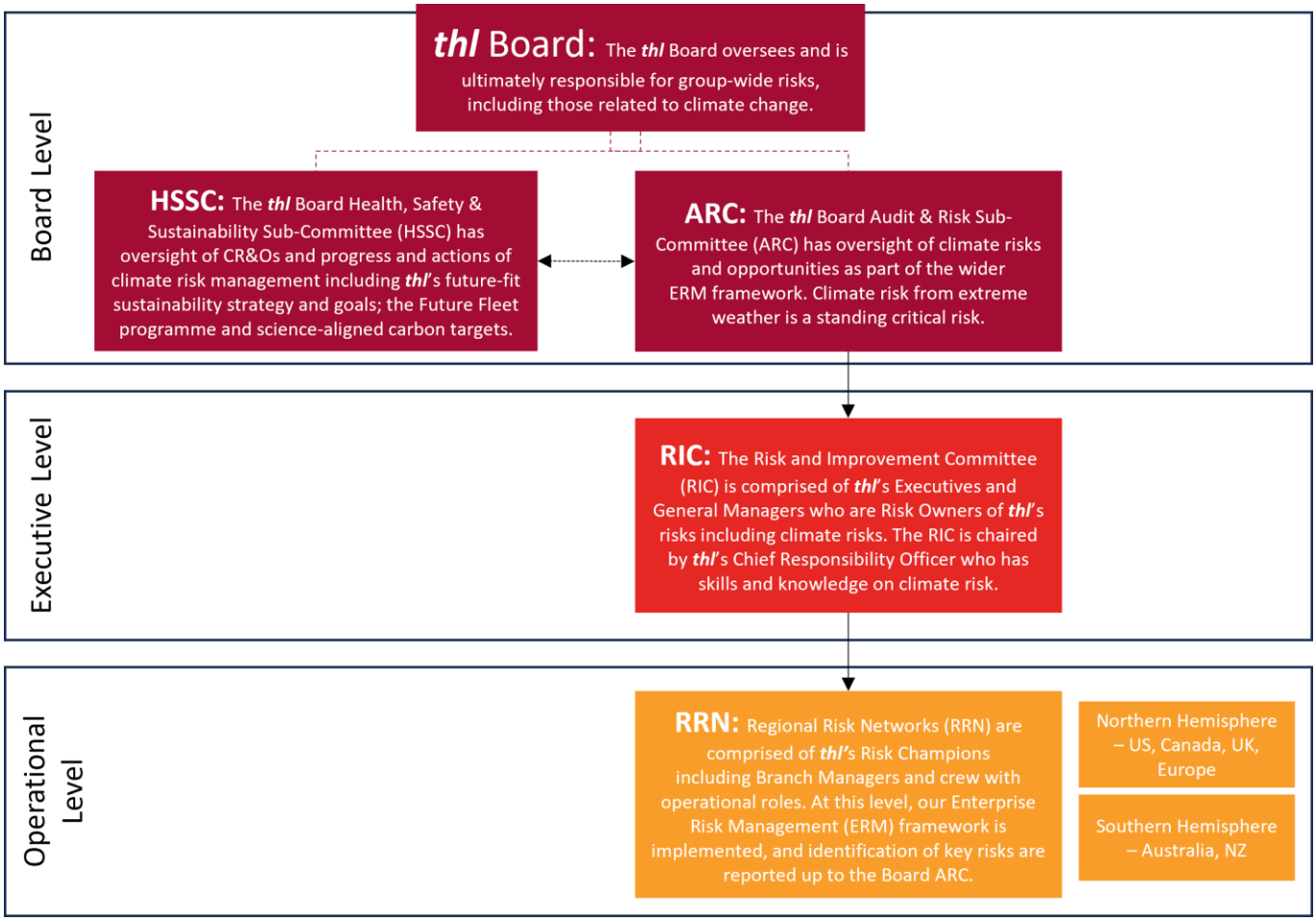
| 9(b) | the related organisational structure(s) showing where these management-level positions and committees lie; and | Refer to ***thl***'s organisational chart (below) for an overview of where assigned management-level responsibilities. |
| 9(c) | the processes and frequency by which management is informed about, makes decisions on, and monitors, climate-related risks and opportunities. | ***thl***'s Executive-level RIC committee actively engages with CR&Os via implementation of the Climate & Carbon Strategy and future-fit business goals. This involves informal meetings and workshops with ***thl***'s Chief Responsibility Officer and Responsible Management team. Formal discussions occur bi-monthly/quarterly when reporting CR&Os to the RIC and ARC. Climate-related issues are shared by the CEO to operational teams at internal Teams Talks.<br>A key project for FY24 is a review of strategic decision-making processes at the governance and management level. This review will identify the triggers for influencing holistic sustainability, including climate resilience. A robust decision-making process will be developed that enables ***thl***'s governance and management to consider sustainability when making decisions with supply chains, business operations, and capital projects. |

## Organisational Chart



## Climate Disclosures: Strategy

### Aotearoa New Zealand Climate Standard 1: Disclosures 11-16

Disclosure objective: To enable users to understand how climate change is currently impacting ***thl*** and how it may do so in the future. This includes the scenario analysis ***thl*** has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how ***thl*** will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.

| NZ CS 1 | Disclosure Requirement | Disclosure Response |
|---|---|---|
| 11(a) | a description of its current climate-related impacts (see paragraph 12); | This year we have seen developments in extreme climate-related weather events globally. ***thl*** has experienced the impact of these on our operations and revenue, including:<br>• The current Canadian wildfires extending across provinces. Although the direct impact on ***thl***'s revenue is still unknown whilst fires continue to unfold, this is affecting tourism and overall visitor experiences.<br>• Cyclone Gabrielle caused damage to the roading infrastructure in Waikato. This led to the closure of Waitomo Caves for five days and interrupted customer demand. The financial impact of this specific event on ***thl***'s overall revenue was not considered material.<br>• ***thl***'s fleet was utilised as emergency mobile housing to contribute to relief efforts during the Auckland floods and Cyclone Gabrielle. |
| 11(b) | a description of the scenario analysis it has undertaken (see paragraph 13); | As with last year, this year's climate scenario analysis has adopted the scenarios developed by the Network for Greening the Financial System (NGFS). The global coverage and integrated assessment of risks at the NGFS make their scenarios relevant and appropriate to ***thl***'s multinational operations. Additionally, the NGFS scenarios have informed the core assumptions of the recently released New Zealand Tourism Sector Climate Scenarios.<br>Changes made during this year's review process have accounted for updates in global and sector scenarios including the NGFS scenarios |

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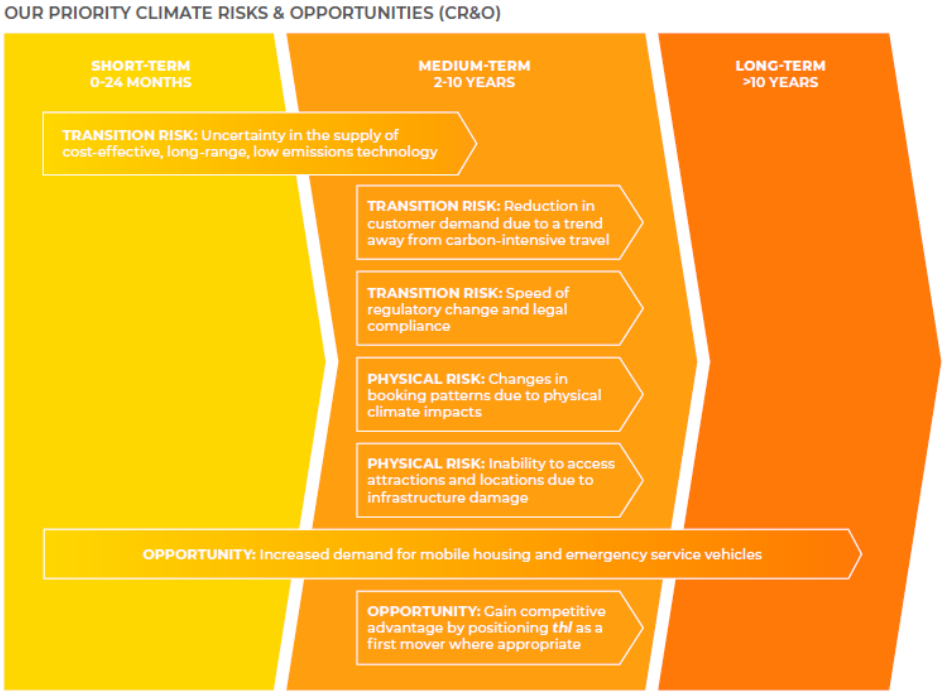
| | | and the release of the Aotearoa Circle's tourism sector climate scenarios.<br><br>To align with the recent release of the Tourism Sector Climate Scenarios, consultants augmented the chosen three NGFS scenarios to test the resilience of ***thl***'s business model and strategy, including extremes of physical and transition risks. |
| 11(c) | a description of the climate-related risks and opportunities it has identified over the short, medium, and long term (see paragraph 14); | Priority risks for ***thl*** were identified as:<br>• Uncertainty in the supply of cost-effective, long-range, low emissions technology.<br>• Reduction in customer demand due to a trend away from carbon-intensive travel.<br>• Speed of regulatory change and legal compliance.<br>• Changes in booking patterns due to physical climate impacts.<br>• Inability to access attractions and locations due to infrastructure damage.<br>  <br><br><br>Priority opportunities for ***thl*** were identified as: |

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<ul>
<li>The primary opportunity for thl is to continue supplying mobile housing and emergency service vehicles for disaster response.</li>
<li>We also have an opportunity to position ourselves as a first mover in appropriate situations, for example leading industry collaboration on emergency management and decarbonising RV fleets.</li>
</ul>
A future opportunity for thl and its supply chain partners is to significantly increase investment into its Future Fleet Programme to transition its fleet.<br>
Priority risks and opportunities for thl and management actions are described in the Climate and Carbon Strategy section of the FY23 Integrated Annual Report. Further management actions are described in the Future Fleet section of the FY23 Integrated Annual Report.
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<tr>
<td>11(d)</td>
<td>a description of the anticipated impacts of climate-related risks and opportunities (see paragraph 15); and</td>
<td>
thl is committed to addressing its CR&Os by actively exploring their impact on various aspects of its business. Anticipated CR&Os on our key areas of business have been identified.
<table>
<tr><th></th><th>Area</th><th>Anticipated climate-related impacts</th></tr>
<tr><td rowspan="4">RISKS</td><td>Business model</td><td>Extreme physical risks could close certain attractions or eliminate tourism in whole regions, thus seasonally impacting thl's revenue from its tourism business.</td></tr>
<tr><td>Supply chain</td><td>The scarcity in low-emissions and cost-effective technology to decarbonise the fleet could expose thl to higher operating costs from increases in fuel price and loss of revenue from changing customer preferences.</td></tr>
<tr><td>Products and services</td><td>The pace of regulatory change in phasing out ICE vehicles could lead to stranded assets. thl may find it difficult to on-sell ICE vehicles.</td></tr>
<tr><td>Access to capital</td><td>Accessing capital and loans may become more challenging due to stringent sustainability criteria.</td></tr>
<tr><td rowspan="4">OPPORTUNITIES</td><td>Business model</td><td>Growth into non-tourism markets will support diversification and resilience of thl's business model, e.g., acquiring 100% ownership of Action Manufacturing in 2022.</td></tr>
<tr><td>Supply chain</td><td>Development of new supplier options for electric, plug in hybrid, and hydrogen fuel cell RVs in the European, UK and US markets.</td></tr>
<tr><td>Products and services</td><td>Expansion into emergency management through partnerships that support housing for people displaced by extreme weather events.</td></tr>
<tr><td>Access to capital</td><td>Enhanced market credentials and international financing options resulting from verified science-based emissions reduction targets.</td></tr>
</table>
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</tr>
<tr>
<td>11(e)</td>
<td>a description of how it will position itself as the global</td>
<td>At thl, we are continuously working to manage, minimise and ultimately eliminate our greenhouse gas emissions (GHG). We acknowledge that we are a part of a wider group and that this takes teamwork to conquer. We aim to work in partnership with other</td>
</tr>
</table>

| | | |
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| | and domestic economy transitions towards a low-emissions, climate-resilient future state (see paragraph 16). | leading organisations in the industry to help drive the transition towards a low emissions RV and tourism sector. By bringing others along on the journey, we can deliver our purpose of creating unforgettable journeys for our customers and future generations. Our Future Fleet programme is a core strategic goal of ***thl***'s, and it aims to address our greatest sustainability challenge of decarbonising our motorhome fleet. The actions we take to decarbonise our fleet will determine our resilience in a low-emissions future economy. |
| 12(a) | current physical and transition impacts: | Addressed in 11(a) (above). |
| 12(b) | current financial impacts of its physical and transition impacts identified in paragraph 12(a) | For this year's voluntary climate reporting, we have opted not to include disclosures of our current or anticipated financial impacts. To prepare for mandatory reporting in FY24 and full financial disclosures in FY25, we have started the process of developing our methodology for identifying and assessing the financial impact of our CR&Os. |
| 12(c) | if the entity is unable to disclose quantitative information for paragraph 12(b), an explanation of why that is the case. | |
| 13 | An entity must describe the scenario analysis it has undertaken to help identify its climate-related risks and | ***thl*** used three climate scenarios, developed, and updated in 2022 by the Network for Greening the Financial Sector (NGFS). The priority CR&Os were assessed by testing their significance and materiality under each NGSF climate scenario. Then, each was assigned a rating to improve our understanding of where most material risks and opportunities are. |

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| | opportunities and better understand the resilience of its business model and strategy. This must include a description of how an entity has analysed, at a minimum, a 1.5 degrees Celsius climate-related scenario, a 3 degrees Celsius or greater climate-related scenario, and a third climate-related scenario. | |

| Scenario | Key Indicators | Scenario Narrative |
|---|---|---|
| Orderly – Net Zero 2050  | Global Temperature Increase: +1.4°C | Ambitious climate policies are introduced immediately and enacted to reach global net zero $CO_2$ by 2050.<br><br>Reaching this emissions target will require rapid decarbonisation of electricity supply, availability of renewable energy and development of new technologies to tackle hard-to-abate emissions. The transitional risks could result from higher emissions costs and changes in business and consumer preferences. Awareness of high emission travel and recreation will drive the tourism sector to shift towards low carbon innovations. |
| | Change in Climate Policy: Immediate & Smooth | |
| | Transition Risk Severity: High | |
| | Physical Risk Severity: Relatively low | |
| Disorderly – Delayed Transition  | Global Temperature Increase: +1.6°C | New climate policies are not introduced until 2030. Emissions continue to rise. A costly and disruptive transition to net zero $CO_2$ occurs once stringent policies are introduced.<br><br>The impact of transitional changes around 2030 is significant and disruptive for organisations in the tourism industry that focused on single service offerings or high emissions outputs. |
| | Change in Climate Policy: Delayed | |
| | Transition Risk Severity: Initially low – High after 2030 | |
| | Physical Risk Severity: Medium - High | |
| Hot House World – Current Policies  | Global Temperature Increase: +3.0°C | Emissions continue to rise unabated and only current climate policies are preserved. Physical impacts from climate change are severe. 3.0°C or more of warming would degrade living conditions in many parts of the world and result in irreversible impacts like sea level rise. Physical impacts frequently interrupt travel and flight plans for tourists. Tourism operators and supply chains are impacted, with capital and insurance becoming extremely difficult to access in some regions. |
| | Change in Climate Policy: None/current policies | |
| | Transition Risk Severity: Low | |
| | Physical Risk Severity: Extreme | |

To assess the significance of ***thl***'s CR&Os, a materiality rating has been assigned to each climate risk or opportunity. The assessment of CR&Os applied double materiality to encompass the material financial risks and additional qualitative factors such as reputational, operational and health and safety risks and opportunities. To meet the XRB's definition of materiality and have assessed whether information could reasonably be expected to influence decisions made by primary users and have considered our own circumstances.

<table>
<tr><td></td><td></td><td>
<table>
<tr><th>Rating</th><th>Action</th></tr>
<tr><td>High</td><td>These are the highest priority risks and opportunities, and where thl should focus its risk management efforts.</td></tr>
<tr><td>Moderate</td><td>Moderate risks should be closely monitored but are not of highest priority.</td></tr>
<tr><td>Low</td><td>These risks are lower priority compared to 'moderate' risks and opportunities but should be still monitored.</td></tr>
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</td></tr>
<tr><td>14(a)</td><td>how it defines short, medium, and long term and how the definitions are linked to its strategic planning horizons and capital deployment plans</td><td>
thl considers climate risks and opportunities across three-time horizons. The time horizons align with business planning, capital allocation and risk management timeframes.<br>
CR&Os were identified over the short, medium, and long-term. thl considers short-term to be up to be up to 24 months, medium-term to be 2-10 years, and long-term to be over 10 years.
<table>
<tr><th>Timeframe</th><th>Definition</th></tr>
<tr><td>Short-term</td><td>24 months</td></tr>
<tr><td>Medium-term</td><td>2-10 years</td></tr>
<tr><td>Long-term</td><td>>10 years</td></tr>
</table>
</td></tr>
<tr><td>14(b)</td><td>whether the climate-related risks and opportunities identified are physical or transition risks or opportunities, including, where relevant, their sector and geography; and</td><td>
thl has categorised climate-related risks and opportunities as:
<ul>
<li>Physical impacts arising from climate impacts such as floods and other climate system changes. Physical impacts can be acute (extreme weather events) or chronic (sea-level rise and other gradual changes).</li>
<li>Transitional impacts that arise as the economy and people transition to a lower carbon future, such as changes to policy and customer demand that are primarily motivated by climate interests.</li>
</ul>
thl has identified three transition risks, two physical risks and two opportunities. Together these make up thl's priority CR&Os.<br>
Physical and transitional risks and opportunities for thl's geographies of operation have been identified through the Global Fleet Scan Research Report and have informed the assessment of their impact on thl's business model.
</td></tr>
<tr><td>14(c)</td><td>how climate-related risks and</td><td>Currently thl includes sustainability criteria in capex decision-making forms.</td></tr>
</table>

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| | opportunities serve as an input to its internal capital deployment and funding decision-making processes. | A key project for FY24 is a review of strategic decision-making processes at the governance and management level. This review will identify the triggers for influencing holistic sustainability, including climate resilience. A robust decision-making process will be developed that enables ***thl***'s governance and management to consider sustainability when making decisions with supply chains, business operations, and capital projects. |
| 15(a) | the anticipated impacts of climate-related risks and opportunities reasonably expected by the entity | Addressed in 11(d) (above). |
| 15(b) | the anticipated financial impacts of climate-related risks and opportunities reasonably expected by an entity; | Addressed in 12 (b) - (c) (above). |
| 15(c) | a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur; and | |
| 15(d) | if an entity is unable to | |

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| | disclose quantitative information for paragraph 15(b), an explanation of why that is the case. | |
| 16(a) | a description of its current business model and strategy; | We are continuously working to integrate our response to climate change into our business model and strategy. Refer to 'We are RV' for an in-depth description of our 'Build/buy-rent sell model (for RV's). A core component of our business model is informed by our approach to transitioning our fleet. |
| 16(b) | the transition plan aspects of its strategy, including how its business model and strategy might change to address its climate-related risks and opportunities; and | Through our Future Fleet Programme, future-fit goals and Future Fleet Scan, we have the foundations to prepare a transition plan in FY24.<br><br>In March 2023, ***thl*** commissioned a consultancy to undertake a global 'Future Fleet Scan' of trends across ***thl***'s regions of operation. the consultants' researchers and specialists in climate, energy, and transport explored climate trends, speed of regulatory change in phase-out of ICE vehicles, opportunities for grants and research in edge technology and infrastructure readiness. This research is informing ***thl***'s Future Fleet Programme – a commitment to reducing emissions from ***thl***'s motorhomes and fleet. |
| 16(c) | the extent to which transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes. | Discussed in 14(c) (above). |

# Climate Disclosure: Risk Management

## Aotearoa New Zealand Climate Standard 1: Disclosures 17-19

Disclosure objectives: To enable users to understand how ***thl***'s climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.

| NZ CS 1 | Disclosure Requirement | Disclosure Response |
|---|---|---|
| 18(a) | a description of its processes for identifying, assessing, and managing climate-related risks (see paragraph 19); and | Addressed in disclosure 19 (below). |
| 18(b) | description of how its processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management processes. | Our climate-related risks are managed through the ERM framework, with regular risks reviews, quarterly RIC and RRN meetings and bi-monthly ARC meetings. This ensures our climate-related risks are properly managed at governance, management and operational levels. |
| 19(a) | the tools and methods used to identify, and to assess the scope, size, and impact of, its identified climate-related risks; | This year we have used two primary tools and methods to identify and assess the scope, size, and impact of our climate-related risks (as recommended in paragraph 11(b) – XRB Climate-related Disclosures Staff Guidance (May 2023)):<br><br>**Climate Scenario Analysis** – A process to explore and prepare for the impact of our CR&Os under three plausible and challenging future pathways. This strategic tool enables ***thl*** to understand how the business model performs under different scenarios, informing our priority CR&Os and capital allocation. Anticipated impacts to ***thl***'s business model can be found in disclosure paragraph 11(d). |

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| | | **Future Fleet Global Scan** – In response ***thl***'s priority CR&Os (particularly fleet decarbonisation), ***thl*** commissioned consultants to undertake a global 'Future Fleet Scan' of trends across ***thl***'s regions of operation. The consultants' researchers and specialists in climate, energy, and transport explored climate trends, speed of regulatory change in phase-out of ICE vehicles, opportunities for grants and research in edge technology and infrastructure readiness. This research is informing ***thl***'s Future Fleet Programme and transition planning. |
| 19(b) | the short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons; | Addressed in 14(a). |
| 19(c) | whether any parts of the value chain are excluded; | ***thl*** is a dynamic business and our ongoing acquisitions make the identification of risks in our value chain challenging. We will be in a position to assess our value chain in more detail once we complete a full Scope 3 GHG inventory and restate our GHG baseline in FY24. |
| 19(d) | the frequency of assessment; and | We take a materiality approach to all identified risks and record these in a risk register. Critical risks are reviewed monthly at a minimum, usually more frequently. Climate risk is a standing item in reporting to the ARC.<br><br>Our priority climate-related risks are reassessed and reviewed through our annual scenario analysis and materiality exercise. We begin this process with a prioritisation workshop before analysing our CR&Os under three plausible climate scenarios.<br><br>In June 2023, our Executive-level RIC members and other internal stakeholders attended climate scenario analysis workshops to re-assess and re-prioritise ***thl***'s priority climate-related risks and opportunities for this year and test these against updated climate scenarios. |
| 19(e) | its processes for prioritising climate-related risks relative to other types of risks. | |

# Climate Disclosures: Metrics & Targets

## Aotearoa New Zealand Climate Standard 1: Disclosures 21-26

Disclosure objectives: To enable users to understand how **thl** measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which users can compare entities within a sector or industry.

| NZ CS 1 | Disclosure Requirements | Disclosure Response |
|---|---|---|
| 21(a) | the metrics that are relevant to all entities regardless of industry and business model (see paragraph 22); | ***thl*** has not explicitly disclosed industry-based metrics used to measure and manage climate-related risks and opportunities. Quantitative metrics will be developed in FY24. These will be informed by qualitative metrics that are already used within our future-fit Business Benchmark. This process will consider commonly used metrics within the tourism industry. |
| 21(b) | industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities; | |
| 21(c) | any other key performance indicators used to measure and manage climate-related risks and opportunities; and | |
| 21(d) | the targets used to manage climate-related risks and opportunities, and performance against those targets (see paragraph 23). | Our current target includes a 50.4% reduction in greenhouse gas emissions by 2032 from our FY20 baseline. This target was set prior to our merger with Apollo and covers scope 1, 2 and partial scope 3 GHG emissions. We plan to reinstate our baseline and update our targets to cover full scope 3 emissions in FY24. The delay is due to the need to gather a full year of post-merger data with Apollo. |
| **Metrics** | | |
| 22(a) | greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent ($CO_2e$) classified as (see paragraph 24):<br><br>(i) scope 1 | To reflect our status as a merged business we are restating our existing baseline in FY24. This will reassess our Scope 1 and 2 emissions and target and include our Scope 3 emissions. |

| | | |
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| | (ii) scope 2 (calculated using the location-based method);<br><br>(iii) scope 3; | |
| 22(b) | GHG emissions intensity; | We have not yet committed to any intensity targets. These will be developed in FY23 as part of a wider project to develop climate resilience metrics. |
| 22(c) | transition risks: amount or percentage of assets or business activities vulnerable to transition risks; | A high portion of our business is exposed to transition risks, in particular decarbonisation of our fleet. The percentage of our business that is vulnerable to this risk will be derived in FY24. |
| 22(d) | physical risks: amount or percentage of assets or business activities vulnerable to physical risks; | A low to moderate portion of our business is exposed to physical risks, including the impacts of extreme weather events. The percentage of our business that is vulnerable to this risk will be derived in FY24. |
| 22(e) | climate-related opportunities: amount or percentage of assets, or business activities aligned with climate-related opportunities; | The percentage of assets or business activities aligned with climate-related opportunities will be derived in FY24. |
| 22(f) | capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities; | The ***thl*** Board has approved ongoing capital expenditure to trial EV and other low carbon vehicle technologies (see example in 8(c)). |
| 22(g) | internal emissions price: price per metric tonne of CO2e used internally by an entity; and | We do not currently use an internal price on carbon to inform decision-making. This will be considered as part of our review of strategic decision-making process in FY24. |

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| 22(h) | remuneration: management remuneration linked to climate-related risks and opportunities in the current period, expressed as a percentage, weighting, description or amount of overall management remuneration (see also paragraph 8(d)). | We do not currently consider climate-related risks within management remuneration. |
| **Targets** | | |
| 23(a) | the time frame over which the target applies; | Addressed in 21(d) (above). |
| 23(b) | any associated interim targets; | |
| 23(c) | the base year from which progress is measured; | |
| 23(d) | a description of performance against the targets; and | Given the merger with Apollo and the need to restate our baseline data and associated science-aligned target, we will update on our performance once the new target has been set. FY23 has been a 'transition' year, with approx. 85% of our merged sites included in our carbon footprint (noting a partial year of reporting of Apollo sites). Our total transitional footprint as a much larger merged business is 65,472 $tCO_2e$ (approx. a 60% increase on FY22). Please see our Integrated Annual Report for more information. |
| 23(e) | for each GHG emissions target:<br><br>(i) whether the target is an absolute target or intensity target;<br><br>(ii) the entity's view as to how the target contributes to limiting global warming to 1.5 degrees Celsius;<br><br>(iii) the entity's basis for the view expressed in 23(e)(ii), including any | Once our base year is reinstated, we will update our science-based reduction targets. The updated targets will:<br><br>(i) be absolute reduction targets.<br><br>(ii) align with 1.5 degrees Celsius.<br><br>(iii) be independently verified by the Science-Based Target Initiative. |

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| | reliance on the opinion or methods provided by third parties; and<br><br>the extent to which the target relies on offsets, whether the offsets are verified or certified, and if so, under which scheme or schemes. | (v) not rely on offsets. |
| **GHG emissions** | | |
| 24(a) | a statement describing the standard or standards that its GHG emissions have been measured in accordance with; | ***thl*** primarily uses the ISO 14064-1:2018 standard but also aligns with language and framing from the GHG Protocol's standards. Our full scope 3 GHG inventory in FY24 will align with the GHG Protocol Value Chain (Scope 3) Standard. |
| 24(b) | the GHG emissions consolidation approach used: equity share, financial control, or operational control; | ***thl*** follows the equity share approach. |
| 24(c) | the source of emission factors and the global warming potential (GWP) rates used or a reference to the GWP source; and | Country-specific emission factors are used if available, including emissions factors from:<br><br>• Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy, Emissions Factors: 2022 (UK)<br>• Department of Climate Change, Energy, the Environment and Water, National Greenhouse Accounts Factors: 2022 (Australia)<br>• Ministry for Environment, Emission Factors: 2023 (New Zealand) |

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| | | • United States Environmental Protection Agency, GHG Emission Factors Hub: 2023 (US)<br>• Environment and Climate Change Canada, Emission Factors and Reference Values: 2023 (Canada) |
| 24(d) | a summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion. | Exclusions from our FY23 GHG inventory include:<br>• Waste (some sites)<br>• Rental car use/taxi – de minimis<br>• Scope 3 for new dealership sites<br>• Bus/rail/EV- staff commute<br>• Working from home<br>• Biomass - plywood offcuts – de minimis<br>• Carbon dioxide contained in welding gases – de minimis<br>• Consumables as part of customer vehicle rental – i.e. LPG, water, wastewater<br>• Wash chemicals<br>• Air travel not captured under the corporate travel management.<br>• Refrigerant gasses from air conditioning /onsite refrigeration - de minimis |
| **Assurance** | | |
| 25 | Part 7A of the Financial Markets Conduct Act 2013 requires that the disclosure of an entity's GHG emissions as required by Aotearoa New Zealand Climate Standards are | ***thl***'s FY23 greenhouse gas (carbon) footprint has been independently assured by McHugh & Shaw Ltd. It is considered consistent with the mandatory requirements of ISO 14064-1:2018, with Reasonable Assurance (Scope |

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| | the subject of an assurance engagement. This Standard requires that this assurance engagement is a limited assurance engagement at a minimum. | 1/ISO Category 1 Emissions and Scope 2/ISO Category 2 Emissions) and Limited Assurance (Scope 3/ISO Category 3-6 Emissions). |
| 26(a) | GHG emissions: gross emissions in metric tonnes of CO2e classified as (see paragraph 22(a)):<br><br>(i) scope 1;<br><br>(ii) scope 2 (calculated using the location-based method);<br><br>(iii) scope 3; | |
| 26(b) | additional requirements for the disclosure of GHG emissions (see paragraph 24); | |
| 26(c) | GHG emissions methods, assumptions and estimation uncertainty (see NZ CS 3 General Requirements for Climate-related Disclosures paragraphs 52 to 54). | |

## Our FY23 Carbon Footprint

Our FY23 carbon footprint is a 'transitional' footprint given the merger with Apollo businesses. To capture as much data as possible, we took a materiality approach to include the larger sites in our footprint which now covers approximately 85% of our total combined sites. Excluded sites include three sites in the UK / Ireland, three newly acquired Action Manufacturing sites and two Australian dealership sites. Scope 1 and 2 emissions for specific sites across Canada, Australia, the UK and Ireland have been included as partial years from date of acquisition.

Our transitional footprint continues to be based on our previous approach (full Scope 1 and 2 and limited Scope 3), keeping to a FY19 baseline for consistency with previous years, with customer journeys included in our Scope 1 emissions. Our total transitional footprint as a much larger merged business is 65,472 tCO2e, this includes data for merged business units since date of acquisition. This footprint includes an increase in our operational emissions of 73% from FY22 (an increase of 4% from our FY19 baseline year), and also an increase in our customer journey emissions of 58% from FY22 (a decrease of 22% from our FY19 baseline year).

Prior to the merger, our intention was to extend our FY23 footprint to include our full Scope 3 emissions. However, given the additional data required from Apollo businesses, we will instead be restating our entire greenhouse gas inventory in FY24, to include full Scope 1, 2 and 3 emissions. FY24 will then become our new baseline year, which will enable us to refine our science-aligned target as discussed in the Climate & Carbon Strategy section in this report.

In the following graphs we have included customer journey emissions in Scope 1 but have also reported them separately for consistency with previous years. As international visitors return to New Zealand, Kiwi Experience has restarted after a period of hibernation, and we have seen a corresponding increase in their emissions and from our Discover Waitomo tourism operations.

Note: ***thl*** uses the ISO 14064-1:2018 standard but also aligns with language and framing from the GHG Protocol's standards. thl follows the equity share approach.

Our full Scope 3 GHG inventory in FY24 will align with the GHG Protocol Value Chain (Scope 3) Standard.

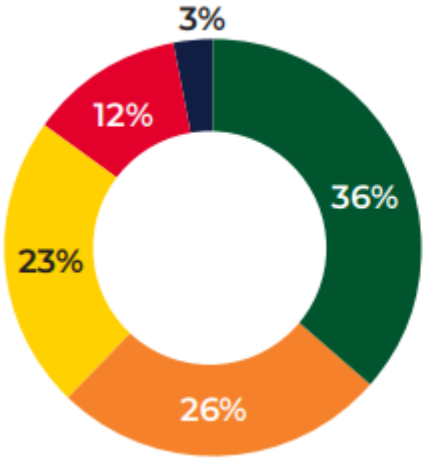
Country-specific emission factors have been used if available. For further information please visit www.thlsustainability.com.

Our FY23 greenhouse gas (carbon) footprint has been independently assured by McHugh & Shaw Ltd. It is considered consistent with the mandatory requirements of ISO 14064-1:2018, with

Reasonable Assurance (Scope 1/ISO Category 1 Emissions and Scope 2/ISO Category 2 Emissions) and Limited Assurance (Scope 3/ISO Category 3-6 Emissions).

## Group-wide Operational GHG Emissions FY23 - Excluding Customer Journeys.

(tonnes $CO_2e$) (transitional year).

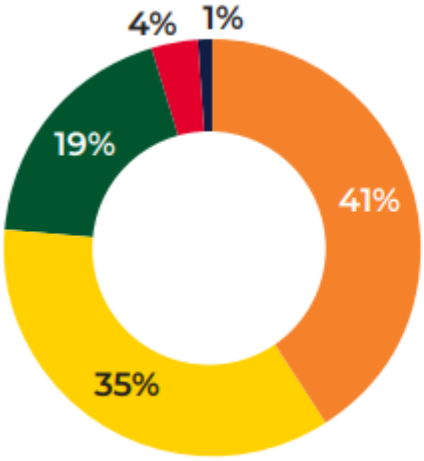



| | |
|---|---|
| New Zealand | 2,773 |
| Australia | 1,958 |
| US | 1,724 |
| Canada | 911 |
| UK & Ireland | 219 |
| Joint ventures | 0 |
| Total GHG emissions (tonnes $CO_2e$) | 7,585 |

**73% increase on FY22** (includes data for merged business units since acquisition date).

## Group-wide Customer Journey GHG Emissions FY23

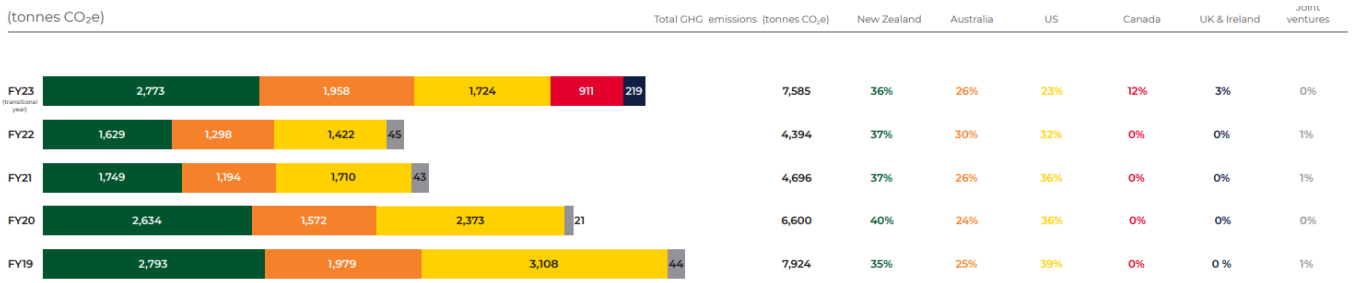
(tonnes $CO_2e$) (transitional year)




| | |
|---|---|
| Australia | 23,768 |
| US | 20,472 |
| New Zealand | 11,030 |
| Canada | 2,034 |
| UK & Ireland | 583 |
| Joint ventures | 0 |
| Total GHG emissions (tonnes $CO_2e$) | 57,887 |

**58% increase on FY22** (includes data for merged business units since acquisition date).

## Group-wide Operational GHG Emissions year-on-year – Excluding Customer Journeys




## Our 'transitional' Operational Carbon Footprint

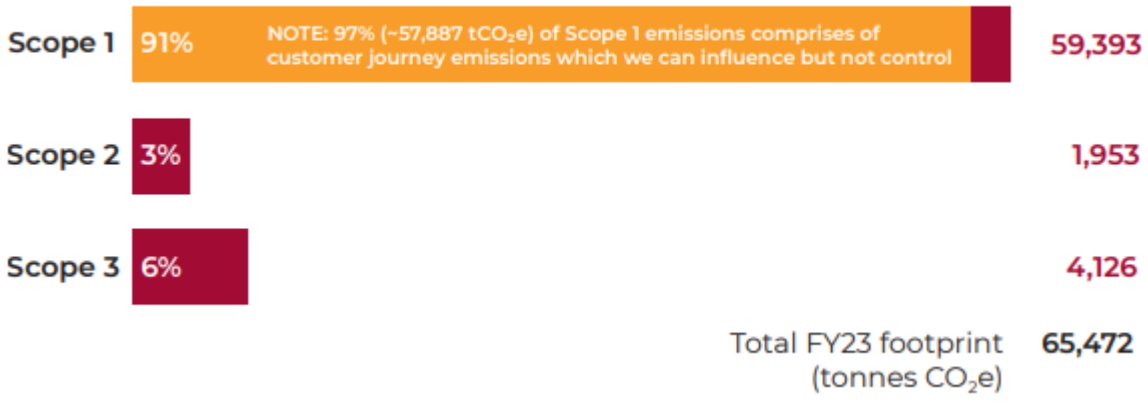
**Scope 1**: Direct GHG emissions: transport fuel used in our company cars, fuel used at our sites (LPG, natural gas, diesel) and customer journeys included in Scope 1 but also reported separately.

**Scope 2**: Indirect GHG emissions from energy: emissions associated with purchased electricity.

**Scope 3**: Other indirect GHG emissions: fuel used by staff commuting to work; air and taxi travel; waste sent to landfill; and motorhome maintenance materials (replacement tyres, batteries, and water).

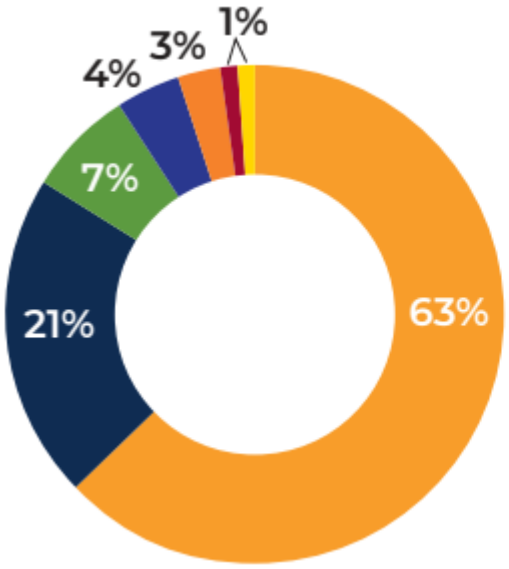
## Group-wide GHG Emissions by Scope FY23 – Including Customer Journeys in Scope 1

(tonnes $CO_2e$) (transitional year)



## GHG Emissions by Business Unit FY23 – Excluding Customer Journey

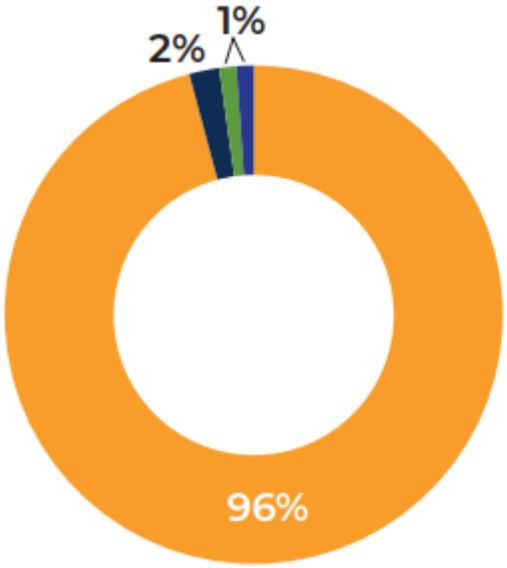
(tonnes $CO_2e$) (transitional year)




| | |
|---|---|
| Self Drive Experiences (Global) | 4,808 |
| Manufacturing | 1,619 |
| Kiwi Experience | 559 |
| Discover Waitomo | 306 |
| Dealerships Australia | 211 |
| Head Office | 57 |
| *thl* Digital | 25 |
| Total GHG emissions (tonnes $CO_2e$) | 7,585 |

## GHG Emissions by Business Unit FY23 – Including Customer Journeys

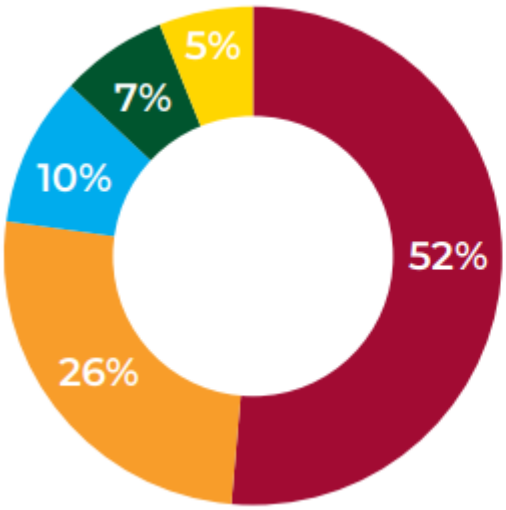
(tonnes $CO_2e$) (transitional year)




| | |
|---|---|
| Self Drive Experiences (Global) | 62,695 |
| Manufacturing | 1,619 |
| Kiwi Experience | 559 |
| Discover Waitomo | 306 |
| Dealerships Australia | 211 |
| Head Office | 57 |
| *thl* Digital | 25 |
| Total GHG emissions (tonnes $CO_2e$) | 65,472 |

## Group-wide GHG Emissions by Emission Source FY23 – Excluding Customer Journeys

(tonnes $CO_2e$) (transitional year)




| | |
|---|---|
| Transport & Stationary Fuels | 3,920 |
| Electricity | 1,953 |
| Materials | 747 |
| Air Travel | 533 |
| Waste sent to Landfill | 424 |
| Taxi Use | 8 |
| Total FY23 footprint (tonnes $CO_2e$) | 7,585 |