MILLENNIUM
HOTELS AND RESORTS

FY25 SUSTAINABILITY & CLIMATE REPORT

Millennium and Copthorne Hotels New Zealand Ltd

MESSAGE FROM THE BOARD

This is our third year of reporting on our sustainability and climate progress. This year we have chosen to continue to report voluntarily following the Government announced changes to New Zealand's climate-related disclosure regime in 2025.

Reporting on and delivering sustainability outcomes are increasingly in demand from regulators, domestic and international travellers, our corporate customers and our investors. Millennium & Copthorne Hotels New Zealand Ltd (MCK) continues to take action to be more sustainable across its business, to identify and reduce climate risk and emissions; and report progress openly.

In 2025, MCK delivered its highest revenue result in five years. Our Hotels business continued to make gains in revenue and profit with a significant year on year uplift in results despite a challenging winter season. Hotel revenue grew due to increasing demand from international travellers and an emerging recovery in the corporate and domestic markets. This result was also underpinned by more rooms becoming available during the year as various refurbishment work reached completion. Overall, these strong results validate MCK's execution to date and signalling the transition from the Revive to the Thrive phase of our hotels' strategy.

MCK is part of a global company and network of hotels with an emphasis on supporting positive local environmental outcomes. We have a NZ representative on the global Millennium Hotels and Resorts (MHR) Sustainability Committee and our Sustainability Manager works to advance action on sustainability for our region, reporting progress regularly

While we are early in our journey to measure and reduce our emissions. We have continued our focus on improving our data, measurement and Greenhouse Gas (GHG) Inventory. In particular we reported MCK FY25 additional indirect emissions from franchised hotels, investment & subsidiary property, staff commuting and waste from refurbishment projects. In 2025 we retained Toitū Carbon Reduce certification for our GHG Inventory and recertified our base year, to account for acquiring the Mayfair Hotel.

During 2025 we completed a portfolio-wide assessment of our climate physical and transition climate risks and opportunities, which demonstrates our properties' resilience in the short to medium term.

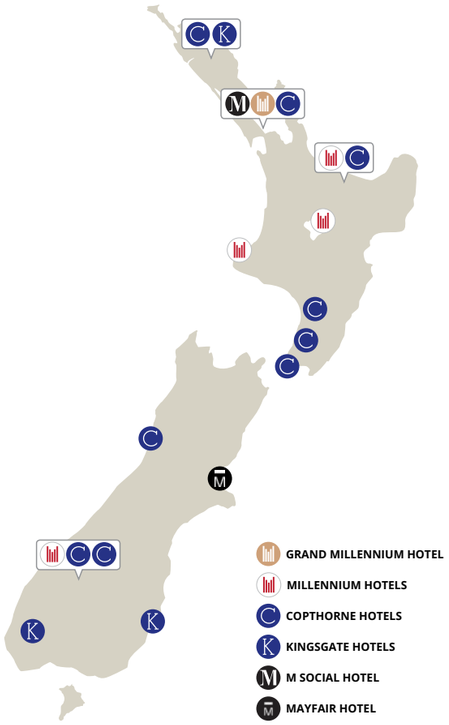
Highlights from this year include the formation of a Sustainability Champions network across all our hotels to progress local initiatives and engage staff in action; increasing our food waste diversion from hotels; and our flagship partnership with Save the Kiwi.

In 2026, we intend to continue to improve our data, deliver sustainability actions and engage with our material suppliers.

This Sustainability and Climate Report is for MCKs 2025 financial year 1 January 2025 to 31 December 2025 and contains our FY25 climate-related disclosures. It is authorised for issue for and on behalf of the directors on 26 May 2026.

Colin Sim
Chairman

Stuart Harrison
Managing Director



CONTENTS

Disclaimer

This document has been prepared by Millennium & Copthorne Hotels New Zealand Limited (MCK) in good faith based on current knowledge, expectations and intentions and reserves the right to change these in future as new information becomes available.

Our understanding of the impacts of climate change will evolve over time. As we continue to improve how we manage our response to climate change, and embed sustainability across our business, our forward-looking statements and metrics may change.

This report is based on current expectations, estimates and assumptions and is therefore subject to significant uncertainties. The risks and opportunities described may not eventuate or may be more or less significant than anticipated.

The detail in this document is not intended as investment, legal, tax or financial advice or recommendation to any person and must not be relied on as such. All references to $ are to New Zealand Dollars unless otherwise indicated. Percentages may be subject to rounding.

This document contains climate-related and forward-looking statements and metrics. Forward-looking statements can include words such as "expect", "intend", "plan", "believe", "continue" or similar words in connection with discussions of future operating or financial performance or conditions or climate-related outcomes. The forward-looking statements are based on the company's current expectations and assumptions regarding the MCK business, assets and performance and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and to any changes in circumstances. MCK's actual results may vary materially from those expressed or implied in the forward-looking statements. Past performance is no indication of future performance.

INTRODUCTION

Nikau Restaurant at Millennium Hotel Rotorua.

ABOUT MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LTD

Summary of MCK's purpose, value chain and business

MCK's primary business is the ownership and operation of hotels in New Zealand.[1] We have been established in New Zealand for over 30 years and our hotel brands include Grand Millennium, Millennium, M Social, Mayfair, Copthorne and Kingsgate.

In 2025, the MCK portfolio consisted of 19 hotels across New Zealand from the Bay of Islands through to Te Anau.[2] Our hotels are located in key gateway cities and we take pride in hosting a wide variety of conferences and events at our properties.

Our purpose

Your best time and place – right here, right now.
Our purpose is to deliver memorable experiences for our guests whilst purposefully contributing to our communities.

Our mission is to become the hotel chain which everyone recommends to their family, friends and colleagues. We pride ourselves on our hospitality and levels of service no matter which of our hotels you stay at.

Our sustainability commitment

To enable our guests to enjoy a memorable stay while making sustainable choices, we are committed to delivering sustainable outcomes and reducing our environmental footprint.

MCK is conscious that our shareholders and stakeholders want confidence that the business is prepared for the future and may wish to understand the impact the business has on the environment. This report aims to provide transparency and confidence to our shareholders, employees and stakeholders.

We increasingly hear from our guests and stakeholders that they want to enjoy their stay while having a low impact on the environment, and so we aim to respond where possible to reduce adverse business effects. Delivering our commitment requires us to step up to minimise our environmental and social impacts, and work to embed sustainability principles throughout our operations.

Globally, the hotel sector accounts for approximately 1% of all carbon emissions.[3] In New Zealand, the accommodation and food sectors produce 84.11ktCO2e with the majority of these emissions originating from energy and fossil fuel use.[4]

Climate impact is expected to affect the hospitality and accommodation sectors in a variety of ways. Hotels use high levels of water and energy in their daily operations and use significant amounts of materials in their construction and refurbishment. In addition, some hotel locations in popular tourist destinations are more likely to be affected by climate change impacts, such as coastal inundation, exacerbated by future sea level rise.

Our value chain

Strategy	Planning	Purchasing	Operating	Delivering
Long-term investment and growth targets.	Ongoing hotel facility and service improvements.	Equipment, materials, amenities and food.	Operating hotels with onsite conference facilities and restaurants providing 2252 rooms, over 1,000 staff, and 570,767 room nights sold in 2025.	Delivering quality accommodation, restaurants and guest services.

About this Report

Our climate reporting looks a little different to last year's Climate Statement. Millennium & Copthorne Hotels New Zealand Ltd (MCK) is a Climate Reporting Entity (CRE) under the Financial Markets Conduct Act 2013. However, subsequent to Government announcements in 2025, for FY25 reporting MCK is relying on the FMA 'no action' relief granted to CRE's that will no longer be required to disclose under the proposed legislative changes to regime thresholds. As such, this report has been prepared with regard to the Aotearoa New Zealand Climate Standards, however we have chosen to expand the scope of our 2025 reporting to encompass wider sustainability matters.

Reporting boundary

This report relates to MCK which in 2025 encompassed 17 hotels under ownership and or management[5]. Further detail on the GHG inventory reporting boundary can be found in Appendix C.

This Sustainability and Climate Report was published on 26 May 2026 and is available at: https://mckhotels.co.nz/investors/ and has been authorised for issue for and on behalf of the directors.

1. Millennium & Copthorne Hotels New Zealand Limited is a majority owned subsidiary of CDL Hotels Holdings New Zealand Limited which is a wholly owned subsidiary of Millennium & Copthorne Hotels Ltd in the United Kingdom. The ultimate parent company is Hong Leong Investment Holdings Pte Ltd in Singapore.
2. This total includes two franchise hotels – Millennium Hotel & Resort Manuels Taupo, Copthorne Hotel & Resort Solway Park Wairarapa.
3. UNWTO (2008), Climate Change and Tourism – Responding to global challenges, https://www.unwto.org/archive/global/news/2011-08-16/climate-change-and-tourism-responding-global-challenges
4. https://www.eeca.govt.nz/co-funding-and-support/products/hotel-decarbonisation-pathway
5. Although CDL Investments New Zealand Limited (CDI) is a majority owned subsidiary of MCK, the activities of CDI are not included within this report. In accordance with the GHG Protocol CDI direct and indirect emissions are reported as part of the MCK GHG Inventory.

GOVERNANCE

Majestic at Mayfair Christchurch.

GOVERNANCE

The Board's oversight and Management's role in addressing business sustainability and assessing and managing climate risks and opportunities.

Disclosure objective:

To enable interested parties to understand the role that MCK's governance body plays in overseeing sustainability and climate-related risks and opportunities, and the role management plays in assessing and managing these.

Sustainability and Climate-related governance

MCK's Board of Directors has oversight of sustainability overall which encompasses Environment, Social and Governance (ESG) aspects. This includes responsibility for ensuring there are established processes for assessing climate-related risks and opportunities, current climate impacts and climate-related financial impacts, and transition planning, distinct from Management's role in assessing, managing and reporting these.

In addition to regulatory compliance, good governance encompasses a strong sense of values and a desire to do what is right for our stakeholders including our guests, employees, suppliers, regulators and the communities in which we operate. We strive to conduct our business in an ethical and responsible manner and in 2025 continued to embed climate-related risk management into our governance processes and operations.

MCK Board oversight[6]

MCK's Board has ultimate responsibility for overseeing the management of risks, including risks related to climate change. The Board of MCK is committed to introducing and integrating sustainability across key aspects of its business and advancing sustainability efforts overall. The Board have oversight of MCK's Sustainability Framework and ESG issues. The Board endorses sustainability goals and oversees MCK's sustainability and climate-related reporting.

The Board meets at least four times a year, or more frequently if required. The Board consider climate-related risks and opportunities when developing and overseeing implementation of MCK's business strategy by receiving and considering presentations from Management and from expert advice obtained. MCK is continuing to integrate sustainability and climate into our strategic business planning processes. Key climate-related risks and opportunities arising from scenario analysis were endorsed by the board in 2024 and climate scenarios were reviewed but not updated in 2025. Capital allocation across the hotel portfolio is agreed annually by the Board, through the budget approval process.

A change to governance of sustainability and climate change decision-making was made in late 2025. The Board (previously the Audit Committee) is responsible for monitoring progress against MCK's sustainability climate-related initiatives and goals and ensures that metrics are tracked.[7] Directors receive a sustainability and climate update as part of their Board packs which provides climate-related risks and opportunities and progress on key initiatives and metrics.

Directors undertake their own training to remain current on how to best perform their duties as directors of MCK. MCK's directors acquire skills and competencies necessary to oversee climate-related risks and opportunities through various means. Including sessions on sustainability and climate risks delivered by the Sustainability Manager, and external subject matter experts. In addition, continuous upskilling is expected via climate-related guidance reports and resources, industry advancements and hotel portfolio reporting.

The Board believes that it has Directors with sufficient knowledge and experience in risk management who can apply this to managing climate-related risk.

6. Please also refer to the Corporate Governance Statement in our Annual Report which should be read together with these disclosures. MCK corporate governance policies can be found at https://mckhotels.co.nz/investors/wp-content/uploads/2026/03/MIL0025_Annual_Report_2025.pdf
7. Managing climate-related risks and opportunities; setting and monitoring targets; and transition planning for CDI is delegated to the CDI Board and management

GOVERNANCE
(CONTINUED)

Role of Management

MCK's senior management team have day-to-day oversight of climate-related risks, opportunities and initiatives that drive climate mitigation and adaptation strategies. Management also reviews and advises the Board on ESG opportunities, strategic sustainability and climate issues and MCK's emissions reduction initiatives.

MCK's Sustainability Steering Group (SSG) currently consists of a representative cross-section of Senior Management including the Managing Director, VP Finance, VP Operations, VP Legal, Director of Property and the Sustainability Manager. The SSG conduct assessments, prepare reports, manage the climate risk register and put in place plans to initiate action, mitigate emissions and reduce climate risks. MCK's Operations (including Hotel Managers), Sustainability Manager, Property, Legal and Finance teams support the SSG to embed sustainability across the business and monitor and assess MCK's activities which contribute to our impact on the climate

The VP Legal oversees preparation of the annual Greenhouse Gas Inventory and Sustainability and Climate Report delivered by the Sustainability Manager. The Sustainability Manager with support from the SSG is responsible for delivering on the Sustainability Framework Strategy and transition planning.

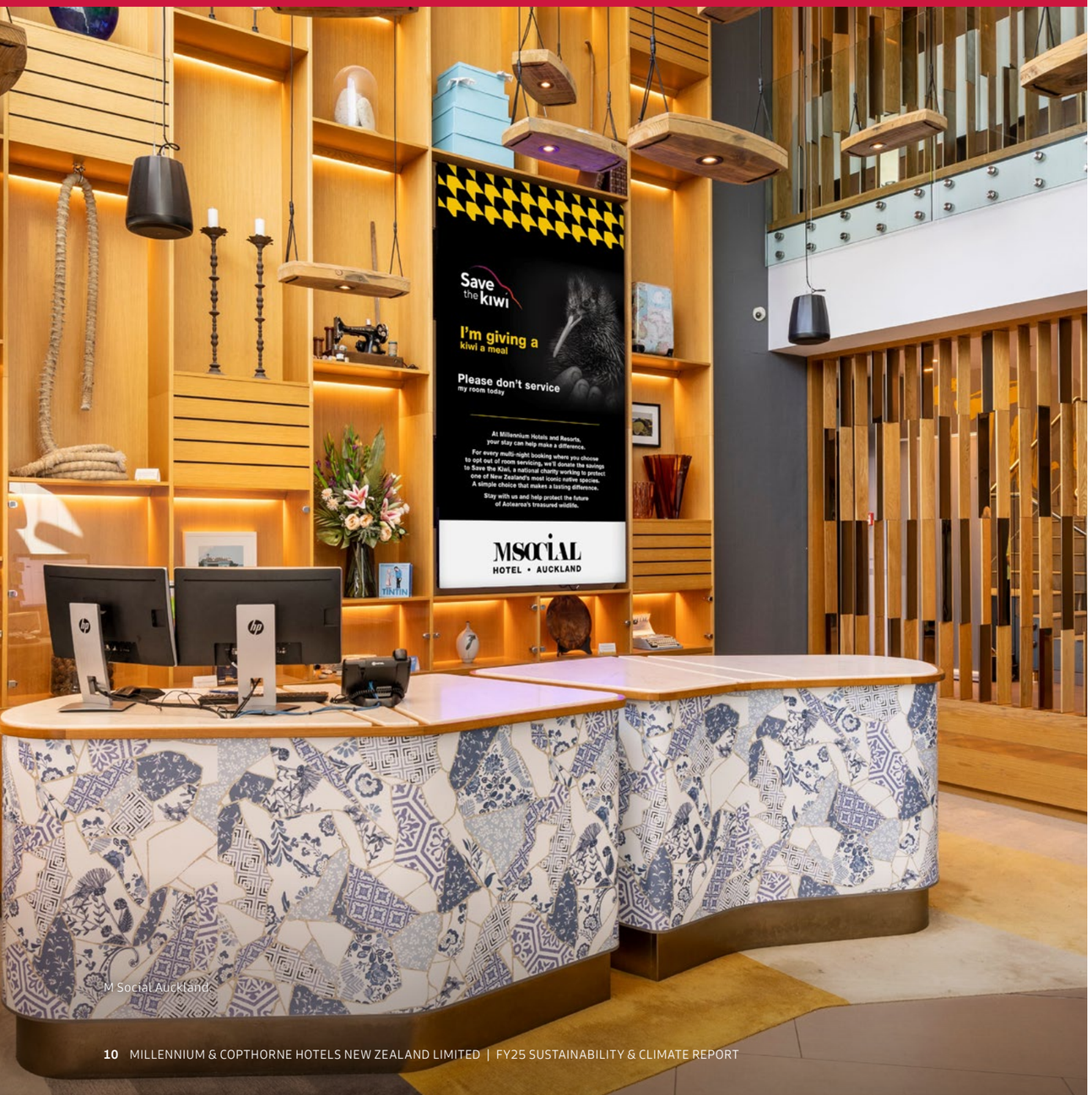
Any revisions to Climate scenarios and climate risks and opportunities are monitored by the Sustainability Manager and highlighted to the SSG on an ongoing basis– changes to risk profiles over time will be escalated to Senior Management.

The SSG provides updates to the Board on management of climate risks and opportunities as relevant.

Hotel Managers, Operations and Facilities managers, supported by the Sustainability Manager, are involved in assessing and addressing site specific climate-related risks. Hotel teams and the Property team are responsible for overall performance of MCK's hotel operations – day-to-day management, maintenance and operability of MCK's assets; and property management, refurbishment and maintenance plans. Capital Expenditure (Capex) decisions are made monthly by the Capex Committee with input from the Sustainability Manager as required. Our Sustainability Champions network supported by the Sustainability Manager, engage with staff to identify and progress local initiatives to improve sustainability at each property.

Ember Restaurant at Grand Millennium Auckland.

STRATEGY



M Social Auckland

STRATEGY

Our strategic direction for sustainability across our business. Material climate-related impacts for our business and climate-related risks and opportunities.

Disclosure objective:

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

Business model and hotel assets

MCK has been providing hotel accommodation in New Zealand for over three decades to independent leisure and business travellers, in both the domestic and international markets.

MCK has a diverse portfolio of hotels across the North and South Islands. We operate hotels under various business models including owned and operated hotels (majority of our portfolio); managed hotels on behalf of third-party owners ; joint ventures managed by us or a third-party; franchises; and landholdings. The level of operational control MCK has varies across our portfolio, and impacts the level of influence we have over capital deployment, sustainability initiatives and actions to reduce emissions or improve climate resilience.

This mix builds resilience into our business model enabling MCK to provide guests with a range of accommodation types, across different brands, price points and comfort levels. Our hotels all have dining and bar facilities, many also offer pools, spas, gyms and meeting and conference facilities. We have a forward programme of hotel refurbishments to ensure our guests continue to enjoy quality facilities. MCK also provides staff accommodation at some of our properties.

MCK recognises the importance of taking action to be more sustainable, optimising hotel operations, reducing climate risk and emissions and reporting progress. In 2025 we established processes and practices to progress our sustainability journey, with a focus on improving environmental outcomes.

MCK's broad approach to assessing and acting on climate-related impacts across operations is to identify and manage climate risk by addressing both:

- **the impact on MCK** from the physical and transition impacts caused by climate change, and
- **the impact by MCK** resulting from our GHG emissions and other business decisions that contribute to climate change and other environmental issues.

The Power of Champions: Driving sustainability across our hotels

We established a network of Sustainability Champions across our 17 hotels in 2025, along with functional representatives of our business, i.e. in Human Resources, Marketing, Finance, Procurement, Property, Digital Technology Sales and Conferencing. Led by our Sustainability Manager this network meets regularly to share local activities, foster staff engagement and start or give feedback on new initiatives. In 2025 the network supported hotel staff involvement in Save the Kiwi, Plastic Free July, our annual staff travel survey and NZ Recycling Week promotions.

Embedding recycling into hotel culture

All our hotels have recycling systems and most have food waste collections in place. Recycling is available to guests for plastics, paper/card and glass bottles and cans. For these systems to work well staff across a range of hotel roles need to know both how to recycle right.

NZ Recycling Week provides an opportunity to focus hotel activations and engage staff. We participate in and promote Recycling Week each year – in 2025 we ran a hotel competition to increase staff awareness and encourage participation. Our hotels, with leadership from their onsite Sustainability Champions, delivered a range of staff-focused activities including staff quizzes, lunch-time sessions and webinars; staff-room posters and colour-coded displays for staff with English as a second language; community recycling donations i.e. linen and curtains; as well as onsite reuse and repair initiatives. Participating hotels and staff were recognised and rewarded. At our Support Office this year we ran a Q&A session, so staff can be confident about the correct items to recycle & also find out where items are recycled. In addition, we hosted a delicious morning tea supplied by Rescued Kitchen to highlight pre-consumer waste in the food supply chain and the innovative products they have available.

STRATEGY
(CONTINUED)

Global reach with local action: our Millennium Green Path Framework

MCK is part of a global company and network of hotels that places an emphasis on supporting positive local environmental outcomes. In 2025 MCK participated in the global MHR Sustainability Team to advance the group's action on sustainable practices and decarbonisation.

Our Sustainability Framework

The Millennium Green Path framework is used to support our hotels and focus on our key impact areas.

Prioritising action

MCK has adopted the United Nations Sustainable Development Goals (SDGs)[8] to support the delivery of our sustainability priorities. The SDGs that our business can contribute to the most[9] include:

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

MCK SUPPORTING INITIATIVES

We foster a diverse workforce consisting of a range of nationalities, ethnicities and ages across our hotels. Our MCK values create a safe, inclusive and productive workplace. Induction, training, sustainability champions network and local activities support staff wellbeing and ensure staff are engaged.

Make cities inclusive safe resilient and sustainable.

MCK SUPPORTING INITIATIVES

Planning for future hotel development, responsible investment, site accessibility, supporting local cultural and community projects and protecting local environments.

Ensure sustainable consumption and production patterns – reduce waste, promote resource efficiency, and encourage sustainable practices.

MCK SUPPORTING INITIATIVES

Hotel recycling systems are in place as well as a focus on reducing single-use plastics. Most hotels divert food waste, where collections are available. Our hotels provide options for guests to reduce the impact of their stay or hosted events. We have a focus on increasing hotel performance, energy efficiency and improving outcomes for nature.

Take urgent action to combat climate change and its impacts.

MCK SUPPORTING INITIATIVES

Assessment of our climate risks, opportunities and impacts will lead to more resilient hotel assets.

8. https://sdgs.un.org/goals
9. Hotel operations can also contribute to SDG 6: Clean water and sanitation and 7: Affordable and clean energy, through reducing water and energy consumption/ increasing renewable electricity use.

STRATEGY
(CONTINUED)

Climate-related risks, opportunities and impacts

MCK considers a climate risk, opportunity or impact as material if it has the potential to influence business as usual operations, deliver on business strategic objectives, revenue or market/customer perception. MCK applies the XRB definition of materiality (NZ CS 1) to shape our understanding of materiality of climate-related risks and opportunities. This means we have made every effort to present information that could reasonably be expected to influence business decisions, without omitting, misstating, or obscuring anything. MCK uses a rating criteria[10] to assess climate-related risks and opportunities and current impacts across the business. Internal criteria applied incorporated some quantitative assessment such as percentage of portfolio affected, percentage of profit affected (also unplanned capital expenditure or possible savings), scale of disruption or benefit to operations, impact on occupancy and/or reputation.

Current climate-related impacts

A current impact is the effect or result of a material climate-related risk or opportunity on MCK's business, which took place within the current reporting period. We consider climate-related physical and transition impacts to be overall immaterial for MCK for 2025.

MCK's SSG conducted a retrospective assessment to determine material climate-related impacts in 2025 across the business. Following input from MCK Senior Management and Hotel Managers, current material climate impacts are then fed into a financial impact assessment process. We assessed whether there were any acute climate-related attributable weather events; any changes to policy settings or regulations enacted; or tangible market, technology or reputational shifts evident within the current reporting period.

We also reviewed our climate-related risks and opportunities to see if any occurred in 2025. This involved a materiality assessment of the proportion of portfolio and profit affected, scale of disruption or benefit to operations, impact on occupancy or customer feedback, plus any other assumed primary user expectations

Currently, impacts from acute physical climate-related events on our hotels and business operations are rare. Occasionally, bookings or access to some hotels can be affected by weather events for short periods of time, however these events are often not directly attributable to climate change and do not significantly disrupt hotel operations. Our portfolio showed resilience during 2025 weather events that resulted in storm warnings, flooding and land instability. While there were some instances of minor disruption to guests & revenue loss, no MCK hotels suffered any significant damage or insurance payouts as a result in 2025. Nor were there any material supply chain disruptions impacting our business from climate-related physical or transition impacts.

There were no material (low emission) upgrades or resilience measures undertaken across the portfolio in 2025 in response to climate-related weather events or regulations. Access to capital has not been impacted, nor were any acquisition or divestment decisions affected in 2025.

Transition impacts relating to changing government policy or consumer preferences would flow through to changing demand for accommodation. MCK has not observed a trend in declining international or domestic visitor bookings to date as a direct result of climate concern or impacts. There were no climate-related opportunities identified or pursued by MCK in 2025.

Current climate-related financial impacts

Following the initial identification and assessment of material climate-related impacts across the hotel portfolio, the current financial impacts are then assessed qualitatively and impacts quantified (where possible) by the MCK Finance team. Aspects of MCK's financial performance assessed annually include our financial performance, financial position, and cashflows. Where possible the cost of climate impacts are quantified e.g. of building repairs, guest relocations, lost stock, cancellations, or fees or approximate dollar value considering the percentage of revenue impacted, i.e. from lost forward bookings.

Given there are no material current climate impacts identified in 2025, there are no climate-related material financial impacts reported for the 2025 financial year. We have not assessed anticipated financial impacts.

10. As detailed in our FY24 Climate Statement.

Scenario analysis

MCK has developed entity-level climate change scenarios to identify climate risks and opportunities; support decision-making and capital allocation; and build long-term resilience (i.e. avoid stranded assets). They help us to evaluate how climate change impacts—such as extreme weather, policy changes, and market shift, may affect our operations, value chains, and future financial performance.

In developing scenarios, MCK had regard to two sector archetypes which it considers important for its operations and reflects the nature of our core business. MCK considered the work undertaken by the Aotearoa Circle to develop climate scenarios[11] and adaptation strategies[12] for the tourism sector. Given that MCK is an owner operator of hotels and has significant physical assets, we have also had regard to the sector scenarios developed by Beca Limited for Te Kaunihera Hanganga Tautaiao | New Zealand Green Building Council (NZGBC).[13]

MCK's entity-level scenarios draw from, and are consistent with, the sector scenarios (but downscaled for our business) Our scenarios reflect MCK's specific circumstances, being an amalgam of the relevant sector scenarios.

While we did not review our scenarios in 2025, we consider them as still relevant. We are aware that the Orderly Scenario we have used may become increasingly less plausible as global political instability increases and national and global climate initiatives and regulations have been revised over the reporting period. It is increasingly unlikely that a global 1.5-degree future is possible[14] without deep cuts to emissions, requiring a rapid and severe policy reaction. However, it is still important to continue to plan have (but don't have degree of warming increases risk and extreme impacts)[15], so aiming to limit warming will reduce future adverse impacts, damage and loss to our business. We will consider reviewing our scenarios in future years.

Time horizons for climate-related risks and opportunities

Our time horizons remain the same as identified in our previous disclosures. These are consistent with business planning, consider the longer-term nature of owned buildings and hotel refurbishment cycles, align to building depreciation, and they are largely consistent with sector scenarios.

MCK used the following time horizons to inform scenario analysis and assess the climate-related transition risks and opportunities identified as short, medium or long-term[16].

Present–2030	2031–2045	2046–2075
Short-term	**Medium-term**	**Long-term**
Impacts on near-term income, operating costs and increased repairs and maintenance.	7–10 year refurbishment cycle. Impacts on core aspects of strategy, acquisition of new hotels, expansion of the portfolio, development phasing and/or divestment decisions.	30–50 year life of primary property assets. Impacts from travel patterns, trading conditions and long-term viability.

11. https://www.theaotearoacircle.nz/s/P0381992_AotearoaCircleReport_Tourism_Scenariosv07.pdf
12. https://www.theaotearoacircle.nz/s/The-Aotearoa-Circle-Tourism-Sector-Climate-Change-Adaptation-Report-002.pdf
13. https://23159811.fs1.hubspotusercontent-na1.net/hubfs/23159811/NZGBC%20-%20Climate%20Scenarios%20for%20the%20Property%20and%20Construction%20Sector.pdf
14. While this goal remains technically achievable recent breaches of 1.5°C for a month or a year are early signs of getting close to exceeding the long-term limit. Policies to deliver deep emission cuts & carbon capture and storage could be enacted to address climate overshoot. Off Target - Emissions Gap Report 2025 | UNEP - UN Environment Programme
15. https://www.un.org/en/climatechange/science/climate-issues/degrees-matter
16. Noting that our assessment of physical climate variables across our portfolio has been aligned to time frames consistent with MfE guidance, i.e. short-term (2021–2040), medium-term (2041–2060) and long-term (2081–2100).

STRATEGY
(CONTINUED)

Climate change scenarios

A climate scenario is a plausible, but hypothetical, description of how the future climate may unfold, based on a coherent set of assumptions about driving forces and relationships, used to explore the potential impacts of climate change to inform decision-making. It is not a prediction or forecast of the future, or narrative of resulting impacts on MCK's business.

Summary of climate scenarios

For further detail on our entity-level climate scenarios see Appendix A.

1.5°C Orderly Scenario – Net zero 2050
A world where global warming is successfully limited to 1.5 degrees above preindustrial levels, as ambitious goals and policies to reduce greenhouse gas emissions are immediately and effectively implemented.

Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk Severity	Transition Risk Severity	Socio-political Instability
1.5°C	Immediate and smooth	Fast	Fast	Moderate	Moderate to high	Low to Moderate

2.0°C Disorderly Scenario – Delayed transition
A world where global warming is limited to 2.0 degrees above preindustrial levels, as policies to reduce greenhouse gas emissions are introduced after 2030. There is a rapid and concerted effort to reach net zero 2050 goals.

Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk Severity	Transition Risk Severity	Socio-political Instability
<2.0°C	Delayed	Slow, then fast	Slow, then fast	Moderate	High	Moderate

3.0°C Hot House World Scenario – Current trajectory
A world where global warming reaches 3.0 degrees above preindustrial levels by 2100, due to no additional policies introduced to reduce greenhouse gas emissions.

Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk Severity	Transition Risk Severity	Socio-political Instability
>3.0°C	None (current only)	Slow	Slow	Extreme	Low	High

Climate-related risks and opportunities

In 2025 MCK completed a climate risk assessment of physical and transition risks across its business and including hotel buildings, operations and land holdings.[17]

This continued to build on analysis of climate-related risks across different scenarios to further our understanding of the key risks faced by MCK.

Material physical climate-related risks

Following an exposure assessment of our hotel properties we assessed the overall climate-related physical risk to the portfolio.[18]

The following table summarises the risk of each climate-related geohazard for the current MCK hotel portfolio for FY25, updated from the previous reporting period to include the Mayfair hotel. Risk is low across all with the exception of coastal inundation, which has been identified as moderate, potentially affecting two hotels.[19]

Risk	Flooding	Coastal Inundation[20]	Coastal Erosion	Landslides	Sea Level Rise
No Risk	72.5%	78%	94.5%	94.5%	83.5%
Low Risk	22%	11%	0%	5.5%	11%
Moderate Risk	0%	0%	5.5%	0%	5.5%
High Risk	5.56%	11%	0%	0%	0%
Overall Portfolio Risk Rating	**Low Risk**	**Low Risk**	**Low Risk**	**Low Risk**	**Low Risk**

- **Low Risk:** Where all/the majority of properties had a no risk/low risk rating with only 1 or 2 properties with a higher risk rating.
- **Moderate Risk:** Where >50% of properties had a moderate risk rating and/or >15% of properties had a high risk rating.[21]
- **High Risk:** Where >50% of properties had a high risk rating.[21]

For the 15 chronic climate change variables assessed, all pose risk over the long-term. The impact of temperature and rainfall were identified as insignificant on our assets and so are rated low risk, with strong wind and windy days variables rated moderate risk (i.e. by 2100 the average for the portfolio is within the moderate consequence threshold).

Risk ratings should be treated as a snapshot of our current understanding of MCK's portfolio. As exposure and/or vulnerability thresholds for physical risks change, and/or the regulatory, technology, or market environment changes, risk ratings can be adjusted accordingly.

Material climate-related transition risks and opportunities

MCK initially identified and assessed 12 transition risks and 13 opportunities at a portfolio level. Materiality ratings were then qualitatively applied to all climate-related risks and opportunities to determine the highest levels of risk and therefore priorities across our three climate scenarios. The following table provides an overview of our prioritised transition risks and opportunities. A summary of the 20 material climate-related transition risks and opportunities, and their relevant time horizons can be found in Appendix B.

Prioritised material climate risks and opportunities for transition planning	Type
Reduced business emissions (our business impact on the climate)	
. Increasing energy prices	Market risk
. Failure to meet sustainability goals or consumer and investor expectations (also reputation)	Market/reputation risk
. More stringent Government regulation, environmental obligations, policy and reporting requirements	Policy/regulatory risk
. Increasing taxes/rates to pay for strengthening infrastructure	Policy/regulatory risk
. Becoming a fast-follower of lower carbon technologies or services	Reputational opportunity
. Offering lower carbon products and services to guests	Market opportunity
Improved business resilience (the impact of climate change on MCK's business)	
. High insurance costs or unavailability	Liability risk
· Changes/reduction in international and domestic travel patterns due to climate impacts	Market risk
. Buildings (plus business operations and supply chain) are not climate resilient	Liability risk
· Capitalise on changing international and domestic travel patterns	Market opportunity

17. This includes 17 hotels and one additional land holding. Excludes franchises and CDI.
18. SSP3-7.0 climate change projection scenario was used for this exposure assessment. This aligns to the Hot house scenario and of the five IPCC scenarios, it is one of the upper middle warming scenarios for which climate projections was available for at the time of assessment.
19. Note that an overall portfolio risk rating of low does not mean that all hotel properties are considered low risk.
20. This risk accounts for future sea level rise, there is no (or in one case low) exposure under current sea levels.
21. High Risk has been determined based on assessing major or severe property vulnerability accounting for existing mitigation.

STRATEGY
(CONTINUED)

Hotel assets vulnerable to transition and physical risks

Based on our assessment of physical risk across the hotel and land assets, the majority of our portfolio has no or low vulnerability to climate-related geohazards and climate variables (41%). Overall, just 3 hotels (17%) are at high risk from one geohazard (either some impact from future flooding, or coastal inundation accounting for future sea level rise).

In the course of determining MCK's vulnerability to transition risks we have adopted the view that this encompasses most, if not all of our current assets to some extent. All our hotels are currently reliant on fossil fuels (gas) to operate kitchen facilities at a minimum. Over half of our emissions are related to operational energy use and of this 49% were generated using fossil fuels in 2025 (LPG and natural gas).[22] Until further assessment is undertaken, we will use this as a proxy measure for the percentage of our hotel portfolio assets vulnerable to transition risk.

Capital deployment towards initiatives related to climate-related risks and opportunities

MCK's capital expenditure and investment is prioritised consistent with forecast business needs and anticipated returns. This also applies to investment to address climate-related risks and opportunities. Work is underway, to integrate climate-related risks and opportunities into our business processes including decision-making on investment and capital deployment.

MCK has assessed the capital expenditure, financing, or investment that contributes to addressing climate- related risks and opportunities.[23] This includes spend in one or more of the following areas during 2025, which has been quantified in the Metrics and Targets & Performance section.

- Feasibility studies for improvements to hotel buildings and equipment which include identifying emission reduction or increased resilience opportunities
- Energy and water efficiency upgrades to equipment, appliances, fixtures and systems, e.g. lighting, HVAC, laundry, refrigeration, insulation or double glazing, electrical and electronic devices
- Switching from gas to electricity and or solar generation
- Replacing high global warming potential (GWP) refrigerants
- EV charging infrastructure
- Waste and recycling improvements
- Building resilience measures e.g. relocation of core services or flood protection

We have also reported separately consultant spend on climate-related risks and opportunities work.[24] This excludes staff salaries; accreditation fees, audit and contractor costs for quantifying our GHG emissions; and costs relating to reporting.

Transition Planning

MCK sees the intent of transition planning as building resilience to critical climate-related uncertainties by planning actions to ensure our business can continue to operate, maintain the use of our assets, finance our operations, generate sustainable revenue and retain customers in a changing world.

As New Zealand pursues a national target of net zero by 2050, MCK recognises that there may be more disruptive events to our business and the wider tourism and accommodation sector. Our current business model provides us with flexibility in the face of uncertain future changes, such as travel patterns, to cater to a different mix of domestic and international guests and/or leisure and corporate travel.

Our transition planning work builds on our climate scenario analysis and assessment of climate-related risks. We respond to guest expectations; working to ensure those of our hotels vulnerable to physical climate risks have suitable protection and resilience measures in place; and where possible, plan to transition from the use of fossil fuels (diesel and gas) in our hotel operations to more renewable forms of energy – all of which require capital investment over time.

To support transition planning, in 2025, Senior Management tested the foundational assumptions of MCK's business model and explored how changing assumptions underpinning climate scenarios may impact MCK's strategic direction.

The long-term value proposition of strategic options to enhance MCK's resilience were also considered and subsequently endorsed by the Board.

We have identified the following strategic climate-related priorities for MCK, which are key transition planning considerations across our value chain.

- Operational efficiency and reduced reliance on fossil fuels – decarbonising hotels
- Capital investment – hotel refurbishment and systems improvements
- Responsible procurement – decarbonising our supply chain
- Improved resilience – hotel access and facilities, and business activities
- Guest expectations and education – low-emissions offerings

Our Capex Committee and forward work programme of major refurbishments are the primary mechanisms for allocating capital to address transition risks and opportunities.

Following prioritisation of our climate-related risks and opportunities in 2025, we continue to take steps to confirm and prioritise actions and assign responsibility and resources for addressing our risks and opportunities. Based on our assessment of our hotel portfolio exposure and material risk from physical climate impacts or transition risks, we are not currently considering divesting any of our properties.

MCK's transition planning journey

Assess

2023

- First hotel portfolio GHG inventory certified and material sources of emissions prioritised

2024

- Dedicate resource for sustainability leadership and establish Sustainability Steering Group
- Undertake entity-level climate scenario analysis
- Assess and prioritise material climate-related risks and opportunities, including hotel exposure assessment
- Publish standalone Climate Statement outlining transition planning progress

Set ambition and establish process

2025

- Establish sustainability framework
- Transition planning workshops with senior management and the Board
- Assess material suppliers
- GHG inventory data improvements
- Incorporate sustainability into capex application processes

Plan actions

Next steps – 2026 onwards

- Map emissions reduction pathway
- Develop feasibility studies and business cases
- Confirm emission reduction actions that respond to transition risks
- Confirm climate resilience actions that respond to physical and transition risks
- Proactively respond to climate-related opportunities
- Assign responsibility for priority actions

Implement

Next steps – 2026 onwards

- Prioritise no-regret actions and allocate investment
- Build in flexibility to address uncertainties and alternate pathways
- Ongoing resourcing, implementation and regular review of transition plan
- Monitor signals and triggers for action
- Monitor progress indicators and course correct where necessary

Future Review

22. For the purposes of this proxy measure assessment 85.5% of electricity consumed (kWh) has been assumed to be renewable. This does not account for unmetered solar utilised to supplement hot water generation at two MCK properties.
23. Includes assessment of capital expenditure for owned hotels only, excludes MCK hotels that are only under management agreement, Sofitel Brisbane and CDI.
24. Note that this does not incorporate a full list of spend on sustainability related projects for the business.

RISK MANAGEMENT

Millennium Hotel Queenstown.

RISK MANAGEMENT

Our process for identifying and assessing sustainability and climate-related risks for our business.

Disclosure objective:

To enable interested parties to understand how MCK's sustainability and climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.

The Outline of Material Risks contained in the MCK 2025 Annual Report[25] acknowledges climate change as a material risk to the business and is expected to affect the hospitality and accommodation sectors.

Identifying risks

Our 2024 Climate Statement reported a comprehensive list of climate-related risks and opportunities for our business, which built on material risks identified by the accommodation, hospitality, property and tourism sectors. A scan to identify additional climate-related risks beyond those included in our previous disclosures and climate risk register was undertaken as part of our annual climate impacts review process. Conducted with reference to our climate change scenarios across key areas of the business (such as the business model, supply chain/ value chain, adaptation and mitigation activities, access to capital, products and services, acquisitions/ divestments, and investment in research and development). These are categorised by type:

- Climate-related transition risks (including policy, liability, market and reputation)
- Acute and chronic climate-related physical risks

New risks for inclusion in the climate risk register may be identified by the SSG, senior management, Hotel Managers or other MCK staff as they arise and are included in our climate risk register.

Many climate risks (e.g., policy changes and extreme weather events) are unpredictable, uncertain and manifest over extended timescales typically outside those considered in business-as-usual risk management processes, so we have set specific time horizons for assessing MCK climate-related transition risks (and opportunities). Our physical risk assessment has been conducted aligning to timeframes consistent with Ministry for the Environment (MfE) guidance. This included using 100 year return period data for geohazards in the risk assessment. These are substantively the same as we identified in our previous disclosures – consistent with business planning considering the longer-term nature of owned buildings, hotel refurbishment cycles and building depreciation. These time horizons are found in the Strategy section.

Assessing risks

In 2024 MCK assessed and reported our climate-related risks and opportunities across the hotel portfolio, this was updated in 2025 to include newly acquired Mayfair hotel.

Physical climate risks

The physical risk assessment assessed the physical exposure of MCK's hotels and land holdings to acute hazards and chronic climate change variables. The results of this assessment can be found in the Strategy section of this report.

The exposure of MCK properties[26] to geohazards, including landslides, flooding, sea level rise and coastal inundation and erosion was assessed, as well as 15 climate variables including temperature, rainfall and wind projections.

A semi-quantitative risk assessment was conducted to assess climate-related physical risks. Geospatial analysis was used to overlay property locations with climate-related hazard data sourced from locally relevant and available sources.[27] Exposure was classified as no, low or high based on the percentage of each property overlapping geohazard zones.

Exposure ratings were then combined with vulnerability thresholds, established through consultation with Hotel managers, to determine risk ratings. Through this modelling, each property was assigned a qualitative physical risk rating across these variables, which is captured in our risk register to enable MCK to prioritise sites that require the most attention.

Transition climate risks

A comprehensive transition risk assessment was undertaken in 2024 by the SSG and the risk register is kept up to date by the Sustainability Manager, with input from key stakeholders and external input where required (i.e. in relation to physical risk exposure).

MCK uses a bespoke climate-related transition risk and opportunities rating criteria which defines significant, moderate or limited/no business impacts as a result of specific thresholds relating to profit, occupancy, delay/disruption or degree of portfolio impacted.

The SSG worked with internal stakeholders, including Senior management and Hotel Managers to determine material transition risks. Assessment included rating each risk per climate scenario (low, medium, high) and documenting the rationale and relevant time horizon(s) for each. The outputs of this process are incorporated into the risk register.

25. https://mckhotels.co.nz/investors/wp-content/uploads/2026/03/MIL0025_Annual_Report_2025.pdf
26. This includes 18 MCK owned and managed hotels and landholdings. It excludes MCK franchises, Sofitel Brisbane and CDI landholdings and properties.
27. Sources include local government entities, the Institute of Geological and Nuclear Sciences (GNS), and the National Institute of Water and Atmospheric Research (NIWA).

RISK MANAGEMENT
(CONTINUED)

Managing risks

The Board is ultimately responsible for the oversight and implementation of the Company's responses to risk management. MCK's Board, Audit Committee and Management Team all have a role in identifying areas of risk and understanding their impact on the Company, as well as how these areas are to be managed and mitigated.

The SSG is tasked with reviewing and assessing MCK's climate-related risks captured in our climate risk register. Medium and high rated risks will be considered and prioritised as part of strategic planning and mitigations developed for high rated risks. This tool consolidates key risks, risk and opportunity ratings, response measures; potential metrics, mitigation and resilience.

As they are identified, new material climate-related risks are raised by management to the Board. The Board also has a responsibility to raise risks and input into how climate-related risks should be managed. Material sustainability and climate-related opportunities will be explored by the relevant MCK department lead with support from the SSG and are reported to the Board at their scheduled meetings, as appropriate.

Value chain exclusions

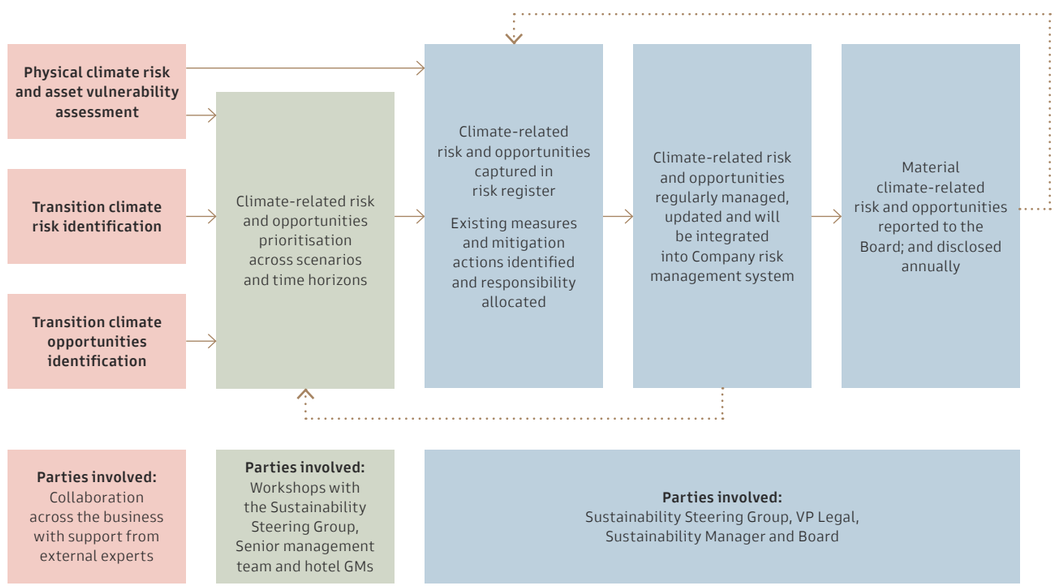
Our value chain includes our business activities, resources and relationships in the context of our external operating environment. Following a materiality-based approach we prioritise hotels and operations with the highest exposure and climate impacts and wider sustainability risks. We will continue to enhance our understanding of sustainability climate-related risks and impacts by building our data capability and capacity across our full value chain[28], including our largest suppliers. Supplier specific climate-related risks in our supply chain not currently identified in our climate-related risk assessment can be further explored in the future. This work is closely linked to assessing supply chain modern slavery risks and indirect scope 3 emissions from products services and capital goods.

Integration into overall risk management framework

MCK recognises that climate and sustainability risks often drive other risks, reinforcing the need for integrated risk management. We plan to continue to refine and strengthen our approach to assessing climate-related risks and opportunities over time.

As MCK continues to develop its risk management framework, it will have an opportunity to streamline its climate and business risk management processes by leveraging risk assessment tools and methods that apply to both climate and non-climate risks.

MCK climate-related risk management process



28. For clarity, while MCK has a majority shareholding in CDI, they have not been included MCK's risk reporting.

H.A.R.I. Robot, M Social Hotel Auckland.

METRICS, TARGETS & PERFORMANCE

Millennium Hotel Rotorua.

METRICS, TARGETS & PERFORMANCE

The metrics and targets we use to measure our sustainability performance and manage our climate-related risks and opportunities.

Disclosure objective:

To enable interested parties to understand how MCK measures and manages its climate-related risks and opportunities. Sustainability metrics and targets also provide a measure of non-financial business performance.

Greenhouse gas emissions

For the reporting period 1 January 2025 to 31 December 2025 MCK's emissions have been measured and our greenhouse gas emission inventory (GHG inventory) prepared in accordance with the GHG Protocol Standards[29] and ISO 14064-1:2018 standard.

Organisational boundary and consolidation approach

MCK and its subsidiaries (either wholly or majority owned) are included in our organisational greenhouse gas reporting boundary (unless deemed de minimis). This includes direct operational emissions from 17 owned and managed hotels within MCK's portfolio, CDL Investments New Zealand Limited and MCK's support offices. An operational control approach is applied to the organisational boundary and GHG inventory.

Base year restatement

In FY25 an update was made to our 2023 base year to account for a change to our organisational boundary, due to a hotel acquisition. This ensures MCK's GHG Inventory remains relevant, complete, consistent, transparent and accurate in line with the GHG Protocol. See Appendix C for further information on the justification and recalculation of the base year and FY24 adjustment, which have been recertified by Toitū.

Targets

MCK currently has internal unpublished targets for emissions reduction and uses industry benchmarks where available, to review hotel utility performance. MCK tracks hotel energy and water consumption and waste generated and diverted to recycling and composting.

Emissions from NZ hotels contribute to the group emissions footprint. In 2019, Millennium & Copthorne Hotels Limited[30] set a Science-Based Target to reduce the Group's carbon emission by 27% by 2030, from a 2017 base year.

Certification

In 2025, MCK achieved Toitū Envirocare Carbon Reduce certification[31] for our greenhouse gas inventory for the third year. In 2025 we also recalculated and recertified our 2023 base year and updated our 2024 GHG inventory. This independent audit and certification plays a significant role in MCK's understanding of our emissions profile and informs the steps we'll take to reduce our impact.

Toitū Carbon Reduce certified organisation: Millennium & Copthorne Hotels New Zealand Limited. Toitū Carbon Reduce certified means measuring emissions to ISO 14064-1:2018 and Toitū requirements; and managing and reducing against Toitū requirements.

TOITŪ CARBON REDUCE ISO 14064-1 ORGANISATION

29. https://ghgprotocol.org/standards-guidance This includes: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition); the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
30. Millennium & Copthorne Hotels Limited, formerly known as Millennium & Copthorne Hotels plc., which owns, manages and operates over 130 properties across 80 destinations.
31. Toitū Envirocare is a wholly-owned subsidiary of Manaaki Whenua – Landcare Research, a Government-owned Crown Research Institute. Developed for New Zealand business needs, they comprise of a team of scientists and business experts who have come together to protect the ecological and economic future, with over 800 clients worldwide.

METRICS, TARGETS & PERFORMANCE (CONTINUED)

Trend analysis and comparison to base year

Accounting for the base year restatement, there was an increase in emissions between the 2023 base year and 2025 across scopes 1, 2 & 3. MCK's largest sources of emissions within our control in 2025 continue to be hotel consumption of energy – natural gas, LPG and electricity for heating, cooling and cooking; followed by waste generation and business travel.

Our increase in direct emissions is primarily due to a year on year increase in owned and managed hotel occupancy rates. The main reason for our notable increase in total emissions for 2025 is due to inclusion of new indirect (scope 3) emission sources, aligned with our global reporting requirements to City Developments Limited (Singapore). In order to provide year on year comparability we have also reported emissions for the Toitū Mandatory Boundary.[32]

MCK's emissions intensity by operating revenue has reduced from 2023 to 2025, however, a decrease has not yet occurred for hotel emission intensities – per square metre or per available room.

In addition to emissions, we also track energy and water consumption and waste generated and diverted for the business and at a hotel level. Hotel utilities (total electricity, gas and water) increased from 2023 to 2025 largely due to increasing guest numbers. However total hotel energy use per room night sold is starting to trend downwards[33]. MCK saw a decrease in hotel waste landfilled and an increase in waste diverted to recycling and composting in 2025 – now 31% (up from 28% in our base year). This is a result of a continued emphasis on waste reduction across our portfolio.

Currently MCK does not purchase carbon credits or offset emissions in other ways, but may explore options in the future.

MCK has chosen to not establish an internal emission price (price per metric tonne of CO_2e used internally by an entity $/$tCO_2e$). We may choose to set this in the future, as we see the potential benefit of this mechanism in creating a financial incentive to reduce emissions.

Feeding the Soil, Not the landfill: Partnering with the Community on Composting

Our three Queenstown hotels proudly joined the Waste to Wilderness Programme in 2025, transforming food waste into a community resource. Through this programme, our food waste is diverted from landfill, to support regenerative solutions that help nourish the environment we are privileged to operate in. Our participating hotels have access to data, enabling us to track our impact.

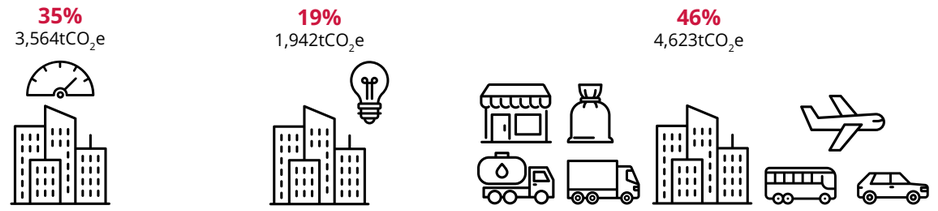
Ensuring hotel food waste doesn't end up in a landfill has so many benefits. Our 3 hotels separated over 20,000kgs of food waste in the first six months that would have otherwise been buried in landfills. This creates methane, a greenhouse gas that makes climate change worse; instead this waste is made into compost for community gardens and to regenerate native forests.

Across our wider hotel group, food waste is put to good use through a range of solutions including on site worm farms, feeding local piggeries, commercial composting, and ecogas generation.

The Waste to Wilderness Programme has gained national and international recognition, with Destination Queenstown hosting international media at the site and showcasing the initiative at global trade shows and exhibitions. This collaboration is one way Millennium Hotels and Resorts is supporting meaningful change.

32. Some indirect (scope 3) emission sources reported in 2025 are not included in our 2023 base year or prior reporting years and so are not directly comparable.
33. When using comparable Toitū Mandatory Boundary emissions.

TOTAL 2025 EMISSIONS = 10,129tCO_2e



Scope 1
- Mobile combustion
- Fugitive emissions
- Stationary combustion

Scope 2
- Imported electricity (location-based)

Scope 3
- Purchased goods and services
- Fuel and energy-related activities
- Waste generated in operations
- Business travel
- Franchised hotels
- Investment property
- Downstream leased assets
- Staff commuting

GHG Sub Category	ISO Category	Emissions Source	Description	FY23 restated[34] tCO_2e	FY24 restated[35] tCO_2e	FY25 tCO_2e[36]
Scope 1: Direct emissions				**3,425**	**3,768**	**3,564**
	1	Mobile combustion	Company leased vehicle fuel	80	124	59
	1	Fugitive emissions	Est. losses from refrigerants	247	245	246
	1	Stationary combustion	Hotel natural gas	1,864	1,979	1,775
			Hotel LPG	1,234	1,420	1,484
Scope 2: Indirect emissions from purchased electricity				**1,399**	**1,424**	**1,942**
	2	Imported electricity (location-based)[37]	Electricity consumption from hotels and support office	1,399	1,424	1,942
Total scope 1 & 2 emissions				**4,824**	**5,193**	**5,506**
Scope 3: Indirect emissions from value chain[38]				**1,059**	**1,094**	**4,623**
C1	4	Purchased goods and services	Potable water supply (only)	7	10	13
C3	4	Fuel and energy-related activities	Transmission and distribution losses from purchased energy	213	178	204
C5	4	Waste generated in operations	Landfilled office and hotel solid waste	546	599	485
			Recycling processed (cardboard, paper, mixed plastics, cans and glass)	132	123	145
			Composted food scraps and garden waste	8	10	19
			Waste recovered, not landfilled (project waste)	*	*	15
C6	3	Business travel	Non-company owned vehicle transport (air travel, rental vehicles and taxi)	153	174	149
C7	3	Employee commuting		*	*	889
C13	5	Leased assets	Subsidiary CDL	*	*	68
C14	5	Franchise hotels	Taupo and Wairarapa	*	*	227
C15	5	Investments	Sofitel Brisbane (50%)	*	*	2,409
Total emissions[39]				**5,883**	**6,287**	**10,129**
Toitū mandatory boundary emissions[40]				**5,731**	**6,144**	**6,345**

34. As certified by Toitū, restated from the FY23 base year inventory of 5,730tCO2e, accounting for a 2025 hotel acquisition.
35. As certified by Toitū, restated from FY24 inventory of 6,115tCO2e, accounting for a 2025 hotel acquisition.
36. Additional scope 3 indirect emission sources reported in 2025 are not included in prior years' reporting so are not directly comparable.
37. Market-based emissions from imported energy (excluding T&D losses) are calculated as 2,042tCO2e (compared with 1,391tCO2e in 2023), nominally the same as location-based as no Renewable Energy Certificates have been purchased.
38. MCK has elected to disclose FY25 scope 3 emissions in some categories, as required by the Toitū programme, where quantifiable data is available.
* Not reported prior to 2025.
39. Rounding applied.
40. Toitū mandatory boundary includes material emission sources in scope 1 & 2 and scope 3, including business travel, freight, waste generated in operations disposed to landfill, and fuel and energy-related T&D losses.

METRICS, TARGETS & PERFORMANCE (CONTINUED)

GHG inventory improvement

MCK has elected to disclose FY25 scope 3 emissions in some categories, as required by the Toitū programme, where quantifiable data is available. In 2025 for the first time we measured and reported new emission sources including staff commuting; subsidiary (CDI) downstream leased properties; franchised hotels; investment property and project waste from hotel refurbishment and site demolition. Based on our current understanding of our material sources of emission (informed by the hospitality sector) we have assessed the following areas for materiality to our business and we are working to improve our data measurement and reporting each year.

Indirect emissions materiality

Material | Possibly material | Likely immaterial | Currently measured

Upstream activities
Indirect value chain emissions

Downstream activities
Indirect value chain emissions

Sustainability & climate-related metrics

MCK uses a range of key metrics including industry-based metrics to measure our sustainability performance and manage our climate-related impacts, risks and opportunities.

Focus area	Metric	Description	FY23	FY24	FY25
GHG Emissions Intensity	By operating revenue	The amount of greenhouse gas emissions produced per dollar of Company operating revenue[41] [gross tCO_2e/$millions].	43.50[42]	38.74	37.54
	Per available hotel room (PAR)	The amount of greenhouse gas emissions produced per available room[43] [gross tCO_2e/room] industry metric.	2.77	2.87	3.07
	Per square metre	The amount of greenhouse gas emissions produced per square meter of hotel building[44] [gross $kgCO_2e/m^2$] industry metric.	35	37	39
Climate-related risk	Hotel asset physical vulnerability	Percentage of hotel and landholding property assets vulnerable to physical risk including flooding, coastal erosion, landslides, coastal inundation and sea level rise.[45]		18%	17%
	Hotel portfolio transition risk	Percentage of hotel assets or business activities vulnerable to transition risks.[45]		54%	49%
Finance	Capital deployment	Dollar value of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities.[46]		$2,980,000	$940,300
		Dollar value of professional services spend related to climate-related risks and opportunities.[47]		$49,700	$54,800

41. Includes MCK hotel and CDI revenue as reported in the 2024 Annual Report: https://mckhotels.co.nz/investors/wp-content/uploads/2025/03/MIL0022_Annual_Report_2024_Online.pdf
42. Updated for FY23 based on the 2023 base year recalculation undertaken in 2024.
43. Uses available hotel rooms per year, includes emissions from hotel portfolio and support office; excludes CDL Investments New Zealand Ltd.
44. Uses gross floor area of the building, includes emissions from hotel portfolio and support offices; excludes CDL Investments New Zealand Ltd.
45. See Strategy section for how this measure is determined, reported for the first time in FY24.
46. Reported for the first time in FY24. CDI separately reports on capital deployment within its climate-related disclosures.
47. This excludes staff salaries; accreditation, assurance and audit fees and contractor costs for quantifying and verifying our GHG emissions; and costs relating to climate-related disclosures and sustainability reporting.

2025 Sustainability Highlights

We've continued to make progress with our hotel sustainability initiatives in 2025. The summary below outlines some of our environmental achievements for the year.

Completed portfolio Climate Change risk assessment – overall portfolio rated **low risk** for climate impacts.[48]

Diverted 31% of our hotel waste from landfill including recycling, food scraps and e-waste.[49]

Trialled **plant-based cleaning products** at our hotels.

Reduced waste sent to landfill by **19%**.[50]

Implemented new processes to **assess and reduce** our refrigerant gases liability.

12 Qualmark accredited hotels delivering on sustainable business criteria and our first hotel achieving **gold status**.

Measured and reported our third annual company-wide carbon footprint.

Achieved **Toitū Carbon Reduce certification** for our GHG inventory.

Established our first company-wide network of **Hotel Sustainability Champions**.

Improved GHG inventory reporting – additional indirect scope 3 emissions reported, including franchised hotels and investment property.

Undertook a **stocktake** of **nature-related hotel initiatives**.

3 hotels commenced new food collections – now **77%** of our hotels are **diverting organic waste** from landfill **105,486kgs** this year.

Staff engagement in NZ Recycling Week activities and tree planting.

39,790 **'kiwi meals'** donated from guests choosing to opt out of room servicing.

Assessed our suppliers to prioritise working with those with the **largest emissions impact**.

A leadership ***Sustainability Squad*** carried out an energy efficient lighting feasibility project to **demonstrate cost savings**.

Improved business travel processes and reporting; and understanding of staff commuting emissions.

Formalised **reporting on hotel single-use plastics**.

48. 72% of hotels with no risk to flooding, coastal inundation, coastal erosion, landslides or sea level rise (17 hotels and one landholding).
49. In addition project waste – furniture and construction waste from hotel refurbishments was diverted to reuse and recycling.
50. Not including project waste, which was measured for the first time in 2025.

METRICS, TARGETS & PERFORMANCE (CONTINUED)

Independent Recognition of Quality and Sustainability

Currently 12 hotels within our NZ group hold Qualmark accreditation – 11 with silver status and GMA achieving Gold in 2025. This means our hotels meet Qualmark Sustainable Tourism Business criteria, recognised by the Global Sustainable Tourism Council as satisfying international sustainability standards.

Raising the Bar: GMA achieves Qualmark 5-star Gold Certification

Grand Millennium Auckland was awarded a Qualmark 5-star Gold rating in September 2025, placing the hotel among New Zealand's finest accommodation providers. This follows a significant hotel refurbishment across the hotel from restaurants and bars, conference and events facilities, to guest rooms and suites.

A Gold Sustainable Tourism Award recognises the best sustainable tourism businesses in New Zealand, with the delivery of exceptional customer experiences an integral part of everything they do. This accreditation identifies businesses leading the way in making the New Zealand tourism industry a world class sustainable visitor destination.

The Grand Millennium undertakes a range of energy efficiency measures including building management systems upgrades, efficient lighting, and recycling and food waste reduction practices. Along with participating in company-wide initiatives like annual emissions reporting and the Save the Kiwi opt-out room service programme, the hotel also invests in local community activities – they provide weekly meals for homeless people in the central city and host beehives on the roof from which local honey is made and served for guests.

Improving Outcomes for Nature

In 2025 we undertook a hotel-level stocktake of nature-related initiatives to contribute to City Developments Limited's (Singapore) voluntary FY25 nature-related disclosures. Initiatives in scope included water conservation; local ecosystems protection & restoration; waste & pollution prevention; & environmental community-based activities.

Our hotels contribute to outcomes that protect nature in a number of ways – with all NZ hotels having more than one initiative underway, including the following types of activities:

- water efficient fittings
- supporting local suppliers, i.e. for food & beverage
- using plant-based cleaning products
- native plant landscaping
- elimination of single-use shampoo/conditioner/handwash amenities
- Electric vehicle charging for guests
- in-room and event recycling
- food waste collections
- donating beds, curtains and linen etc
- repairing and refurbishing furniture
- supporting a range of local charities that protect the local environment and native species (examples include: projectislandsong.co.nz; wingspan.co.nz; motutapu.org.nz; kairotorua.nz).

Sure Way to Clean: A case for plant based products

During 2025 our purchasing manager initiated a trial of new plant-based, 100% biodegradable cleaning products in selected hotels, supplied by our existing supplier Diversey. Products from the SURE™ range were trialed and tested by our experienced housekeeping staff and feedback sought on their effectiveness.

The plant-based ingredients used come from byproducts from the agricultural and food industry. Using raw materials that are waste products means land & resources aren't needed to grow ingredients, using less water, energy resulting in fewer emissions. The concentrate cleaning products we used don't have added fragrances or dyes, come in packaging made with recycled plastic, and are EU Ecolabel certified.

Staff found the cleaning performance equal or better to the existing surface and floor products - delivering professional-grade cleaning results. Products worked especially well on some tough marks; had an enhanced shine on glass and hard surfaces; with no harsh chemical smell, which was appreciated by the cleaning staff. Additional SURE™ range products will be trialed as they become available.

Given the benefits for staff and the environment, with no significant price difference, this is a win-win outcome. Roll-out of the Sure plant-based products across our hotel portfolio will commence in 2026. This is another way we are improving environmental outcomes for guests.

METRICS, TARGETS & PERFORMANCE (CONTINUED)

Guest choice with conservation impact: Our Save the Kiwi Journey

MCK completed its second partnership year with official charity of choice, Save the Kiwi in 2025. NZ hotels have donated the equivalent of 39,790 kiwi 'meals' this year towards Save the Kiwi's national protection and breeding programme based in Napier.

When guests opt out of having their hotel room serviced during a multi-night stay, we redirect funds to Save the Kiwi, creating a unique opportunity for guests to contribute to protecting our iconic endangered native Kiwi. Guests can also donate directly through the purchase of plush kiwi toys and bag tags (or expiring My Millennium points).

Our flagship initiative helps hotels conserve water and energy resources for rooms that don't require servicing.

We gifted the name 'MaCK' to a kiwi chick that hatched on 2 February 2025 at the Kiwi Burrow, before moving to the Napier Kiwi Crèche. Kiwi MaCK was then released into the wild later in the year, once they reached a size of 1kg.

Another highlight from 2025 was when staff from our three Auckland Hotels joined with Save the Kiwi charity and the Mataia Restoration Project in June to plant 1,500 native trees to restore Kiwi habitat north of Auckland.

SAVE THE KIWI PARTNERSHIP

MILLENNIUM HOTELS AND RESORTS | Save the kiwi

In 2025 Millennium Hotels and Resorts New Zealand entered into a third partnership term with Save the Kiwi. This unique collaboration gives the opportunity for hotel guests to donate a 'kiwi meal' and support Save the Kiwi's kiwi crèche in Napier.

Opting out of having your room serviced on a multi-night stay helps the hotels conserve water and energy, the funds from these resources can then be redirected towards Save the Kiwi in the form of a 'kiwi meal'.

2025 Calendar Year

39,790 Meals Donated

GLOSSARY

Chef Rebecca Reid, Kingsgate Hotel Te Anau –
Signature Dish 2025: Venison Ragout with Plum Salad.

GLOSSARY

These defined terms are used in our climate-related disclosures. These definitions are aligned with those used by the XRB and the IPCC.

Term	Definition
Adaptation	A process of adjustment to actual or expected climate and its effects, in order to moderate harm or exploit beneficial opportunities.
Aotearoa New Zealand Climate Standards (NZCS)	Standards issued by the External Reporting Board that comprise the climate-related disclosure framework, including NZCS1, NZCS2 and NZCS 3.
Base year	A historic date, specified year, against which an entity's metric is tracked over time.
Carbon dioxide equivalent (CO_2e)	The universal unit of measurement to indicate the global warming potential of each of the seven GHGs, expressed in terms of the global warming potential of one unit of carbon dioxide for 100 years. It is used to evaluate releasing (or avoiding releasing) any GHGs against a common basis. Usually expressed in this Statement in tonnes (t).
Carbon price	Price assign for avoided or released carbon dioxide (CO_2) or CO_2-equivalent emissions. This may refer to the rate of a carbon tax, or the price of emission permits. In many models that are used to assess the economic costs of mitigation, carbon prices are used as a proxy to represent the level of effort in mitigation policies.
Climate-related impacts	The effects (also referred to as consequences or outcomes) of climate change occurring for an entity, including as a result of physical or transition risks. These effects will, in turn, depend on the impacts of climate change on the broader socioeconomic and ecological systems an entity operates within (including an entity's value chain).
Climate-related disclosures	Contained within this Climate Statement – required to fulfil the Climate-related disclosure regulations framework as set out in section 9AA of the Financial Reporting Act 2013.
CRE	Climate-reporting entity. Institutions covered by the Financial Markets Conduct Act 2013 (FMC Act) that are required to publish climate-related disclosures in accordance with climate standards published by the External Reporting Board (XRB).
Climate-related financial impacts	The translation of climate-related impacts or risks into current or anticipated impacts on financial performance, financial position and cash flows.
Climate-related geohazard	Hazards specifically related to geological or environmental processes that may be influenced by climate change factors such as changes to rainfall, these include: ▪ **Sea Level Rise:** Long term increase in sea level based on global sea level rise projections and local vertical land movement. There are different sea level rise hazards based on each IPCC climate change scenarios. ▪ **Coastal Inundation:** Short term coastal flooding, typically occurring during storms. Contributed to by: wind induced waves, short-term sea-level rise (due to a steep atmospheric pressure gradient), and tidal changes. ▪ **Coastal Erosion**: Erosion or loss of the coastline due to actions of the sea. This can be exacerbated by both sea level rise and coastal inundation. ▪ **Rainfall induced landslides:** Collapse of a mass of earth or rock from a mountain or cliff caused by rain. ▪ **Flooding:** Covering or submerging of normally dry land/area caused by both pluvial (rainfall induced) and fluvial (river related) sources.
Climate-related opportunity	Potential positive climate-related outcomes for an entity. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as through resource efficiency and cost savings, the adoption and utilisation of low-emissions energy sources, the development of new products and services, and building resilience along the value chain.
Climate-related risk	The potential negative impact of climate change on an entity.
Climate scenario	A plausible, challenging description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces and relationships covering both physical and transition risks in an integrated manner. Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome(s) of climate change. They are intended to provide an opportunity for entities to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change. ***Note:*** Within scenario titles, the degrees Celsius (e.g. 1.5°C, 2.0°C, 3.0°C) refers to the global average temperature increase above pre-industrial levels. Regional and local temperature changes may vary from the global average.
Climate variables	Physical aspects of climate that exhibit a measurable change overtime including but not limited to, air temperature, number of very hot days, hottest day, solar radiation, coldest day, heavy rain, number of very rainy days, number of dry days, and strong wind.
Decarbonise	The process of reducing or eliminating carbon dioxide emissions from a process such as manufacturing products, production of energy or other utility-use.

GLOSSARY
(CONTINUED)

Term	Definition
Emissions	The release of greenhouse gases and/or their precursors into the atmosphere over a specified area and period of time. Greenhouse gases (GHG) are gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of radiation emitted by the Earth's surface, by the atmosphere itself, and by clouds. This property causes the greenhouse effect.
Emissions intensity	An emissions intensity figure or ratio quantifies the amount of greenhouse gas emissions produced per unit of activity or unit of economic output. Often used to compare entities, it can be expressed as emissions per square metre of building space or per $ revenue generated, indicating the carbon footprint associated with that output. A reducing intensity ratio indicates a performance improvement.
ESG	Environmental, Social and Governance, refers to collective corporate performance of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts.
Exposure	The nature and degree to which a system or property is exposed to significant climate variations.
Extreme weather event	An event that is rare at a particular place. Definitions of "rare" vary, but an extreme weather event would normally be as rare as or rarer than the 10th or 90th percentile. The characteristics of what is called "extreme weather" may vary from place to place. An "extreme climate event" is an average of a number of weather events over a certain period of time, an average which is itself extreme (e.g., rainfall over a season).
Fossil fuels	Carbon-based fuels from fossil hydrocarbon deposits, including coal, oil and natural gas.
Greenhouse gas (GHG)	Includes the greenhouse gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF_3), perfluorocarbons.
GHG Protocol	The Greenhouse Gas Protocol, which includes: A Corporate Accounting and Reporting Standard (revised edition); the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
Hazard	The potential occurrence of a natural or human-induced physical event that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, and environmental resources.
Materiality	The XRB defines information as material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that primary users make based on an entity's climate-related disclosures.
Mitigation	An action (human intervention) taken to reduce emissions or enhance the sinks of greenhouse gases.
Physical risks	Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be: ▪ Acute: event-driven, such as increased severity of extreme weather events. ▪ Chronic: relating to longer-term shifts in climate-related precipitation and temperature and increased variability in weather patterns, such as sea level rise.
Resilience	The capacity of interconnected systems or an entity to cope with a hazardous event, trend or disturbance, responding or reorganising to maintain their essential function or identity.
Risk management framework	A process led by an entity's Board and Management to identify, assess, and manage risks within its risk appetite, ensuring strategic and operational objectives are met (also known as Enterprise Risk Management).
Scope 1, 2 & 3 emissions	**Scope 1:** Direct GHG emissions from sources owned or controlled by the entity. **Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat, or steam. **Scope 3:** Indirect GHG emissions that are not produced by the entity itself and are not the result of activities from assets owned or controlled by them, but by those that it is indirectly responsible for upstream and downstream within the business value chain.
Sustainability	Corporate sustainability is a business approach that creates long-term shareholder and societal value by integrating environmental, social, and economic (ESG) principles into strategy and operations. It fosters sound governance and decision-making, identifying and managing risks and impacts while engaging in practices that reduce environmental impact, enhance social well-being, and promote economic viability.
Transition plan	An aspect of an entity's overall strategy that describes an entity's targets, including any interim targets, and actions for its transition towards a low-emissions, climate-resilient future. Transition planning is an internal process to reposition and transform the business model and strategy in response to climate-related risks and opportunities allowing it to operate, generate sustainable revenue, protect its assets, and finance itself in a low-emissions, climate-resilient future.
Transition risks	Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.
Vulnerability	The propensity of exposed elements, such as human beings, their livelihoods, and assets to suffer adverse effects when impacted by hazard events.

Organisation/Group	Name and description
MCK	Millennium & Copthorne Hotels New Zealand Ltd, NZX listed company.
MHR	Millennium Hotels and Resorts Group.
CDI	CDL Investments New Zealand Limited, NZX listed company.
Governing Body	Millennium & Copthorne Hotels New Zealand Ltd Board of Directors.
SSG	MCK Sustainability Steering Group - responsible for setting direction on sustainability for the business and sourcing and agreeing the information required to ensure climate-related disclosures are compliant.
FMA	Financial Markets Authority, body that regulates financial markets in New Zealand, including the regulation of the New Zealand Climate Standards.
IPCC	Intergovernmental Panel on Climate Change, the United Nations body for assessing the science related to climate change. They publish global climate models and greenhouse gas concentration trajectories.
MfE	Ministry for the Environment, government body responsible for publishing NZ climate change projections, NZ emissions factors and national emissions reduction plans.
NIWA	National Institute of Water and Atmospheric Research, a Crown Research Institute that update and release climate projections for NZ in conjunction with MfE.
Toitū	Toitū Envirocare, are engaged to provide certification of MCK's GHG inventory. They are a provider of carbon management certifications for New Zealand businesses. The organisation is a subsidiary of Crown Research Institute, Manaaki Whenua – Landcare Research.
XRB	External Reporting Board, the organisation which develops and issues reporting standards on accounting, audit and assurance, and climate, for entities across the private, public, and not-for profit sectors. They develop and issue the New Zealand Climate Standards.

APPENDICES

High Tea at The Aviary, Grand Millennium Auckland.

APPENDIX A
CLIMATE SCENARIOS

1.5°C Orderly Scenario – Net zero 2050
A world where global warming is successfully limited to 1.5 degrees above preindustrial levels, as ambitious goals and policies to reduce greenhouse gas emissions are immediately and effectively implemented.

Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk Severity	Transition Risk Severity	Socio-political Instability
1.5°C	Immediate and smooth	Fast	Fast	Moderate	Moderate to high	Low to Moderate

Under an Orderly scenario, there is a pathway to global sustainability which is achievable but still assumes global warming continues, due to increased greenhouse gas emissions. This is the most optimistic scenario but is not guaranteed and the effects of global warming will continue to be felt. Key assumptions[1] under an Orderly scenario include:

Key drivers	Enabling regulations; reduced implementation costs and increased availability of technology, low-emissions fuel and material alternatives; some international trade requirements; the need for business resilience to increasing acute weather events; and customer expectations for low-emissions services.
Global narrative	Climate change action is taken in the mid-2020s as nations deliver on near and long-term climate targets, budgets and plans, resulting rapid policy intervention and some industry incentives. From 2030 steady decarbonisation occurs in countries overseas, initially more so in Europe and Asia, than in the US (following an initial withdrawal from the Paris Agreement in 2025), resulting in pressure on NZ businesses to reduce emissions.
Government policy	Emissions Reduction Plans form basis of government policy, which until 2030 focuses on technology development rather than policy or levies to mitigate emissions associated with building or travel.[2] Built environment is reintroduced into NZ emissions reduction plans to contribute to national carbon budgets from 2030. Over time a cohesive suite of climate policies becomes progressively more stringent, and the carbon price ramps up towards 2050. Energy and carbon caps are phased in the short-medium term. Increased government regulations such as bans on new gas connections for commercial buildings occur in the early 2030's, and adoption of low-emissions technology, energy-efficient buildings and electric vehicles become wide-spread as financial and technology barriers decrease. Post 2030 building standards mandate the use of low-carbon and low-waste materials and construction methods. Existing buildings must disclose energy and carbon performance and take steps to reduce or eliminate fossil fuels for operation and scale up energy efficiency. Whole of life carbon emissions reductions for buildings are phased in, with 90% required by 2050.
Infrastructure and Energy	There's a shift to modular and circular building design as well as existing building re-use, refurbishment and adaptive re-use rather than new builds. Obtaining insurance is harder for buildings with high exposure to climate impacts post 2030. Private and public sector investment helps to strengthen infrastructure, including accommodation, roading, EV charging network and airports from the late 2020's. Pressures on centralised infrastructure as electrification increases from mid-2030's, as fossil fuel power stations close (or are reserved for back-up only). Alternative/ renewable energy sources become increasingly available and uptake more widespread. Energy supply is mostly or totally decarbonised with close to 100% of electricity supply from renewable sources by 2050.
NZ tourism and travel behaviour	Tourism practices until 2030 are similar to today in that people will continue to travel for business and recreation to and within New Zealand via aircraft, cruise ships, bus tour and rental vehicles. Short-term increase in international tourism to pre-COVID levels of ~4m annual visitor arrivals in 2027.[3] Guest expectations ramp up from 2030, resulting in more demand for sustainable accommodation, requiring energy efficient buildings, low emissions practices and offerings, more public transport and more emphasis on circular business models. There is a shift in focus towards reduced long-haul flights, low-carbon, sustainable tourism experiences. Investment and capital is available to support this, along with regenerative forms of tourism from 2030 onwards. There is widespread recognition of action taken by the tourism and accommodation industries by 2040. An increased social awareness of high-emission travel and recreation means that local staycations and offsetting travel start to become more common place. The tourism sector is thriving by 2050, with visitors choosing New Zealand for unique low-impact experiences. Through the uptake of sustainable fuels by 2050 aviation is mostly decarbonised. In 2050 domestic travel makes up a larger part of visitor expenditure. International visitors still come, mostly from short and medium-haul markets, for longer stays. Over the long-term the mix of customers changes as long-haul air travel reduces due to increased costs, increased connectivity/online trading, climate change awareness and changing weather patterns. In 2050 and beyond the NZ tourism sector, including the accommodation and hospitality industries, champion sustainable tourism with a low environmental footprint.
Physical environment	The physical climate is similar to today but with increasing flooding and weather events, particularly from 2050 onwards. The range of annual average temperatures across Aotearoa are between 0.3°C and 1.2°C warmer by 2030, between 0.6°C and 2.1°C warmer by 2050, and between 0.7°C and 4.6°C warmer by 2090.[4] More hot days, when maximum daily temperatures are over 25˚C, will occur for most of New Zealand, with the north and east North Island projected to experience the most change. While some extreme weather events still occur, only highly exposed properties are materially impacted.

Key 2050 Indicators[5]	Sea level rise	NZ native forestry	Number of hot days >25C	Extreme rainfall	Whole of life building emission reduction requirement[6]	Carbon price	NZ net emissions
	0.2m	0.8mha	+15 days	+15%	90%	$277 $NZD/tonne	6MtCO_2e

1. Scenario characteristics detailed in both the Tourism Sector Climate Scenarios and the Construction and Property Sector Climate Scenarios have been referenced in our scenario analyses.
2. This assumes that existing policy in place and signalled (but not enacted) is sufficient to achieve 1.5 degrees (as outlined in the 2026-2030 Emissions Reduction Plan: https://environment.govt.nz/publications/new-zealands-second-emissions-reduction-plan)
3. Tourism Export Council NZ Forecast based on Stats NZ IVA Top 30 Countries Annual International (Updated 29 January 2025).
4. https://environment.govt.nz/facts-and-science/climate-change/climate-change-projections/climate-projections-insights-and-publications/
5. Drawn from the Tourism Sector Climate Scenarios unless otherwise stated (sea level rise relative to 2005; number of hot days and rainfall figures are 2040 relative to 1990).
6. Drawn from the Construction and Property Sector Climate Scenarios.

APPENDIX A
CLIMATE SCENARIOS

2.0°C Disorderly Scenario – Delayed transition
A world where global warming is limited to 2.0 degrees above preindustrial levels, as policies to reduce greenhouse gas emissions are introduced after 2030. There is a rapid and concerted effort to reach net zero 2050 goals.

Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk Severity	Transition Risk Severity	Socio-political Instability
<2.0°C	Delayed	Slow, then fast	Slow, then fast	Moderate	High	Moderate

Under a Disorderly scenario, a pathway to global sustainability is less achievable without the effects of climate change becoming exacerbated, increasing over the mid to long term. This scenario is characterised by a rush to decarbonise after 2030. Key assumptions[7] under a Disorderly scenario include:

Key drivers	Mitigation regulations and international trade requirements post 2040; increasing energy and travel costs; and a need for business response to abrupt change in policy and increasing acute weather events.
Global narrative	There is little policy action until mid to late 2030s, after which rapid action and the introduction of new policies occurs. Most countries continue to use fossil-fuels and carbon intensive practices continue, so emissions do not decrease and carbon budgets are not met.
Government policy	New policies to mitigate climate change are not introduced until the mid-2030's. Although there is a lack of cohesive policy settings, abrupt policy and market changes for the property and construction sector occur. Tourism is not considered a priority sector for government intervention or investment, and initially there is no concerted effort to regulate to reduce emissions (stronger social drivers prompt some business change). Restrictions on air travel are introduced towards 2040 (such as frequent flyer levies and caps on aircraft movements). While there is no change to the carbon price up to 2030 there's a steep increase onwards through to 2050.
Infrastructure and Energy	About 75% of total energy consumed is renewable by 2030. Demand for electricity surges in the 2030s as Aotearoa New Zealand rushes to electrify networks such as transport networks. The electricity sector may not be prepared for this sudden shift and there are delays or shifts in expanding the grid during the 2030s which might lead to supply constraints, blackouts or supply restrictions, and price fluctuations as a result. There is a lack of financial incentives to decarbonise until around 2040. Policy changes imposed from the late 2030s demand immediate changes in building energy and carbon requirements. Limited investment in low carbon materials in the 2020s causes spikes in demand in the 2030s for these products, resulting in disruption within the sector and escalation in costs to build and maintain properties. Pressures on centralised infrastructure increase due to densification and physical climate risks. Spatial planning responses are inconsistent and managed retreat occurs. This causes uncertainty for the construction and property sector, as assets become stranded prior to 2050.
NZ tourism and travel behaviour	Tourism practices in the 2030's are similar to today but the need to address climate issues has affected several businesses as they are unable to attract the same number or type of customers than before. Tourism practices start to change around 2040 once there is a late focus on reducing emissions and one way that this is seen is a reduction in long-haul travel. Domestic tourism makes up the majority of visitor spend as expensive long-haul travel dramatically declines. Capital and insurance are more difficult to obtain for some coastal and low-lying areas or high-carbon operations post 2035. Business costs have increased due to the steep rise in the carbon price post 2035; coupled with the need to factor in adaptation or mitigation measures in short timeframes. Some tourism operators unable to adapt, deemed to be high-emission activities or heavily reliant on our natural environment may no longer be able to continue. Much of the NZ tourism sector is struggling by 2050.
Physical environment	The physical climate is similar to today but with increasing flooding and fire weather events. New Zealand will see an increase in extreme weather events and increased vulnerability to assets and infrastructure. Weather events are causing more disruptions throughout business supply chains. Extreme weather events require infrastructure responses (i.e. roading network and hotel resilience measures and repairs), which continue to exacerbate disruptions to travel and hotel occupancy over time.

Key 2050 Indicators[8]	Sea level rise	NZ native forestry	Number of hot days >25C	Extreme rainfall	Whole of life building emission reduction requirement[9]	Carbon price	NZ net emissions
	0.22m	0.5mha	+20 days	+18%	80%	$369 $NZD/tonne	24MtCO_2e

7. Scenario characteristics detailed in both the Tourism Sector Climate Scenarios and the Construction and Property Sector Climate Scenarios have been referenced in our scenario analyses.
8. Drawn from the Tourism Sector Climate Scenarios unless otherwise stated (sea level rise relative to 2005; number of hot days and rainfall figures are 2040 relative to 1990).
9. Drawn from the Construction and Property Sector Climate Scenarios.

APPENDIX A
CLIMATE SCENARIOS

3.0°C Hot House World Scenario – Current trajectory
A world where global warming reaches 3.0 degrees above preindustrial levels by 2100, due to no additional policies introduced to reduce greenhouse gas emissions.

Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk Severity	Transition Risk Severity	Socio-political Instability
>3.0°C	None (current only)	Slow	Slow	Extreme	Low	High

Under a Hothouse scenario the wider environment is seriously degraded with continued global warming intensifying the global water cycle resulting in more dramatic climate events, e.g. floods and droughts, more variable or extreme events such as storms, cyclones or hurricanes. In this scenario emissions continue to rise, as do sea-levels, with land and ocean carbon sinks unable to absorb emissions. Key assumptions[10] under a Hot House scenario include:

Key drivers	Adaptation regulations approaching 2050; and a need for business response to increasing acute weather events.
Global narrative	Globally, there is no climate policy ambition, many existing commitments are not honoured. Emissions continue to rise unabated. Fossil fuel use continues to increase, and global emissions continue to rise. Global tensions rise by 2050 as physical impacts from climate change have ramification on global markets and result in mass migration.
Government policy	There is no concerted effort to reduce emissions by legislation or regulation. Governmental action is limited to adaptation measures only as action does not take place fast enough to reverse the effects of climate change. Local government entities increase rates to fund additional protection measures and restoration of certain assets. The price of carbon does not increase beyond today's levels. New Zealand has made the minimal possible effort to reduce emissions.
Infrastructure and Energy	Centralised infrastructure becomes under great pressure and may fail occasionally post 2040. Where there is infrastructure damage due to climate events, mandates are introduced late to conserve energy to protect critical functions. Investment is targeted towards adaptation and climate resilience, rather than limiting warming. Energy remains reliant on high-emitting fuels and no more than the existing proportion of the energy used in New Zealand in 2025 comes from renewable sources. Coal and gas boilers remain common. There is a lack of innovation in building technologies and low carbon materials are somewhat available but not sought after. Supply chain disruptions are common from the 2030's onwards. Capital and insurance are extremely difficult or impossible to obtain in some regions and for many business by 2040. Assets become stranded prior to 2050, as regulation and policy settings become more stringent and require buildings to withstand climate impacts such as storm events, extreme rainfall, heatwaves and floods.
NZ tourism and travel behaviour	There are no new incentives for behaviour change to reduce emissions (e.g. public transport subsidies, clean car discount, business decarbonisation/ renewable energy grants). The physical impacts of climate result more frequent reduced access to hotels and damage to highly exposed hotels and local biodiversity also declines, resulting in a decline in visitor numbers overtime. However, the impacts of climate change are more severe overseas than in New Zealand. This results in more international visitors, despite the rising costs of long-haul travel due to climate-related disruptions. Warming temperatures and shifting travel patterns and means seasonal travellers visit more often and stay longer in more temperate, less impacted climates including New Zealand. The effects of climate change are having significant and ongoing impacts across New Zealand including interrupting travel plans and flight, rail and road transport to NZ destinations. Visitor accommodation that is reliant on areas of the country which attract visitors for the unique environment see reduced visitor numbers post 2050. While tourism remains a viable industry in 2050, accommodation in some NZ destinations and some tourism experiences have ceased due to climate change impacts.
Physical environment	The physical climate continues to experience more extreme weather events and chronic stress. There will be severe physical impacts of climate changes evidenced by significant sea level rise, rainfall intensity and a further increase in the number of extreme heat days. More frequent extreme weather events cause significant disruption to travel and hotel occupancy and increased expense for preparedness and repairs.

Key 2050 Indicators[11]	Sea level rise	NZ native forestry	Number of hot days >25C	Extreme rainfall	Whole of life building emission reduction requirement[12]	Carbon price	NZ net emissions
	0.32m	0.2mha	+30 days	+22%	50%	$35 $NZD/tonne	40MtCO_2e

10. Scenario characteristics detailed in both the Tourism Sector Climate Scenarios and the Construction and Property Sector Climate Scenarios have been referenced in our scenario analyses.
11. Drawn from the Tourism Sector Climate Scenarios unless otherwise stated (sea level rise relative to 2005; number of hot days and rainfall figures are 2040 relative to 1990).
12. Drawn from the Construction and Property Sector Climate Scenarios.

APPENDIX B
CLIMATE RISKS

Low ● Moderate ● High ●

Material climate-related transition risks

Category	Name	Anticipated impacts on MCK hotels and business activities	Time Horizon	Orderly	Disorderly	Hot House	Potential MCK mitigation actions include[1]
Technology	Uncertainty and costs associated with investing in new technology	MCK could see increased costs for technology investment and repeated expenses for rapid cycles of technology upgrades. New technology may not always be reliable, resulting in operational disruptions.	Short; Medium	●	●	●	▪ Identify key technology in use or proposed that is vulnerable to this risk ▪ Monitor industry trends and new technologies, such as building management and IT systems, renewable energy and AI ▪ Strengthen onsite resilience with appropriate and reliable back up energy solutions ▪ Explore cloud-based platforms for business operations to reduce hardware vulnerabilities ▪ Plan refurbishments and system upgrades to align with the lifecycle of equipment ▪ Prioritise upgrading older systems, equipment and fittings with energy efficient and long-life models
Policy and Regulatory	Increased Government regulation changes, environmental obligations, reporting requirements or new policies	Increased regulations could result in increased costs for MCK to invest in infrastructure upgrades and to meet reporting requirements. Suppliers may also need to be reevaluated for alignment. MCK is exposed to higher risk for meeting the climate disclosure regime but is actively working towards compliance through its mandated reporting. MCK may need to consider phasing out certain energy sources or upgrading materials and technology to comply with Government policy, which could form part of its transition planning.	Short; Medium	●	●	●	▪ Invest in improving data systems and quality to improve reporting ▪ Participate in consultation on changes to or relevant proposed new regulations ▪ Consider sustainability aspects of suppliers and projects ▪ Account for emissions to understand their financial impact and review hotel operational reliance on fossil fuels ▪ Schedule upgrades to assets to in line with the end of life for equipment, ahead of any mandatory low-emissions requirements ▪ Transition planning to mitigate future compliance costs
Policy and Regulatory	Increase in taxes/rates to pay for strengthening infrastructure	A rise in taxes or rates could mean increased costs for MCK. Targeted rates, such as those related to a property's infrastructure resilience or to the amount of waste output, could potentially be mitigated by MCK investment in property renovations or improvements in environmental impact (such as waste reduction). If costs become too high, MCK may wish to re-evaluate the cost-benefit ratio for these actions or across operations for a property more broadly.	Short; Medium	●	●	●	▪ Monitor the progression of proposed new taxes and regulations and develop planned responses such as factoring in cost increases ▪ Continue to participate in industry advocacy with Council, in collaboration with Aotearoa Hotel Council and the Tourism Industry Association ▪ Where possible take action to avoid potential new levies i.e. proactively offer recycling and food waste collection at hotels
Liability	Legal risks for buildings that are not climate resilient	Legal risks associated with non-climate-resilient assets could result in increased costs for litigation, compliance, and mitigation efforts as well as reputational damage.	Medium	●	●	●	▪ Continue regular hotel condition reports ▪ Planned maintenance and repairs to ensure building resilience ▪ Periodically reassess hotel vulnerability to physical climate risks as new climate projections become available ▪ Instigate climate risk assessment for new acquisitions
Liability	Penalties or litigation associated with insufficient disclosure of material climate risks	Legal challenges and penalties related to inadequate climate risk management and disclosure could result in financial losses, reputational damage, and increased scrutiny from regulators and investors.	Short; Medium	●	●	●	▪ Invest in robust assessment and reporting ▪ Allocate resources to measure indirect scope 3 emissions including engaging with suppliers and franchises ▪ Maintain climate risk register, establish and report against targets, and progress transition planning
Liability	Increasing insurance costs or unavailability	MCK properties could see increased insurance costs and/or stricter policy terms, with some sites disproportionately impacted depending on their location relative to physical risks and their assessed resilience. Alternative options such as self-insurance or parametric cover may need to be considered for sites with reduced insurance affordability or accessibility. Coastal MCK properties in particular could face a loss of access or affordability of insurance due to insurance retreat. To date, MCK continues to have full replacement cover for its portfolio and its insurance premiums are manageable.	Medium, Long	●	●	●	▪ Act to reduce risk, such as preventing damage from weather events, business disruptions, and other potential claims ▪ Take resilience and adaptation measures identified for hotels with moderate or high risk to climate-related geohazards to reduce vulnerability ▪ Consider building in resilience measures to future proof for extreme weather events during hotel refurbishments
Market	Failure to meet sustainability goals or consumer, client, and investor expectations for decarbonisation	Unmet sustainability expectations could result in reputational damage, reduced investor confidence, and loss of access to capital. Additionally, resource diversion to address sustainability gaps could delay other initiatives, impacting long term organisational growth. MCK's existing hotel portfolio does not currently hold green building certification, which could be at a competitive disadvantage in the future and may incur high costs to upgrade to new standards and expectations.	Medium	●	●	●	▪ Establish and monitor targets, and report on progress ▪ Sufficiently resource and invest in sustainability across the business ▪ Share sustainability progress with shareholders, stakeholders, staff and the public ▪ Prioritise material emissions sources across the portfolio for reduction and review hotel operational reliance on fossil fuels
Market	Prioritisation of circular economy/low waste alternatives puts pressure on supply chain and increases costs	Circular economy adoption may lead to higher costs, supply chain challenges, and varying risks across business areas.	Short; Medium	●	●	●	▪ Actively engage with key suppliers to align values and approaches and identify no regrets actions ▪ Build sustainability criteria into procurement practices, tenders and supplier contracts ▪ Support locally sourced products and services
Market	Increasing energy prices	MCK could see increased energy costs, especially when combined with increasing energy demand due to extreme temperatures. MCK may need to consider ways to increase energy efficiency and/or electrify hotel operations to keep costs low. The cost of travel could be impacted by a shift to more electric or hybrid vehicles.	Short; Medium	●	●	●	▪ Stay updated with energy providers regarding future increases and timeframes ▪ Source renewable electricity and explore onsite renewable energy generation and storage ▪ Explore alternatives to natural gas and LPG use at hotels ▪ Consider the services outsourced by hotels ▪ Improve operational energy efficiency through BMS and during hotel refurbishments and upgrades
Market	Changes/reduction in international and domestic travel patterns due to climate impacts	MCK could see reduced forward bookings and occupancy.	Medium; Long	●	●	●	▪ Adapt to serve existing and new market segments ▪ Reduce emissions intensity of hotel stays ▪ Provide low-emissions offerings for guests
Market	Market uncertainty driven by physical climate change impacts and associated regulatory changes	Uncertainty and rising costs may reduce profitability, delay project timelines, and strain financial resources, and could impact the viability of some properties. The viability of tourism/ accommodation in general could change under these conditions.	Medium, Long	●	●	●	▪ Collaborate with TIA and TNZ through NZHCA ▪ Continue to participate in the NZ Hotel Sustainability network ▪ Investigate alternatives for materials subject to increases in carbon pricing locally or internationally ▪ Improve monitoring and forecasting to adapt to changing travel patterns and guest expectations ▪ Transition and adaptation planning to mitigate future impacts

1. While mitigation actions have been identified, resources are yet to be allocated. Mitigation actions will be prioritised and resources allocated accordingly as part of future transition planning.

APPENDIX B
CLIMATE OPPORTUNITIES

Low ● Moderate ● High ●

Material climate-related opportunities

Category	Name	Description	Anticipated opportunities for MCK hotels and business activities	Time Horizon	Orderly	Disorderly	Hot House
Resource Efficiency	Developing plans for increased energy efficiencies in hotel buildings	MCK could improve the energy efficiency of its operations in hotel buildings. This could include reviewing current systems (boilers, HVAC, etc.) to assess their energy consumption and efficiency, and upgrading appliances and systems to more energy-saving models where appropriate. Insulation improvements and green roofs could support temperature regulation of properties without incurring additional energy demand. Smart technology and sensors could be installed to control fixtures such as lighting to reduce energy consumption when not in use.	MCK would benefit from a reduction of direct and indirect costs such as maintenance over the long term, as well as higher guest satisfaction and potential for increased revenue as a result. Energy savings also generally reduce carbon emissions for the business, which can help it meet its sustainability commitments. Reduced energy demand can make MCK more resilient to climate-related disruptions to energy supply and pricing, whether from physical risks to the electricity grid or the transition to phasing out fossil fuels.	Short; Medium	●	●	●
Resource Efficiency	Reducing water use	MCK could implement water-saving measures in its operations, encourage customers to engage in water-saving behaviours, and opt for appliances with lower water use when upgrading or repairing properties to reduce water consumption.	With increasing demand for water and higher infrastructure costs forecast, a reduction in water consumption could result in reduced operating costs for the business. Customer engagement on saving water could improve MCK's association with sustainability and thus its reputation. In the face of climate variability in water supply, reduced water demand can make MCK more resilient to fluctuations in price and availability of water.	Medium	●	●	●
Energy Source	Installing and using lower emissions sources of energy	MCK could install renewable energy infrastructure, supply power from lower emissions energy sources (i.e. through its electricity supplier), and/or invest in on-site energy storage. Increased self-sufficiency of energy supply could mitigate risk of dependence on external energy infrastructure and services, particularly where investment in these networks is insufficient.	MCK could reduce its carbon emissions from energy use. MCK could see lower energy use and reduce overall energy costs in the longer term. Although the installation costs might be higher in the short term, over the longer term, a reduction in exposure to direct energy prices and the fluctuations of the spot market could be avoided. MCK's resilience to power supply disruptions could be improved by installing batteries or solar panels at properties where the regional power supply is degrading or unreliable. Degasification is a significant opportunity as gas is used for hot water in some hotels and for cooking in most. Addressing the reduction of refrigerants, such as high global warming potential (HGWP) emissions from individual mini fridges in hotel rooms, along with their energy use, is also a significant opportunity.	Short; Medium	●	●	●
Reputation	Being a fast follower of lower carbon technologies or services	MCK could become a fast follower of technologies or services with lower emissions and other environmental impact. This could include certifications, such as Toitū's Carbon Reduce certification scheme for organisations and/or for products and services.	MCK's reputation could improve, attracting more guests to the brand and demonstrating the company's ability to adapt and be ahead of the curve to investors.	Short; Medium	●	●	●
Products/ Services	Offering lower carbon products and services	Consumer awareness is increasing around packaging, the cost and impact of importing and transporting food and other products, and the overall supply and value chain. MCK could develop product and service offerings which are considered lower carbon impact on the environment. This could include meaningful collaborations with suppliers that have green credentials, which could also better support local businesses and producers as an added benefit.	Offering lower carbon products and services could be seen as more attractive by customers – both increasingly sustainability-conscious individuals as well as corporations with emissions-saving policies. This could expand the customer base, encourage repeat customers, and lead to revenue gain, particularly if MCK's offerings are seen as superior to its competitors in this regard. Customers, investors, and the public would be able to see MCK's progress and commitment to sustainable products. Visible changes, such as to amenities and single use plastics, may be the lowest hanging fruit.	Short; Medium	●	●	●
Resilience	Increasing operational resilience to extreme weather events	MCK could assess and improve the ability of its operations to respond rapidly to and recover from weather events such as flooding, storms, and drought. This could include a review and update of existing emergency management plans; improved coordination between MCK properties or with local authorities; assessing supply chain resilience; and identifying dependencies on critical external networks.	Improving MCK properties' resilience to extreme weather events could allow them to continue operating through difficult conditions, improve staff and customer safety, and reduce damage to buildings. This could help to protect MCK's revenue, reduce repair and customer relocation costs, and enhance its reputation. Greater resilience in climate emergencies could make MCK properties a viable and desirable option for people seeking temporary accommodation due to displacement, creating an opportunity to generate more revenue.	Short; Medium; Long	●	●	●
Resilience	Supply chain optimisation	MCK could move from an ad hoc approach to establishing best practice for procurement and updating its policies on supply chain sustainability.	Optimising supply chains and engaging with suppliers on sustainability holds considerable potential to both lower associated carbon emissions and improve resilience to market changes and supply chain disruptions.	Short; Medium	●	●	●
Resilience	Proactively upgrading and strengthening hotel infrastructure to increase resilience	Proactively making MCK properties more climate-resilient could increase their attractiveness to customers who are concerned about weather events or who experience weather events during their stay.	MCK could see opportunities for attracting and retaining customers and thus gaining revenue for properties which are in better condition or are designed to withstand weather events relative to other hotel properties in the market.	Medium; Long	●	●	●
Markets	NZ hotels in some locations capitalise on changes to international and domestic travel patterns	Either, if overseas destinations are no longer suitable to travel due to climate impacts (e.g. increase in international visitors to NZ); or if climate change results in a more temperate (although perhaps unstable) weather patterns in parts of the country.	There may be an opportunity to proactively market MCK hotels to domestic and international travellers to increase guests in target market segments, increased uncertainty may require different marketing strategies.	Medium; Long	●	●	●

APPENDIX C
GREENHOUSE GAS INVENTORY

Greenhouse gas emissions

For the reporting period 1 January 2025 to 31 December 2025 MCK's emissions have been measured and the greenhouse gas emission inventory (GHG inventory) prepared in accordance with the GHG Protocol Standards[1] and ISO 14064-1:2018 standard.

Table 1: Millennium & Copthorne Hotels New Zealand Ltd greenhouse gas emissions 2025.

GHG sub category	ISO category	Emissions source	Description	FY23 restated tCO_2e	FY24 restated tCO_2e	FY25 tCO_2e	Data source and collection methodology
Scope 1: Direct emissions				**3,425**	**3,768**	**3,564**	
	1	Mobile combustion	Fuel used in company leased vehicles	80	124	59	Actual usage from company vehicle fuel card data (L)
	1	Fugitive emissions	Losses including from refrigeration and air-conditioning units	247	245	246	Calculated using hotel refrigerant inventory records and default appliance and refrigerant type estimations (Kg)
	1	Stationary combustion	Hotel natural gas consumption	1,864	1,979	1,775	Actual usage from 3rd party supplier data, supplier invoices and electrical onsite sub-metering conversions applied (kWh)
			Hotel LPG consumption	1,234	1,420	1,484	Actual usage from 3rd party supplier data, supplier invoices with conversions applied (kWh)
Scope 2: Indirect emissions from purchased electricity				**1,399**	**1,424**	**1,942**	
	2	Imported electricity (location-based)[2]	Electricity consumption from hotels and support office	1,399	1,424	1942	Actual usage from 3rd party supplier data, supplier invoices and electrical onsite sub-metering (kWh)
Total Scope 1&2 emissions				**4,824**	**5,193**	**5,506**	
Scope 3: Indirect emissions from value chain[3]				**1,057**	**1,095**	**4,623**	
C1	4	Purchased goods and services	Potable water supply (only)	7	10	13	Calculated from office water use on bills supplied via property manager (m^3)
C3	4	Fuel and energy-related activities	Transmission and distribution (T&D) losses from purchased electricity and natural gas	213	178	204	Calculated as a portion of imported electricity consumption (kWh)
C5	4	Waste generated in operations	Disposal of office and hotel solid waste – landfilled	546	599	485	Calculated from waste contractor data, based on bin weight (tonnes)
			Disposal of solid waste – not landfilled: Recycling processed: cardboard, mixed plastics, glass and comingled materials	132	123	145	Calculated from waste contractor data, based on bin weight (tonnes)
			Disposal of solid waste – not landfilled: composted food scraps and garden waste	8	10	19	Calculated from waste contractor data, based on bin weight (tonnes), some estimation required.
			Project waste recovered – not landfilled	*	*	15	Calculated from waste contractor weight data (tonnes)

Table 1: Millennium & Copthorne Hotels New Zealand Ltd greenhouse gas emissions 2025.(continued).

GHG sub category	ISO category	Emissions source	Description	FY23 restated tCO_2e	FY24 tCO_2e	FY25 tCO_2e	Data source and collection methodology
Scope 3: Indirect emissions from value chain[3] (continued)							
C6	3	Business travel	Transport (non-company owned vehicles) – air travel, rental vehicles and taxi	153	174	149	Calculated using distance-based methodology for international and domestic flights (pkm) and mileage for rental car travel (Km) and spend based for taxi/uber travel ($)
C7	3	Employee commuting	Travel from home to workplace (hotels & office) by MCK employees.	*	*	889	Calculated using self-reported estimation of typical distances travelled (Km).
C13	5	Leased assets	Operation of assets leased to other entities – subsidiary CDL commercial properties (scope 1 & 2 only)	*	*	68	Actual usage provided by property managers, from supplier invoices and records.
C14	5	Franchises	Operation of hotel franchises[4] (scope 1 & 2 only)	*	*	227	Actual usage provided by hotel operators from supplier invoices and records.
C15	5	Investments	Emissions associated with hotel investment property[5] (scope 1, 2 & material scope 3 only)	*	*	2,409	Actual usage provided by hotel operator, from supplier invoices and records for scope 1, 2 & material scope 3 (operational waste).
Total emissions[6]				**5,883[7]**	**6,287[8]**	**10,129[9]**	tCO_2e
Toitū mandatory boundary emissions[10]				5,731	6,144	6,345	tCO_2e

Organisational boundary and consolidation approach

Organisational boundaries have been set in accordance with the GHG Protocol methodology and ISO 14064-1:2018 standards.

In the 2025 reporting period an operational control approach was applied to the organisational boundary and GHG inventory. This reflects the nature of hotel operations; direct control over sources of emissions; industry practice; and alignment with parent company methodology and reporting.

All subsidiaries wholly or majority owned by Millennium & Copthorne Hotels New Zealand Limited (MCK) interests have been included in the organisational GHG reporting boundary (unless deemed de minimis). The boundary includes direct operational emissions from 17 hotels within the Millennium portfolio under ownership or management control, subsidiary CDL Investments New Zealand Limited (CDI)[11] and support offices. There was a change to the organisational boundary this reporting period, with the acquisition of the Mayfair Hotel, Christchurch in January 2025.

On this basis, the emissions from a jointly owned hotel (Sofitel Brisbane Central) and an apartment complex of leased residential units (Zenith Apartments, Sydney), along with two MCK NZ-based franchised hotels are not included in direct (scope 1 and 2) emissions reported. However, they are within our inventory boundary, as indirect sources of (scope 3) emissions[12], along with CDI indirect sources of emissions, staff commuting and project waste from hotel refurbishment and site demolition, for the first time in this reporting period.

1. https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf This includes: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition); the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
2. Market-based emissions from imported energy (excluding T&D losses) are calculated as 2,042tCO2e (compared with 1,391tCO2e in 2023), nominally the same as location-based as no Renewable Energy Certificates have been purchased.
3. MCK has elected to disclose a partial FY25 scope 3 emissions footprint (as required by the Toitū programme, where quantifiable data is available), this includes indirect emissions from franchises and investment properties in our value chain (not previously reported); as well as direct and indirect emissions sources from subsidiary CDL Investments NZ Ltd, notably from downstream leased assets this year. In the future MCK may choose to undertake a separate scope 3 baseline, once data is available to produce a more comprehensive scope 3 footprint.
4. Two franchise hotels – Millennium Hotel & Resort Manuels Taupo, Copthorne Hotel & Resort Solway Park Wairarapa.
5. Sofitel Brisbane Central Hotel.
*. Not reported prior to 2025.
6. Rounding applied.
7. As certified by Toitū, restated from the FY23 base year inventory of 5,730tCO2e, accounting for a 2025 hotel acquisition.
8. As certified by Toitū, restated from FY24 inventory of 6,115tCO2e, accounting for a 2025 hotel acquisition.
9. Additional scope 3 indirect emission sources reported in 2025 are not included in prior years' reporting, so are not directly comparable.
10. Toitū mandatory boundary includes material emission sources in scope 1 & 2 and scope 3, including business travel, freight, waste generated in operations disposed to landfill, and fuel and energy-related T&D losses.
11. CDL Investments New Zealand Ltd is 66% owned by Millennium & Copthorne Hotels New Zealand Ltd (MCK).
12. Noting that Zenith Apartments, was not reported in 2025, as the estimated emissions from the small number of apartments owned is deemed de minimis.

APPENDIX C
GREENHOUSE GAS INVENTORY (CONTINUED)

Targets and comparison to base year and prior year

2023 is the base year and was the first year of GHG inventory reporting for MCK.

The main emissions sources within our control in 2025 continued to be hotel consumption of natural gas, LPG and electricity for heating, cooling and cooking; as well as hotel waste generation and business travel.

2025 hotel occupancy levels increased by 9% since our base year; and as we'd expect hotel energy consumption increased by a similar rate.

In 2025 we improved our inventory measurement and reporting, with methodology changes and the additional measurement of our indirect scope 3 sources of emissions, including CDI leased assets, project waste, staff commuting, franchise hotels and investment properties.

Accounting for the base year restatement, there was an increase in emissions between the 2023 base year and 2025 of 4,247tCO_2e largely due to increased categories reported. This year's inventory shows an increase in scope 1 and 2 emissions of 6% from last year and 14% from our FY23 base year, largely mirroring higher hotel occupancy.

When comparing Toitū mandatory boundary emissions there was a 614tCO2e increase from base year, as a result of operational activities and emission factor increases. The largest sources of emissions responsible for this increase were stationary emissions, waste generation and business travel.

As a significant portion of our emissions profile is energy related (and a hotel electricity consumption rate higher than natural gas consumption), an increased 2025 NZ electricity emissions factor (due to higher, more intensive use of fossil fuels (coal and diesel) in NZ for electricity generation, driven by low hydro inflow) has also contributed to an increase in our scope 2 emissions this year.

However, we are beginning to see a small decrease in emissions intensity trend over time, as assessed to Toitū mandatory boundary emissions, expressed as tonnes of emissions per million dollars (gross operating revenue).

Internal emission reduction targets for scope 1 & 2 sources have been set and are tracked. Any additional targets for indirect scope 3 emissions may be considered in future years once a more comprehensive footprint has been established. Currently MCK is not purchasing carbon credits, renewable electricity certificates or off-setting our emissions in other ways, but will explore options in the future.

Controls and accreditation

Internal checks are conducted for data accuracy, completeness, and consistency. Where possible GHG data is cross-referenced with operational data (e.g. energy use) to remove errors. Inventory roles are delineated between providers of data, data entry, quality control (sample checks) and review of data for monitoring and reporting.

In 2025, MCK achieved Toitū Envirocare Carbon Reduce certification[13] for our greenhouse gas inventory for the third year. In 2025 we also recalculated and recertified our 2023 base year and updated our 2024 GHG inventory. This independent audit and certification plays a significant role in MCK's understanding of our emissions profile and informs the steps we'll take to reduce our impact.

Millennium and Copthorne Hotels New Zealand Limited is a Toitū carbonreduce certified organisation. Toitū carbonreduce certified means measuring emissions to ISO 14064-1:2018 and Toitū requirements; and managing and reducing against Toitū requirements.

TOITŪ CARBON REDUCE ISO 14064-1 ORGANISATION

13. Toitū Envirocare is a wholly-owned subsidiary of Manaaki Whenua – Landcare Research, a government-owned Crown Research Institute. Developed for New Zealand business needs, they comprise of a team of scientists and business experts who have come together to protect the ecological and economic future, with over 800 clients worldwide.
14 In the future MCK may choose to undertake a separate scope 3 baseline, i.e. restatement, once data is available to produce a more comprehensive scope 3 footprint.

Base year recalculation

MCK has used 2023 as the base year for GHG inventory. This was the first year of measurement also deemed a representative post-COVID year, as accredited by Toitū under the Carbonreduce programme.

To ensure accurate, transparent, and consistent reporting of GHG emissions, supporting the organisation's sustainability goals, MCK have a GHG inventory base year recalculation policy. It outlines the events and conditions that trigger a base year recalculation or a change in the nominated base year.

To enable tracking progress towards GHG targets, our base year emissions inventory will be recalculated to account for material changes, if these changes lead to an increase or decrease in emissions of greater than 5 percent of the total inventory (the significance threshold), in accordance with the GHG Protocol guidance. Changes to organisational boundary; structure (include acquisitions, divestitures or mergers and/ or outsourcing or insourcing emitting activities); calculation methodology; and/ or data errors may trigger the recalculation of base year emissions.

A screening exercise of available emission source data was conducted to inform the decision to recalculate the base year. There was a change to the organisational boundary this reporting period, with the acquisition of the Mayfair Hotel, Christchurch in January 2025 (this hotel is now under ownership and management by MCK). While a few additional minor data omissions and errors were identified, collectively these did not meet the significance threshold.

Although this adjustment amounts to an increase of under 3 percent of the base year emissions profile (and so does not meet the policy threshold), MCK decided to update the base year inventory to account for this. This adjustment was undertaken voluntarily according to best practice to account for the acquisition of the Mayfair Hotel in 2025. This ensures MCK's GHG Inventory remains relevant, complete, consistent, transparent and accurate, in line with the GHG Protocol. This is particularly relevant for scope 1 and 2 emissions sources, as the full range of MCK indirect scope 3 sources of emissions will continue to evolve and grow over time.[14]

In FY25, we recalculated our 2023 base year and also adjusted our 2024 inventory to account for the Mayfair Hotel acquisition. Table 2 outlines the prior and restated emissions for each year.

Table 2 reconciles the originally reported FY23 base year and FY24 greenhouse gas inventories with the restated FY23 base year following the Mayfair Hotel Christchurch acquisition and shows the resulting boundary adjustment applied to FY24 to maintain year-on-year comparability. The adjusted FY24 emissions therefore reflect the certified FY24 inventory plus incremental boundary changes only, while the base year recalculation threshold assessment applies to FY23 alone.

Table 2: MCK's GHG base year restatement to account for 2025 Mayfair hotel acquisition.

GHG category	FY23 Base Year Emissions			FY24 Emissions		
	Previously reported Base Year Emissions (tCO_2e)	Change in Boundary (tCO_2e)	Restated Emissions (tCO_2e)	Previously reported Emissions (tCO_2e)	Change in Boundary (tCO_2e)	Adjusted Emissions (tCO_2e)
Scope 1 Emissions	**3,345**		**3,425**	**3,686**		**3,768**
Stationary Combustion – LPG	1,160	74.1	1,234	1,344	76	1,420
Stationary Combustion – NG	1,864		1,864	1,979		1,979
Mobile Combustion	79	0.7	79	123	1	124
Refrigerants	242	4.9	247	240	5	245
Scope 2 Emissions	**1,359**		**1,399**	**1,370**		**1,424**
Electricity	1,359	40.1	1,399	1,370	54	1,424
Scope 3 Emissions	**1,026**		**1,057**	**1,059**		**1,095**
C1 Purchased Goods and Services	7	0.3	7	10		10
C3 Transmission and Distribution Losses	209	3.1	213	173	5	178
C5 Waste and Recycling	659	27.9	686	705	27	732
C6 Business Travel	151	1.8	153	171	3	174
Total Emissions	**5,730**	**152.8**	**5,883**	**6,115**	**171**	**6,287**
Percentage Recalculation		**2.7%**				

APPENDIX C
GREENHOUSE GAS INVENTORY (CONTINUED)

Calculations and emission factors

Reports, invoices and data are received from the relevant data source/supplier and the relevant emission factors are applied to calculate the emissions. The calculation approach used for quantifying this emissions inventory is based on: emissions = activity data x emissions factor.

All emissions were calculated using Toitū e-manage platform with emissions factors and Global Warming Potentials provided by Toitū. Global Warming Potentials (GWP) from the IPCC fifth assessment report (AR5) are the primary GWP conversion however some differ (as noted below). If emission factors have been derived from recognised publications approved by the programme, which still use earlier GWPs, the emission factors have not been altered from as published. Where applicable, unit conversions were applied when processing the activity data have been disclosed. There are systems and procedures in place that will ensure applied quantification methodologies will continue in future GHG emissions inventories.

Estimations

MCK has an estimations policy which is reviewed annually and methodology by which estimations are made across data sets within the GHG inventory.

MCK reports on a calendar year basis, meaning December data is typically unavailable at the time of audit and reporting. Where December estimates are made, i.e. for electricity, natural gas, LPG, waste and water, where feasible a year-on-year growth rate method is applied as there can be changes in emissions trends year on year due to national and global economic changes and seasonal market changes.

Estimations within data sets are infrequent, but may be required for incomplete sets such as where water is not metered or invoicing occurs across reporting months or years, and so is apportioned. Hotel food waste was estimated for three hotels, where no collection records were available.

As a full record of refrigerant top-ups for all owned and managed hotels was not obtained for 2025, a conservative approach to estimating refrigerants was undertaken using the hotel inventory of refrigerants liabilities, default charges and types (where data was incomplete) and application of a default leakage rate. This methodology draws from the Ministry for the Environment, Measuring emissions: A guide for organisations (2024)[15] and Toitū: Assessing Your Emissions Guide (2024).

Staff commuting emissions are calculated based on an annual self-report staff survey, which received a 50% response rate. Data was extrapolated out to estimate the total staff kilometres travelled per mode of travel.

MCK does not have direct operational control over franchised hotels and is reliant on data provided by franchise operators. Where complete data was unavailable, estimations were applied based on available utility invoices, historical consumption patterns, and reasonable assumptions. These estimates are considered conservative and reflect MCK's best available information at the time of reporting.

Source of emissions factors

Emissions factors are sourced from NZ Government publications where possible or other reputable peer reviewed sources. Emissions factors and GWP are sourced from the Ministry for the Environment, Measuring emissions catalogue[16], which uses the GWPs published in the IPCC Fifth Assessment Report (AR5). Below are the exceptions where emission factors used are from different sources:

- Electricity distributed T&D losses (market-based): New Zealand Energy Certificate System. Administered and developed by Certified Energy, New Zealand (AR6).
- Electricity annual factor (market-based): Derived by Toitū Envirocare,[17] Wellington, New Zealand (AR5).
- Refrigerants R-449A, R513A, R452A, R448A respectively:
  - Derived by Toitū Envirocare,[18] Wellington, New Zealand (AR5).
  - Climalife IDS Refrigeration Ltd https://www.climalife.co.uk/r513a (AR5)
  - Climalife IDS Refrigeration Ltd https://www.climalife.co.uk/r452a (AR5)
  - Climalife IDS Refrigeration Ltd https://www.climalife.co.uk/r448a (AR5)
- Refrigerants (Franchises): HFC-134a, R-290, R-404A - UK Department for Business, Energy and Industrial Strategy. Government greenhouse gas conversion factors for company reporting. London, United Kingdom (2025).
- Waste and Recycling
  - Recyclable materials (paper, card, aluminium cans, mixed glass, mixed plastics, other scrap metal and commingled): Turner et al. (2015) Greenhouse gas emission factors for recycling of source-segregated waste materials. Resources, Conservation and Recycling (AR4).
  - Construction and demolition (C&D) waste: Waste disposal Average construction Closed-loop, Waste landfilled Asbestos & Waste disposal recycling of Electrical and Electronic Equipment - UK Department for Business, Energy and Industrial Strategy. Government greenhouse gas conversion factors for company reporting. London, United Kingdom (2025).
- Investments
  - Electricity (QLD), Natural Gas distributed commercial, Waste to Landfill Municipal solid waste, Composting – Australian Department of Climate Change, Energy, the Environment and Water. National Greenhouse Accounts Factors. Canberra, Australia (2025).

15 https://environment.govt.nz/assets/publications/Measuring-Emissions-2024/Measuring-emissions_Detailed-guide_2024_ME1829.pdf
16. https://measuringemissionsguide.environment.govt.nz/
17. The market-based emission factor consists of national grid factor from MfE and residual mix factor from BraveTrace, using the latest aligned 12-month period available (updates are released on different cycles).
18. Sourced from USEPA Compositions of Refrigerant Blends - Percentage Composition of Substitute Refrigerant Blends. Each composite gas is using the current Programme GWP values, sourced from NZ MfE and UK DEFRA.

APPENDIX C
GREENHOUSE GAS INVENTORY (CONTINUED)

Exclusions from reported GHG emissions

Following requirements of GHG protocol, and significance criteria for inclusion within the MCK inventory defined organisation boundary and as required by the Toitū accreditation programme the following emissions scopes are included:

- All direct emission sources that contribute more than 1% of category 1 and 2 emissions
- Some scope 3 emission subcategories in accordance with the criteria (based on Toitū certification requirements).

MCK have adopted the Toitū significance criteria which is aligned with GHG Protocol requirements, to assess materiality for inclusion in the inventory based on magnitude; level of influence; risk or opportunity; sector specific guidance; outsourcing; employee engagement; and intended use and users (includes availability of data sets). Exclusions are specific to each emission source and are based on the MCK agreed significance criteria.

Reasonable effort has been made to source GHG emissions data within the business's capacity and available resourcing (with some estimations used). MCK has reported additional scope 3 emissions reported for this period, improving on previous years data. Prioritisation of initiatives has meant some scope 3 emission categories have been excluded from our FY25 reporting[19], in particular where data availability and confidence are low. We intend to continue to expand on our inventory and improve reporting in future years.

Table 3: Rationale for exclusion of emission sources.

Emission Source	Reason for exclusion
Scope 3 Category	
Purchased Goods & Services (1)	Availability and influence: spend-based measurement is being considered, as 3rd party data availability and quality is currently low. This will be reported in subsequent years. We do not currently have activity level information on our suppliers' emissions profiles (excludes potable water supply).
Capital Goods (2)	Availability and resourcing: spend-based measurement is being considered. Extracting data for GHG reporting purposes is challenging and further resourcing and time is required to report in subsequent years.
Fuel and Energy-related Activities (3)	Onsite hotel laundry services are currently captured in electricity, gas and water emissions and outsourced linen services can be captured within category 1 once reporting commences.
Upstream Transportation (4) and Distribution	Courier/postage is de minimis. Limited direct freight transportation is used. Limited data availability with some freight costs included in purchase of products.
Waste Generated in Operations (5)	Waste (and Wastewater) from Christchurch support office are de minimis. (where possible 2025 project waste from hotel refurbishments has been included for the first year).
Upstream Leased Assets (8)	Not relevant - no leased assets apart from support office (emissions included in other scope categories).
Downstream Transportation and Distribution (9)	Not relevant – no distribution of products.
Processing of Sold Products (10)	Not relevant - MCK does not sell intermediary products.
Use of Sold Products (11)	Based on screening this is not relevant for hotels / is de minimis.
End of Life Treatment of Sold Products (12)	Based on screening this is not relevant for hotels / is de minimis.
Investments (15)	Zenith Apartments investment property excluded as de minimis.

19. MCK has elected to disclose FY24 a partial scope 3 emissions footprint (as required by the Toitū programme, where quantifiable data is available). Where data is not yet available, Adoption Provision 4: Scope 3 GHG emissions in the NZ Climate Standard 2 is applied for the remaining material Scope 3 items in our value chain.

Methods, assumptions and uncertainties

- Scope 1 - this category captures emissions directly generated by MCK's owned or controlled sources. Data is collected from various sources: hotels and service contractors provide information on refrigerants, fuel card data tracks mobile combustion emissions from company vehicles; natural gas and LPG suppliers supply invoice records to determine stationary combustion emissions (billing periods are currently used rather than time of use data). Data quality and uncertainty is moderate, with the exception of refrigerants where large use of leakage estimations has been applied for 2025 data, resulting in lower quality data with a higher uncertainty.
- Scope 2 - indirect emissions from purchased energy within MCK's operational control. Data is gathered from electricity suppliers, invoices, and on-site metering, with 3rd-party invoice verification to support calculation of electricity emissions (and estimate distribution loss emissions). Data quality is high and uncertainty is low.
- Scope 3 - includes some indirect emissions from a range of sources with varying data quality – largely lower than scope 1 & 2. These are outlined in table 4 and briefly discussed below:
  - Generally, hotel waste & recycling data quality when available from service providers is higher where bins are weighed and lower in locations/instances where volume conversions based on bins collected are used.
  - Business travel emissions are tracked, with data quality improving from previous years based on a shift from a spend to distance-based methodology. In this reporting period Kilometres travelled for air travel and rental cars has been calculated from both booking records/invoices and 3rd-party supplier reports due to onboarding a travel agent mid-year (resulting in higher data quality). Taxi/uber emissions are calculated using spend data from invoices/expense claims, with relatively high uncertainty, however are not a material emission source.
  - Employee commuting data quality is low as it is based on estimated self-report of distances travelled and also requiring high estimation (50%) as a result of staff survey response rates.
  - For downstream leased assets - commercial warehouses and retail precincts owned by subsidiary CDI, hotel franchises and MCK investment property; scope 1 &2 data has been sourced with data quality assumed to be moderate. Electricity and gas utility and refrigerant-top up data is sourced directly from hotel/property supplier records. In the case of one MCK investment property scope 3 waste is deemed a significant source of emissions, so this data has been included (for Sofitel Brisbane Central only).

Improvements in future years will focus on measuring additional scope 3 emissions sources from products and services (1) & capital goods (2) to form a more comprehensive emissions footprint.

See more in table 4 Emissions calculation methods, data quality and sources.

APPENDIX C
GREENHOUSE GAS INVENTORY (CONTINUED)

Table 4: Emissions calculation methods, data quality and sources.

GHG Category	Emissions Activity	Calculation method	Data source	Data uncertainty	Data quality rating[20]
Scope 1: MCK's direct operational emissions					
Stationary energy – gas consumption	Natural gas used in hotels for water heating and cooking.	Volume-based	Invoice records provided by suppliers, and report from 3rd party supplier.	It is assumed that data is complete and accurate when received from suppliers. Conversion factors applied.	**
	LPG used in hotels for water heating and cooking.	Volume-based	Invoice records provided by suppliers, and report from 3rd party supplier.	It is assumed that data is complete and accurate when received from suppliers. Conversion factors applied.	**
Mobile Combustion – transport	Consumption of liquid fuels for transport purposes (diesel and petrol) by leased fleet vehicles.	Volume-based	Invoice records of fuel consumed provided by suppliers.	It is assumed that data is complete and accurate when received from fuel suppliers.	***
Leakage of refrigerants	Refrigerants used in hotels including air conditioning and refrigeration units.	Estimation-based	Hotel records of refrigerant liability inventory determined based on the appliance, refrigerant capacity and type.	Where inventory records are incomplete estimations for appliances and refrigerant types have been made. Estimations using an MfE default leakage rate have been applied.	*
Scope 2: MCK's indirect emissions from the consumption of purchased electricity					
Stationery Combustion – Electricity Consumption	Electricity used by hotels and MCK's portion of support office space.	Location-based (and market-based respectively)[21]	Invoice records provided by electricity suppliers, and report from 3rd party supplier.	It is assumed that data is complete and accurate when received from suppliers. Most source data is derived from supplier's reports.	**
Scope 3: MCK's indirect supply chain emissions					
Fuel and energy related activities	Electricity losses that are attributable to the transmission and distribution ('T and D') of electricity and gas	Location-based	Invoice records provided by electricity and gas suppliers, and report from 3rd party contractor.	It is assumed data is complete and accurate. All source data is derived from our supplier's reports. Where invoices have not been received, consumption is estimated based on historical usage.	***
Purchased goods and services	Potable water supply from hotels and MCK's portion of support office space.	Volume-based	Invoices and rates bills from utility providers based on water meters where available.	It is assumed data is complete and accurate. Most source data is derived from supplier records. Some estimation required due to billing frequency.	**
Waste generated in operations	Waste to landfill, recycling and compost diverted, from hotels, MCK's support office space and from hotel refurbishments	Weight-based	Based on waste collector supplier records based on bin weights or estimates of volume of bins collected.	It is assumed hotel and project data supplied by contractor is complete and accurate. Proportion of Support Office building and floor applied to estimate. Most source data is derived from supplier tonnage or pick up records (some volume conversions applied). Some estimation required for food waste at 3 hotels where no collection records are available.	**

Table 4: Emissions calculation methods, data quality and sources (continued).

GHG Category	Emissions Activity	Calculation method	Data source	Data uncertainty	Data quality rating[20]
Scope 3: MCK's indirect supply chain emissions (continued)					
Business travel	Air travel, taxi and rental car, usage by MCK employees for business purposes.	Spend-based	Invoice records provided by taxi/rideshare companies.	It is assumed the data sources are complete and accurate. Taxi/ rideshare data is sourced either from the GL code and invoices based on direct staff activity.	**
		Distance-based	Report from 3rd party travel agent and invoice records with distance pkm travelled by fuel type/ vehicle size for vehicles/ aircraft.	It is assumed the data sources are complete and accurate. Flights and rental vehicle data is based on direct activity (pkm travelled), includes part year manual recording of flight records.	**
Employee commuting	Travel from home to workplace (hotel or office) by MCK employees.	Distance-based	Annual staff self-report online survey.	Significant estimation required (50%).	*
Downstream Leased Assets	Scope 1&2 Stationary energy – electricity and operational waste	Volume-based	Invoice records provided by electricity suppliers & waste contractors, from property manager via CDI staff.	It is assumed the data sources are complete and accurate. Utility data is sourced from subsidiary property management records.	**
Hotel Franchises	Scope 1&2 ▪ Stationary energy – gas and electricity consumption ▪ Mobile Combustion – transport ▪ Leakage of refrigerants	Volume-based	Utility data sourced from franchised hotel records for electricity, gas and fuel consumption.	Sourced from invoices. It is assumed the data is complete and accurate.	***
		Top-up method	Data sourced from franchised hotel records for recharge of equipment containing refrigerants.	Sourced from invoices. It is assumed the data is complete and accurate.	***
Investments	Scope 1&2 ▪ Stationary energy – gas consumption and electricity ▪ Mobile Combustion – transport ▪ Leakage of refrigerants	Volume-based	Utility data sourced from property records for electricity, gas and fuel consumption.	Sourced from invoices. It is assumed the data is complete and accurate.	***
		Top-up method	Refrigerant top-up data provided by property staff.	Sourced from invoices. It is assumed the data is complete and accurate.	***
	Material Scope 3 Waste and recycling	Weight-based	Data sourced from contractor reports provided by property staff.	It is assumed report data is complete and accurate.	***

20. Indicative data quality rating:
*** high quality (low uncertainty, usage data, complete records, no or minor estimation, verified, or direct calculation),
**moderate quality (proxy data, conversion required with higher uncertainty, estimation for small proportion of total activity data),
*low quality (high uncertainty, fully estimated activity data or for high proportion estimated).
21. The market-based emission factor consists of national grid factor from MfE and residual mix factor from BraveTrace, using the latest aligned 12-month period available (updates are released on different cycles).

APPENDIX D
TOITŪ CERTIFICATION

TOITŪ CARBON REDUCE

This is to certify that

Millennium & Copthorne Hotels New Zealand Limited

is Toitū Carbon Reduce organisation certified.

Toitū Carbon Reduce certified means measuring emissions to ISO 14064-1:2018
and Toitū requirements; and managing and reducing against Toitū requirements.

Billy Ziemann— Certifier

Date issued: 12 March 2026 | Valid until: 5 February 2027
Certificate Number: 2024029J | Certification Status: Certified Organisation
Company Address: Level 7, 23 Customs Street East, Auckland, 1010, New Zealand
Certification Year Level of Assurance: Reasonable for categories 1 & 2 and Limited for remaining categories
Certification Year Auditor: Toitū Envirocare
Certification Year Assurer: Toitū Envirocare

Please refer to the annual statement on www.toitu.co.nz for further details.
Toitū Carbon Reduce is an annual certification programme and this certificate only remains valid with an annual surveillance audit.

TOITŪ ENVIROCARE

JAS-ANZ

WWW.JAS-ANZ.ORG/REGISTER

Certified by Enviro-Mark Solutions Limited (Trading as Toitū Envirocare)

Support Office

Tel: (09) 353 5010
Level 7, 23 Customs Street East, Auckland 1010
PO Box 5640, Victoria Street West, Auckland 1142

National Conference Office

Tel: 0800 4 MEETINGS (0800 4 633 846)
Email: meetings@millenniumhotels.co.nz
www.meetingsnz.co.nz

Sales

Email: sales.marketing@millenniumhotels.co.nz
International Sales Tel: (09) 353 5085
Corporate Sales Auckland Tel: (09) 353 5010
Corporate Sales Wellington Tel: (04) 382 0770

Central Reservations

Ph: 0800 808 228
Email: central.res@millenniumhotels.co.nz

Sustainability and Climate-Related Disclosures
Email: sustainability.nz@millenniumhotels.co.nz

www.millenniumhotels.com