We are excited to bring you our first Sustainability Report and look forward to your feedback on it.

This report shines some light on the environmental and social impacts of our activity as an industry, and for Tourism Holdings Limited (thl) as a company; the good, and the not so good, and our efforts to minimise the not so good, moving forward.

In the future, we intend to integrate this with our economic performance disclosures, but for now our sustainability reporting will occur annually in line with our Annual Report, 1 July to 30 June.

For economic performance disclosures and a list of all entities included in the thl financial statements, please refer to our Annual Report.

If you have any questions about this report, we’ll be pleased to answer them. Please direct your questions to:

Saskia Verraes
Group Lead – Strategic Initiatives
saskia.verraes@thlonline.com

This report has been prepared in accordance with the GRI standards: core option. The layout of the report follows these standards commencing with the general disclosures followed by the topics that have been identified as topics to thl’s stakeholders.

We have used the services of consultants Catalyst Ltd (www.catalystnz.co.nz) to assist with the preparation of this report, ensuring it complies with the standards. The report has not been externally assured.

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It's a pleasure to pen the introduction to our first Sustainability Report and offer some insight as to why we've embarked on this journey toward sustainability, and where it will lead us. This is just the beginning; we are challenging ourselves to create change that's everlasting, and I can see already this becoming central to the way we communicate with you on an ongoing basis.

We operate in the tourism industry; it's exciting, it's inherently positive, and it's growing, fast. In 2016, global tourist arrivals grew by 3.9% to a total of 1.325 million, according to the latest UNWTO World Tourism Barometer.

Some 46 million more tourists (overnight visitors) travelled internationally last year compared to 2015.

Tourism accounts for 9.8% of global GDP and provides 1 in 11 jobs on the planet. The industry is also directly responsible for 5% of global CO2 emissions.

These figures show that thl has significant opportunities for growth, and significant responsibilities in the way it achieves that growth.

We're not shirking those responsibilities; we'll be real about what we can do today, and energetic about what we need to do tomorrow.

thl is a large tourism operator in NZ, AUS, USA and the UK, and we are very conscious that how we operate has a significant impact on the future of these countries.

We understand that the health of our business depends upon a healthy environment. So, in addition to creating opportunities for economic growth, we must protect our people, our communities and our life-supporting eco-systems.

In order to create long-term success for both our business and the countries in which we operate, we have to contribute positively to local communities and to the environment. We are continually looking for sustainable opportunities through innovation, new products and marketing. We need to be a responsible operator in every sense of the word.

In 2014 thl embarked upon a journey into the future; we decided to take a strategic approach to sustainable growth. Instead of creating separate sustainability streams, we wanted to ensure that all our business strategies and operations as a whole are sustainable. We committed to The Natural Step® sustainability framework to review our business plans and strategy. The Natural Step (TNS) framework is based on scientific principles, and incorporates the wider environment-social-economic system in its thinking. The framework works towards achieving sustainability and we integrated it into our vision.

OUR VISION
To sustainably connect millions with personalised local experiences, leveraging our expertise in RVs and tourism globally.

This means ensuring that we:

Protect
• Protect our environment and address any climate change issues we contribute to.

Respect
• Look after the communities we touch with our travel experiences, and promote responsible travel at the core of our product offering.
• Do the right thing for our crew and culture.

Grow
• Continue to be competitive within our industry and a compelling investment for shareholders.

We realise we can't do this on our own. We need to bring as many of our partners and co-creators as possible along this journey with us.

In three years we have come a long way. Last year the first business we reviewed with The Natural Step framework, Kiwi Experience, made such great progress in reducing emissions and creating more sustainable experiences, that it won the Sustainable Business Network award.

Waitomo Glowworm Caves’ success story in protecting the Waitomo Catchment area has also received many accolades. We invested in a freedom camping infringement paying platform to find better ways to manage Freedom Camping, and we’re at the forefront in educating our customers to be safe drivers on our roads.

We still have a long way to go, but we’re ready to share our story, the good and the bad. We are ready to talk about what we think we do well, and also what we know we need to work on. So this year we publish our very first Sustainability Report, not an integrated report as yet to match how we approach sustainability as a strategy, but a first step towards that.

We influence what activities we offer our customers, how we educate them, what type of vehicles they choose, and how we design them. We’re going beyond short-term silo thinking, to embrace long-term industry and countrywide considerations.

Of course, our focus remains on offering a positive travel experience, and remaining a successful business now and in the future. Our travellers’ satisfaction will increasingly depend not only on their experiences and memories, but also on their positive impact on communities and the environment. This is central to our long-term business health, as much as it is about environment and people.

And as we progress we hope and expect to change the culture of the organisation and the people within it. We need to stay focused on what thl stands for and how that fits with the team within and around us. We want to create that critical mass that is always talked about. Acting in a sustainable fashion started with a few passionate individuals, has grown into a medium-sized internal community from a few business units and it will, in a short time, become an embedded way we do things around here for everyone.

We hope you find this report insightful and interesting. Provide us with your feedback and continue to challenge us against our goals.

Grant Webster
Chief Executive Officer
When we committed to sustainability, we made the decision not just to have a sustainability strategy which sat alongside our day to day activities, but to weave sustainability into the very fabric of our corporate strategy. The three pillars on which we build this approach are Protect, Respect and Grow.

As this is our inaugural Sustainability Report, we’ll describe our business in detail before looking at who our stakeholders are and how we engage with them. Doing so provides context for our approach to sustainability and the initiatives that underpin our efforts to be a truly sustainable business.

We then examine in detail the ‘things that matter to us’. These are key sustainability areas on which we will focus in order to integrate sustainability throughout the business. They are sometimes referred to as our material topics. We’ll explain how the business prioritises these.

Protect

Our Protect pillar concerns itself with our response and commitment to protecting our natural environment. It relates to thl’s contribution towards climate change and how it impacts our environment.

Protect dictates our response to climate change and our emissions, measuring and reducing our carbon footprint, and moving towards a low emission fleet.

Respect

Respect is a broad theme for thl, promoting responsible travel for our customers and staff, nurturing our people and the communities that we touch.

Grow

Grow is all about our willingness to look forward, to be a sustainability leader in the tourism industry, not a laggard. It’s about embracing the challenge, taking responsibility for and managing our customers’ interaction with the environment. It’s about being bold and searching for a sustainable way forward, while growing the business for everyone’s benefit and meeting our business objectives.

All of which underpins the long-term success of thl and ultimately stakeholder satisfaction.

With regard to our ‘things that matter to us’ we are reporting on only our New Zealand and Australian operations. Whilst we realise this is less than ideal, this was necessary due to the limited data available for our Road Bear RV operation, and because El Monte RV joined thl as late as January this year.

We will have data from our USA operations available in our next Sustainability Report. Details for our UK operation and Action Manufacturing are excluded as these are joint venture operations.
Our business

Vision
To sustainably connect millions with personalised local experiences, leveraging our expertise in RVs and tourism globally.

Values
Our role is to create unforgettable holidays for our customers. We make that happen by being down to earth, welcoming, open and honest, and by working together as a team. Seven years ago we asked our team how they would define our brand, and from that exercise came our brand values. Two years ago we reviewed those values, and the result is what you see today.

Our brand values don’t reflect ‘what’ we do, but rather ‘how’ we do what we do. By living out our vision in our everyday work, we consistently deliver the thl approach to our customers.

We train all new employees and contractors on these values, both as part of their induction and through our refresher programmes. We display the values in our kitchens and other crew areas. As we progress our diversity strategy, we may also translate our values into other languages.

History
thl has its roots in the scenic adventure wonderland of the Otago region of New Zealand’s South Island, and can trace its origin from three companies that merged to form The Helicopter Line in the 1980s. These pioneers of modern day tourism in New Zealand were dedicated to giving visitors to the region the time of their lives. The same objective exists to this day.

Throughout its history the company has developed and expanded a range of iconic tourism brands. While the parent company carries the name, the true heroes of the business are its individual experiences and the brands attached to those experiences. Over time some of those brands have developed and grown and others sold or phased out.

1980s – 1994

- 1986 listed on New Zealand Stock Exchange
- Entered motorhome market

1995 – 2006

Rapid growth and diversity
- 1996 name change to thl
- Britz acquired in 1999 New Zealand and Australia
- 1999 50% ownership in Kiwi Experience and Oz Experience guided bus operations, the remaining 50% purchased in 2000
- 1999 40% of the RV manufacturing business, CMK/Maui was acquired, with the remaining 60% acquired in 1999.

2007 – 2010

RV focus and strategic realignment
- 2007 acquisitions of Action Motor Bodies
- 2010 purchased USA based Road Bear RV Rentals and Sales

2011 – 2015

Industry rationalisation and expansion
- 2012 CMK/Maui and Action Motor Bodies were merged with NPS Manufacturing to form a SDE Joint Venture called Action Manufacturing LP
- 1M acquired the AEA, Maui, Britz and Mighty brands in Australia and the same brands in the US for a 50% stake, the remaining 50% acquired in 2016
- 2013 UV purchased a 40% stake in Roadtrippers
- 2015 UV purchased El Monte RV Rental and Sales

2016+

Growth and innovation
- Flex-fleet initiative launched
- 2017 Highway launched in New Zealand and Australia
- Waitomo Caves Homestead opened – restaurant, cafe and retail centre
- Tablet and mobile device based customer tools installed in the entire RV fleet in NZ and Australia
- UV announced a partnership with Roadtrippers
- UV 2017 purchase of El Monte RV Rental and Sales
**Us in 2017**

From revenue to admissions and everything in between, take a look at **thl** in figures for FY17.

<table>
<thead>
<tr>
<th>Total annual revenue</th>
<th>$341m</th>
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<tbody>
<tr>
<td>Capital expenditure</td>
<td>$154m</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>Capital expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>654</td>
</tr>
<tr>
<td>Australia</td>
<td>201</td>
</tr>
<tr>
<td>USA (includes El Monte staff)</td>
<td>414</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service centres</th>
<th>Rental motorhome fleet across four countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>4,624 (includes Just go UK)</td>
</tr>
<tr>
<td>Australia</td>
<td>2</td>
</tr>
<tr>
<td>USA (includes El Monte)</td>
<td>1</td>
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</table>

<table>
<thead>
<tr>
<th>Restaurants</th>
</tr>
</thead>
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<td>1</td>
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<table>
<thead>
<tr>
<th>Operations</th>
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</thead>
<tbody>
<tr>
<td>Adventure tourism operation</td>
</tr>
<tr>
<td>Guided tour operation</td>
</tr>
<tr>
<td>Flexible guided coach travel operation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total customers served</th>
</tr>
</thead>
<tbody>
<tr>
<td>775,000 (Rounded to nearest 5,000, inclusive of El Monte data since its purchase in January 2017)</td>
</tr>
</tbody>
</table>
Our activities worldwide

With operations in four countries and across three continents, our customers can truly experience all the adventure and freedom of travel, in ways as diverse as their imaginations. Take a look at thl activity on a global scale.

Our customers

We know more about our customers than ever before. Who are they?

Experience Seekers

- They want to meet and interact with locals
- They’re looking for authentic experiences and unique destinations
- They want to experience something different from their day to day life
- They stay longer, spend more and travel beyond major cities
- They want to start somewhere and see what happens along the way

At thl we put our customers’ experience at the centre of everything we do, so let’s:

Inspire their thinking
Assist their planning
Provide the local knowledge
Get them started on the road
Support them throughout their trip
and share the adventure!

thl expansions and facility openings:

On 6 January 2017, thl purchased El Monte, the second largest RV rental business in the USA.

In December 2016, thl purchased 23% of Roadtrippers USA, the leading USA road trip travel app provider. The partnership involves the creation of a joint venture business in Australia and New Zealand combining thl’s GeoZone business with Roadtrippers.

thl initiative Highway USA was launched in the USA, in May 2017.
Self-drive brands

Our self-drive options offer the freedom of the open road and chance of adventure at any turn. We’re handing over the keys to new experiences, on the journey of a lifetime.

Roam free
Go where the mood takes you

Room with a view
You control your outlook

Enjoy the great outdoors
Immerse yourself in nature

Be social
Make connections

Allow for surprises
Be curious

Guided experiences

Be thrilled, be challenged, or simply swept up in the sheer beauty of your surroundings. Our guided experiences will take you on a journey like nothing you’ve done before. We operate some truly iconic experiences in New Zealand and we’re privileged to work alongside local iwi in the Waitomo region to do so.
Retail and vehicle sales

RVSC has a large range of motorhomes, campervans, caravans and RV accessories in New Zealand and Australia. We have RV Sales businesses in Albany, Auckland, Christchurch Airport, and Footscray, Melbourne.

Our sales centres also have a vast range of motorhome and caravan accessories available in-store or online. In New Zealand, our service centres are ready and open to service privately owned campervans.

Owners and travellers

From peer to peer RV sharing to connecting travellers with all the relevant RV and road trip information they would need, thl have the customer at the centre of all they do.

Group support services

thl’s Group Support Services teams are based in Auckland and Melbourne and support all our global businesses. Support Services include IT, finance, marketing, sales, project management, procurement and human resources.

Industry engagement and recognition

We like to connect to other organisations in our industry that share our values and aspirations for travellers. That way we can share ideas and work together where we can to support sustainable and responsible travelling. We belong to various associations, and are part of a number of initiatives which all have the same goal, and we’re proud that our efforts have been recognised as contributing to sustainability in our industry.

Our memberships

New Zealand
- Motor Caravan Association (NZMCA).
- Tourism Industry Aotearoa (TIA) – Grant Webster (thl CEO) is the current Chairman of the Board.
- Sustainable Business Network (SBN).
- Backpacker Youth and Adventure Tourism Association (BYATA).

Australia
- Holiday Parks Association of New Zealand (HAPNZ).
- NZ Shareholders Association.
- Health & Safety Leadership Forum.
- Action Manufacturing is part of the NZ Manufacturing Association.

USA
- Recreational Vehicle Industry Association (RVIA) – representation on the board of the Go RVing committee.

External initiatives

- thl supports the NZMCA and CMCA to invest in implementing new dump stations every year. In Australia, we participate in the “Leave no trace” programme.
- Eco Tourism Australia’s Nature Tourism certified (AUS).
- Founding member of the Responsible Camping Forum (NZ).
- Founding member of DriveSafe Forum (NZ).
- We offer a carbon offset option for customers in El Monte.
- Maui Australia has partnered with Indigenous Tourism Champions Programme.
- Department of Conservation/Tourism Holdings Ltd Partnership urban pest control programme.
- Waitomo Trail Run – Waitomo Discover Group is a major partner in this yearly Waitomo community event.

Recognition

- Enviro Gold Award: Waitomo Glowworm Caves, mawi, Britz.
- Eco Certified Nature Tourism Australia: mawi, Britz, Mighty.
- 2016 Mega Efficiency Impact Award at the NZI Sustainable Business Network Awards: Kiwi Experience.
Supply chain

As a business, we are primarily an RV operator and the critical supplier in our rental supply chain is Action Manufacturing; you can learn more about them on page 19.

We also offer experiences to our customers, and in that capacity, our trade partners are suppliers too, helping to create unforgettable holidays for our travellers, and enhancing thl’s reputation as a business.

All thl’s supply relationships are guided by our group wide procurement policies and processes, which aim to achieve thl business objectives at the lowest total cost of ownership*.

This focus leads naturally to sustainable solutions. That said, we can improve the way in which we measure sustainability performance in our supply chain, and we are committed to doing so.

To emphasise this, we’ve included a clause in new agreements covering our expectations of suppliers/supply partners. This provides a platform for open and honest communication between thl and our suppliers/supply partners regarding sustainability. It reads as follows:

“*This means the total cost of a solution over its lifetime, including the cost of development, the tools and labour required, the building, hosting, operation, maintenance, downtime, disposal, management costs, and so on. Total cost of ownership can be significantly higher than the purchase cost.
The key supplier in our supply chain is Action Manufacturing.

Action Manufacturing continually pushes the boundaries and are always looking to implement sustainable design and build innovation. They supply the best motorhomes to thl based on the principles of quality vs volume, weight reduction and safety. For many years they have purposely focused on lowering emissions through ‘design led’ thinking, continually looking for alternative sustainable products. They implement a waste-to-landfill recycling project as well as reusing and recycling by-products normally sent to waste.

Sustainability focus
During FY17 we completed reviews of 12 key spending areas, and applied these principles. We issued five formal closed tenders, partnering with two new suppliers as a result. This focus on more sustainable solutions has also trickled down to the smaller operational procurement decisions.

A recent example of this is the replacement of our customer first aid kits in Australia:

“We provide all our campervans with a first aid kit. This year, we went through a review process with a focus on reducing waste as part of the total cost of ownership. We changed first aid kits to a similar kit at a slightly higher first purchase cost. However the inner kit is sealed and when the seal is broken/used by the customer, a new inner refill kit can be purchased. The outer plastic container stays within the vehicle. The previous kit had to be fully thrown away once the seal had been broken.”

Neil MacPherson - Production Manager in Australia

The results of this approach during the last financial year are impressive:

- Reduction of total landfill waste by 16% from FY16
- Use of guaranteed sustainable ply from responsible European plantations
- Predominant use of styrofoam as an insulation product, reducing thickness, moisture absorbancy and overall weight.

Despite this progress Action Manufacturing and thl realise that there is a large waste-to-landfill component in the production process of our campervans, and materials such as insulation, PVC tape, glues and other chemicals should be replaced by less damaging alternatives.

Their latest design project focuses on electric vans, and all these initiatives will be taken into account. Our goal is to produce a fully sustainable, low emission driver experience. A full Life Cycle Assessment to measure and track all of this will be part of the project in the coming year.
Governance

thl operates under a set of corporate governance principles designed to ensure the Company is effectively managed. thl are early adopters of the new NZX Corporate Governance rules that come into effect on 01 October. thl already complies as per the start of this financial year (01 July 2017).

A Board of Directors governs thl. Day to day management of the company is the responsibility of the Executive Team. As part of best practice corporate governance the thl Board has adopted a formal Board Charter covering governance, ethics, appointment of Directors and Director independence. The Board Charter also includes a Code of Ethics, Audit & Risk Committee Charter, Remuneration & Nomination Committee Charter and a Market Disclosure Policy.

Board of Directors

Rob Campbell
Chairman (Auckland)
Rob is an experienced investor and director. He initially trained as an economist, then worked in the union movement; later acted as a consultant; and most recently has been involved in corporate governance.

Debbie Birch
Director (Wellington)
Debbie’s expertise is managing risk in global markets and in business, so she appreciates both risk and opportunity. Debbie believes that being passive is not an option in today’s world of technological change and its effects on society. Understanding our stakeholders is also a key focus for her.

Christina Domecq
Director (Auckland)
Christina is an entrepreneur with more than 15 years’ experience in starting, growing, and selling large companies. A seasoned board member and investor, she currently sits on the boards of several major New Zealand businesses.

Kay Howe
Director (Auckland)
Kay is a tourism industry pioneer and has been a supporter of sustainability for a long time. She founded United Campervans in 1994, which used Green Globe certification, the first international standard for sustainable tourism. Kay believes that measuring and benchmarking can help us understand what impact we have on the environment and how we can improve our sustainability efforts.

Gráinne Troute
Director (Auckland)
Gráinne is a company director with experience across many industries. He’s also had a successful career investing in listed and unlisted markets.

Graeme Wong
Director (Wellington)
Graeme is a company director with experience across many industries. He’s also had a successful career investing in listed and unlisted markets.

Sustainability strategy framework

We have a robust sustainability framework based on empowering businesses at local level to act sustainably, guided by our sustainability principles and monitored by our governance committee. We all work together to make sure our sustainability efforts are successful.

Local with a global direction
We believe that our diverse businesses in different areas and countries are best placed to identify and action the sustainability initiatives most material to them and leading up to thl-wide aspirations. This structure provides thl businesses with the flexibility to operate simultaneously as the most local and the most global of businesses.

Sharing the adventure
Responsibility for local sustainability initiatives ultimately rests with each business. However, one of the key challenges with solving sustainability problems is that it often requires working across functions. This can only happen through collaboration.

The Group Governance Committee
This is chaired by Grant Webster who is also the Group Sustainability Sponsor, driving the sustainability message groupwide. The committee consists of four members representing the business streams and rotates on a twice-yearly basis or as requested. The committee meets six times a year at a minimum.

Do the right thing
The committee checks performance and provides governance, oversight, input and direction to thl’s sustainability strategy roadmap aligning it with the overall business strategy, and is the forum for alignment across the group. The committee also plays an important role in reviewing and setting the direction of sustainability reporting.
Engaging our stakeholders

As a tourism business we work with a large number of businesses, community groups, central and local government and NGOs. Here are our stakeholder groups:

These stakeholder groups are defined by the circles we operate in and the people we encounter and/or are accountable to. Each of our businesses has its own set of “primary stakeholders” from within this list and the level of engagement with each is dictated by need and priorities at any one time. Across the entire company, engagement can be summarised as follows:

<table>
<thead>
<tr>
<th>Stakeholder Group engaged in FY17*</th>
<th>Frequency</th>
<th>Key Topics</th>
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<tbody>
<tr>
<td></td>
<td>Light Touch</td>
<td>Deep Touch</td>
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<tr>
<td>Shareholders and Lenders</td>
<td>Monthly</td>
<td>Quarterly</td>
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<tr>
<td>Staff/Crew</td>
<td>Fortnightly</td>
<td>Annually</td>
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<td></td>
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<td></td>
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<tr>
<td>Product Supplier</td>
<td>Continuous</td>
<td>Annually</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Continuous</td>
<td>Quarterly</td>
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<tr>
<td></td>
<td></td>
<td>(for some community groups)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>Continuous</td>
<td>Monthly</td>
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<tr>
<td>Iwi</td>
<td>Weekly</td>
<td>Quarterly</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>Customers</td>
<td>Continuous</td>
<td>Weekly</td>
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</tbody>
</table>

* Groups represented and engaged in feedback on this FY17 report.
Tourism impacts on many people in a variety of ways; many are positive, some are not. To be a sustainable business, thl needs to build on the good we are doing, and address the not so good. Five focus areas, aligned to our sustainability pillars, allow us to do this:

- Climate change
  - Measuring our footprint
  - Measuring our supply chain footprint
  - Reducing our footprint
  - Offset setting
- Responsible travel
  - Coach driver education
  - Customer education
  - “Leave no trace” freedom camping
  - Protecting biodiversity
- Nurturing our crew
  - Fair remuneration
  - Training
  - Career development
  - Health and safety
  - Having a voice
- Embracing our communities
  - Impact assessment
  - Addressing infrastructure shortages
  - Donations and sponsorship
  - Work placements
  - Volunteering
- Shareholder satisfaction
  - Financial reporting
  - Non-financial reporting
  - Integrated reporting

Climate change and Responsible travel ensure we take a precautionary approach to avoiding or reducing negative environmental impact. Nurturing our crew and Embracing our communities focus on social impacts and corporate responsibility. Shareholder satisfaction ensures we remain accountable to our investors.

In May 2017 we performed a Materiality Assessment to help us decide which of these focus areas (themes) to present in this report. We surveyed all our stakeholder groups, asking:

A. If they were aware of the five strategic themes
B. How proactive they feel thl is at managing them
C. To rank the themes in terms of importance to them, the stakeholder
D. To rank the programmes within each theme in terms of importance to them
E. If in their eyes we have overlooked anything within the strategy framework

We will repeat this exercise each year, not only to help us with our reporting, but as an exercise to make sure our strategy captures all it needs to.

Outcomes from the 2017 assessment are summarised below:

1. Survey participation
   20 stakeholder managers representing 7 stakeholder groups.

2. Stakeholder awareness
   - 10% Aware of all five strategic themes and think thl is very proactive in managing them.
   - 90% Aware of some of the themes and believe thl is somewhat proactive in managing them.
   - 0% Not aware of any of the themes or thl’s management of them.

3. Material topic ranking
   Rankings given by our stakeholders were plotted against rankings assigned by our Steering Committee (representing the views of the corporation).

Ranking of the programmes under each theme identified the following as most important:

- Measuring and reducing our footprint
- Low emission vehicles
- Driver education
- “Leave no trace” freedom camping
- Training and career development
- Health and safety
- Community impact assessments
- Addressing infrastructure shortages
Delivering on what matters – our sustainability targets

Having our sustainability pillars in place is a great step forward for the business and the communities and environments where we operate, but we need to “walk our talk” to give our pillars substance. Here are thl’s sustainability targets going forward. We’ll keep you informed on our progress in our next Sustainability Report.

**Protect**

**Climate change**
- 20% reduction in Green House Gas (GHG) emissions by 2025.
- Reduction in absolute GHG emissions and customer journey emissions in global operations, measured against FY17 levels for Australia and New Zealand and FY18 for USA.
- 5% of total fleet to be low emission vehicles by 2020.

**Responsible travel**
- Zero infringement notices for illegal freedom camping for thl customers by 2020.
- Implement safety alert systems in all our vehicles that will contribute to safer driving by 2020.
- We will implement telematics and tablets across our fleet in New Zealand and Australia by FY19 and the USA by FY20.

**Respect**

**Nurturing our crew**
- Zero tolerance for notifiable incidents in our operations from FY18 onwards.
- 75% or more of crew globally believes that thl cares about the wellbeing of its people by 2020.

**Grow**

**Embracing our communities**
- Five community impact assessments per country by 2020.
- Community impact assessment and management plans completed for top five destinations per country we operate in by 2020 as endorsed by those communities.

**Shareholder satisfaction**
- Complete full thl group carbon footprint and GRI compliant reporting in FY18.
- This will include the operations currently left out of scope, like the USA operations, Mighway, Roadtrippers and Joint Venture partners Just go and Action Manufacturing.
Climate change

We are very conscious of the impact that climate change has on tourism in general, and our operations in particular. Some of the areas that pose either a risk or an opportunity to our businesses include:

- More frequent extreme weather events affecting our customers’ experiences
- A shortened or lengthened tourist season as weather patterns change
- The impact of climate change on road travel (flooding, slips, damage to roads) which may affect our self-drive customers and our Kiwi Experience customers
- Disruptions on other travel, for example fog affecting flights, and/or bad weather affecting ferry crossings
- Retreating glaciers on the West Coast of New Zealand
- Regulation and future carbon taxes, including changes to the New Zealand Emissions Trading Scheme (ETS), and the probable increase in costs to both thl and our customers.

Our businesses rely heavily on the purchase and combustion of fossil fuels. So as a company we produce significant greenhouse gas (GHG) emissions, both directly through our own operations, and indirectly via our customers. Consequently we contribute to climate change and the risks associated with it.

In this reporting period our Kiwi Experience-leased coaches used more than 500,000L of diesel. Our self-drive customers in New Zealand and Australia travelled a combined distance of over 100 million kms; that’s a lot of fuel combusted and GHGs emitted.

With this in mind, we’ve developed a Carbon Management Strategy to measure, track, reduce and ultimately mitigate our organisational carbon footprint.

On the next page we present our FY17 carbon footprint (our first!), and key aspects of the management plan. We wished we’d started earlier, and now that we have we are keen to make up for lost time. We measure and manage our footprint in two parts:

1. Our operational carbon footprint: emissions generated by our operations
2. Our customer journey footprint: emissions generated by our self-drive customers

We have some bold targets and some exciting projects in the pipeline to help us reach those targets. Some of these we can share with you now.

Our operational carbon footprint

Our Base Year carbon footprint was:

- 6,329 tonnes CO₂e
- 7.4 tonnes CO₂e per employee

This relates to all activity across our New Zealand and Australian operations. We couldn’t include our USA operations because no data was available, but we hope to overcome this in FY18, so next year we’ll be able to accurately measure all geographical areas of the business.

Targets:

Complete full thl group carbon footprint in FY18.

Take a look at the top right graph.

Scope 1 refers to direct GHG emissions (transport and stationary fuel).

Scope 2 refers to indirect emissions from the generation of purchased electricity.

Scope 3 refers to indirect emissions from waste disposed of in landfill, air travel and staff commuting.

We’ve also accounted for the embodied carbon in tyres and batteries which are regularly replaced and the emissions associated with their disposal.

A breakdown of our GHG emissions by source looks like this:
Climate change (continued)

Things that matter to us

We’ve determined our base year carbon footprint in line with international standard ISO 14064-1 (Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals).

At the time of publishing this report our carbon footprint has not been verified but the verification process is in progress. We’ll disclose the verified footprint (if it differs from the above) in our next Sustainability Report.

GHG emission hotspots

As we expected, transport fuel (petrol and diesel) is the largest contributor to our carbon footprint. Waste is the second largest, and electricity third. Our carbon management plan focuses on reducing emissions from these sources, through a number of initiatives.

We’ll look at the low hanging fruit first, followed by process, system changes and innovation.

Specifically, we will:

- undertake waste audits across all sites to reduce waste to landfill
- undertake electricity audits to reduce electricity use across the organisation
- look into generating our own electricity at some sites (solar)
- optimise Kiwi Experience travel routes to reduce fuel use. This is underway already
- proactively transition to electric vehicles wherever possible and feasible.

We believe these initiatives have the potential to bring our carbon footprint down significantly over the next eight years. We pledge to agree to do our part to help our countries deliver to the Paris Agreement keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

Therefore our target is:

20% reduction in absolute countrywide emissions by 2025.
(Measured against FY17 levels for NZ and AUS operations and FY18 levels for USA operations)

Early wins

Kiwi Experience was the first of our businesses to put an emission reduction strategy into action.

The steps we’re taking include:

- a yearly SAFED (Safe And Fuel Efficient Driving) training for our drivers, and individual goals to reduce their fuel use by a minimum of 5% per year.
- a yearly review of our routes, using the most effective pick up points to be fuel efficient and save kilometres travelled
- becoming paperless in our processes
- tasking our coach suppliers to provide us with the lowest emission buses possible, and challenging them to use bio-fuel and electric buses to help achieve our emission reduction goals
- providing customers with reusable tote bags, coffee cups and water bottles to reduce waste
- recycling on buses and in the office.

In 2016, our sustainability efforts with Kiwi Experience were recognised with a Mega Efficiency Impact Award through the Sustainable Business Network.

This year, emissions are up about 4% on last year but are still far below the FY15 baseline. Reasons for the increase are outlined in the next paragraph.

A setback from Mother Nature

The Kaikoura earthquake has had an impact on our operations, as we have had to re-direct our Kiwi Experience coaches travelling from Christchurch through Arthur’s Pass to reach the Picton ferry terminal. The pass winds and undulates significantly, and many roadworks are in progress. This has increased fuel consumption and reduced fuel economy on this route. We haven’t yet quantified this, but it will affect our carbon footprint.

Our customer journey footprint

Our carbon footprint (above) does not take into account GHG emissions generated by our customers. Each year we collect odometer data from all our rented motorhomes to track distances travelled by our customers, and we use this data to calculate what we call our “customer journey” carbon footprint.

We measure and track this customer journey footprint separately from our organisational footprint, but we have incorporated it into our Carbon Management Plan so we can work to reduce our substantial customer journey emissions.

In FY17, our customer journey carbon footprint was:

- 13,480 tonnes CO₂e for self-drive customers in New Zealand (166 tonnes CO₂e per $M revenue)
- 16,767 tonnes CO₂e for self-drive customers in Australia (289 tonnes CO₂e per $M revenue)

Our target is:

20% reduction in customer journey emissions by 2025.
(Measured against FY17 levels)

Research and development

To address the impacts of climate change we need to understand more about the issues and be prepared to innovate as a company, and as an industry. We may participate in a two year Waikato Management School study beginning later in 2017. The study, led by Professor Debashish Munshi, will help us develop proactive strategies and a practical action plan for addressing the specific impacts of climate change. It will also explore how we can use our values and the values of our stakeholders to shape and influence our strategy.

The study is outlined as follows:

“...The two biggest drivers of the New Zealand economy are tourism and farming, and the instability in weather patterns is going to affect how they operate. It is going to affect biodiversity, infrastructure, the coastline sea level, beach erosion, storm patterns – when it becomes too unstable, people will be less likely to come here. Some think that is far-fetched but it is changing before our eyes and the tourism industry needs to be prepared.”

Professor Debashish Munshi, University of Waikato.

Source: Tourism Ticker, June 2017
Responsible travel

Responsible tourism for thl goes well beyond GHG emissions. We look at responsible tourism holistically and prepare for the impact a growing tourism industry has on the environment, and on the communities it encounters.

Travelling responsibly means thinking about a wider footprint. How do I as a traveller impact on the environment and community? How should I behave to be respectful and protect the country I am visiting? The question for us is, how do we as a tourism operator help our customers be responsible?

At the forefront of the impact from our travellers, are infrastructure shortages around accommodation and services, freedom camping and visitor driver safety.

We have been actively engaged in all of these spaces for many years and are driving collaboration in the industry to craft solutions to these issues, in order to reduce or eliminate their negative effect on the environment and our communities.

Besides these two very visible parts of responsibility, as transport operators, we also have a direct responsibility to stop the spread of invasive species. These can hide in our vans and coaches (think ants, insects, seeds of plants) and live on shoes/boots (think the devastating kauri dieback fungus).

Historically as a company we haven’t been active in biosecurity, and this year we have committed to getting much more involved.

The bottom line is, thl take responsibility and want to create a culture of responsible travel for and with our customers.

Overview of thl activity on safe driving and freedom camping

<table>
<thead>
<tr>
<th>Year</th>
<th>Event/Programme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Founding member of Responsible Travel Forum</td>
<td>February</td>
</tr>
<tr>
<td>2007</td>
<td>Create first video of visitor safe driving guide</td>
<td>March</td>
</tr>
<tr>
<td>2007</td>
<td>thl/NZTA engagement on Visitor Driver Safety workshop</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>ad establishment of signature programme</td>
<td>April</td>
</tr>
<tr>
<td>2007</td>
<td>Kick off telematics programme in AUS – one key goal: reducing driver related incidents by monitoring and influencing driver behaviour</td>
<td>April</td>
</tr>
<tr>
<td>2007</td>
<td>Safer Journey Forum established</td>
<td>October</td>
</tr>
<tr>
<td>2009</td>
<td>Launch drivesafe.org website with TIA and Jucy</td>
<td>February</td>
</tr>
<tr>
<td>2009</td>
<td>First use of safety alerts to customers during Cyclone Pam</td>
<td>March</td>
</tr>
<tr>
<td>2009</td>
<td>Code of Practice – Rental Vehicle Initiative launch</td>
<td>August</td>
</tr>
<tr>
<td>2009</td>
<td>Implementation of telematics in NZ on 300 trial units</td>
<td>December</td>
</tr>
<tr>
<td>2012</td>
<td>CamperMate app includes legal free camping advice in AUS and NZ and thl will pay fine if this is not correct</td>
<td>February</td>
</tr>
<tr>
<td>2012</td>
<td>In vehicle monitoring systems data project with NZTA</td>
<td>March</td>
</tr>
<tr>
<td>2012</td>
<td>Trial automating freedom camping infringement collection with RTA</td>
<td>December</td>
</tr>
<tr>
<td>2013</td>
<td>CamperMate app includes parkover sites – homes that open up for overnight parking</td>
<td>May</td>
</tr>
<tr>
<td>2013</td>
<td>Milford Explorer Offer – encouraging customers to leave camper at Te Anau and take bus to Milford</td>
<td>July</td>
</tr>
</tbody>
</table>

Visitor driver safety

75% of thl’s rental customers arrive to experience a self-drive motorhome holiday from overseas. Driving in New Zealand and Australia can be very different to driving in their home countries. Even if customers drive on the left-hand side of the road at home, it’s important for them to understand the New Zealand and Australian road rules before they hit the road.

Since 2014, thl has been deeply involved in working with the Visitor Driver Safety Signature Programme lead by NZTA, and the tourism industry’s Safer Journeys forum, to address Visitor Driver safety for both domestic travellers and international visitors.

Through these two structured forums, we have collectively developed an Industry Code of Practice designed to educate visitor drivers before they arrive, when they are on the road.

Our driver safety initiatives include:

<table>
<thead>
<tr>
<th>Initiative and Purpose</th>
<th>Output/Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telematics in all campervan rental fleet in Australia and presently trialled in NZ for road safety.</td>
<td>thl is investing in telematics as a way to influence navigation (driver behaviour), communication, safety, and vehicle problem diagnostics. Provides data on braking, cornering, speed, lane transgressions, sends alerts and notifications to the driver e.g. low bridge approaching, take a break every two hours. Recent audit (two yearly) by RVA and TIA complied with all guidelines in the code of practice. “Very impressed with the systems and processes used to inform international driver” – Jason Hare (auditor, 1 May 2017).</td>
</tr>
<tr>
<td>Telematics installed on core Kiwi Experience bus fleet for road safety.</td>
<td>Provides data about drivers on their braking, excessive speeding, hard cornering, acceleration – individual targets set for each driver. Drivers have to achieve an average score of 0 by driving more efficiently.</td>
</tr>
<tr>
<td>Drive safe questionnaire completion by all drivers in NZ for road safety.</td>
<td>Available in five languages, this must be completed before driving out of the branch.</td>
</tr>
<tr>
<td>Branch and vehicle signage and stickers NZ campervan rental fleet.</td>
<td>Keep left stickers inside the windscreen for constant driver visibility, signage around branch indicating keep left.</td>
</tr>
<tr>
<td>SAFED (Safe and Fuel Efficient Driving) Kiwi Experience.</td>
<td>Drivers have to achieve an annual average score no higher than 0 per 100kms based on alerts.</td>
</tr>
</tbody>
</table>

The initiatives include a dedicated website: www.drivesafe.org.nz, development of safe driving videos, and frontline staff training, so they can have educational conversations with customers, as well as an assessment of their readiness to drive via a ‘driver ready’ questionnaire that all customers complete on arrival. Our Code of Practice compliance is externally audited once a year thl successfully passed its audit last year.

Target:

Implement safety alert systems in all our vehicles that will contribute to safer driving by 2020
Freedom camping

With its diverse and often remote scenery and perceived safe and relaxed lifestyle, New Zealand is one of a handful of countries worldwide that is seen as a perfect freedom camping destination.

Freedom camping is defined in the International Visitor Survey as “Free camping – staying at a place that is NOT an official camp site, in a tent, caravan, campervan / motorhome”. The concept has become something of a politicised issue as numbers have grown in recent years and resources have been stretched. There are good and not so good aspects of freedom camping.

The good

• The number of freedom campers has grown significantly from around 10,000 visitors in the early 2000s, to around 80,000 in more recent years. Even with this increase, freedom campers make up just 2% of the total number of visitors to New Zealand.
• Total spending by freedom campers has increased significantly to around $380M per year. Freedom campers stay longer and spend more money than other visitors; about $3260 a year, or approximately $4,880 per person, on average.

The not so good

Freedom campers are making the news in a negative way. Headlines have included:
• Freeloading freedom campers cost holiday park up to $50,000
• Nelson freedom camping area ‘a mess’.

Councils and other local authorities take an active role to control illegal freedom camping with mixed results. The strategies include:
• bylaws
• total bans
• partial bans where self contained vehicles only are permitted
• provision of basic amenities (either free or for a fee)
• signage.

At thl we are acutely aware of the impact that freedom camping is having on local communities. We are working with industry partners and with councils to find a solution that ensures all travellers to New Zealand can experience our beautiful country in a way that benefits everyone, regardless of their budget. Our initiatives are divided into three streams: awareness, education and direct actions.

Awareness

• All applicable campervans in New Zealand are certified self-contained and we create awareness around what this means and how to use this in a responsible manner.
• All of our customer service crew ensure our visitors are aware of our Safer Journeys customer service guidelines.
• Visiting drivers are often unfamiliar with our roads and driving conditions, and these guidelines offer advice and guidance that can help make their visit a safe one.
• Our customer service staff have a duty of care to these drivers and we ensure they are aware of the guidelines.

Direct Action

• We are a founding member of the Responsible Camping Forum (NZ).
• We partner in the “Leave no trace” Recreational Vehicle Code of Conduct in Australia.
• We are trialling automated freedom camping infringement collection to try and help reduce illegal freedom camping and at least collect the penalties before visitors leave the country. This is in collaboration with the Road Transport Authority.

Zero infringement notices for illegal freedom camping for thl customers by 2020.

Protecting biodiversity

Biodiversity loss is an issue every bit as important as climate change. Australia and New Zealand are both island nations with fragile ecological systems to protect, and as such there is a great focus on biosecurity. Unfortunately invasive species do enter our shores and as transport operators we realise that we have responsibility to prevent these species from spreading further, and an obligation to help eradicate them wherever possible. We have some initiatives to implement in time for our next high demand season.

We will:
• educate our customers on our native species and what threatens them. Also, we’ll explain how they can help whilst trying to spot these species
• implement processes that will limit the spread of pests whilst travelling
• explore bait traps for specific ant species in our vans
• participate in data gathering projects in the areas our travellers pass through
• help local communities with biodiversity projects year round by putting our customers in contact with them. Travellers can then help out whilst travelling around New Zealand and Australia if they choose.

Education

• We promote the Visitor Safe driving video.
• Our CamperMate app points out where it’s legal to freedom camp in New Zealand and Australia, and we pay the fine if we get it wrong.
• CamperMate also has park-over sites in the database – these are private homes where travellers can park for the night.

Target:

1. educate our customers on our native species and what threatens them. Also, we’ll explain how they can help whilst trying to spot these species
2. implement processes that will limit the spread of pests whilst travelling
3. explore bait traps for specific ant species in our vans
4. participate in data gathering projects in the areas our travellers pass through
5. help local communities with biodiversity projects year round by putting our customers in contact with them. Travellers can then help out whilst travelling around New Zealand and Australia if they choose.
Nurturing our crew

Tourism ‘thl style’ is all about offering the best, safest and most welcoming experiences; showcasing all that our destinations have to offer. But we can’t do that without the passion and skills of our crew. Great people are the reason we enjoy a longstanding reputation as a fantastic place to work.

Engagement

Crew engagement and wellbeing are an important part of the thl agenda, and since 2006 we’ve tracked this through a yearly engagement survey.

thl Groupwide Overall Engagement

<table>
<thead>
<tr>
<th>Year</th>
<th>Responses</th>
<th>Response rate</th>
<th>Engaged</th>
<th>Ambivalent</th>
<th>Disengaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1071</td>
<td>81.4%</td>
<td>35.3</td>
<td>49.9</td>
<td>14.8</td>
</tr>
<tr>
<td>2016</td>
<td>730</td>
<td>75.9%</td>
<td>29.7</td>
<td>50.9</td>
<td>19.4</td>
</tr>
<tr>
<td>2015</td>
<td>668</td>
<td>74.1%</td>
<td>29.1</td>
<td>56.1</td>
<td>14.8</td>
</tr>
<tr>
<td>2010</td>
<td>373</td>
<td>60.7%</td>
<td>20.4</td>
<td>60.8</td>
<td>18.8</td>
</tr>
</tbody>
</table>

2017 survey response rate

↑ 81.4% 2016 75.9%

Health & Safety

Health & Safety has always been important for thl, but became a top priority in FY15 with the implementation of a group-wide Health & Safety strategy.

This included:

- setting up an executive Health & Safety Steering Committee
- organizing local Health & Safety committees
- monthly reporting rollout of Ecoportal software (to improve reporting and visibility of our Health & Safety activities across the group)
- employing Health & Safety specialists to implement our plan.

We also initiated awareness sessions, training, skills development and regular reporting. As a result of all these initiatives, thl received tertiary Work Safe Management Practices (WSMMP) accreditation in January 2017.

All of our businesses provide safe working procedures, appropriate safety equipment and relevant training throughout the year. Each local Health & Safety committee reviews and updates the requirements at every monthly committee meeting.

Target:

Zero tolerance for notifiable incidents in our operations by 2020.

Health & Safety Indicators

FY17 Australia and New Zealand

<table>
<thead>
<tr>
<th>Notifiable incidents</th>
<th>LTI reported</th>
<th>Total incidents reported</th>
<th>Near misses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>20</td>
<td>546</td>
<td>119</td>
</tr>
<tr>
<td>Target: 0</td>
<td>Target: 0</td>
<td>Target: 660</td>
<td>Target: 300</td>
</tr>
</tbody>
</table>
Activities
We have many initiatives in place to look after our crew, celebrate success, and have fun in the workplace. They are either groupwide activities, or organised on a business or local team level.

Key examples are noted here.

Groupwide:
- wellness initiatives around stress management
- bi-weekly Google Hangout with Grant Webster, CEO. This is an opportunity to engage directly through asking questions or providing feedback
- regular crew engagement surveys
- DRIVE Star Program which is a monthly groupwide recognition of exceptional crew performance against any of our four values. Each quarter a winner is chosen, and the yearly winner receives NZD$6,000 towards a dream holiday.

Christchurch branch / RVSC:
- fresh fruit for crew and customers
- thermal clothing over winter.

Queenstown branch:
- healthy eating initiative.

Auckland branch:
- Mental Health in the Workplace initiative
- Mental Health Foundation’s “Five Ways to Wellbeing”
- how to have mental health conversations in your workplace.

Beach House and Kiwi Experience:
- free flu jabs
- volunteering activity
- monthly themed activities like biking, walking, waste reduction
- awareness activities around workplace bullying
- office Movember challenge
- multicultural Christmas lunch.

Melbourne:
- fruit provided to the office
- social activities involving exercise - (e.g. barefoot bowls, mini-golf)
- donating superfluous equipment to Salvation Army, (e.g. 550 chairs in 2017)
- office Movember challenge.

Waitomo:
- volunteering days.

Remuneration
In 2016, we committed to a minimum wage review, and in January 2017 we implemented this in New Zealand. Australia operates under awards that already remunerate above minimum wage. The USA review and implementation is planned for FY18. In FY18 thl will apply relativity benchmarking. We’ll establish executive to average FTE pay rate benchmarks, then review those annually, and report back to the Board.

Crew development
As the largest motorhome and rental company in the world, we offer our staff many career options. IT gurus, customer service superstars, or adrenaline junkies, we have a role for them all. All thl positions are advertised internally, so our staff can explore and develop their careers within the company.

We provide all of our people with ongoing support and training; new staff benefit from a comprehensive induction programme. We also select customer service representatives from each branch to attend annual CSR training, which is held in a different location each year.

We encourage all our crew to set up personal development goals as part of their yearly performance management plan, which is then tracked by their manager and Human Resources. In addition to career progression within thl, we also provide opportunities within each role for crew members to develop and take on new challenges.

thl offers a leadership development programme for current leaders as well as future stars. This is a dynamic way to build leadership skills. There are three two-day courses each year. We also encourage training by providing mandatory insight days for those in appropriate roles. On these days a crew member spends time in a different part of the business, usually one related to their own role.

For example an IT developer could spend time with an end user, or a Reservation & Sales crew member could spend time with Accounts Receivable.

Employment breakdown
As tourism is a seasonal business, the number of seasonal temporary staff does fluctuate between high and low seasons (headcount as of 30 June).

<table>
<thead>
<tr>
<th>Location</th>
<th>Permanent Full Time</th>
<th>Permanent Part Time</th>
<th>Temporary/Seasonal</th>
<th>New Employee Hires</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>31</td>
<td>92</td>
<td>148</td>
<td>154</td>
<td>382</td>
</tr>
<tr>
<td>Australia</td>
<td>82</td>
<td>56</td>
<td>4</td>
<td>39</td>
<td>138</td>
</tr>
<tr>
<td>Total</td>
<td>216</td>
<td>166</td>
<td>180</td>
<td>508</td>
<td>382</td>
</tr>
</tbody>
</table>

Employees covered by collective bargaining agreements

Australia: 57%
New Zealand: 59%

As tourism is a seasonal business, the number of seasonal temporary staff does fluctuate between high and low seasons (headcount as of 30 June).
Embracing our communities

Communities are an intrinsic part of the experiences we offer. Our self-drive customers in New Zealand, Australia and the USA travel the length and breadth of these countries, interacting with the people they meet and the landscapes they pass through. The same goes for our Kiwi Experience and Waitomo operations.

From an economic perspective the positive impact is obvious. According to the Ministry of Business, Innovation and Employment annual visitor expenditure in the Waikato region has grown from $75M in 2009, to $116M by May 2017.

thl contributes significantly to this increase, with a growing number of people visiting our guided caving and rafting operations in the area. We attract over 500,000 visitors each year to the Glowworm Caves alone.

We are also one of the largest employers in the region, employing around 200 people each season. This is around 2% of the total Waitomo District population.

That said, higher numbers of visitors has less desirable side effects and this is particularly noticeable during peak season. Pressure on accommodation, water supply, sewage systems, congested roads, the potential for increased littering, and overuse of heritage and environmental sites, all have a negative impact on local communities.

Understanding community impact

While we acknowledge the positive and negative impacts of our operations, we also want to better understand and quantify them. To help us achieve this we’re investigating a number of community impact assessment tools.

We had intended on running a prototype assessment programme in the FY17 financial year, but for operational reasons, we had to delay its implementation. However, we are committed to measuring and managing our community impact, and it is a major objective for the FY18 financial year.

As yet, we have not decided on any specific impact assessment methodology. However, we’re intending to trial Dan Hikuroa’s Quadruple bottom line of People, Planet, Profit & Papatuanuku (called the MauriOmeter) for our Waitomo operations. The results will be shared with the key stakeholders of our Waitomo operations, the owners group, DoC and Iwi.

For Kiwi Experience we’ve conducted small-scale qualitative research with our key partners, via roadshows. Whilst this approach has provided some good insights, we still need a deeper understanding and we intend to invest more resources to get a better picture of the true impact our operations are having.

One of our targets for FY18 is to develop a community impact assessment strategy around the main tourism destinations our Kiwi Experience and self-drive customers pass through.

Target:

Five community impact assessments per country by 2020.

Innovation to reduce our impact

In an effort to reduce negative impact on our communities, we’ve thought about how to deliver community friendly product options wherever we can. So for example, we offer alternative accommodation with a much smaller footprint, otherwise known as ‘glamping’.

Product innovation – Glamping:

Kiwi Experience’s eco-friendly answer to increased demand for accommodation has been to install glamping tents at key locations en route. These glamping tents (glamour meets camping) are a unique way for Kiwi Experience passengers to enjoy the country and sleep under the stars. Where possible, the tents are powered by solar pads. At the end of the season, they are taken down, so we’re leaving nothing but memories.

Community partnerships

To engage effectively with the communities we touch, we’ve developed a number of formal partnerships over the years:

• Our partnership with Waitomo Glowworm Caves is founded upon sustainable use and protection of the cave and its natural environment. The guardianship and management of the Waitomo Glowworm Caves includes partnerships with the commercial leaseholder, the Department of Conservation (DoC) and local Ruapuha Uheke Hapu Trust.

• We are a founding member of the Responsible Camping Forum (NZ).

• We are a founding member of DriveSafe Forum (NZ).

We will be building on these relationships in FY18, and looking to build new partnerships as opportunities arise.
Community support
thl contributes to a number of local and broader community sponsorships across Australia and New Zealand, and has been doing so for several years. We recently reviewed the causes we support and one of our goals for FY18 is to instigate a more effective sponsorship and donation strategy.

Corporate support
Through our self-drive experiences in New Zealand we sponsor the Foundation for Youth Development (FYD), the Oxfam Trailwalker (since 2006), and we also support a number of other charities on a more ad hoc basis, including the Make a Wish Foundation.

At a local level, many of our branches support smaller initiatives, contributing holidays as prizes for charitable auctions at local schools or clubs, or fundraising for national campaigns like breast cancer research and awareness.

In Australia we partner with the Indigenous Tourism Champions Program, we donate our surplus used products such as camping chairs to the Salvation Army, and have several initiatives for local donations to schools and charitable organisations.

Waitomo Caves Group
Community is a key focus for our Waitomo operations, where we support various ongoing community projects and events, such as:

- scholarship funding for cave and karst conservation research by the University of Waikato
- the condensation corrosion project, aiming to better understand the potential impacts of CO2 on cave surfaces from increasing numbers of visitors
- Carol’s in the Cave charitable event, we offer use of the caves as a venue
- gold sponsorship of the Waitomo Caves Sports Day
- sponsorship of the Waitomo Trail run

We have also:

- replaced all plastic bags in our retail outlets (approx. 30,000 pa) with biodegradable corn starch bags
- introduced shared use e-bikes for staff transport between sites (in progress)
- engaged Pare Kore (http://parakore.maori.nz/) to facilitate a new recycling programme (in progress)
- we set up a Givealittle page for the Red Cross New Zealand earthquake appeal
- despite having to remove Kaikoura from our itinerary because of infrastructure issues, Kiwi Experience was keen to support the local community by bringing customers back in as soon as possible, and we teamed up with Hassle-Free tours to provide daytrips back to Kaikoura.

Beyond Kaikoura, our achievements include:

- donating 425 trees to Trees for Survival
- planting 700+ trees with help from Kings School and Auckland Council
- removing 600kgs of waste from Westport beaches since January 2017
- sponsoring St Johns Youth festival by providing a coach and driver
- sponsoring the Hokitika Rugby team with a new team strip
- donating a total of $8,326 to various communities and charities: Red Cross New Zealand, St Johns Ambulance, West Coast Penguin Trust, Kids Can Trust, Forest and Bird, Project Island Song, Wakatipu Reforestation Trust

This list includes initiatives mentioned above and customer donations for collections that were carried out.

- Kiwi Encounter in Rotorua sponsoring six kiwi chicks.

Kiwi Experience
Kiwi Experience has put community collaboration and contribution at the heart of its sustainability efforts. Our response to the Kaikoura earthquake in November 2016 and Kiwi Experience’s efforts to support the community in all its forms, is a great example:

- driver guide Rob Campbell remained in Kaikoura to help the local community and received national media coverage for his efforts (www.tvnz.co.nz/one-news/new-zealand/tour-guide-declines-evacuation-help-kaikoura-locals)
- we set up a Givealittle page for the Red Cross New Zealand earthquake appeal

Beyond Kaikoura, our achievements include:

- donating 425 trees to Trees for Survival
- planting 700+ trees with help from Kings School and Auckland Council
- removing 600kgs of waste from Westport beaches since January 2017
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This list includes initiatives mentioned above and customer donations for collections that were carried out.

- Kiwi Encounter in Rotorua sponsoring six kiwi chicks.
## GRI Index

### GRI Index – General disclosures

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