

TCFD Report 2021

December 21, 2021

Marriott Vacations Worldwide is committed to ensuring that our business is resilient to future impacts of climate change as well as reducing our own carbon emissions and impacts on climate change. We take steps to make sure that we understand the climate-related risks faced by our Company and communicate to stakeholders both those risks and how we propose to mitigate them. This first report, aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework, provides an outline of our activities to date and how we plan to further integrate and prioritize climate-related risks in the future.

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities

Our Board of Directors has overall responsibility for managing climate-related risks and opportunities and is provided with updates on ESG issues at least quarterly, which include climate risk. The different Committees of the Board have specific responsibilities relating to ESG:

| Board of Directors | Nominating & Corporate Governance Committee | Compensation Policy Committee | Audit Committee |
|--|--|---|--|
| <ul style="list-style-type: none"> • Leading sponsor of the Company's ESG program • Responsible for general oversight of the Company's ESG program | <ul style="list-style-type: none"> • Oversee the Company's ESG priorities, objectives, strategy, and performance • Make recommendations to the Board • Oversee climate and other environmental risk and opportunities • Review ESG risks and opportunities with management | <ul style="list-style-type: none"> • Oversee initiatives relative to inclusion, diversity, and other social responsibility matters • Oversee executive officer compensation programs related to ESG matters | <ul style="list-style-type: none"> • Oversee reporting, internal control and disclosure with respect to ESG matters |

The Board of Directors is updated regularly on ESG matters and the Company's ESG programs and activities, which are overseen by the ESG Steering Committee. The ESG Steering Committee is a cross-functional management committee of the Company comprised of C-Suite executives that is responsible for (a) setting general strategy relating to ESG matters, (b) developing, implementing, and monitoring initiatives and policies based on that strategy, (c) overseeing communications with employees, investors and other stakeholders with respect to ESG matters, and (d) monitoring and assessing developments relating to, and improving our understanding of, ESG matters.

The ESG Steering Committee has delegated the day-to-day progress of our ESG activities to the ESG Task Force, which is a cross-functional team of senior-level associates, most of whom have reporting relationships with members of the ESG Steering Committee.

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STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

We have identified a range of physical and transition risks and opportunities. Our identified risks and opportunities may change or expand in the future.

Physical risks

- The effects of climate change, such as increased severity and frequency of extreme weather events such as earthquakes, wildfires, floods and windstorms and rising sea levels, may increase the risk of property damage and related insurance costs or lead to a decrease in our insurance coverage levels.
- Disasters and the physical effects of climate change, such as more frequent or severe storms, droughts, hurricanes, and flooding, may change the desirability of the destinations where our resorts are located or cause travelers to delay or cancel travel plans and could result in reduced occupancies, fewer sales tours or lower contract sales at our Vacation Ownership resorts.

Transition risks

- Regulatory changes as a result of climate change may impact how we operate our business, including, but not limited to, how we build and manage our resorts. Differences in local, regional, and global requirements and incentives may make it more complex to operate our business.
- Our reputation may be damaged if we do not take action to address climate change as expected by our shareholders, associates, owners, members, and guests.

Opportunities

- We may have increased market opportunities for more sustainable products as consumers become more eco-conscious.

We also aim to gain an understanding of how the earth warming by a 1.5 degree Celsius or less scenario will impact our business.

RISK MANAGEMENT

Disclose how the organization identifies, assesses and manages climate-related risk

Marriott Vacations Worldwide's Internal Audit department conducts an Annual Enterprise Risk Assessment. The process identifies the top business and emerging risks facing the Company, including climate-related risks and opportunities. Risks are reviewed annually by top executives across the Company and the Board of Directors. Risks are ranked according to significance and likelihood of occurrence and information is gathered about risk indicators and mitigation efforts. The results of this process are reported to the Board of Directors and reviewed annually by key executives. Marriott Vacations Worldwide's processes for identifying and assessing climate-related risks are integrated into our multidisciplinary company-wide risk management process. As we have more information about the implications of climate-related risks to our business, we will look to further mitigate them through our business strategy, financial planning and risk management processes.

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In 2021, we performed a portfolio sustainability risk assessment (physical risk assessment) that allowed us to better understand our exposure to climate, water, biodiversity and socio-economic risks. This was supplemented by identification of further transition risks to our business as outlined above.

Acute physical climate-related risks, such as severe weather events, are updated annually through our company-wide approach to business continuity planning, including risk identification, readiness, response and recovery relative to operational disruptions. Additionally, Resort Operations actively engages with Insurance Risk Management and related external insurance company, construction and disaster readiness partners to evaluate and address climate-related risks to Vacation Ownership properties under Marriott Vacations Worldwide's management and to develop strategies, programs, and training to promote climate resilience across our global portfolio of properties. Our business model generally reduces our climate change-related risk to physical assets because the risks and rewards of vacation ownership interests are transferred to the customer at time of sale. Our exposure is generally limited to the unsold portion of Vacation Ownership inventory, Company-owned ancillary businesses and business interruption in the event of property loss.

Potential risks associated with our products and services, supply chain and resort operations have been integrated into our business strategy, operational initiatives, and planning process through our Business Continuity programs and associated disaster response plans. In addition, third-party loss control partners are engaged to conduct a specified number of annual inspections at our Vacation Ownership resorts, which identify potential action plans for property and site improvements, including actions that mitigate acute, physical climate risks.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

The metrics we intend to use to disclose climate-related risks include:

Energy

- Total Energy Consumption (kilowatt hours)
- Total Direct Energy Consumption (kilowatt hours)
- Total Indirect Energy Consumption (kilowatt hours)
- Energy Consumption per square foot (kilowatt hours)
- % Energy from Renewables

Greenhouse Gas Emissions

- Total Greenhouse Gas Emissions (kg CO₂e)
- Total Scope 1 Emissions (kg CO₂e)
- Total Scope 2 Emissions (kg CO₂e)
- Greenhouse Gas Emissions per square foot (kg CO₂e)

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Water

- Total Water Consumption (kilogallons)
- Water Consumption per key occupied (gallons)

Waste

- Waste Generated per key occupied (pounds)
- Non-diverted waste per key occupied (pounds)
- Waste Diversion Rate (%)

| Greenhouse Gas Emissions | 2017 | 2018 | 2019¹ | 2020 |
|---|-------------|-------------|-------------------------|-------------|
| Total Greenhouse Gas Emissions (kg CO ₂ e) | 121,321,220 | 130,127,042 | 217,615,348 | 177,631,056 |
| Total Scope 1 Emissions (kg CO ₂ e) | 22,899,001 | 25,120,343 | 48,354,440 | 47,091,248 |
| Total Scope 2 Emissions (kg CO ₂ e) | 98,422,219 | 105,006,700 | 169,260,907 | 130,539,808 |
| Greenhouse Gas Emissions per square foot (kg CO ₂ e) | 5.21 | 5.42 | 5.79 | 4.73 |

Greenhouse Gas Emissions based on managed Vacation Ownership resorts. Excludes Vacation Ownership resorts for which property management is subcontracted to a third-party. Also excludes Welk Resorts, which the Company acquired in 2021.

In 2021, we have instituted a company-wide approach to environmental data collection and management, and it is our intention to set goals related to climate risks, including energy, water and greenhouse gas intensity in 2022.

¹ Data from 2019 onwards includes ILG properties acquired in 2018