



**betterholidays  
betterworld**  
2016 SUMMARY REPORT

# Outline of Sustainable Development Goals & significance for TUI

Responsible tourism can be a powerful force for good—boosting economies, creating employment and enhancing cultural understanding. Through our core business, Better Holidays, Better World 2020 (BHBW) strategy and the work of TUI Care Foundation, we want to find innovative ways to create thriving destination communities along with unique and memorable holidays.

Launched in 2015, the UN Sustainable Development Goals (SDGs) are a helpful ‘big picture’ way to view our impact and the contributions we make to a better world. In 2016, we reviewed our activities against the goals and plan to use them as a benchmark in the future to assess our initiatives.

Sustainable tourism is specifically mentioned in three of the goals—SDG 8 on decent work and economic growth, SDG 12 on sustainable consumption and production, and SDG 14 on life below water. The SDGs were an important factor in the development of the TUI Care Foundation—our primary platform for funding initiatives—and will inform our strategy going forwards.

As well as these core goals, important issues for TUI include water, CO<sub>2</sub> emissions and sustainable fuels, modern slavery, human rights, gender pay and animal welfare.

Here are just some of the ways we contribute to the 17 goals:

Tourism skills for disadvantaged youth in Dominican Republic	2000 new apprenticeships by 2020 in TUI UK in addition to 500 positions each year in Germany and over 250 in the Netherlands and Belgium	Award-winning triple use water desalination at Robinson hotels in Majorca and Maldives	Microalgae production in Bonaire as part of our sustainable aviation fuels strategy	International recruitment programmes				
1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	SUSTAINABLE DEVELOPMENT GOALS 
Work with Global Sustainable Tourism Council recognised certifications such as Travelife to safeguard hotel working conditions	Support for sustainable agriculture programmes in Turkey, Crete and Lanzarote	Worldwide beach cleans, turtle protection projects	Carbon intensity reduction targets across all TUI's business operations	Partnering via TUI Care Foundation with many NGOs on projects				



## FRITZ JOUSSEN

CHIEF  
EXECUTIVE  
OFFICER,  
TUI GROUP

# Welcome to this snapshot of our Better Holidays, Better World report 2016.

As the world's biggest tourism company, TUI is committed to being a leader in our sector. This means rising to the challenge of meeting the ambitious shared agenda set out in the UN Sustainable Development Goals (SDGs) by continually finding better ways of doing things.

Including Care More in our strategy is one example of this commitment to improvement. Having launched three strategic focus areas in 2015 (Step Lightly, Make a Difference, and Lead the Way), this fourth pillar focuses on our employees. It's about making TUI the best place to work which goes hand in hand with providing our customers with unique and memorable holidays.

This year—the second of reporting against our Better Holidays, Better World (BHBW) strategy—two highlights stand out for me. The first was our TUItogether employee survey results placing us in the 'high performer' businesses category against benchmarks for colleagues view of TUI as an environmentally responsible company and bringing us into line with the world's best companies. We also scored better on colleague engagement (up 4 points to 77),

showing we're on-track to create an environment where employees thrive.

The second was our performance in Investor Indices: we were named industry leader by the Dow Jones Sustainability Index (DJSI). We also made it onto the Climate A list of the Carbon Disclosure Project and were ranked among Europe's most efficient airlines. There's a lot more we can do to meet sustainability challenges, but receiving these honours is an important benchmark that shows we're on the right path.

One area where we fell short was our 2020 commitment to cut carbon emissions by 10%. For the first time in eight years progress stalled, leaving us 1.2% up on the previous year. Changes in airline occupancy levels due to overnight route changes caused by security incidents contributed to this. As Europe's most carbon-efficient airline fleet, we will continue to drive for emissions reductions, explore sustainable fuels and help in develop a uniform global solution to this significant sector challenge.

In 2017 we are excited about the continued evolution of the TUI Care Foundation. Through the Foundation we have already seen our capacity to bring change and opportunity to our destinations enhanced. Now that funding is secured for a range of fresh initiatives in 2017 that trend looks set to continue. As a company committed to 'Lead the Way', TUI will remain at the forefront of that movement by addressing global sector challenges and the things that matter to our stakeholders

**Fritz Jousen,**  
Chief Executive Officer, TUI Group

## About this report

This snapshot presents selected highlights of TUI Group's progress between 1st October 2015 and 30th September 2016 on the four pillars of the Better Holidays, Better World 2015-2020 strategy. It draws from our full report, available at [www.tui-sustainability.com](http://www.tui-sustainability.com). This summary includes data and progress on activities from businesses owned or controlled by TUI Group. For details of our progress as signatories to the 10 principles of the UN Global Compact and statement on modern slavery, please see the full report.

TUI Group's sustainability strategy includes four pillars:



step  
lightly

how we are reducing the environmental impact of holidays.



make  
a difference

our positive impact on people and communities.



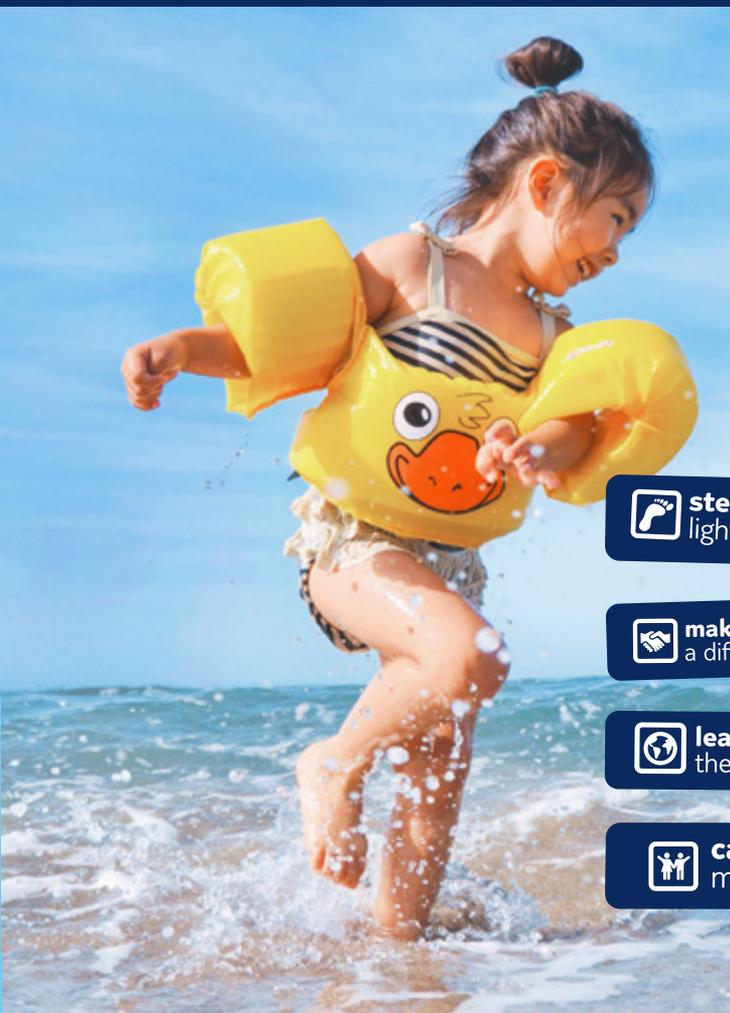
lead  
the way

in pioneering sustainable tourism.



care  
more

building the best place to work.





// **The renewed focus of the business on efficiency and greater centralisation will help in driving emissions down."**

John Murphy,  
Director Airline Operations,  
TUI Airlines



**HIGHLIGHTS**

**REDUCING ENVIRONMENTAL IMPACT**

€67 million saved through environmental efficiencies since 2012

TUI Airlines continue to be up to 30% more efficient than the industry norm

4.1% reduction in CO<sub>2</sub> emissions per cruise passenger night compared with 2015

TUI fly Germany and Thomson Airways ranked #1 and #2 most efficient charter airline in the 2016 global atmosfair index

**OUR COMMITMENT**

We will operate Europe's most carbon-efficient airlines and reduce the carbon intensity of our operations by 10% by 2020

**PROGRESS AGAINST 2020 COMMITMENTS**



**ALIGNMENT WITH UN SDGS**



**OUR IMPACT**

5 tour operator airlines | 140 aircraft | 14 cruise ships | 180 destinations | 1,600 stores | > 300 group-owned/managed hotels

**TOP LINE KPIs AND PROGRESS\***

**We will reduce TUI Airlines' carbon emissions per passenger km by 10%**

In 2016 carbon emissions per passengerkm were 66.8g CO<sub>2</sub>, an increase of 1.2% compared with 2015 (66g) but nonetheless a 1.2% reduction against the 2015 baseline.

**We will reduce carbon emissions per cruise passenger night by 10%**

In 2016, carbon emissions per cruise passenger night were 110kg CO<sub>2</sub>, a 4.1% reduction compared with 2015 (114kg)

\*For full detail on our KPIs and progress in 2016 please go to [www.tui-sustainability.com](http://www.tui-sustainability.com)



**// The key to this success is our relationship with our suppliers."**

**Garry Wilson, Managing Director Product and Purchasing**



**HIGHLIGHTS**

**CREATING POSITIVE CHANGE**

6.3 million 'greener and fairer' holidays in 2016 (in hotels with sustainability certification)

77% of TUI group-owned/managed hotels had sustainability certifications

846,000 TUI Collection excursions with sustainability at their heart

1,170 hotels certified to a Global Sustainable Tourism Council recognised certification standard

**OUR COMMITMENT**

We will deliver 10 million greener and fairer holidays a year by 2020, enabling more local people to share in the benefits of tourism

**PROGRESS AGAINST 2020 COMMITMENTS**



**ALIGNMENT WITH UN SDGS**



**OUR IMPACT**

**20 million customers | 67k employees | 180 destinations | >300 group-owned/managed hotels | 214,000 beds**

**TOP LINE KPIs AND PROGRESS\***

**All hotels in our tourism business portfolio will subscribe to credible sustainability certifications**

We have delivered 6.3 million 'greener and fairer' holidays and have the equivalent of 1,170 hotels certified to a Global Sustainable Tourism Council standard.

**Our destination management companies and excursions will meet our sustainability standards**

Our customers went on 846,000 TUI Collection excursions in 2016, up 30% on 2015. There are 170 TUI Collection excursions in 41 destinations. These excursions are selected against unique, local and sustainability criteria.

TUI has also included a sustainability component to our contract with all destination management companies outlining TUI's minimum standards of sustainability expected in relation to the provision and operation of transportation, excursions and destination handling services for TUI customers and destination operations.

\*For full detail on our KPIs and progress in 2016 please go to [www.tui-sustainability.com](http://www.tui-sustainability.com)



// **Tourism is a key development driver in many countries around the world."**

Thomas Ellerbeck, Member of the Group Executive Committee  
Director Corporate & External Affairs

 **lead the way**

**HIGHLIGHTS**

**PIONEERING SUSTAINABLE TOURISM**

€6.6 million raised for research and good causes

Supporting 41 projects in 20 locations to date through the TUI Care Foundation

Funds raised for research and good causes up 22% year-on-year

**OUR COMMITMENT**

We will invest €10 million per year by 2020, to support good causes and enhance the positive impacts of tourism, using the TUI Care Foundation to support this work

**PROGRESS AGAINST 2020 COMMITMENTS**



**TOP LINE KPIs AND PROGRESS\***

**We will collaborate on initiatives to scale up sustainable aviation fuels**

In the past year sign-off has been given to a research centre costing €30,000 and providing 20 local jobs and will be built as part of our AlgaePARC sustainable fuels initiative in Bonaire.

**We will invest in empowering young people, protection of the natural world and innovative projects that support thriving destinations**

Funding for projects reflecting the three key focus areas is now agreed for 2017.

**ALIGNMENT WITH UN SDGS**



**OUR IMPACT** .....

**€10 million investment target | 100% of donations go to projects**

\*For full detail on our KPIs and progress in 2016 please go to [www.tui-sustainability.com](http://www.tui-sustainability.com)



**“Contented employees create unique holidays.”**

Dr. Elke Eller, TUI Group  
HR and Labour Director



**HIGHLIGHTS**

**BUILDING THE BEST PLACE TO WORK**

Colleague engagement score of 77 (+4 points on 2015)

18.8% of employees working part time

Women in 29.4% of managerial positions

**OUR COMMITMENT**

We will achieve a colleague engagement score over 80 – aligning us with the top 25 global companies – by 2020

**PROGRESS AGAINST 2020 COMMITMENTS**



**ALIGNMENT WITH UN SDGS**



**OUR IMPACT**

**67,000 employees | 11 source markets | 180 destinations**

**TOP LINE KPIs AND PROGRESS\***

**Employee engagement score aligned with ‘high-performing companies’**

In 2016, 77% of employees participated in the TUItogether employee survey. The score was 77 compared with 73 last year. Over 80 is the ‘high-performing company’ score that we are targeting.

**Leadership team reflective of the diverse nature of our business**

The proportion of women in leadership positions decreased slightly from 31.3% to 29.4%. However, the percentage of women on the Supervisory Board at TUI AG stands at 35%. While the largest group of employees is between the ages of 21 and 30, more than 13,600 are over 50 years of age.

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Tourism is much more than sun, sea and sand. For many people in the world it is the key to a more secure and prosperous life. But tourism also brings challenges for man and nature. At TUI Care Foundation we want to strengthen the positives that tourism brings and find solutions to the challenges, in line with the 'Lead the Way' pillar of our TUI Better Holidays Better World 2020 strategy.

Thomas Ellerbeck,  
Chairman of the Board of Trustees, TUI Care Foundation



Established in 2015 as the independent philanthropic charitable arm of TUI Group, TUI Care Foundation this year evolved its commitments and collaborated with destinations in three specific areas: education and training initiatives for young people; protection of the natural environment; and sustainable livelihoods in thriving destinations where local communities can benefit from tourism.



Second meeting of the Advisory Committee, Dalaman, September 2016

#### During 2016, the Foundation:

- Launched an interactive portal for potential partners to more easily approach the Foundation with funding proposals
- Set up an Advisory Committee comprising personnel from across TUI Group
- Approved funding for a number of global initiatives across its three focus areas.

In addition to these focus areas, TUI Care Foundation allocates funds for emergency relief where needed.

# Some of the projects funded by TUI Care Foundation in 2016:



In Curaçao children are learning about environmental conservation and waste recycling thanks to Greenkidz Curaçao. Five schools participated in the 2015 pilot, rising to 15 in 2016 and 30 schools are anticipated for 2017. Over the three years of the project it is anticipated the initiative will reach 8000 children.



In Lanzarote Grevislan is employing people with learning disabilities in organic grape cultivation.



In the Dominican Republic child protection organisation Plan is training 150 young women and men for roles in the tourism sector through the TUI Academy.



In Zanzibar non-governmental Kawa Training Centre has certified around 30 students as tour guides with 80% finding permanent positions



In Namibia an 'introduction to hospitality' initiative for 20 young women at the National Football Association Girls Centre in Windhoek provided a first step towards employment in the growing tourism sector in Namibia.





For more information about sustainability at TUI Group, visit: [www.tui-sustainability.com](http://www.tui-sustainability.com)

**Contact:**  
Jane Ashton  
Director of Sustainability  
TUI Group  
[sustainability@tui.com](mailto:sustainability@tui.com)

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