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About this Non-Financial Group Declaration

For TUI Group, sustainability covering all three areas of economic, environmental and social sustainability is a fundamental management principle. We firmly believe that sustainable development is critical to long-term economic success.

In the sections below, TUI AG presents a Non-Financial Group Declaration for TUI Group that combines aspects and reporting on the following key issues: environmental matters, employee matters, social matters, respecting human rights, and information on integrity and compliance. Pursuant to section 315b para. 1 sentence 3 of the German Commercial Code (HGB), we also refer, in a number of respects, to non-financial disclosures found in other parts of the Group Management Report. In addition to the Group's fully consolidated subsidiaries, this non-financial statement also includes companies recognised at equity, in particular in the TUI Hotels & Resorts sector and TUI Cruises.

A materiality assessment performed in the financial year under review generated insights into the risks and opportunities relating to sustainability. The ESG-related positions and views derived from a survey among internal experts were consolidated into a list of key topics. The findings did not give rise to any substantial changes in our reporting approach for the Non-Financial Group Declaration.

We identified the following aspects scoring highest in the Environment, Social and Governance categories:

- Environment: emissions, creation of sustainable holiday products, energy sources and efficiency, sustainable procurement, destination development, waste and circularity
- Social: human rights, diversity, equality and inclusion, talent acquisition, fair pay, occupational health and safety, positive employee experience
- Governance: supply chain management, fair business relationships and integrity, corporate citizenship, crisis management, business continuity

Nevertheless, in developing our TUI Sustainability Agenda, we also include topics with lower materiality scores, so as, for instance, to reflect the future relevance of specific topics such as biodiversity management.

We describe our risk management system and the principal risks associated with our business activities, our business relationships and services as well as the principal sustainability risks in our Risk Report from page 35. Following a climate risk analysis carried out across the Group, our risk reporting was expanded to include more detailed information on the impact of climate change on TUI.

APPLIED STANDARDS AND SUSTAINABILITY INDICES

Our reporting reflects the principles of the UN Global Compact, which TUI signed up to in 2014. Our sustainability activities are also aligned with the UN Sustainable Development Goals (SDGs).

In 2023, TUI participated in the CDP Climate Change Programme and in the S&P Dow Jones Sustainability Index Assessment and engaged in dialogue with other ESG researchers. For the first time, TUI AG's rating was upgraded to 'Prime Investment' by ISS ESG.

SPECIFIC CO_2 EMISSIONS OF OUR AIRLINES AS A KEY NON-FINANCIAL PERFORMANCE INDICATOR

We regard specific CO_2 emissions (in g CO_2/rpk) of our aircraft fleet as a key non-financial performance indicator.

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DISCLOSURES PURSUANT TO EU TAXONOMY REGULATION (2020 / 852)

This Group Declaration includes disclosures on whether and to what extent TUI Group's operations include economic activities to be classified as Taxonomy-eligible or Taxonomie-aligned under the EU Taxonomy Regulation (2020 / 852).

LIMITED ASSURANCE ENGAGEMENT ATTESTATION

The present Non-Financial Group Declaration was not included in the audit of the annual financial statements. It was subject to a limited assurance engagement in accordance with ISAE 3000 (revised).

See page 295.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

As a company listed in the Premium Segment of the Main Market of the London Stock Exchange, we are required pursuant to Listing Rule LR 9.8.6 to make disclosures in relation to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

The section from page 134 summarises the extent to which TUI Group complies with the TCFD's recommendations. These disclosures are not part of this Non-Financial Group Declaration.

Governance and sustainability management

For TUI Group, sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our Company. Global responsibility for economic, environmental and social sustainability is at the core of our corporate culture.

Disclosures on the business model

TUI Group is an integrated tourism group operating globally. TUI Group's business model is outlined in detail from pages 24 and 28 onwards in this Annual Report in accordance with section 315c para. 1 in conjunction with section 289c para. 1 HGB.

TUI Group has a governance structure in place that ensures that sustainability issues, along with climate-related risks and opportunities, are assessed and actioned at all levels. The Group Executive Committee (GEC) manages TUI's business strategically, it sets the Group's strategic direction and long-term objectives for sustainable development and signed off the Group's Sustainability Agenda, published in February 2023. It defines the global framework for TUI's sustainability activities.

A team of experienced sustainability professionals are working in close collaboration with management to ensure that TUI's business and sustainability activities areas are closely aligned. The Group Sustainability Director heads up the Group Sustainability team, and reports to the Chief Sustainability Officer (CSO) who sits on the GEC.

The role of our sustainability team is to drive implementation of the Sustainability Agenda across TUI Group and along its supply chain. The GEC is regularly updated on our performance in delivering the Sustainability Agenda and tackling other key sustainability issues. Regular meetings are also held with the Risk Oversight Committee (ROC) to review sustainability risks.

Sustainability Governance



TUI Sustainability Agenda

TUI Group's Sustainability Agenda, developed in the past few reporting periods by TUI's international sustainability team, was published in February 2023. New priorities and strategic directions for TUI's global sustainability activities were drawn up in consultation with internal and external stakeholders, taking account of current challenges, global scenarios and mechanisms such as the EU Green Deal.

We engaged in direct dialogue with our stakeholders and participated in industry initiatives to discuss expectations as well as existing and future challenges in relation to sustainability issues, and these have been incorporated into our sustainability activities. The Supervisory Board, Executive Board, Group Executive

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Board and employee representatives were regularly involved in the development of the Agenda by means of individual and group presentations. We also discussed specific topics with associations and interested stakeholders. We have continued to foster this dialogue since publishing our Agenda in order to ensure that we focus on the most important issues and adopt relevant future topics at an early stage.

Our Sustainability Agenda builds on tourism as a force for good. Together with our partners we continue to promote the positive effects of tourism on local communities, reduce our ecological footprint and create more sustainable holiday products for our guests.

OUR MISSION

"We are mindful of the importance of travel and tourism for many countries in the world and for the people living there. We partner with these countries and other stakeholders to actively shape a more sustainable future for tourism."

TUI's ambition is to actively shape a more sustainable future for tourism in all three dimensions of sustainability – social, environmental and economic. We use our scale and influence for the sustainable transformation of the tourism industry. We understand sustainable transformation as an opportunity.

Our Agenda is founded on three priorities: We aim to empower people in the destinations and TUI employees to drive the sustainable transformation actively (People). We aim to reduce TUI's ecological footprint (Planet). We aim to partner with others to launch initiatives for the sustainable transformation of our sector (Progress). Our three P's – People, Planet and Progress – are supported by 15 focus areas with key goals, objectives and initiatives. Our Sustainability Agenda seeks to address the major challenges we will face in the coming decades, in particular climate change. For more details on the three P's, please refer to the table below.

Our targets include achieving net-zero emissions across our own operations and in the supply chain by 2050 at the latest, setting near-term science-based targets for emission reduction, becoming a circular business and enabling around 20 million customers a year to make sustainable holiday choices (from 2030).

Our Sustainability Agenda supports the United Nations' Sustainable Development Goals (SDGs) 17 global goals to fight inequality, end poverty and protect our planet by 2030 – and defines appropriate measures to contribute to their achievement. The tourism value chain is closely linked with many different sectors. This enables us to influence progress on many SDGs, with a particular focus on 13 of these goals.

TUI Sustainability Agenda



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People – Empowering to drive development

In many parts of the world, tourism is one of the key driving forces for development and prosperity. It creates employment, provides education and drives social and environmental standards. We aim to ensure that local people and communities benefit from tourism and local supply chains. Our employees are empowered to play a crucial role in this because we offer the skills and knowledge they need for a sustainable transformation of the tourism industry.

CONTRIBUTION TO THE SDGS



TUI SUSTAINABILITY ACADEMY AND TRAINING PROGRAMMES

We seek to provide our colleagues with the knowledge and skills required to become sustainability change-makers. One of our tools is the digital TUI Sustainability Academy learning platform. It offers insights into a wide range of sustainability topics, from energy and fuels to social impacts and the circular economy. The launch of TUI's Sustainability Agenda includes training sessions designed to familiarise our employees with the core content of the strategy so that they can apply it more easily to their respective areas of work. Some elements of the training courses are adapted to a specific business area and market, enhancing the relevance and integration. By 2025 we hope to deliver our employees 25,000 hours of training a year on sustainability issues. We intend to start our reporting in FY24.

GERMAN SUPPLY CHAIN DUE DILIGENCE ACT

Protecting human rights and environmental standards across supply chains is the focus of the new German Supply Chain Due Diligence Act (GSCA), which entered into force on 1 January 2023. For TUI, it applies to our own business, TUI suppliers and the wider supply chain, both in Germany and worldwide. An internal GSCA Steering Group has been established to manage the introduction and integration of the Act within the Company. In the financial year under review, the focus was on the development and implementation of risk analyses, training programmes, preventative and corrective measures and the adjustment and updating of policies and reporting processes. These activities build on the work already delivered by TUI to protect human rights and the environment and support preparations for the EU Due Diligence Directive.

More detailed information on TUI's Human Rights Policy Statement at https://www.tuigroup.com/damfiles/default/tui-group-15/en/sustainability/msa/msa-download-statements/TUI-Human-Rights-Policy-Statement-and-Framework_final.pdf-8d907708399b58b9232f73cf5224d1e0.pdf or https://www.tuigroup.com/damfiles/default/tuigroup-15/en/sustainability/msa/msa-download-statements/Policy-Statement_Human-Rights-Framework_TUI-Deutschland-GmbH_EN_signed.pdf-a123f16e1f2b3eedd31ded408f4d0d45.pdf

RESPECTING HUMAN RIGHTS

In accordance with applicable laws, conventions and regulations, TUI Group commits to respecting all internationally proclaimed human rights as specified in the International Bill of Human Rights and expects its suppliers and business partners to do so, too. We have a number of policies and initiatives in place to monitor, identify, mitigate and prevent human rights impacts in line with the UN Guiding Principles on Business and Human Rights, and will take remedial action where necessary.

- TUI signed up to the UN Global Compact in 2014. TUI Group has thus committed to aligning its activities to principles in the fields of human rights, labour standards, environmental protection and anti-corruption.
- TUI signed the UN World Tourism Organisation (UNWTO)'s Global Code of Ethics in 2012.
- Our Global Employment Statement focusses on fair and respectful dealings with employees at all levels and compliance with applicable law and industry standards.
- Our Employee Code of Conduct, the Integrity Passport, commits us to respect and observe human rights. Colleagues are encouraged to report any wrongdoing via the Speak Up Line.
- Our Supplier Code of Conduct sets out the minimum standards we expect from our suppliers, covering human rights and labour laws, anti-bribery and anti-corruption, environmental impacts and support for local communities.
- We expect our hotel partners to implement sustainability certifications recognised by the Global Sustainable Tourism Council (GSTC)* comprising standards for human rights, child protection and social welfare. We also apply the GSTC Criteria to our experiences programme. In FY22 we started certifications of the TUI Collection portfolio and extended this process in FY23 to further excursion programmes we offer.
- Our in-house child protection policies include information for our colleagues on 'voluntourism'.
- Our Human Rights Policy Statement, published on TUI's website, sets out our activities and measures implemented in our business operations and our supply chain to prevent human rights violations.
- We continue to provide e-learning modules on human rights and child protection, which we regularly update to reflect changes in framework parameters. Airline crews in the UK, Nordics and Germany receive Vulnerable Children and Human Trafficking training programmes as part of their induction so that they can spot human trafficking and take action. All staff working for TUI Musement have to complete the Human Rights and Child Protection modules every two years. A global training programme for TUI employees was being rolled out in the period under review.

*TUI requirement for hotel partners with more than 80 rooms and TUI occupancy rate > 10 %.

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SUPPORTING THE TUI CARE FOUNDATION

One of our initiatives aimed at making a difference in the destinations is the foundation set up by our Group, which draws on tourism as a force for good to improve the lives of young people, preserve the natural environment and support local communities in their development.

With over 40 projects in 25 countries, the TUI Care Foundation focuses on the special needs of individual destinations, supported by TUI's customers. The foundation carries out projects in the fields of education, community empowerment, natural landscapes and marine conservation. Examples include projects for marine conservation in Bali, vocational training at the TUI Academy for disadvantaged young people in Cape Verde, campaigning against plastic waste in Cyprus and Zanzibar, and support for local communities in transitioning to sustainable, regenerative agriculture.

In June 2023, the government of Cape Verde, TUI Group and the TUI Care Foundation signed a Memorandum of Understanding entitled 'Tourism for Development' as a basis for cooperation between the parties in promoting the sustainable development of tourism in the Cape Verde islands. The focus is on strengthening local supply chains, expanding educational programmes about the environment and sustainable tourism, and promoting renewable energies.

For more information on the TUI Care Foundation, please refer to www.tuicarefoundation.com

Planet – Reduce our footprint

CONTRIBUTION TO THE SDGS



We are working to reduce the ecological footprint of travel and increase environmental performance in our industry. We aim to achieve net-zero emissions in our operations and along our supply chain by 2050 and considerably reduce our environmental impact in the fields of water, energy and waste. We are also reporting the first strategic and operational steps taken in this context. In order to protect our planet, we are planning to change how we use natural resources and to become a circular business.

VOLUNTARY CLIMATE COMMITMENTS

Climate change is a pressing global challenge. For 30 years, we have been committed to reducing our environmental impacts. We are linking these activities closely to science-based findings.

We have therefore joined the Science Based Targets initiative (SBTi), committing to implement emission reductions on the basis of the latest findings in climate science. The SBTi is a global initiative enabling businesses to set ambitious emission reduction targets in line with the Paris Agreement goals to fight the effects of global climate change. The SBTi is a joint initiative of the Carbon Disclosure Project (CDP), the United Nations' Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

In accordance with the SBTi methods, emissions from TUI Group's airline, cruises and hotels account for 99 % of our emissions. Roadmaps for a significant reduction in emissions have been drawn up for each of our three business areas.

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The emission reduction targets for our own aircraft, cruise ships and hotels to be achieved by 2030 were submitted to the SBTi for final review and were officially recognised and validated by the SBTi. Intensity and absolute targets have been submitted:

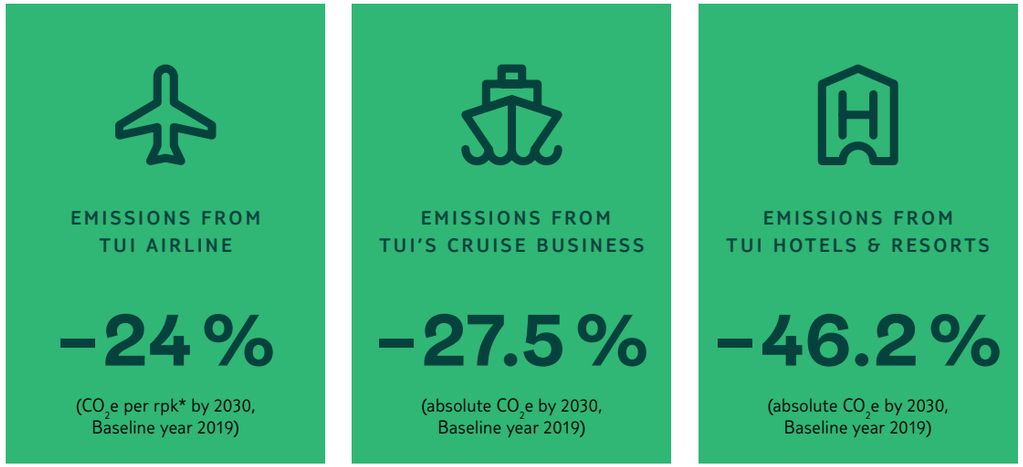
- Reduction of CO_2e-Emissions per Revenue Passenger Kilometer from TUI Airline –24 % by 2030[1]
- Reduction of absolute CO_2e-Emissions from TUI's cruise business –27.5 % by 2030[1]
- Reduction of absolute CO_2e-Emissions from TUI Hotels&Resorts (owned) –46.2 % by 2030[2]

[1] Base year 2019. Target level: well below 2°C. CO_2e = CO_2 equivalents. In addition to carbon dioxide (CO_2), these take into account the other five climate-impacting greenhouse gases according to the Kyoto Protocol: Methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). TUI Group's commitments to achieve science-based targets also include well-to-wake emissions for our aviation and cruise activities (emissions from aviation and marine fuels, Scope 1 and Scope 3, Category 3).

[2] Base year 2019. target level: 1.5°C. For our hotels, the SBTi commitment includes emissions from all energy sources plus gases from refrigerants (Scope 1 and 2).

Airline, cruise and hotel GHG emissions figures published in the FY23 Non-Financial Group Declaration do not match the scope, boundaries or reporting methodology of our science-based targets. Therefore inferences of progress towards achieving SBTs based on figures in this or previous Non-Financial Group Declarations should not be made.

Our reduction targets



* rpk = Revenue Passenger Kilometers (RPK) or Revenue Passenger Miles (RPM) is an aviation industry metric that indicates the number of kilometers traveled by paying passengers.

ACTIVITIES AT OUR BUSINESS LOCATIONS

We are committed to reducing the environmental impact of our administrative buildings. The TUI Campus in Hanover will be supplied with electricity generated by a photovoltaic system. The array und construction in FY23, which will occupy 7,350 m² and have a maximum output of 1.6 megawatts , is a significant step towards reducing emissions on site. In addition, 40 e-charging stations were under construction in the financial year under review in order to promote sustainable mobility.

OUR CURRENT FOOTPRINT

In financial year 2023, TUI Group's total absolute emissions were largely stable year-on-year at an increase of 1 %. In aviation, emission reductions were due to the sale of the stake in Sunwing in March 2023. We did not adjust the FY22 data. In Cruises, the increase was driven by the continued recovery of business after the COVID-19 pandemic and the inclusion of our river cruises segment in reporting. Scope 3 emissions reflect the expansion of the reporting framework, in particular due to the inclusion of WTT (well-to-tank) emissions from marine cruise fuel and jet fuel.

Carbon dioxide emissions (CO_2)

tons	2023	2022	Var. %
Airlines	4,218,553	4,331,628	–2.6
Cruises	899,790	762,942	+17.9
Hotels	805,541	767,049[1]	+5.0
Major premises / shops	14,890	14,251	+4.5
Ground transport	14,413	13,144	+9.7
Scope 3 (indirect emissions from TUI's value chain)[3]	1,239,493	1,232,804[2]	+0.5
Total	**7,192,680**	**7,121,818**	**+1.0**

[1] Previous year adjusted due to inclusion of refrigerant gases
[2] Previous year adjusted due to extended reporting scope
[3] With reference to the Greenhouse Gas Protocol, TUI Group currently includes Scope 3 emissions from the production of office paper and printed brochures, well-to-tank emissions from fuel consumption of aircraft, ships, hotels and ground transport, the distribution of electricity (hotels), waste and water treatment (hotels), employee business travel with third-party airlines and rail, and employee commuting. The current scope of the reported Scope 3 emissions therefore does not yet fulfil all the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

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Energy usage by business area

MWh	2023	2022	Var. %
Airlines	17,202,638	17,655,179	–2.6
Cruises	3,507,396	2,962,423	+18.4
Hotels	1,762,992	1,599,057	+10.3
Major premises / shops	59,651	60,036	–0.6
Ground transport	61,087	55,311	+10.4
Total	**22,593,764**	**22,332,006**	**+1.2**

MORE EFFICIENT FLYING

We already operate one of Europe's most carbon-efficient airlines and aim to continually enhance our environmental performance. Our airline emissions reduction targets by 2030 have been validated by the SBTi. Our emission reduction roadmap for our aircraft fleet comprises the following measures: additional capex on modern carbon-efficient aircraft, efficiency enhancement through operational measures and investments in sustainable aircraft fuels (SAF).

In order to reduce emissions, TUI Group has invested in state-of-the-art aircraft such as Boeing 787s and Boeing 737 Max aircraft. On average, these planes are 20 % (787) and 16 % (737 MAX) more fuel-efficient than the aircraft they replace in TUI's fleet.

Moreover, TUI fly Belgium added Embraer E195-E2 aircraft, highly efficient planes in the category of up to 150 seats, to its fleet. The aircraft will operate on short- and medium-haul routes and reduce the carbon footprint by up to one third.

Environmental management systems and operational measures play a key role in implementing sustainability and further enhancing TUI's climate efficiency. In financial year 2023, all TUI airlines were certified under the internationally recognised ISO 14001:2015 standard. All ISO 14001 management systems used by individual TUI airlines were transferred to one single management system in the period under review. The following examples illustrate the operational measures implemented to enhance efficiency:

- Flight operations, for instance single engine taxiing in and out, wind uplinks and optimised climb speeds and profiles
- Weight reduction, for instance carbon brakes and fly away kit (spare parts and tools)
- Fight planning optimisation, for instance alternate distance and minimum fuel programme
- Fuel management system to improve fuel analysis, identification of further savings potential and tracking of savings

Sustainable aviation fuels (SAF) play a crucial role in reducing aviation emissions and are hence a key part of our emission reduction roadmap to further improve airline carbon efficiency by 2030. TUI cooperates with a number of partners to secure supplies of SAF. Examples include the signing of a Memorandum of Understanding with the Spanish energy company CEPSA. The partnership with CEPSA will focus on SAF fuels generated from raw materials such as used cooking oils, non-food animal waste and biodegradable waste from various industries. This will make it possible to reduce aircraft emissions by up to 80 % compared to conventional jet fuel. An additional Memorandum of Understanding was signed with Shell.

In 2023, relative carbon emissions across our airlines decreased by 3.9 %. This improvement was largely due to higher load factors versus 2022 and our ongoing re-fleeting programme to replace older aircraft by new, more carbon-efficient aircraft.

Specific emissions are additionally shown in the form of CO_2 equivalents (CO_2e). Apart from carbon dioxide (CO_2), these include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH_4), nitrous oxide (N_2O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).

TUI Airlines – Fuel consumption and CO_2 emissions

		2023	2022	Var. %
Specific fuel consumption	l / 100 rpk*	2.43	2.52	–3.9
Carbon dioxide (CO_2) – total	t	4,218,553	4,053,745	+4.1
Carbon dioxide (CO_2) – specific	kg / 100 rpk*	6.11	6.36	–3.9

*rpk=revenue passenger kilometer

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TUI Airlines – Carbon intensity

g CO_2/rpk*	2023	2022	Var. %	g CO_2e/rpk*
TUI Airline fleet	**61.1**	**63.6**	**–3.9**	**61.7**
TUI Airways	60.7	62.2	–2.5	61.3
TUI fly Belgium	66.3	70.7	–6.3	66.9
TUI fly Germany	60	64.4	–6.8	60.5
TUI fly Netherlands	59.6	59.8	–0.2	60.2
TUI fly Nordic	59.8	66.4	–9.9	60.4

*rpk=Revenue Passenger Kilometre
We commissioned Verifavia to provide assurance on the carbon intensity metrics for financial year 2023 as shown in the above table 'TUI Airlines – CO_2 intensity'. The airline carbon data methodology document and the full assurance report are available at www.tuigroup.com/en-en/responsibility/sustainability/reporting-downloads

MORE SUSTAINABLE CRUISING

We continue to focus on reducing the emissions of our cruise ships, delivering progress by investing in state-of-the-art technology to reduce air emissions and in operational efficiency. Emission reduction roadmaps were drawn up for TUI Cruises, Hapag-Lloyd Cruises and Marella Cruises as part of our submission of 2030 targets for validation by the SBTi. Key levers include investments in fleet modernisation and efficiency enhancement with a focus on shore power, route optimisation, energy efficiency enhancement and switching to alternative fuels.

TUI Cruises with its Mein Schiff and Hapag-Lloyd Cruises brands continues to operate a modern and technologically advanced fleet. The newbuilds in the fleet are equipped with state-of-the-art technologies to minimise fuel consumption. A smart energy management system, efficient air conditioning, innovative lighting controls and the use of exhaust heat from the engines contribute to a significant reduction in the carbon footprint compared with vessels not equipped with those technologies.

In the period under review, essential steps were taken to reduce emissions generated by the Mein Schiff and Hapag-Lloyd Cruises fleet. The Company will successively install the equipment required for shore power connection on all ships of the Mein Schiff fleet. In the period under review, Mein Schiff 1 was retrofitted during her scheduled dock period. Mein Schiff 2 and Mein Schiff 5 will follow in November 2023 and in January 2024.

In summer 2023, both fleets successfully used shore power, e.g. in Kiel and Hamburg. During their scheduled dock periods, both ships, Mein Schiff 1 (in FY 2023) and Mein Schiff 6 (in FY 2022), obtained a new silicone coating to reduce resistance in the water so as to save fuel during the voyage.

In the period under review, the Company also successfully completed the first tests on the use of sustainable biofuels, with both Hanseatic Inspiration and Mein Schiff 4 successfully operating on biofuel blends on some voyages. The second-generation biofuel, which was bunkered for the first time, is purely plant-based and mainly consists of cooking oil residues. This fuel is virtually free from sulphur oxides and in its pure form offers a CO_2 reduction of up to 90 % compared to fossil fuels.

Thanks to new exhaust gas treatment systems operated on all new vessels, the newbuilds in the Mein Schiff fleet also significantly reduce their sulphur and nitrogen emissions. Use of these advanced emission purification systems goes beyond regulatory requirements. They are, for instance, not only used in the designated emission control areas in the North and Baltic Seas, the English Channel and North America, but also in other regions sailed by Mein Schiff such as the Mediterranean, the Orient, the Caribbean and Central America.

The Mein Schiff fleet is also setting another milestone for sustainable growth. Mein Schiff 7 is currently under construction in the Meyer Turku shipyard in Finland. The focus is on compliance with high maritime environmental standards by optimising the design in terms of energy efficiency and the use of modern technologies to improve sustainability. The ship will feature equipment enabling her to run on green methanol in future. She is scheduled for commissioning in 2024.

The expedition ships in the Hapag-Lloyd Cruises fleet exclusively use low-sulphur marine gas oil with a sulphur content of 0.1 %. This reduces sulphur emissions from these vessels by up to 80 % and particulate and soot emissions by up to 30 % versus the use of heavy fuel oil. All Hapag-Lloyd Cruises ships have tributyltin-free underwater coatings, on-board seawater desalination systems to make drinking water and biological sewage treatment systems for wastewater. Waste is separated on board prior to disposal on land by specialised companies in accordance with international regulations (MARPOL).

In financial year 2023, relative CO_2 emissions in the Cruises segment declined by around 24 %. This was due to a significant increase in load factors, as the previous year's figures were more strongly impacted by the effects of the pandemic. The amount of waste per cruise passenger night decreased by around 23 % to 8 litres, with freshwater consumption up by around 24 % to 46 litres. Our reporting covers all ships operating under the Mein Schiff, Hapag-Lloyd Cruises. Marella and TUI River Cruises brands.

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Cruises – Carbon intensity, fresh water and waste

	2023	2022	Var. %
Carbon dioxide (CO_2) – relative, kg/Cruise passenger night	101	132	–23.7
Fresh water – relative, litre/Cruise passenger night	46	37	+24.2
Total water – litre/Cruise passenger night	301	321	–6.1
Waste – relative, litre/Cruise passenger night	8.2	10.6	–22.9

ENVIRONMENTAL PROTECTION IN OUR HOTELS

Our hotels and hotel partners continue to focus on promoting the sustainability transformation across their operations. Each hotel plays an important role in managing the impacts on the local community, the economy and the environment. Emission reductions remain our key priority, and we have prepared comprehensive roadmaps and defined targets for 2030 for our Hotels & Resorts segment. These targets have been validated by the SBTi.

Our hotel portfolio is still growing and many of our hotels use green technology in order to improve their sustainability performance. The generation of renewable energies from solar and wind power is a key element of the emission reduction roadmaps for our hotels, alongside efficiency measures delivered through hotel refurbishment and standard-setting for new buildings.

Sustainable construction is an important tool for saving energy and cutting carbon emissions from hotels. In the financial year under review, the Hotels & Resorts segment published Green Building Guidelines for the first time. They provide specific recommendations to our own hotels and to our hotel partners for their construction and refurbishment projects. The Guidelines cover the key factors for reducing the ecological footprint of construction and refurbishment projects and paring back water and energy consumption. They also cover aspects such as monitoring systems, sustainability certifications and stakeholder communication. The Guidelines were reviewed by external experts from the Fraunhofer IAO Institute.

For more information on the topic, please refer to: TUI Green Building Guidelines (online version): https://mediacenter.tui-info.com/onlinekataloge/index.php?catalog=tui_greenbuildingguideline_gj2023_f#page_1

Our TUI Global Hotel Awards 2023 placed a particular emphasis on sustainability. The award included categories reflecting TUI's Sustainability Agenda. The winners in these categories are selected by an external committee based on pre-defined criteria. In 2023, TUI also granted an award for sustainability innovation. Atlantica Hotels & Resorts was recognised for introducing new, sustainable technologies. Examples of this commitment can be found on the Greek island of Rhodes, where the hotel company has invested in the latest solar panel technology, e-mobility for electric cars and a water desalination plant.

We continued to drive forward the use of photovoltaic systems in our hotels to promote sustainable power generation. In cooperation with our joint venture partners RIU, Grupotel and Atlantica, 19 PV systems with an output of almost 3,500 kWp were installed in Greece, Spain and the Cape Verde Islands in financial year 2023.

Our hotels made further inroads towards a better ecological footprint in terms of emissions, water consumption and waste production. This is the result of continual measures to improve our environmental performance alongside higher customer numbers and occupancy levels as the pandemic subsided.

Hotels – Carbon intensity, fresh water and waste

	2023	2022	Var. %
Carbon dioxide (CO_2) – relative kg/guest night	12.4	13.8[1]	–9.8
Fresh water – litre/guest night	478	494	–3.4
Water[2] – relative litre/guest night	617	652	–5.3
Waste – relative kg/guest night	1.7	1.9	–7.5

[1] Previous year adjusted due to inclusion of refrigerant gases
[2] Includes water for domestic, pool and irrigation purposes

CIRCULAR ECONOMY: REDUCE, REUSE, RECYCLE

One of our core Planet targets is to work towards a circular business model. The concept of a circular economy is about how we generate, use and recycle products and services. The goal is to keep resources and materials in the loop for as long as possible and prevent waste from arising in the first place.

TUI has entered into Circular Economy Commitments focused on changing the way we operate and use resources. These commitments involve all areas of our business model. TUI cooperates with suppliers in order to capture relevant information about their sustainability performance so as to track and measure progress. As part of our efforts to become a circular business, we joined the Sustainable Transformation Group on Circular Economy, coordinated by the Antwerp Management School and part of the Ellen MacArthur Foundation community.

In the reporting period, for example, TUI's cruise companies supported the circular economy and the careful and sustainable use of resources. Examples include the refurbishment of the bar on board Mein Schiff 6, where the focus was on sustainable design. The tables are made of 100 % recycled plastic or of the natural material cork, and the carpeting is certified according to the Cradle-to-Cradle standard. Furniture no longer used is donated to local aid organisations.

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Circular processes were also taken into account for the TUI Campus project, the redesigned corporate headquarters in Hanover: sustainable carpet tiles will reduce future material consumption, and much of the furniture has been kept to avoid purchasing new items. Energy efficiency was an important factor in purchasing new electrical equipment.

At TUI, we have worked hard for many years to reduce plastic items in our business operations and identify alternatives. TUI Group is part of the Global Tourism Plastic Initiative and has signed up to the relevant commitments. The implementation of the initiative is headed by the UN World Tourism Organisation (UNWTO) and the United Nations' Environmental Programme (UNEP) in cooperation with the Ellen MacArthur Foundation and is supported by an advisory council of which TUI Group is a member. As part of these efforts, we are committed to replacing all problematic and unnecessary plastic packaging by 2025 wherever possible.

PROTECTING BIODIVERSITY

We support the Nature Positive Vision for Travel and Tourism approach adopted by the World Travel & Tourism Council (WTTC), promoting nature conservation in order to halt and reverse biodiversity loss by 2030. We invest in the protection and restoration of nature in the destinations. Apart from our existing focus on animal welfare in our supply chain, we intend to place further emphasis on biodiversity. To that end, we prepared a first action plan in the period under review.

TUI audits its suppliers in accordance with animal welfare guidelines. We continue to carry out our checks, which comply with the latest version of the ABTA (Global Animal Welfare Guidance for Animals in Tourism) guidelines. Wherever possible, we work with suppliers to implement improvements. A number of tenders have, however, been removed from our programme as they did not meet the required standards.

Progress – Accelerate the transformation

CONTRIBUTION TO THE SDGS



By leveraging our scale, we aim to increase the positive social and environmental impact of the holiday experiences we offer. We strive to be sustainability leaders in everything we do. Together with our partners we will help shape the next-generation sustainable business model for the tourism industry. In this way, we can enable our customers to make sustainable holiday choices at every stage of the customer journey. Our goal for 2030 is to have 20 million customers per year choosing a Green & Fair hotel or excursion that meets the strict criteria of the Global Sustainable Tourism Council.

DESTINATION CO-LAB

TUI Group, the TUI Care Foundation and the government of the Southern Aegean region have launched a project called Destination Co-Lab Rhodes. Together with our partners are building the next-generation sustainable business model for the tourism industry in Rhodes.

The project has three strategic pillars: 'Regenerate the natural environment', 'Strengthen social development and cultural heritage' and 'Foster inclusive economic development in the tourism business model'. The goal of the Co-Lab is to collaborate with the local tourism industry and international partners in developing specific solutions and implementing them in Rhodes. Examples include the provision of 30 e-bikes and 20 cargo bikes for short journeys by staff while looking after our customers. This cut the number of cars used from over 100 to 60.

SUSTAINABLE RAIL TRAVEL

Following the positive experience gained in the Netherlands, TUI increasingly offers rail travel to provide sustainable overnight trips to the holiday destinations. As a first step, the TUI City Express was launched for city connections to Prague in July 2023, while the TUI Ski Express will connect the Netherlands and Germany with the skiing regions in Austria from December 2023.

PROMOTING CERTIFICATION

TUI promotes social and environmental standards through certification. We expect our hotels and hotel partners to obtain sustainability certification from independent organisations.[1] This process involved a third-party assessment to certify that the hotel complies with the criteria of the Global Sustainable Tourism Council (GSTC) and hence engages in good social and environmental practice. The GSTC criteria are the established global standard for sustainable tourism and cover four main aspects: effective sustainability planning, maximising social and economic benefits for local communities, valuing cultural heritage, and reducing negative impacts on the environment.

In financial year 2023, 10.5 m customers stayed in a contracted hotel[2] certified to a GSTC-recognised standard, compared with 7.9 m in 2022. The number of certified contracted hotels[3] rose by ca. 32 % year-on-year to 1,481. This increase was attributable to the fact that many of our key hotel partners have obtained sustainability certificates to honour their long-standing commitment.

Sustainability also plays a key role in our holiday experiences. To assess sustainability, we were one of the first tourism companies to start applying the GSTC criteria to individual tours and activities within the TUI Collection experiences in financial year 2022. In financial year 2022, 180 TUI Collection experiences were certified according to these criteria. In financial year 2023, the process was extended to other excursion categories such as National Geographic or Shorex. By the end of the financial year, a total of 1420 experiences had been certified in accordance with the GSTC criteria. We offer these tours under the "Green & Fair" label.

[1] TUI requirement for hotel partners with hotels offering more than 80 rooms and a TUI occupancy rate above 10 %.
[2] Number of hotels includes TUI Hotels & Resorts and hotels TUI Group has a contract with and that are certified to a Global Sustainable Tourism Council (GSTC) recognised standard. Methodology changes apply in FY 23 to align with TUI's FY.
[3] Number includes hotels TUI Group has a contract with, that are certified to a according to a GSTC-recognised standard and had a minimum of 100 TUI guests in FY 2023. TUI Hotels & Resorts that do not have a contract with TUI Group are excluded from this figure.

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Progress performance

	2023	2022	Var. %
Number of customers (millions) staying at hotels with certifications[1]	10.5	7.9	+33.0
Number of hotels with certifications[2]	1,481	1,126	+31.5
% of TUI Hotels & Resorts with certifications (variance in % points)	75	61	+14
Number of certified TUI Collection excursions[3]	1,420	180	+688.9

[1] Number of hotels includes TUI Hotels & Resorts and hotels TUI Group has a contract with and that are certified to a Global Sustainable Tourism Council (GSTC) recognised standard. Methodology changes apply in FY 23 to align with TUI's FY.
[2] Number includes hotels TUI Group has a contract with, that are certified to a according to a GSTC-recognised standard and had a minimum of 100 TUI guests in FY 2023. TUI Hotels & Resorts that do not have a contract with TUI Group are excluded from this figure.
[3] Certification in accordance with GSTC, process of certifying several excursion categories (e.g. TUI Collection, National Geographic) was commenced in FY 2023.

INVOLVING PARTNERS

We created TUIPartners.com to support our many partners (hotels; tour, activity and transport providers) in their transformation towards more sustainable tourism. It offers them information and guidance on current issues such as sustainability, health and workplace safety. The sustainability section of the platform serves in particular to share knowledge, experience and information on various matters, including successful sustainability certification.

GREEN IT AWARD

In 2023, TUI launched new awards to recognise the sustainability commitment of its more than 2,000 IT partners and suppliers. Three award winners convinced the jury with innovative approaches to carbon and energy savings and the promotion of global sustainability goals through technological solutions. Technology is an integral part of TUI's Sustainability Agenda.

MORE SUSTAINABLE CUSTOMER DECISIONS

Our goal is to enable customers to make more sustainable holiday choices. In addition to anchoring sustainability in our brand essence and providing a marketing toolkit on sustainability for our companies, we have created a label to identify more sustainable products. The Green & Fair label provides guidance on the booking website to make it easier for our customers to select and book holidays certified to GSTC criteria.

Our people

CONTRIBUTION TO THE SDGS



Our employees make a key contribution to TUI's success. We aim to secure this success in the long run. In the financial year under review, we focused on continuing our strategic initiatives as defined in our People Strategy.

PEOPLE STRATEGY

The world of work is continuing to undergo structural change. We offer hybrid working models in order to give our employees and future talents greater flexibility about where and when they work. One example of our flexible, hybrid working models is the TUI Campus, which opened in the financial year. Around 2,800 employees from eight TUI companies have been working under one roof at the Hanover site since the Campus was inaugurated. The offices have been redesigned and co-working spaces have been created.

Moreover, employees increasingly attach importance to diversity, a sense of belonging and greater wellbeing. TUI responds to these expectations in order to acquire and retain talent in a highly competitive labour market and provide a positive employee experience.

Against this backdrop, we have developed our People Strategy. Our vision is to be Digital, Engaging and Inclusive.

Digital: We use digital tools to ease the workload for our employees, promote innovation and enhance efficiency.
Engaging: We invest in the development of employees and empower our executives.
Inclusive: We acknowledge difference and bring global and local teams together.

In order to implement our strategy, we have adopted a mission defining our relevant areas of action. Our goal is to create a framework that empowers our employees to deliver their best performance and succeed as one team.

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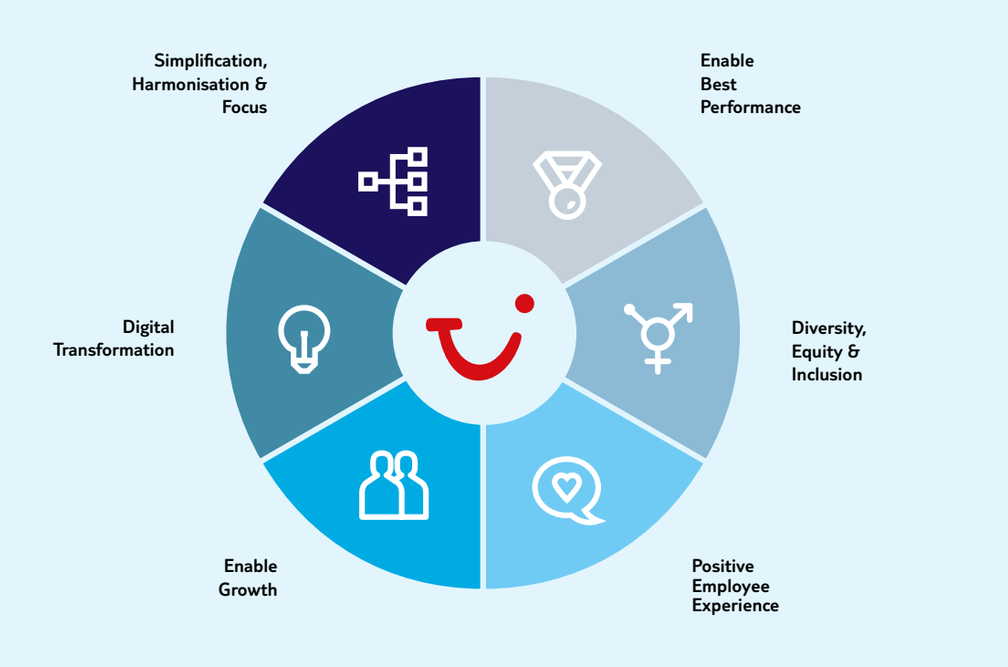
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People Strategy: areas of action



SIMPLIFICATION, HARMONISATION, FOCUS

Our HR activities must be aligned to the principles of simplification, harmonisation and focus. Processes are being harmonised, standardised and transparently communicated across the globe so as to create synergies and avoid duplication.

We have also realigned our internal HR structure to match that principle. In addition to the existing HR Business Partner and HR Services structures, local teams were pooled in four global Centres of Expertise (CoEs) in the reporting period, established for the fields of Reward, HR Systems & People Analytics, Talent Acquisition and Talent Management & People Development. The goal of combining expertise in the cross-national CoEs is to define and implement global processes and establish a uniform and standardised IT landscape.

DIGITAL TRANSFORMATION

Our People Strategy centres on the harmonisation and digitalisation of our HR systems. We are continually expanding our digital HR solutions to facilitate data-based decision-making.

In the period under review, the implementation of our single HR IT platform TUI People progressed further. This far, the platform has been used to operate Recruiting, Learning, Talent Management, Reward and master data administration. In the second quarter of the reporting period, the HR core system was rolled out to the TUI Musement segment. For Germany, the launch is scheduled for the beginning of the new financial year.

We also continued to introduce new functions in TUI People and to expand our desktop assistant, which offers our employees real-time step-by-step instructions for handling system functions.

Moreover, we rolled out the TUI eSafe to several companies in Germany during financial year 2023. This is an electronic safe for employees to which we send documents such as payroll slips, wage tax statements, etc. in digital form. The current utilisation rate of the TUI eSafe is around 91 %. Its successive global roll-out is scheduled for the next few financial years.

So that we can measure our performance, we present relevant HR metrics in dashboards and make them available to the operational units. Areas monitored by us include the global use of TUI WORKWIDE.

ENABLE GROWTH

In order to retain our employees and recruit new people in a challenging labour market, we have initiated a range of measures to secure internal and external talent succession.

Our strategic focus includes succession planning and targeted career development. To ensure TUI's ability to act at any time and secure the availability of human resources for business-relevant functions and key positions, succession planning and potential analysis are carried out on a regular basis. They extend to all members of TUI's Executive Board, all top management functions, executives and business-critical roles. Succession planning takes account of short-, medium- and long-term changes and plays an essential role in the success of the Company. In addition, succession planning reports are submitted to the Executive Board at regular intervals.

In the completed financial year, we successfully introduced the first Group-wide Employer Value Proposition (EVP). The EVP describes TUI's identity as an employer and sums up its key strengths and USPs. It offers us a research-based framework to retain and win our current employees and future talents and has a positive impact on perceptions of TUI in the labour market. This is achieved via the employer branding measures based on our EVP, which puts people first. Our EVP "Let's TUI it" was initially introduced in-house to inform our employees about the relevance of the topic, promote employee retention and encourage people to recommend TUI as an employer. Subsequently, a number of initiatives were launched drawing on photographs and video clips taken by employees to provide authentic insights into working at TUI. We initiated an Employer Brand Ambassador programme, which forms the framework for all measures with which employees support TUI's employer branding. More than 200 employees have volunteered to take part.

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The campaign has created a high level of awareness in online channels. In the first few weeks after the launch, we reached out to an estimated 2.39 m people on LinkedIn. Our Employer Branding campaign has been nominated for various international awards and has already received a number of prizes in various countries.

As in the prior year, our career sites recorded nearly 1.5 m visits in the period under review. The number of job applications declined slightly from 295,000 to around 293,000.

POSITIVE EMPLOYEE EXPERIENCE

We want to create an environment where people like to work. With the launch of the TUI Way of Working, we created the key conditions to achieve that goal. The TUI Way of Working is our joint vision for the future of work at TUI and how to organise it globally and adjust it to local needs. We are seeking to create a culture of trust, offering flexibility for our employees. The core statement of that vision is: work is what we live and do, not where we go.

TUI WORKWIDE is an innovative programme enabling people to work from abroad for up to 30 days per year. In the financial year under review, around 1,260 employees participated in TUI WORKWIDE with an average stay of 8 days.

We continued updating the new Employee Listening strategy. Our goal is to listen to our employees regularly, measuring their commitment and growing it in a sustained manner. The new TUIgether+ survey methods will facilitate a holistic approach to measuring and enhancing the employee experience. We focus on three different survey types, each tailored to the specific needs of different groups of participants. Apart from global surveys relating to engagement and other strategic topics, we also measure key moments in each employee's life cycle and use business insight surveys to obtain their feedback on certain topics such as transformation. Based on the survey results, executives receive feedback on a regular basis to help them plan measures at all levels.

At the end of August 2023, we rolled out our new TUIgether+ survey, again giving our employees the opportunity to provide feedback to their employer. The goal of the employee survey is to capture the sentiment within TUI Group and transform the survey results into measures. The survey was open until the end of the period under review. It will be evaluated from the beginning of the new financial year.

DIVERSITY, EQUITY & INCLUSION

Our goal is to support and promote the wellbeing of our employees. We want them to feel accepted and appreciated. This includes welcoming and leveraging diversity.

In the period under review, we developed our vision "Come as you are!", defined the focus areas "People & Culture", "Leadership" and "Community" and agreed on specific measures to take.

People & Culture: Our goal is to recruit and promote the best talents worldwide in order to have a diverse workforce.
Leadership: We create a work environment with trustworthy executives, where our employees are appreciated and empowered to deliver their top performance.
Community: We enter into global and external partnerships enabling us to be perceived as a diverse and inclusive brand, promoting diversity and inclusion beyond TUI.

We have forged additional external partnerships, like the one with Code Girls First. This collaboration aims to enhance the appeal of data science for female and diverse professionals. We also promote the diversity of internal networks with different interests, such as LGBTQI+ and Religion, within the framework of Diversity, Equity & Inclusion.

Diversity-related content has been shared on TUI's Intranet, in the TUI Learning Lounge and in our leadership programmes. Throughout the year, we also took part in various key events and special dates such as International Women's Day and Pride Month.

In aviation our vision "Come as you are!" was the springboard for a new Uniform Policy, allowing our employees more flexibility in their choice of look and clothing.

With TUI's Global Employment Statement and as a signatory to the UN Global Compact, we have made clear commitments: We do not accept any discrimination based on nationality or ethnicity, sex, gender identity, sexual orientation, marital status, religion, world view, disability, age or social origin. Decisions about hiring, salary, benefits, training opportunities, work assignments, advancement, discipline and termination must be based solely on objective grounds.

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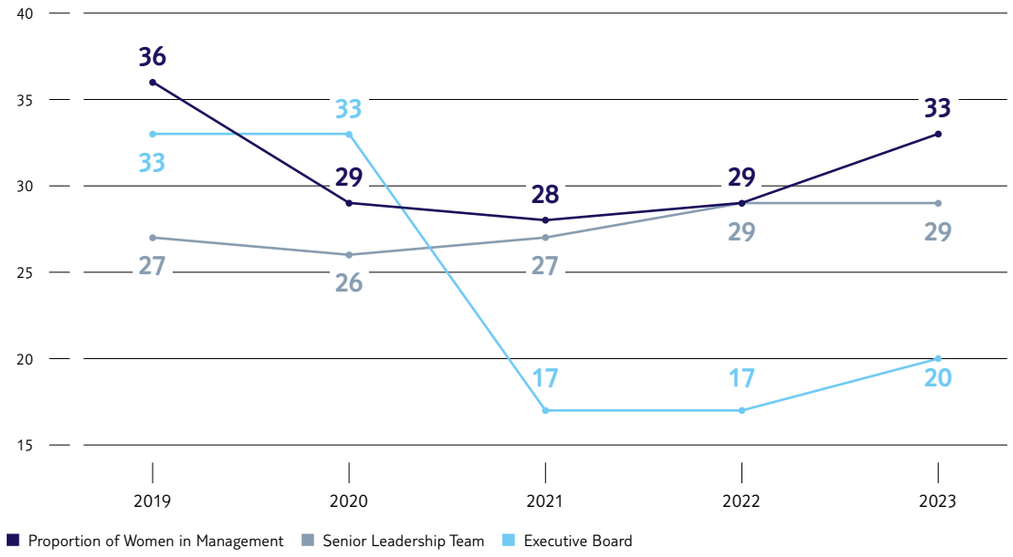
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In financial year 2023 we monitored a number of diversity-related indicators. The proportion of women in the overall headcount matched the prior year's level at around 56 %. The proportion of women in managerial functions increased year-on-year by four percentage points. The proportion of women on the Senior Leadership Team remained constant.

TUI Group Proportion of Women in Leadership 2019 – 2023 in %



Proportion of women in managerial positions

in %	30 Sep 2023	30 Sep 2022	Target 2023
TUI AG			
Supervisory Board	45	45	30
Executive Board	1 woman	1 woman	at least 1 woman
First management level below Executive Board	14	21	25
Second management level below Executive Board	30	24	30
TUI Deutschland			
Supervisory Board	42	33	30
Executive Board	33	33	25
First management level below Executive Board	39	35	30
Second management level below Executive Board	41	43	40
TUI fly			
Supervisory Board	42	25	30
Executive Board	0	0	20
First management level below Executive Board	0	0	30
Second management level below Executive Board	38	41	40

For Germany (TUI AG, TUI Deutschland, TUI fly), targets covering the period to 2023 had been fixed in financial year 2020 under a voluntary commitment adopted in accordance with the statutory provisions of the German Stock Corporation Act (AktG) and the German Limited Liability Companies Act (GmbHG). TUI Deutschland GmbH achieved all its targets for 2023. TUI AG met three of the four targets it had set itself and managed to increase the proportion of women in the second tier of management by six percentage points. TUI fly did not achieve all of the targets set.

The new targets 2026 will be set by the relevant committees in autumn 2023.

See declaration in the Corporate Governance Report on page 130.

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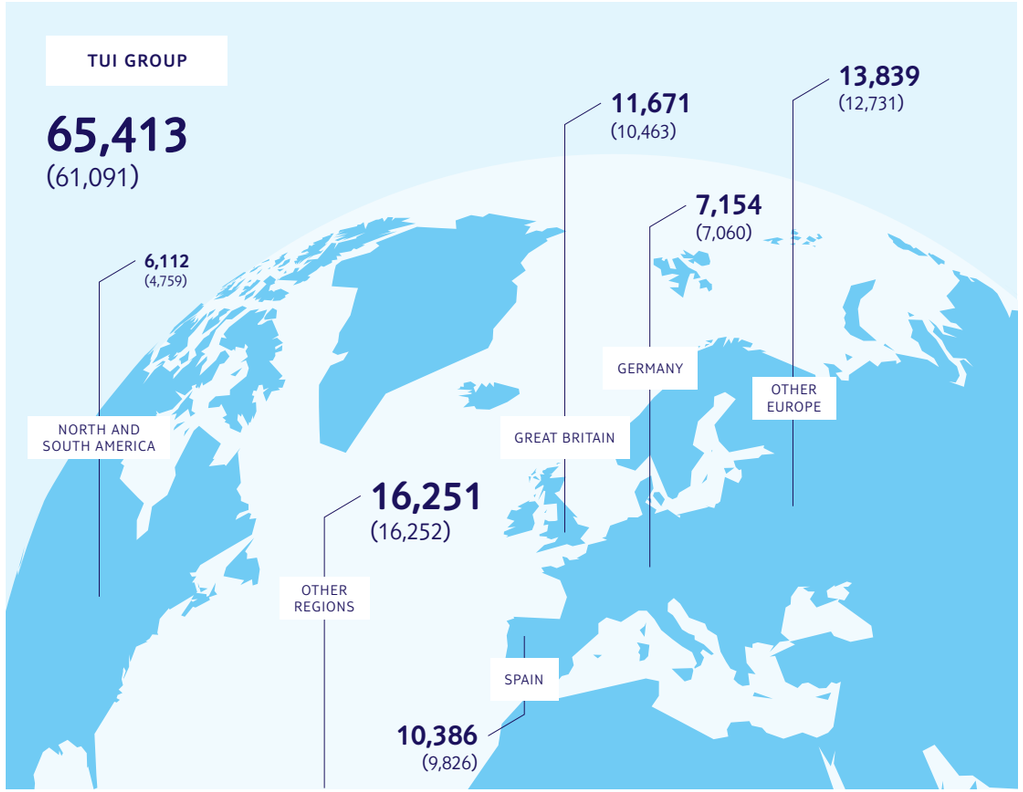
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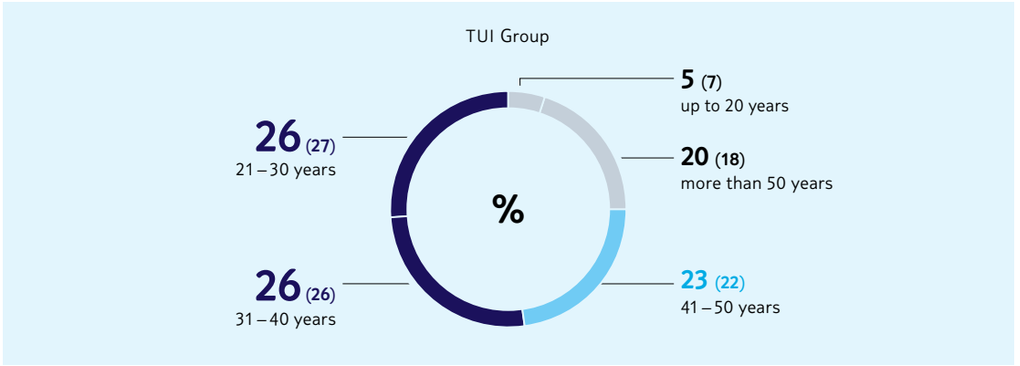
Personnel by region* (30 SEPTEMBER 2023)



*By domicile of company
In brackets: previous year

Age structure (30 SEPTEMBER 2023)

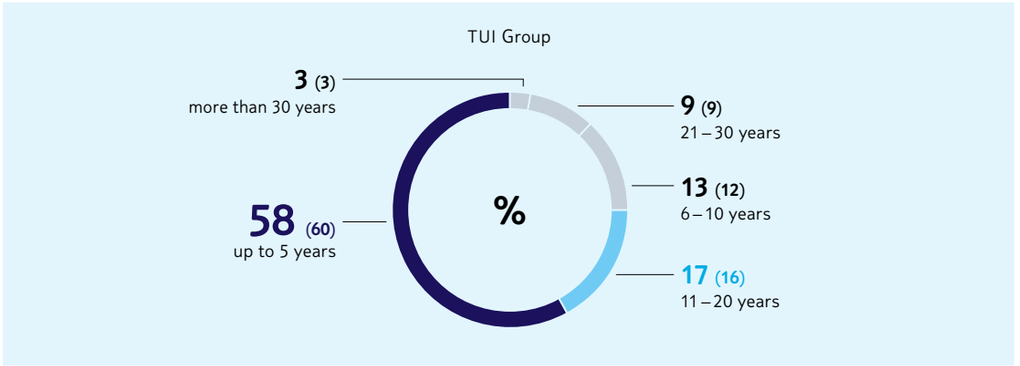
in %



In brackets: previous year

Average company affiliation (30 SEPTEMBER 2023)

in %



In brackets: previous year

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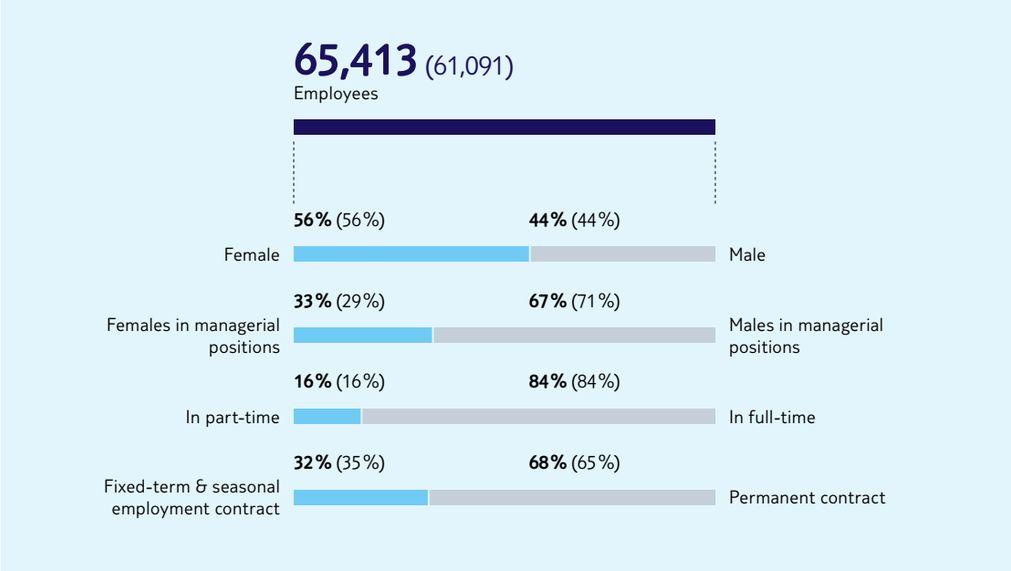
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Employment structure (30 SEPTEMBER 2023)



In brackets: previous year

ENABLE BEST PERFORMANCE

In order to be successful together at TUI, we are seeking to empower our employees to deliver their top performance. We are supporting our executives and promoting dialogue between managers and employees.

In the financial year under review, we revised our feedback and target agreement process Great Place to Grow, placing the focus on continuous development targets and extended feedback. Four target categories were defined: Transformation; Growth, Profitability & Cash Generation; Employee & Customer Engagement; ESG / Sustainability. Great Place to Grow ensures regular dialogue between executives and employees to discuss development targets and performance.

Depending on their development targets, our employees can choose from a broad range of development and learning formats. Overall, the active users of our learning platform TUI People completed, similar to prior year, an average of more than two hours of training per month in financial year 2023. We also offered a range of programmes in the TUI Learning Lounge, such as the Sustainability Academy.

Our program for:ward focuses on further training in the IT sector and was continued in financial year 2023 with a third cohort. A total of 23 employees participated in this cohort.

Our executives have access to various development programmes. How2 is our global four-month programme conveying key leadership fundamentals to new executives starting their leadership role. In financial year 2023, 373 employees from across TUI Group completed the programme. The number of participants last year was 194. We also resumed our leadership programmes Horizons and Perspectives after they had been suspended due to the pandemic. A total of 46 executives were selected to take part – 20 participants for the Horizons programme and 26 for Perspectives. The focus was on leadership skills for global teams as well as strategy communication and implementation.

Our International Graduate Programme was reactivated after the end of the pandemic in financial year 2023. The two-year programme familiarises participants with commercial and head office functions within TUI.

OUTLOOK

Our People Strategy is our targeted, strategic approach to promoting strong leadership and supporting the development of our employees. We consistently pursue the strategy of a Group-wide core HR system. To facilitate data-based decision-making, we are continually expanding and harmonising our digital systems. A key focus is on Diversity, Equity & Inclusion (DEI) and the launch and implementation of a global DEI strategy, covering many different aspects of diversity.

EMPLOYEE REPRESENTATIVES

TUI Group historically features a strong co-determination landscape. It embraces the Supervisory Board at corporate level, the Group Works Council at Group level and many local works councils at company level.

In the period under review, many topics were jointly updated, continued or initiated in constructive talks. The focus was on the revision of the feedback and target agreement process Great Place to Grow, the introduction of TUIgether+ and our digitalisation projects, including the implementation of our single core HR system in TUI People.

At the European level, the TUI Europe Forum as an information and consultation body represents the interests of employees working in companies outside Germany and thus plays an important role as a facilitator and integrator in the European framework. With the joint revision of the basic agreement about the composition, tasks and rights of the TUI Europe Forum, TUI's Executive Board has endorsed the effective involvement of European employees to ensure that harmonisation and transformation programmes within the Group are effected on the basis of socially acceptable solutions.

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Personnel costs

€ million	2023	2022	Var. %
Wages and salaries	1,954.6	1,732.3	+12.8
Social security contributions	294.9	300.4	–1.8
Pension costs	108.8	109.2	–0.4
Total	**2,358.3**	**2,141.9**	**+10.1**

In the period under review, TUI Group's personnel costs increased from € 2.1 bn to € 2.4 bn year-on-year. The year-on-year increase in wages and salaries and social security contributions in financial year 2023 mainly results from the 11.4 % growth in average staff numbers.

For further details, please refer to page 212.

The pay package offered by TUI Group consists of various components, reflecting the framework conditions in different countries and companies and the appropriateness of compensation and customary market rates. Depending on the function concerned, a fixed salary may go hand in hand with variable components, honouring individual performance and promoting the sustainable participation of employees in the Company's long-term targets. In addition, the Senior Leadership Team can participate in a long-term share-based compensation programme based on the allocation of virtual shares.

Many TUI Group companies offer their employees pension schemes in the form of direct benefits or through an occupational providence fund, or else by paying in additional employer contributions to pension insurance, in some cases beyond the statutory minimum required. In Germany, collective contracts have been concluded with an insurance undertaking in order to meet the legal entitlement to deferred compensation.

Customer experience, security & safety and crisis management*

We place our guests and their individual wishes and needs at the center of our organisation in order to offer them differentiated and consistent experiences. In this way, we aim to increase customer loyalty and tap into new customer segments, as satisfied guests are a decisive factor for the TUI Group's long-term growth. Our goal is to continuously adapt the customer experience to individual needs and to further personalise it. The more flexible and personalised design of our products and services is supported by the expansion of our product portfolio and our digital platform.

*As part of social matters

Our integrated business model allows us to accompany our guests through the entire travel experience from booking, arrival, hotel stay and cruise to local activities and excursions – digitally and personally. The digital travel experience is complemented by the personal support of our employees, which our guests experience in our travel agencies, aircraft and hotels, on our ships and in the destination.

The travel experience is about relaxing and winding down, or discovering and exploring something new. However, the travel experience can also entail a wide range of risks. As far as possible, our activities aim to minimise these risks for customers and employees. The business takes a risk based approach to prevent intentional risks to the well-being of our customers, such as crime or terror (Security) and offer all customers a travel experience within the most security and safety, even in relation to unintentional risks (Health & Safety), for all services booked in the framework of their trips (e. g. flight, transfer to the hotel, hotel stay and excursions). TUI continually monitors and analyses safety-critical developments in destinations and discusses response measures with the markets and other involved business areas.

SAFETY

Throughout this financial year, Group Safety & Risk have continued to oversee and deliver our safety management programme, supporting the Group's businesses with a resumption to normal operations after the COVID 19-pandemic and the delivery of strategic growth plans.

The Safety & Risk team's focus is on the principal safety risks associated with accommodation, transfers, excursions, activities and tours supporting our tour operators in the source markets, TUI Musement and TUI Hotels & Resorts.

In addition to the continuous monitoring approach of key risk areas taken in TUI Hotels & Resorts, TUI have conducted multiple safety assessments across our third-party providers using a multi-layered assessment approach.

The continued development of our data-led, risk-based approach to Safety Risk Management with third party hoteliers is increasing our operational efficiency and enabling an improved approach to safety risk management. This approach includes the use of data sharing portals, in partnership with several technical safety specialist providers conducting safety monitoring / management programs with hoteliers globally.

Group Safety & Risk continues to support the strategic direction of the business and ensuring that TUI remains a brand that can be trusted.

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SECURITY

Following the review of security activities in 2022, recruitment of a new Head of Global Security lead and Intelligence lead was completed in February 2023. Since March 2023 the function has worked to complete a discovery phase, reviewing the whole security operation. This culminated with the creation of a new six pillar strategy that not only is completely in accord with TUI Safety, but also reflects TUI today and its risk based approach to SHS services and engagement.

This new strategy will be delivered in two stages over three years, the first 18 months will be the creation of, or amendment to manuals, policies and guidelines related to our security specialisms. All infrastructure will be made available to all via TUI partners and we will seek ISO9001 accreditation to officially cement our expertise. Strategic delivery is via a cyclical security system and this approach has been presented to various elements of the business during operational activities and presentations.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY

TUI operates Group wide crisis and business continuity protocols and governance modules. Regular update calls between Group function and business areas take place on a weekly or monthly basis, depending on the area, and are established to share strategic and operational topics including best practice. Data is aggregated and analysed, the frame works ascertain when guests and / or employees are affected and what support or actions at what moment is need.

Experienced crisis managers work within a team to cover areas such as customer, commercial, communications and insurance management. These experts across the Group facilitate a fast, flexible response to levels of crisis. Appropriate reporting and coordination within TUI ensures that management is updated on all key incidents and developments and can immediately take decisions if necessary.

The Group wide crisis management system software for monitoring, escalation and managing of day-to-day incidents gives the ability to work individually within our businesses or together as a group when needed.

Anti-corruption and anti-bribery

Details of TUI Group's anti-corruption and anti-bribery measures are presented in the Corporate Governance section on Integrity & Compliance from page 154 in this Report.

Disclosures under the EU Taxonomy Regulation (EU) 2020 / 852

Pursuant to Article 8 of the Regulation (EU) 2020 / 852 of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, TUI AG is publishing its report in accordance with the Taxonomy Regulation. Compared with 2022, an extended reporting obligation applies for financial year 2023. Undertakings have to disclose information on the proportion of turnover, capital expenditure and operating expenditure as defined in the EU Regulation that is associated with economic activities described in EU Regulations and Delegated Acts and hence taxonomy-eligible. In addition, undertakings have to disclose information on the degree to which these KPIs qualify as environmentally sustainable or taxonomy-aligned under Articles 3 and 9 of the Taxonomy Regulation.

Environmental sustainability is analysed on the basis of technical screening criteria for the following six environmental objectives:

- Climate change mitigation,
- Climate change adaptation,
- The sustainable use and protection of water and marine resources,
- The transition to a circular economy,
- Pollution prevention and control,
- The protection and restoration of biodiversity and ecosystems.

An economic activity qualifies as environmentally sustainable or taxonomy-aligned if it demonstrably makes a substantial contribution to one of the six environmental objectives while doing no significant harm to any of the remaining environmental objectives. The economic activity also has to meet minimum standards on human rights as well as social and labour standards, anti-corruption, fair competition and taxation.

The regulations on the EU Taxonomy are still under development. TUI has a financial year which ends at 30 September. Accordingly, for financial year 2023, economic activities defined by regulations only related to the environmental objectives of climate change mitigation and climate change adaptation. As of 1 January 2024, additional economic activities will also be defined for other environmental objectives. Furthermore, technical screening criteria for economic activities already defined will be adjusted. These regulations did not apply in financial year 2023. Due to the larger number of defined economic activities, generally taxonomy-eligible revenue, capital expenditure and operating expenditure are expected to increase from financial year 2024. Moreover, some of the terms and definitions used in the EU Taxonomy regulations are still unclear in terms of their meaning and interpretation. To clarify these terms, the EU regularly publishes statements (FAQs). Due to this unclarity and the changes in regulations, TUI faces the risk of facing a different future interpretation of these indicators and having to change its reporting accordingly. In its reporting as at 30 September 2023, TUI reflects the status of the FAQs as at 20 October 2023.

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DETERMINATION OF GENERALLY TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

As a first step, TUI analysed its economic activities, taking into account both activities generating external turnover and activities serving the Company's own needs. TUI's main activities, flight operation and the delivery of accommodation services in hotels, are not currently listed in the EU Taxonomy. Therefore, only a small portion of the indicators mentioned above related to taxonomy-eligible activities in the period under review. TUI does not report any economic activities serving the environmental objective of climate change adaptation.

The second step was to determine indicators relating to these economic activities. Where an indicator relates to several activities at once, it was broken down based on appropriated indicator, usually based on the direct costs incurred for the activity in question. The reported numbers only include the turnover, capital expenditure and operating expenditure of companies fully included in the consolidated financial statements.

CHECKING TECHNICAL SCREENING CRITERIA

Compliance with the relevant technical screening criteria is determined on the basis of queries to the respective Group companies or by means of a screening based on higher-level processes and within the framework of national or EU regulations. Where it was not possible to check compliance with technical screening criteria for lack of data or evidence and the economic activity concerned is not material for TUI, no screening was carried out and the economic activity was classified as non-compliant with the taxonomy according to the Comission Notice C/2023/305 dated 20 October 2023 No. 13. The results are described in the following sections on revenue, capital expenditure and operating expenditure.

CHECKING MINIMUM PROTECTION CRITERIA

TUI ensures compliance with the minimum protection criteria through Group-wide policies, training programmes, codes of conduct and risk management systems, which also cover our suppliers and the impact of the services we provide. With regard to compliance with human rights, we refer to the Non-Financial Group Declaration. Regarding anti-corruption and fair competition, we refer to the Corporate Governance Report. TUI has also implemented a tax strategy aiming to ensure taxation in line with our business, preventing aggressive or artificial tax planning, ensuring cooperation with local tax authorities and centrally managing and reviewing tax risks. In this context, please refer to the publication of our tax strategy at Our Tax Strategy and Governance (tuigroup.com). At the reporting date, no relevant litigation was pending in this context.

REVENUE

Total revenue is the revenue determined in accordance with international accounting standards and carried as revenue in the Notes. In the TUI Musement segment, customer transport in the destination, e. g. in the framework of excursions or transfers from the airport to the hotel, was allocated to economic activity 6.3 "Urban and suburban transport, road passenger transport". The revenue numbers were taken from our internal reporting system. Where this revenue also related to other economic activities, e. g. in the case of excursions involving not only transport but also guided tours, it was allocated on the basis of direct costs of the respective economic activity. Revenue from coach transport services provided by third parties is only recognised if this revenue meets the definitions of international accounting standards and if TUI controls the underlying processes. The revenue generated in the Cruises segment is allocated to economic activity 6.11 "Sea and coastal passenger water transport". Revenue in the Northern Region segment includes revenue from economic activity 6.7 "Inland passenger water transport". The revenue is regularly generated from sales of package tours consisting, for example, of a flight, transport to the destination and overnight accommodation on a ship. For the purposes of the EU Taxonomy, these revenues are broken down in line with the direct costs of the respective economic activity so as to determine the revenue attributable to passenger transport by ship. As TUI's key economic activities currently do not fall under the EU Taxonomy, taxonomy-eligible revenue only accounts for 3.0 % (previous year 2.0 %) of total revenue. In addition, technical screening criteria relate partially to regulations exclusively applicable in the EU or to ship newbuilds so that taxonomy-aligned revenues could not be identified.

CAPITAL EXPENDITURE

Capital expenditure summarises the additions to the relevant assets mentioned in the Notes in the sections "Goodwill", "Other intangible assets", "Property, plant and equipment" and "Rights of use". In financial year 2023, there were no additions from mergers.

Total capital expenditure of € 974.8 m is broken down as follows for financial year 2023:

Other intangible assets	€ 180.9 m
Property, plant and equipment	€ 483.3 m
Right of use assets	€ 310.6 m

As a rule, capital expenditure is allocated to individual economic activities on the basis of our internal project controlling. Alongside the economic activities already mentioned in the Revenue section, capital expenditure are particularly attributable to economic activities in connection with the construction and renovation of buildings in the Hotels & Resorts segment, as well as the installation of renewable energy technologies. Overall, taxonomy-eligible capital expenditure accounts for 44.7 % (previous year 31.0 %) of total capital expenditure. The increase year on year is mainly related to the addition of one cruise ship. Due to the lack of well-founded threshold values for hotels and administrative buildings and unclear transferability of technical screening criteria based on EU regulations to non-EU countries, taxonomy-aligned capital expenditure accounts for a very low proportion at under 1 %.

OPERATING EXPENDITURE

TUI's operating expenditure includes building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment, other intangible assets and right of use assets. Where necessary, operating expenditure is allocated to an economic activity on a cost basis. The review of the taxonomy eligibility and alignment of operating expenditure follows the review of the respective property, plant and equipment, other intangible assets or right-of-use assets to which they can be allocated. Taxonomy-eligible operating expenditure thus accounts for 25.1 % (previous year 25.0 %) of total operating expenditure.

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Revenue 2023

Economic activities (1)	Code (2)	Revenue (3) in € million	Proportion of revenue 2023 (4) in %	Substantial conribution criteria: Climate change mitigation (5) in %	Substantial conribution criteria: Climate change adaption (6) in %	DNSH ('Does not significant harm'): Climate change mitigation (7) Yes/No	DNSH: Climate change adaption (8) Yes/No	DNSH: Water and marine resources (9) Yes/No	DNSH: Circular economy (10) Yes/No	DNSH: Pollution (11) Yes/No	DNSH: Biodiversity and ecosystems (12) Yes/No	DNSH: Minimum safeguards (13) Yes/No	Portion of taxonomy-aligned or taxonomy-eligible turnover, 2022 (14) in %	Category (enabling activity) (15) Yes/No	Category (transitional activity) (16) Yes/No
A. Taxonomy-eligible activities															
A.1. Environmentally sustainable activities (taxonomy-aligned)															
Revenues environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0**	**0.0**	**0.0**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**		
Thereof enabling activities		0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Thereof transitional activities		0.0	0.0	0.0		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)															
Urban and suburban transport, road passenger transport	CCM 6.3	123.8	0.6												
Inland passenger water transport	CCM 6.7	26.2	0.1												
Sea and coastal passenger water transport	CCM 6.11	477.8	2.3												
Revenues taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**627.8**	**3.0**	**3.0**	**0.0**								**2.0**		
A. Revenues of taxonomy-eligible activities (A.1+A.2)		**627.8**	**3.0**	**3.0**	**0.0**								**2.0**		
B. Taxonomy-non-eligible activities															
Revenue from taxonomy-non-eligible activities		20,038.1	97.0												
Total		**20,665.9**	**100.0**												

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Capital Expenditure (CapEx) 2023

			Substantial conribution criteria				DNSH ('Does not significantly harm')									
Economic activities (1)	**Code (2)**	CapEx (3) in € million	Proportion of CapEx (4) in %	Climate change mitigation (5) in %	Climate change adaption (6) in %	Climate change mitigation (7) Yes/No	Climate change adaption (8) Yes/No	Water and marine resources (9) Yes/No	Circular economy (10) Yes/No	Pollution (11) Yes/No	Biodiversity and ecosystems (12) Yes/No	Minimum safeguards (13) Yes/No	Portion of taxonomy-aligned or taxonomy-eligible CapEx, 2022 (14) in %	Category (enabling activity) (15) Yes/No	Category (transitional activity) (16) Yes/No
A. Taxonomy-eligible activities															
A.1. Environmentally sustainable activities (taxonomy-aligned)															
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.2	0.2	100	–	Yes	Yes	N/A	N/A	N/A	N/A	Yes	N/A	E	
CapEx environmentally sustainable activities (taxonomy-aligned) (A.1)		**2.2**	**0.2**	**0.0**	**0.0**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**		
Thereof enabling activities		2.2	0.2	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	E	
Thereof transitional activities		0.0	0.0	0.0		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)															
Urban and suburban transport, road passenger transport	CCM 6.3	7.1	0.7												
Sea and coastal passenger water transport	CCM 6.11	226.5	23.2												
Construction of new buildings	CCM 7.1	62.3	6.4												
Renovation of existing buildings	CCM 7.2	136.4	14.0												
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.3	0.1												
CapEx taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**433.6**	**44.5**	**100**	**–**								**31.0**		
A. CapEx taxonomy-eligible activities (A.1+A.2)		**435.8**	**44.7**	**100**	**–**								**31.0**		
B. Taxonomy-non-eligible activities															
Capital expenditures on taxonomy-non-eligible activities		539.1	55.3												
Total		**974.9**	**100.0**												

Operating expenditures (OpEx) 2023

Economic activities (1)	Code (2)	OpEx (3) in € million	Proportion of OpEx (4) in %	Substantial conribution criteria: Climate change mitigation (5) in %	Substantial conribution criteria: Climate change adaption (6) in %	DNSH ('Does not significantly harm'): Climate change mitigation (7) Yes/No	DNSH ('Does not significantly harm'): Climate change adaption (8) Yes/No	DNSH ('Does not significantly harm'): Water and marine resources (9) Yes/No	DNSH ('Does not significantly harm'): Circular economy (10) Yes/No	DNSH ('Does not significantly harm'): Pollution (11) Yes/No	DNSH ('Does not significantly harm'): Biodiversity and ecosystems (12) Yes/No	DNSH ('Does not significantly harm'): Minimum safeguards (13) Yes/No	Portion of taxonomy-aligned or taxonomy-eligible OpEx, 2022 (14) in %	Category (enabling activity) (15) Yes/No	Category (transitional activity) (16) Yes/No
A. Taxonomy-eligible activities															
A.1. Environmentally sustainable activities (taxonomy-aligned)															
OpEx environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0**	**0.0**	**0.0**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**		
Thereof enabling activities		0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Thereof transitional activities		0.0	0.0	0.0		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)															
Urban and suburban transport, road passenger transport	CCM 6.3	11.2	1.6												
Sea and coastal passenger water transport	CCM 6.11	48.1	6.9												
Renovation of existing buildings	CCM 7.2	110.7	16.0												
Data processing, hosting and related activities	CCM 8.1	4.0	0.6												
OpEx taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**174.0**	**25.1**										**25.0**		
A. OpEx taxonomy-eligible activities (A.1+A.2)		**174.0**	**25.1**										**25.0**		
B. Taxonomy-non-eligible activities															
Operating expenditures for taxonomy-non-eligible activities		518.1	74.9												
Total		**692.1**	**100.0**												