

COMBINED NON-FINANCIAL DECLARATION

pursuant to the CSR Directive Implementation Act

For TUI Group, economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our company. We firmly believe that sustainable development is critical to long-term economic success. Together with our many partners around the world, we are actively committed to promoting sustainable development in the tourism sector.

In the following section, in line with CSR reporting legislation, we report on sustainability issues that promote a better understanding of our business operations, context and future development. In compliance with section 315b, paragraph 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.

Our materiality analysis generated insights into the risks and opportunities relating to sustainability. We describe our risk management system and principal risks associated with our business activities, business relations and services in our Risk Report from page 35 onwards, where the principal risks relating to sustainability are listed and explained.

This combined non-financial declaration has been reviewed by our Group Audit function on behalf of the Supervisory Board.

[+ Review report from Group Audit regarding the combined non-financial declaration \(page 92\)](#)

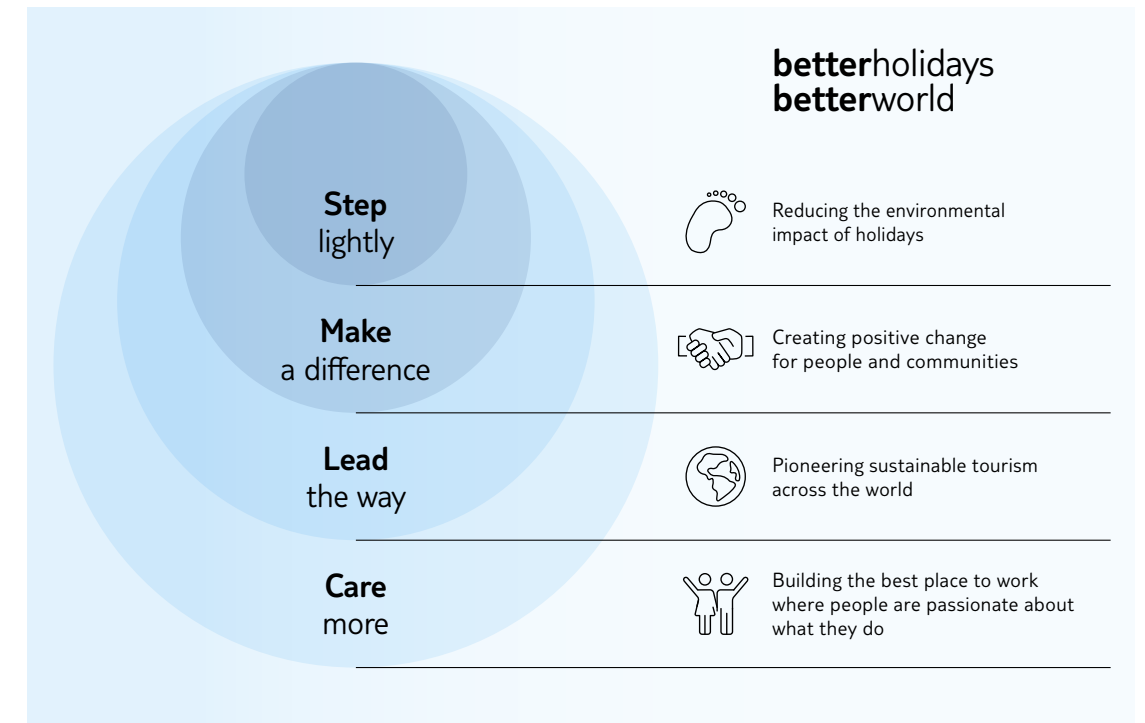
Our reporting covers the United Nations Global Compact principles, which TUI signed up to in 2014. Furthermore, we reviewed our sustainability activities against the United Nations Sustainable Development Goals (SDGs). These goals provide a useful framework with which to view the material impact of our business operations and a bench-mark to assess the relevance of our initiatives. The tourism value chain is closely linked to many different sectors. This enables us to influence progress on many SDGs.

Business model

[→ TUI Group's business model is outlined on pages 25 ff and 28 ff in accordance with section 315c paragraph 1 in conjunction with section 289c, paragraph 1 HGB.](#)

Sustainability strategy and implementation

TUI Sustainability Strategy



In 2020 TUI Group closed out its sustainability strategy 'Better Holidays, Better World'. These sustainability actions and objectives adopted in 2015 addressed the environmental and social challenges facing the tourism sector which had been the subject of public debate. Due to the continued major restrictions on business operations caused by the COVID-19 crisis, the key figures as of 30 September 2021 presented in the following sections are of limited or no communicative value, not least by comparison with the previous year.

Our reporting for financial year 2021 is again based on the fields of action defined in our previous strategy. In the period under review, under the continuing impact of the COVID-19 pandemic, we built on existing core objectives and activities, delivering further progress through our commitment to sustainability.

In the financial year under review, TUI Group's international sustainability team focussed on developing TUI's Sustainability Agenda. New priorities and strategic directions for TUI's future 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. Alongside the work invested in finalising the Sustainability Agenda, a number of specific initiatives were launched, in particular with a view to reducing our carbon footprint (adoption of an Emission Roadmap) and promoting a circular economy (training programmes and cooperation with suppliers).

With the next phase of our Sustainability Agenda, we will enter a decade of sustainable transformation. Our ambition is to continue to lead the industry and to actively shape a more sustainable future for tourism.

Our next steps will be anchored in core deliverables, building on the significant progress made – with a focus on:

- Empowering communities in destinations
- Driving transformation by increasing and sharing knowledge through educational initiatives open for many
- Reducing our environmental footprint (energy, waste, water) and working with science-based emissions targets
- Working with partners across the tourism industry and outside to accelerate the transformation beyond TUI
- Introducing industry-leading initiatives (e.g., on the topic of circularity or sustainable destination management)

In active pursuit of this sustainable transformation, TUI also launched its Sustainability Academy in the period under review. This online learning platform enables TUI Group employees to undergo further training around sustainability, and in particular around TUI's strategic priorities. The first stage of the online platform with appropriate learning content has now gone live and additional content and functions will be added successively.

MATERIALITY

TUI Group carried out a formal materiality assessment involving a variety of key stakeholder groups. Applying recognised qualitative and quantitative methods, a global stakeholder survey and an impact analysis identified the leading material aspects and set priorities. A repeat of the global stakeholder survey scheduled for 2021 had to be postponed due to the ongoing COVID-19 pandemic. Thanks to direct contact with our stakeholders and sector initiatives, we also benefited from important input, which was subsequently incorporated into our sustainability activities.

SUSTAINABILITY MANAGEMENT

Across TUI Group, a team of experienced sustainability professionals are working in close collaboration with senior management at Group and at divisional level to ensure that TUI's business and sustainability strategies are well aligned. The role of our sustainability team is to drive implementation of more sustainable business practices across TUI Group and along its supply chain. The TUI Group Executive Committee is regularly updated on our performance in delivering the sustainability strategy and tackling other key sustainability issues. These are also regularly included on the agenda for meetings of divisional and platform management boards (e.g. in hotels and aviation) and the Risk Oversight Committee ([ROC](#)).

As part of TUI's sustainability management approach, corporate headquarters were successfully audited against the environmental standard ISO 14001:2015.

Managing sustainability-embedding



SUSTAINABILITY INDICES

TUI AG is represented on the sustainability index FTSE4Good. In 2021, TUI participated in the CDP Climate Change programme and in the S&P Dow Jones Sustainability Index Assessment and engaged in dialogue with other researchers.

Environmental matters

Respecting the environment in our products, services and processes is an essential feature of our quality standards. We have prioritised improving our carbon and resource efficiencies, with a particular focus on waste and water consumption. Conserving natural resources and mitigating negative environmental impacts are both in the interests of our business as well as the future success of travel and tourism.

We aim to reduce the environmental impact of our operations and are setting clear stretch targets to deliver these improvements across aviation, cruise, hotels, offices, retail shops and ground transport. We have liaised with the Science Based Targets Initiative to develop carbon roadmaps. TUI continues to run carbon reduction

initiatives across the business – from airline and cruise efficiency programmes, to retail energy savings and the reduction of printed brochures.

In financial year 2021, TUI Group's total emissions decreased by 43% year-on-year in absolute terms as a consequence of the impact of the COVID-19 pandemic across our businesses.

Carbon dioxide emissions (CO₂)

tons	2021	2020	Var. %
Airlines & Aviation	1,317,865	2,725,937	-51.7
Cruises	391,475	602,794	-35.1
Hotels	362,474	328,282	+10.4
Major premises/shops	15,949	18,189	-12.3
Ground transport	5,440	5,235	+3.9
Scope 3 (indirect emissions from TUI's value chain)	27,911	41,073	-32.0
Total	2,121,114	3,721,510	-43.0

As part of TUI's environmental reporting the breakdown of energy usage by business area shows that Airlines and Aviation represented more than 67% of the total energy used.

Energy usage by business area

MWh	2021	2020	Var. %
Airlines & Aviation	5,371,454	11,110,512	-51.7
Cruises	1,518,886	2,328,410	-34.8
Hotels	1,021,997	947,324	+7.9
Major premises/shops	60,766	64,931	-6.4
Ground transport	23,314	20,986	+11.1
Total	7,996,417	14,472,163	-44.7

CLIMATE PROTECTION AND RESOURCE EFFICIENCIES BY TUI'S AIRLINES

We already operate one of Europe's most carbon-efficient airlines and we aim to continuously improve in this space. TUI's airlines have numerous measures in place to further enhance carbon efficiency. We have implemented the following measures to support our efficiency goals:

- Process optimisation, e. g. single-engine taxiing in and out, acceleration altitude reduction and wind uplinks
- Weight reduction, e. g. introduction of carbon brakes and water uplift optimisation
- Flight planning optimisation, e. g. alternate distance and minimum fuel programme
- Implementation of fuel management systems to improve fuel analysis, identify further opportunities and track savings

We did not achieve the target set as part of our Better Holidays, Better World strategy to reduce our carbon intensity from aviation operations by 10 % by 2020. We had hoped to deliver against this target through the deployment of efficiency measures as well as through fleet renewal. Unfortunately, the grounding of the Boeing 737 Max and delays to deliveries of further aircrafts significantly impacted our ability to deliver against this target. The ongoing COVID-19 crisis made it impossible to deliver further relative carbon emissions improvements as they are based on load factors and fuel burn.

TUI's airlines play a pioneering role in maintaining environmental management systems based on the internationally recognised ISO 14001 standard. In the period under review, each of our airlines held an ISO 14001:2015 certification.

TUI Airlines – Fuel consumption and CO₂ emissions

		2021	2020	Var. %
Specific fuel consumption	l/100 rpk*	3.10	2.69	+4.0
Carbon dioxide (CO ₂) – total	t	1,300,942	2,357,195	-44.8
Carbon dioxide (CO ₂) – specific	kg/100 rpk*	7.80	6.78	+15.0

* rpk=revenue passenger kilometer

TUI Airlines – Carbon intensity

g CO ₂ /rpk*	2021	2020	Var. %	g CO ₂ e/rpk*
TUI Airline fleet	78.0	67.8	+15.0	78.8
TUI Airways	83.3	65.5	+27.2	84.1
TUI fly Belgium	82.8	75.1	+10.3	83.6
TUI fly Germany	75.8	69.4	+9.2	76.6
TUI fly Netherlands	70.3	66.4	+5.9	71.0
TUI fly Nordic	69.7	66.1	+5.4	70.4

* rpk=revenue passenger kilometer

We commissioned Verifavia to provide assurance on the carbon intensity metrics for 2021 as displayed in the table 'TUI Airlines – Carbon Intensity' above. To read our airline carbon data methodology document and the assurance report in full, please visit www.tuigroup.com/en-en/sustainability/reporting-downloads

Relative carbon emissions across our airlines increased by 15 % in the financial year 2021. This has been caused by the grounding of our fleet due to the COVID-19 crisis with significantly reduced operations and load factors across all airlines. Additional cargo sectors across some TUI airlines have led to greater aircraft weight resulting in increased fuel burn.

Specific emissions are also shown in the form of CO₂ equivalents (CO₂e). Apart from carbon dioxide (CO₂), they include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆).

CLIMATE PROTECTION AND RESOURCE MANAGEMENT IN CRUISES

TUI Cruises continues to operate a modern and technologically advanced fleet. The newbuild ships in the fleet include the latest technologies to minimise fuel burn. A smart energy management system, efficient air conditioning, innovative lighting controls and the use of exhaust heat from the engines all contribute to a significantly reduced carbon footprint compared to other vessels not equipped with these technologies.

⊕ [TUI Cruises Environment Report: www.tuicruises.com/nachhaltigkeit/umweltbericht/](http://www.tuicruises.com/nachhaltigkeit/umweltbericht/)

Sulphur emissions from the new ships in the fleet are reduced by up to 99 % thanks to new systems that treat the exhaust fumes before releasing them.

The ships are fitted with advanced emission purification systems, which operate around the clock – not only in the designated special emission control areas of the North and Baltic Seas, the English Channel and North America but also in the other areas that TUI Cruises travels to, such as the Mediterranean, Orient, Caribbean and Central America.

Hapag-Lloyd Cruises ships exclusively use 0.1% low-sulphur marine gas oil. This reduces the sulphur emissions of Hapag-Lloyd Cruises' fleet by up to 80% and reduces particulates by up to 30%. All Hapag-Lloyd Cruises ships have the Tributyltin-free underwater coatings, seawater desalination systems for water treatment purposes as well as a biological sewage treatment system for wastewater. Waste is separated on board in an environmentally friendly manner prior to disposal on land by specialized companies in accordance with international regulations (MARPOL).

Hapag-Lloyd Cruises' Hanseatic Nature, Inspiration and Spirit are also equipped with modern environmental technologies. The optimisation of the hull and the use of a rudder with special propeller contribute to a reduction in fuel consumption. The ships are equipped with SCR catalysts, which reduce nitrogen oxide emissions by almost 95%, and have the option of using shore power.

In the financial year 2021 Marella Cruises have introduced an environmental data management dashboard to track and drive environmental performance.

Cruises – carbon intensity, fresh water and waste

	2021	2020	Var. %
Carbon dioxide (CO ₂) – relative kg/Cruise passenger night	240	130	+83.8
Fresh water – relative l/Cruise passenger night	89	107	-16.4
Waste – relative l/Cruise passenger night	23.7	13.6	+73.9

In financial year 2021, relative carbon emissions in Cruises increased by 83.8% due to the significant reduction in load factors caused by COVID-19. Per cruise passenger night 23.7 litres of waste were measured – a 73.9% increase – and 89 litres of fresh water consumed, a decrease of 16.4% due to less bunkering of fresh water.

CLIMATE PROTECTION AND RESOURCE MANAGEMENT BY HOTELS

Together with our hotel partners we constantly work on improving our sustainability performance. TUI research shows that our hotels with sustainability certifications deliver on average better environmental performance and higher customer satisfaction.

We have included a sustainability clause in contracts with our accommodation suppliers outlining minimum expectations and the requirement to work towards credible sustainability certification recognised by the Global Sustainable Tourism Council (GSTC). TUI is supporting its hotel partners by providing guidance and consultancy to enable our hotel partners to prepare for certification. In addition TUI has set up a dedicated online platform to inform hotel partners about relevant sustainability issues and to offer support in finding sustainable solutions for hotel operations.

Hotels – carbon intensity, water* and waste

	2021	2020	Var. %
Carbon dioxide (CO ₂) – relative kg CO ₂ /guest night	13.25	12.49	+6.1
Water – relative l/guest night	843	773	+9.1
Waste – relative kg/guest night	2.22	2.20	+1.0

*Includes water for domestic, pool and irrigation purposes

Effective waste management aims to conserve resources and reduce its environmental impact and costs through recycling practices. Our owned and partner hotels implement various measures to reduce waste, for example through a stronger focus on local procurement and reducing packaging via buying in bulk. Per guest night 2.22 kg of waste was measured in financial year 2021, and remained stable. The increases of carbon emissions, water and waste per guest night is due to impact of the COVID-19 crisis resulting in the temporary closure of hotels and overall lower occupancy rates.

MOVING TOWARDS CIRCULARITY

The new TUI Sustainability Agenda focuses on the circular economy and the promotion of a closed-loop system in which raw materials, components and products lose as little value as possible through the use of renewable energy sources. TUI Group has set itself the goal of operating an increasingly circular business model, the details of which are set out in TUI's Circular Economy Commitments. To inform about the necessity of the topic, numerous information and workshop events were held, in which more than 300 employees and interested persons participated in the financial year 2021.

As part of the membership to the Sustainable Transformation Group on Circular Economy, coordinated by the Antwerp Management School, cross-industry approaches to promoting the circular economy are presented and discussed. The TUI Group participates in order to be informed about current developments for the promotion of a circular economy.

An important aspect of the Circular Economy is the reduction of unnecessary and problematic single-use plastic items. To this end, the TUI Group joined the Global Tourism Plastic Initiative in July 2021 and signed up to its commitments. UNWTO and UNEP are leading the implementation of the initiative in cooperation with the Ellen MacArthur Foundation and with the support of an advisory group, of which TUI Group is a member. As part of this, TUI's airlines have replaced certain single-use plastic items on board with more sustainable alternatives.

To further determine the acceptance of certain single-use plastic alternatives TUI Group has launched a project in summer 2021 in cooperation with the sustainability initiative Futouris. The initiative aims to use more sustainable alternatives in certain guest rooms in two TUI Clubs on the Balearic Islands. The effectiveness will be measured by using guest surveys, successful measures will be transferred to other hotels.

Social matters and destination collaboration

Through our sustainability agenda we aim to make a difference. We believe tourism is a powerful force for good – boosting economies, creating jobs, protecting human rights and enhancing cultural understanding and tolerance.

SUSTAINABLE HOLIDAYS

Hotels play a key role in raising the bar for sustainability performance at our destinations. By carefully managing their impacts on local people, economies and habitats, each hotel is uniquely positioned to make a positive difference.

Our own hotels and hotel partners are expected to achieve independent sustainability certifications that meet the standards of the Global Sustainable Tourism Council (GSTC) and demonstrate social and environmental good practice. To support hotel partners achieve our sustainability targets and pursue certification we support them on their journey via dedicated resource and materials, face-to-face meetings and conferences, an online collaboration and training for purchasing managers.

TUIPARTNERS.COM / SUSTAINABILITY

This year we have added a sustainability section to our B2B platform TUIPartners.com accessed by our accommodations and tours, activities, excursions and transport providers. Its purpose is to serve as an online platform for sharing knowledge and experiences on the various sustainability topics therefore, keeping TUI's partners fully updated with the latest trends, requirements, technologies and opportunities.

Sustainable holidays

	2021	2020	Var. %
Number of customer (millions) staying at certified hotels ¹	2.8	3.8	-25.6
Number of contracted hotels with certifications ²	630	1,069	-41.1
% of TUI hotels with certifications (variance in % points)	54	79	-25 ³

¹ Hotels that are certified to a GSTC-recognised certification

² Hotels that are certified to a GSTC-recognised certification and welcomed a minimum of 100 TUI customers in financial year 2021

³ Variance is given in percentage points

By financial year 2019 we were able to increase the number of customers staying in a hotel certified to a GSTC-recognised standard to 10.3 million (exceeding our 2020 target), however, in the last two financial years, the severe disruption to operations caused by the COVID-19 pandemic has meant that we have not been able to report any further growth.

The number of certified hotels has decreased year-on-year by 41.1 % to 630 hotels. Travel restrictions and auditor availability at our main certification partner, Travelife, resulted in the many audits necessary to renew the certification not taking place until the final three months of the TUI financial year. This meant there was insufficient time for the hotels to regain their certification to be included in this year's report.

We expect to see a significant increase in certifications next year, as our hotel partners remain committed to sustainability and are actively engaged in this process. However, the combined impact of the COVID-19 pandemic and the timing of our financial reporting year has meant the numbers are particularly depressed this year.

[+ Sustainability reporting methodology document: www.tuigroup.com/en-en/responsibility/reporting-downloads](http://www.tuigroup.com/en-en/responsibility/reporting-downloads)

COMMUNICATING WITH CUSTOMERS

Embedding sustainability into our brand and raising customer awareness are key priorities. We want to stimulate demand for more sustainable holidays by showing customers how these contribute to a better holiday experience and highlighting the role they can play in driving a positive change. An example of an initiative is the online responsible souvenir guide launched in cooperation with the Global Nature Fund (GNF). The guide offers guests tips on how to preserve biodiversity at the destination, contribute to the local economy by purchasing regional products, and avoid any unpleasant surprises when passing through customs. TUI enhanced the content of this online platform in financial year 2021.

Initially launched in the Netherlands, we enable customers to more easily choose sustainable accommodations and automatically contribute to an additional two ways of sustainable development. Customers who book the fair travel concept contribute to social and economic development in tourist destinations through an integrated donation made to the TUI Care Foundation and contribute to investments in the development of sustainable transportation through projects such as upscaling sustainable aviation fuels.

ANIMAL WELFARE

TUI audits its suppliers against established animal welfare guidelines. TUI excursions featuring animals must comply with ABTA guidelines (Global Animal Welfare Guidance for Animals in tourism). Since 2016 more than 237 independent audits of animal attractions featured by TUI were conducted. Wherever possible we prefer to work with suppliers to deliver improvement plans, however a number of venues were taken out of the programme for not meeting the required standards.

DESTINATION COLLABORATION

The TUI Care Foundation is the main channel utilised to coordinate our approach for developing tourism in a sustainable manner, together with the destinations and the industry.

We measure the effects of enhancing the positive impact of tourism by the amount invested in charities, projects, and initiatives as well as memberships that support good causes.

Investments into projects and good causes

€ million	2021	2020	Var. %
Amount raised for research/good causes	2.3	3.8	-41.1

Our businesses, colleagues and customers raised €2.3 m in financial year 2021, a decrease of 41 % due to the ongoing impact of the COVID-19 pandemic.

TUI CARE FOUNDATION

The TUI Care Foundation was adopted as our Group's corporate foundation in 2016. It is an independent charitable foundation, with a majority of non-TUI trustees. The TUI Care Foundation builds on the potential of tourism as a force for good by supporting and initiating partnerships and projects that create new opportunities for the younger generations.

In 2021 enpact and the TUI Care Foundation launched the joint Tourism Recovery Programme which supported young founders in the travel and tourism industry. Participants were micro, small, and medium-sized tourism enterprises in Egypt, Mexico, South Africa and Kenya.

The Tourism Recovery Programme was designed to support innovative tourism businesses on their path to economic recovery. The future of tourism depends on resilient touristic businesses offering sustainable products and services, particularly in developing and emerging economies. With the United Nations Sustainable Development Goals at its core, the Tourism Recovery Programme builds capacity around leadership, resilience, sustainability, innovation, and digital transformation. Additionally, the aim of the continuing programme is to create a flourishing international network of tourism businesses.

Under the six-month programme, participating businesses have the opportunity to gain access to dedicated mentoring, business development training and financial support. The support package drew on the experience of the previous COVID-19 Relief Programme for Tourism, where already 352 participants from 150 tourism businesses from Mexico, Kenya, Indonesia and Jordan benefited from the same opportunity.

[+ More on TUI Care Foundation: www.tuicarefoundation.com](http://www.tuicarefoundation.com)

Group Security, Health & Safety (SHS)

TUI operates holistic safety and security standards for customers and employees, the company's reputation and its assets, setting the tourism industry standard in security, health and safety. In financial year 2021 the business made a significant push in its efforts to centralise security and safety activities. Through extensive continuous dialogues with stakeholders including all subsidiaries we aligned their needs with the professional security, health and safety management delivered. Additionally, the department steered all measures related to health, safety, crisis response and business continuity and supported the markets coming back to business as usual adjusting to the dynamic, pandemic environment.

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 with 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.

SAFETY

In financial year 2021 TUI saw the creation of a new Safety and Risk team to support the Markets Transformation strategic initiative and to create a centre of excellence within the Group for safety management. This new team was created by combining the Markets' Health & Safety teams and the TUI Musement Safety Management Team in to one global function with a single management structure – accountable via the newly introduced Group Security, Health & Safety Governance Committee represented by senior stakeholders from across the Group's business units and functions.

This Safety and Risk team retains the policy and oversight remit across the Group but also now has an operational focus on accommodation, transfers, excursions, activities, tours and all other in-destination activities.

The consolidation of our in-destination operational safety management is driving increased operational efficiency and enabling us to lead the way with a risk-based safety management approach, maximising the use of data from across TUI and from key industry partners.

TUI has implemented a group-wide incident reporting system (Riskconnect), more effectively enabling us to view consolidated data and safety related trend analysis. 5,746 health and safety incidents were reported this year including 1,638 for COVID-19.

Operationally we have worked to adapt to the evolving COVID-19 environment reviewing and updating protocols to support the operational restart and increasing customer volumes. We have reviewed the requirements from our Source Markets and our destinations and led work to procure COVID-19 testing solutions for colleagues and guests. For example for the UK market where the government required PCR testing on return to the UK, we established a contract with Chronomics to provide cost effective testing solutions for all TUI UK customers and travelling colleagues.

Working on a safe return to operations has been a continued focus throughout financial year 2021 supporting the business with measures required in response to COVID-19 whilst maintaining a focus on the other safety related risks. In partnership with specialist assessment industry partners, TUI has conducted 4,347 safety assessments across our portfolio using a multi-layered assessment approach. TUI has also implemented a data driven, digital process which enables the sharing of safety related data from our RIU hotels. TUI Hotels and Resorts COVID protocols have been regularly updated to meet the changes in requirements relating to the prevention of the virus, Group Security, Health and Safety (SHS) continue to support TUI Hotels and Resorts with technical guidance. The management of COVID-19 within our owned and managed hotels remains a key focus, however is now business as usual activity within these hotels and will remain so for the foreseeable future. Strong hygiene concepts are the key to reducing the risk of spread COVID-19 as well as many other infectious diseases and we will continue to promote this activity.

Our airlines and cruise lines have continued to ensure appropriate health and safety protocols are in place for our passengers, colleagues and contracted suppliers meeting industry and international standards.

Group SHS is supporting the strategic direction of the business and ensuring that TUI remains a brand that can be trusted by our customers, clients, colleagues, and industry partners.

SECURITY

In October 2020, TUI unified operations for Security, Health & Safety, Crisis, Business Continuity Management and Occupational Health. As such, security expertise in the markets was centralised to align destination and corporate security. Both security functions have large crossovers in scope and expertise with responsibility to support TUI business units across the globe when actioning security-related risk management.

Group SHS develops and aligns Group-wide security standards in close corporation with the business units and supports the local implementation, such as the development and implementation of a guideline for protest and demonstration hand-ling in retail stores across our key markets. TUI has established an internal Group Security Forum, which brings together all markets and business units to strengthen security corporation, share best practices and work closely together to set aligned security standards. As a result of the COVID-19 pandemic security risk assessments in third party hotel units had to be postponed to financial year 2022.

OCCUPATIONAL HEALTH AND SAFETY

TUI is determined to ensure all employees are given appropriate support to ensure their physical and mental health and occupational safety. The business ensures compliance with all applicable occupational health and safety standards and offers a varied 'TUI-fit' package of services with professional support.

At the Hanover site, for sports courses, we offer health-related talks and measures (TUI Wellbeing Days), various forms of health coaching and nutrition counselling to (preventive) medical check-ups and chiropractic therapy. In Luton TUI offers a package of wellbeing services such as guided meditation and mindfulness sessions. Especially in times of crisis TUI attaches great importance to support our employee's mental health. Various internal and external counselling offers are implemented across the Group. That includes training managers to identify and prevent psychosocial risks, offering access to an Employee Assistance Programme 24/7 or offering information and webchats on mental health via internal channels.

In addition, intensive dialogue within TUI serves to analyse TUI Group's structure in the pursuit of common processes and shared standards. Some of the 'TUI-fit' offers have had to be paused because of the COVID-19 pandemic and to ensure our compliance with local government regulations. Where possible, digital versions were offered instead.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY

TUI operates Group wide crisis and business continuity protocols and governance modules. They were successfully applied, in particular, during the COVID-19 pandemic.

Apart from aggregating data and analysing the local situation, our event management frameworks ascertain how guests and employees are affected and what support they need. This will be enhanced by the introduction of a Group wide crisis management system software for monitoring, escalation and managing of day-to-day incidents and crisis by the end of 2021. With the ability to work individually within each business and to come together as a group when needed with oversight and direction at a group level, 24/7 control centers in different source markets form the basis for fast and pertinent responses to critical events, with the additional support of our destination teams.

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.

In 2021 we embarked on three key areas of alignment across the Group, which includes the Group crisis system software, which will be implemented in all markets, at the airlines, the cruise, Hotels & Resorts, and TUI Musement. In addition, both the Group Crisis Manual and the Group Business Continuity Manual have been reviewed, amended, and cascaded to all areas of the business. All projects have included representation from all business areas and have been successful in re-writing our roles and responsibilities but also with an enhanced governance process supported by Group SHS.

COVID-19 PANDEMIC

We moved the COVID-19 crisis back into business as usual in October 2020 while still continuing to support as required. The reporting and managing of COVID-19 cases became part of the regular Health & Safety illness processes including the required protocols to mitigate risk. In addition Group SHS continue to update all business areas with the latest destination information as approved by government affairs. Understanding and communicating the country information has been challenging and we have supported projects including an on-line travel restrictions system as a solution for customers and colleagues.

Group SHS continued working in collaboration with occupational health teams across the Group. Implemented measures like hygiene and distance rules were reassessed and adjusted in the light of the current situation and the applicable legal requirements on a regular basis. It is important to work as globally as possible but as locally as needed, to ensure each country's strict rules and regulations are implemented, whilst embedding best practice across the Group for the benefit of our colleagues. In Germany for example an interdisciplinary team implemented measures required by regulations like e.g. SARS-CoV-2 occupational health and safety regulation at the campus Hanover, which were shared with other German business units as best practice. In addition to mandatory COVID-19 trainings continuous communication on COVID-19 information was ensured via internal channels.

We coordinated step-by-step re-opening of operations and established safe working conditions to reduce the risk of infection. This work continues and will do so for many months to come.

Respecting human rights

TUI Group respects all internationally proclaimed human rights as specified in the International Bill of Human Rights and expects the same of our suppliers and business partners. Modern slavery and its components of forced labour and human trafficking are of particular concern given their egregious nature and increasing prevalence.

[⊕ Modern Slavery Act Statement on \[www.tuigroup.com/en-en/sustainability/msa\]\(https://www.tuigroup.com/en-en/sustainability/msa\)](https://www.tuigroup.com/en-en/sustainability/msa)

In accordance with applicable law, conventions and regulation, TUI is committed to respecting human rights throughout its worldwide operations. 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.

In September 2014, TUI signed up to the [UN Global Compact](#), committing the Group to 10 universally accepted principles in the areas of human rights, labour, environment and anticorruption. In 2012, TUI signed the UN World Tourism Organisation's (UNWTO) Global Code of Ethics – further underlining our commitment to respecting human rights.

We have a working group on human rights, drawing on senior management from major departments across our business to help with the continuous process of analysing potential human rights risks. We also sit on the Boards of the Global Sustainable Tourism Council (GSTC) and Travelife, both of which are addressing these issues through sustainability certification standards.

TUI Group has a number of policies and procurement processes in place focused on the prevention of human rights violations and modern slavery.

- The Global Employment Statement applies both to our own employees and to our contractual partners. Its focus is the fair and respectful treatment of employees at all levels and compliance with applicable law and industry standards.
- The Employee Code of Conduct, the 'Integrity Passport', commits us to respect and observe human rights. TUI Group employees are also encouraged to report any wrongdoing to the 'Speak Up' Line.
- The Supplier Code of Conduct sets out the minimum standards we expect from suppliers. The code includes guidance on human rights and labour laws, bribery and corruption, environmental impacts and support for local communities.
- We have incorporated environmental and social requirements into contracts for our accommodation suppliers as well as other areas of procurement.

We require our hotel suppliers to implement credible sustainability 3rd party certifications recognised or approved by the Global Sustainable Tourism Council (GSTC). Schemes approved and/or recognized by GSTC mandate the highest standards of human rights, child protection and social welfare in the tourism industry.

A key focus is raising awareness of human rights across our business. The e-learning sessions have been integrated into TUI People, a global internal HR and learning platform, which is a more efficient and better tool to track completion. Airline crews in the UK, Nordics and Germany receive Vulnerable Children & Trafficking Training during their inductions, where they learn about how to spot trafficking and what to do.

TUI Group supports a number of projects and partnerships to protect human rights in our destinations. We raise awareness of modern slavery at TUI hotel partner conferences and support Travelife with road shows. TUI Group is a founding member of the World Travel and Tourism Council's Human Trafficking Task Force to work closer with the whole tourism sector in preventing human trafficking.

Our internal Child Protection Guidelines now also include information for our colleagues on 'voluntourism' and visits to orphanages and schools, what activities are currently being offered on the market, the issues surrounding it and what TUI is doing to this respect, including prohibiting any type of visits to orphanages during TUI activities and no interaction between local children and TUI guests during any activities.

TUI JUNIOR ACADEMY

The TUI Care Foundation and Mentor International continued to work together on a mentoring programme to empower more than 800 young people from vulnerable communities in Jordan and Sweden. The programme focused on schools in socially vulnerable areas, targeting students (13–17 years old) who are refugees or struggling to integrate. Workshops designed to strengthen self-esteem, social inclusion and parental involvement aimed to support the young people's development, reduce isolation, improve school results, strengthen school-to-work transition and motivate and support the young people to thrive. Due to the restrictions of COVID-19, workshops continued either online or on a rescheduled timetable. The programme also involved the recruitment of volunteers by Mentor and TUI Care Foundation from local communities, including employees from across TUI Group, to lead and take part in inspirational and motivational workshops.

Employee matters

The COVID-19 pandemic again posed significant challenges for the tourism sector and hence also TUI Group, our HR Departments and our employees in financial year 2021. The lifting of some restrictions in Summer and Autumn 2020 was followed by renewed massive travel and contact restrictions in Winter 2020/21 and Spring 2021. This required us to continue systematically on the measures already launched in 2020 to reduce staff costs. As we press ahead with our ongoing transformation and restructuring projects, TUI is moving towards its goal of future-proofing the Company and successfully counteracting the long-term effects of the COVID-19 pandemic. The ongoing transformation and restructuring projects were continued and consistently driven ahead. In financial year 2021, key drivers were our digitalisation strategy and the transformation to a digital platform company. With the launch of the 'TUI Way of Working', we are seeking to reach global agreement on a new way of working and develop a shared vision for the future of work at TUI. In addition, a number of strategic HR projects were completed or continued in the period under review. In the next few months, we will focus on developing a new People Strategy with our new Chief HR Officer and Labour Director. The strategy will create an HR view of the portfolio and also address the HR function as such. Its goal is to make the HR function even more modern and enhance its efficiency while aligning our HR activities to the changing requirements that define the world of work in our future digital platform company.

COVID-19

Due to the persistent COVID-19 pandemic and the uncertain market environment, staff costs had to be kept at a low level. The measures already adopted in the previous financial year such as salary cuts, unpaid leave, vacancy freezes and other measures to reduce staff costs were therefore continued in financial year 2021 for the duration of restricted business operations. Since April 2020, short-time work benefit programmes have been agreed for all German Group companies, and they have been extended for financial year 2021 and beyond. In financial year 2021, Group companies also benefited from state-supported programmes and measures available in other countries. Some of these programmes have already been terminated or will successively end in the wake of the gradual lifting of restrictions to contain the COVID-19 pandemic.

In Spring and Summer of financial year 2021, booking numbers rose again as travel and contact restrictions were increasingly lifted, so that business operations were gradually resumed. Hotels and destinations were allowed to reopen in many places. Consequently, many employees returned to work, with some of them having spent several months on short-time work arrangements or other state-sponsored programmes. New projects were launched and some projects that had been suspended were resumed. In order to support the return of people to their teams and workplaces, a 'reboarding toolbox' was provided in the TUI Learning Lounge. This toolbox comprises, for instance, tips for the optimal use of Microsoft 365 and a refresher on TUI's values as well as information on health and well-being offerings.

GLOBAL REALIGNMENT PROGRAMME

Apart from the operational measures to cut staff costs, TUI's transformation was driven further ahead in financial year 2021. The consistent implementation of our Global Realignment Programme will serve to bundle our strengths and secure and expand our market position. The Global Realignment Programme comprises various projects in the core functions, Markets & Airlines as well as TUI Musement. The focus of the transformation is on platforms and cost-efficient structures, increasing digitalisation and process automation. The programme goes hand in hand with job cuts, which for the most part were implemented or agreed by the end of financial year 2021.

The implementation of the transformation projects is actively supported by our global and local HR Business Partners. This includes the measures taken in cooperation with the local co-determination bodies as well as support and advice for our executives in the transformation process as new global organisational structures have been defined. These were also implemented in the global HR IT Platform TUI People in order to reflect the current structure of the organisation.

Regular reports about the Global Realignment Programme are presented to the Group Executive Committee and the Supervisory Board. The employees and executives, too, are continually updated about the current situation, the transformation plans and changes within TUI Group via e-mail and through the intranet.

'TUI WAY OF WORKING'

Before the pandemic, TUI Group was well on its way towards becoming a Digital Platform Business. This evolution has accelerated even faster due to COVID-19. This resulted in new requirements for the daily local and global cooperation of our employees. In March 2020, a large part of the work was switched to mobile working, which was also continued in the financial year 2021. Mobile working using web-based applications has become the norm for many employees and will also shape future collaboration. Reflecting these unique circumstances, we have created the TUI Way of Working to provide a holistic framework for all the challenges and the world of working of tomorrow.

The TUI Way of Working is our common vision of what work at TUI looks like and how it is organised on a global level, which can be adapted locally. We will use it to create a culture of trust that enables a sense of belonging for colleagues, wherever they choose to work, giving them flexibility whilst keeping performance and efficiency high. The key message for this vision is that 'work is something we do, not somewhere we go'.

TUI Way of Working



The TUI Way of Working contains four building blocks that focus on Leadership, Workplace, Technology and Organisation, with our Culture and Mindset providing a firm foundation for the whole concept. Naturally, our Culture and our Mindset are shaped by the central TUI values of 'Trusted, Unique, Inspiring'.

- **Culture & Mindset:** We create a sense of belonging, with the TUI Values as our shared foundation, and strive to find new learning opportunities and help each other grow.
- **Leadership:** Our leaders embrace change, empower our teams, and create an environment based on trust and openness.
- **Workplace:** We choose hybrid formats and encourage use of our office spaces for creativity, networking, and collaboration.
- **Organisation:** Our global teams and agility are the framework for our organisation, enabling an environment that fosters innovative ideas.
- **Technology:** We will provide and use technology to optimise our hybrid working and collaboration opportunities.

The TUI Way of Working was launched globally in August 2021. Initial initiatives and programmes were implemented in financial year 2021, in particular in the areas of Leadership, Workplace and Technology. Further development is planned for financial year 2022.

LEADERSHIP

The second half of financial year 2021 saw the launch of 'Global VIBE' (Vision, Inspire, Build Teams, Execute), the Group-wide development programme for executives, in the framework of the TUI Way of Working. This programme enables our executives to expand their knowledge and build their skills, helping them in particular to bring the new global teams together and lead them. The learning content is provided in a virtual environment in the format of 60-minute master classes on the top themes, complemented by the Global VIBE Toolkit for in-depth learning. Executives also have the opportunity to engage and exchange with the Peer-to-Peer Learning Community and learn from one another. In financial year 2021, a total of 246 executives took part in three master classes. The Global VIBE Toolkits were retrieved 1,779 times, and 123 executives joined the MS Teams Learning Community.

'How2' is another leadership programme seeking to develop knowledge and skills for all new executives and ensure that they are able to fully exercise their roles. The programme consists of six modules, offering different online formats such as e-learning modules, teamcasts and facilitated meetings. 223 employees had been admitted by the end of the financial year under review. The programme will kick off at the start of financial year 2022.

WORKPLACE

The new Group-wide TUI Workwide programme was rolled out in August 2021 and enables employees to work abroad for up to 30 workdays per year if their role allows this. This makes TUI Workwide a key module in the TUI Way of Working. Trust is one of TUI's key values. That is why the programme was designed with a maximum of flexibility in mind. Our employees can freely choose where to work, the focus is on outcomes. By the end of September, as many as 69 employees had applied for or participated in TUI Workwide. The most popular countries for our employees to spend their TUI Workwide assignments are Spain, Greece and Portugal. Ten employees requested to be given the opportunity to stay the full 30 workdays abroad. On an average, employees apply for eight workdays of work abroad in the framework of TUI Workwide. More than one third of all applications were from Germany, followed by the UK and Spain.

Another project related to the Workplace module is the TUI Campus project in Hanover. It aims at combining three locations into one central site in Hanover. In this context, TUI focuses, among other things, on a shared-desk concept in order to create a modern and contemporary work environment for eight companies under one roof.

TECHNOLOGY

The TUI Way of Working requires a high-performance IT landscape. With Microsoft 365, we have already responded to that need in order to facilitate e.g. hybrid work. An efficient HR system is also required. That is why TUI continued to drive the expansion of its global HR IT platform TUI People further ahead in the period under review, focusing on various aspects including the alignment and digitalisation of processes. In Switzerland and the Nordics, the new core HR system Employee Central was initiated with success. It will be rolled out in other countries in future. TUI People was also expanded to include a digital desktop assistant in September 2020, which was further rolled out in the period under review. The assistant offers practical step-by-step instructions to facilitate the use of TUI People. In addition, the 360° feedback tool for TUI Musement went live. Moreover, Language Mentoring was launched as a pilot project, enabling our employees

to improve their foreign language skills as mentees or teach language skills as mentors. Another milestone was reached with the further consolidation of ten recruiting processes into two global processes aligned with the global process strategy.

The TUI Way of Working will only be successful if TUI also strengthens the sense of belonging in a hybrid-working environment. We need to ensure that colleagues who work elsewhere are also part of the team, feeling like they belong and can live the TUI values. For this, TUI will arrange activities – both globally and, especially, locally – which encourage use of our offices as places of exchange, engagement, creativity and learning.

OTHER HR PROJECTS

EMPLOYEE LISTENING

The COVID-19 pandemic has caused a volatile work situation at TUI, which led to the decision to pause the TUI Together employee survey in 2020, as it would have delivered an incomplete snapshot without generating a profound data base for future decisions. As part of the crisis response, local business surveys were carried out to provide support to their employees during those challenging times and to gain insights to support the design of a future hybrid work model. In autumn 2020 the businesses in Germany, UK&I as well as Belgium and the Netherlands conducted specialised surveys about their employees' experience with working from home. Within the UK&I 769 out of 1,661 participants are planning to come back to the office on one or two days a week. In Belgium and the Netherlands the majority of participants stated that they are either generally satisfied (54%) or very satisfied (36%) with home/telecommuting. Other parts of TUI Group recently went through a major transformation, e.g. TUI Musement and Group IT Domain, and therefore focused their local surveys on transformation topics and agility. Even once the pandemic's impacts are reduced, TUI will still be faced with a fast-paced and digitalised work environment. The chosen path for the future is therefore to evolve into a more holistic Listening approach with a focus on Employee Experience. This concept will focus on three main types of surveys, that each will be tailored to the specific needs of different participant groups. Lifecycle Surveys will focus on key moments in the Employee Journey to capture feedback that significantly impacts employee experience (e.g. Onboarding, Change of roles, returning from parental leave). Business Insight Surveys will be triggered by insight needs on topics for a specific target group of employees (e.g. transformation). The Global People Surveys are short (pulse) survey(s) for all TUI Group employees with focus on Engagement and other topics with a strategic impact.

It is the mid-/long-term ambition to create a holistic view of needs during the different stages of the lifecycle, and for different employee segments, enabling better data driven decisions about to best evolve our processes, culture, and ways of working.

TUI LEARNING

The strategic Learning@TUI approach supports employees and executives around the world with a great variety of learning content in the framework of leadership and management programmes. The goal is to enable our employees to assume responsibility for their own growth and career in a world characterised by constant change. In financial year 2021, TUI People offered more than 1,253 online programmes and 489 in-person schemes. More than 200,000 trainings were completed in TUI People in the period under review. The number of trainings offered in Summer 2021 reflects the increasing resumption of our business operations. In June 2021 alone, the number of training sessions successfully completed rose from around 14,000 in the prior year to 40,000. During the COVID-19 pandemic, our employees also had access to other attractive development opportunities such as the TUI Learning Lounge, the TUI Academy and the master classes. In Germany, the TUI@University and TUI@Expertise programmes were resumed in September 2021. TUI@University supports our employees wishing to enrol at university alongside their jobs, while TUI@Expertise offers further training and continuing professional development, e. g. for business administrators or economists.

In IT, the new learning tool 'for:ward' was successfully rolled out. for:ward is a programme offering employees the opportunity to learn new skills and acquire new knowledge. Due to the changes in our business, we need to adjust our IT roles and create a learning organisation culture. for:ward offers a basis to support the development of the IT Domain Organisation. The programme is open for all employees in the IT Domain Organisation. To this end, for:ward offers participants two options: learning on demand or learning with the support of an external partner. Employees can apply for a licence that includes access to the highest-ranking business and technology programmes. The second option, also supported by the external partner, relates to role transition. Learning paths have been established for certain roles that either develop employees into a new role or deepen their expertise in their current role. Employees can spend 30 % to 50 % of their working hours on this programme for five to six months and complete the learning path at their own pace.

PERFORMANCE & TALENT MANAGEMENT

In the light of the special conditions driven by the COVID-19 pandemic, it was important to offer our employees clarity and guidance. In order to offer our employees a simple tool to engage in dialogue, we continued to provide a 'light' version of our global Performance & Talent Management format Great Place to Grow. In doing so, we not only encourage all executives and their teams to provide feedback, but can also check their progress and show appreciation for their performance and engagement.

In the TUI Musement segment, Great Place to Grow was accompanied by the launch of the Objectives Key Results (OKR) concept. OKR is a collaborative tool for defining objectives, used by teams and organisations to set challenging, ambitious short-term goals with measurable results. The 'objectives' describe the goals employees are seeking to achieve. The 'key results' stand for the levers employees will use to reach their goals. The approach is supported by the overarching key values Transparency and Cooperation. The introduction of the OKR concept supports our employees in understanding the corporate strategy and aligning their day-to-day work to this strategy. The concept also enables teams to work together effectively and to deliver shared priorities in a fast-paced environment while continuing to improve and innovate.

RECRUITING & TALENT ACQUISITION

In Recruiting und Talent Acquisition, the focus in the completed financial year was on Talent Acquisition Transformation, aiming to digitise processes in this area. The first phase of the digital Talent Acquisition Transformation was completed with the harmonisation of the recruitment processes and tools in most of our customer-facing units and in Early Careers. and we are now ready to launch the campaign in October 2021. TUI works with a software providing a fully digital measurement and selection process, which improves the candidate experience in a cost-efficient, consistent manner. In financial year 2022, the recruiting processes and tools will be aligned and adjusted across markets and platforms. The goal of the campaign is to strengthen the TUI employer brand across all recruiting channels and tap new recruiting markets to win the best talents for TUI.

EARLY TALENTS

The COVID-19 pandemic continued to affect our training activities in the period under review. Most selection processes, trainings and meetings were carried out in a virtual format. Learning materials such as e-learnings, presentations and specialist articles were, for instance, provided in the Trainee Learning Lounge. In the last few months of the financial year, many trainees returned to their workplace in travel agencies or the tour operator. In Hanover, an information week was held with an in-person format, taking account of the relevant hygiene measures, to enable the new trainees and sandwich course students to visit locally and get to know their employer TUI. In Summer 2021, our junior company 'TUI Youngsters' also resumed operation, attracting attention with a range of marketing activities. Students enrolled in a practice-oriented dual study programme completed their first project by progressing the portfolio of activities and overall framework for 'TUI Youngsters'. They also partnered with the youth and trainee representatives to generate new ideas and update existing concepts. It was important to ensure the quality of training in the mobile work space and to offer a contact person who will be available to the trainees and dual study programme participants at all times.

At the end of September, TUI employed 250 trainees in Germany, with women accounting for around 72 % of these. The trainee ratio was 3.3 %. In financial year 2021, 147 trainees successfully completed their training and around 37 % of them were given a further contract.

In the UK, 83 % of all trainees were furloughed during the COVID-19 pandemic. In spite of these circumstances, 22 apprentices successfully completed their training. Thanks to positive ratings by our trainees, we won the myApprenticeship Award, ranking us among the Top 100 apprenticeship employers in 2020/21. In the course of Summer 2021, we resumed the recruitment of early talents in the UK. With our campaign we were able to recruit new graduates, e. g. in data science and analytics. In October 2021, further campaigns will follow to fill internal and external apprenticeships and internships for university graduates.

DIVERSITY & INCLUSION

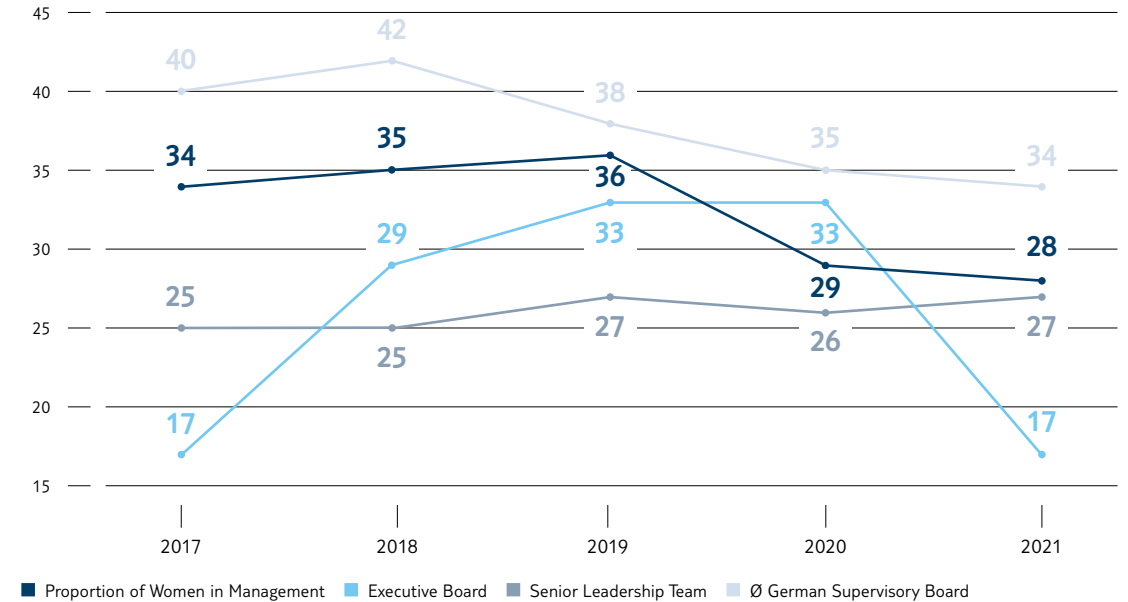
In financial year 2021, we continued our efforts to promote diversity, inclusion and equal opportunities. To enhance the measurability of the progress delivered, the diversity reporting launched in 2019 was repeated and further expanded in the financial year under review.

With the TUI Global Employment Statement and as a signatory to the UN Global Compact, we have made a clear commitment: We do not accept any discrimination based on national origin 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.

As in previous years, various indicators relating to the proportion of women in managerial functions and in the overall headcount were reported this year as part of our diversity activities. The proportion of women in the overall headcount declined to 54.6%. While TUI delivered increases in the proportion of women in managerial functions in the period from 2017 to 2019, the numbers remained flat or declined in the prior year and in the period under review. However, the proportion of women on the Senior Leadership Team rose slightly year-on-year.

Proportion of Women in Leadership 2017 – 2021

in %



For Germany (TUI AG, TUI Deutschland, TUI fly), voluntary targets were defined in 2020 for the period until 2023, in accordance with the statutory requirements of the German Stock Corporation Act and the Act on Limited Liability Companies. The first of these targets for 2023 were achieved in the period under review.

Proportion of women in managerial positions			
in %	30 Sep 2021	30 Sep 2020	Target 2023
TUI AG			
Supervisory Board	40	30	30
Executive Board	1 woman	2 women	at least 1 women
First management level below Executive Board	24	25	25
Second management level below Executive Board	24	22	30
TUI Deutschland			
Supervisory Board	33	44	30
Executive Board	25	40	25
First management level below Executive Board	22	27	30
Second management level below Executive Board	44	52	40
TUI fly			
Supervisory Board	25	33	30
Executive Board	0	0	20
First management level below Executive Board	20	13	30
Second management level below Executive Board	47	45	40

→ See declaration in the Corporate Governance Report on page 116

PENSION SCHEMES

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 Germany, collective contracts have been concluded with an insurance undertaking in order to meet the legal entitlement to deferred compensation.

EMPLOYEE REPRESENTATIVES

TUI and the employee representation bodies intend to maintain their active response to the requirements of digital transformation and the ever-changing world of work and are seeking to shape the future together. TUI Group has various co-determination bodies at national and international, company and supra-company level. The Group Works Council represents the interests of employees in German companies at the highest level in accordance with legislation on industrial relations.

In financial year 2021, both the Group Works Council and the local works councils in Germany as well as the co-determination bodies in other countries engaged in permanent constructive dialogue and concluded company agreements, e.g. on the introduction of short-time work benefit schemes and similar state support programmes, delivering a key contribution to coping with the COVID-19 pandemic. In addition, the required agreements, e.g. for the TUI Campus project and the for:ward learning programme, were concluded.

At a European level, the TUI Europe Forum (TEF) offers an information and consultation process for cross-border measures affecting the interests of employees in Europe. TUI's Europe Forum represents the interests of employees in companies outside Germany, thereby playing an important support and integration role. In financial year 2021, 40 employee representatives from 13 countries were delegated to the Forum. The Forum continues to address all transformation projects in the Global Transformation Programme and the shift to a domain structure. Further topics addressed by the TEF in the period under review include the European changes associated with the cross-border holding structure for all TUI Group airlines and a range of strategic projects in other European countries. In April 2021, the TUI Europe Forum adopted the Common Social Understanding as a shared Memorandum. It creates uniform minimum standards for talks about terminating employment, support for professional reorientation and options for potential rehiring.

EMPLOYEE INDICATORS

In financial year 2021, staff numbers increased by 4.7% to 50,584. While an increase in the headcount was driven by the reopening of hotels and destinations in Hotels & Resorts and TUI Musement, an opposite effect was attributable to the implementation of the Global Realignment Programme. Of the 8,000 roles potentially impacted as part of the programme, we have a reduction of more than 7,000 already completed or agreed by the end of financial year 2021. Staff numbers also fell due to further measures to cut costs, e.g. by leaving vacancies open.

Personnel by segment¹			
	30 Sep 2021	30 Sep 2020	Var. %
Hotels & Resorts	21,508	16,041	+34.1
Cruises ²	57	64	-10.9
TUI Musement	5,381	4,708	+14.3
Holiday Experiences	26,946	20,813	+29.5
Northern Region	9,011	10,746	-16.1
Central Region	7,492	8,940	-16.2
Western Region	4,833	5,602	-13.7
Markets & Airlines	21,336	25,288	-15.6
All other segments	2,302	2,229	+3.3
TUI Group	50,584	48,330	+4.7

¹ Includes all employees of TUI companies with active employment contracts, i. e. also employees who were on short-time working or similar government programmes at the balance sheet date.

² Excludes TUI Cruises (JV) employees. Cruises employees are primarily hired by external crew management agencies.

HOTELS & RESORTS

In Hotels & Resorts, the headcount grew by 34.1 % to 21,508. Riu recorded an increase in staff numbers of 36.3 % to 8,349, above all due to the reopening of hotels in Spain, Jamaica and Cape Verde. Robinson reported an increase in its headcount of 83.5 % from 2,596 to 4,763. This growth resulted primarily from the reopening of clubs in Turkey, North Africa and the Maldives. TUI Blue and the Northern hotels also recorded headcount increases.

CRUISES

The headcount in the Cruises segment declined by 10.9 % year-on-year to 57.

TUI MUSEMENT

In financial year 2021, the headcount in TUI Musement rose by 14.3 % to 5,381. The increase was driven by the gradual reopening of destinations, in particular in Spain and Greece.

NORTHERN REGION

Northern Region recorded a year-on-year headcount decline of 16.1 % to 9,011. In the UK, staff numbers decreased by 16.2 % from 9,966 in the prior year to 8,353. This is attributable to retail shop closures and reductions in the Tour Operator and Airline sectors. In the Nordics, staff numbers in the Tour Operator and Airline sectors declined by a total of 15.6 % to 658.

CENTRAL REGION

The headcount in Central Region declined by 16.2 % year-on-year to 7,492. In Germany, staff numbers fell by 17.3 % from 7,326 to 6,061, in particular due to restructuring measures in the Airline, Tour Operator and Retail segments. Staff numbers in Austria decreased by 17.7 % to 431 following travel agency closures. In Switzerland, the headcount declined by 21.0 % to 357 due to restructuring measures. In Poland, the headcount remained nearly flat year-on-year.

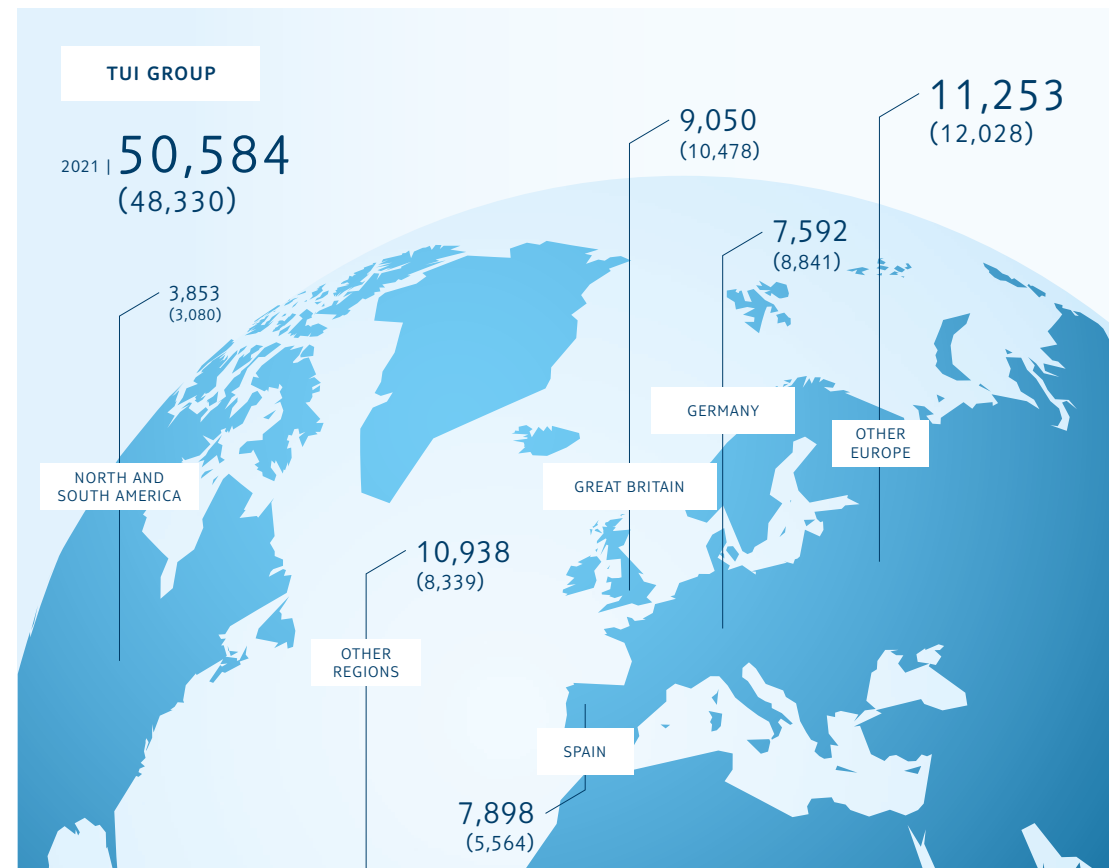
WESTERN REGION

The headcount in Western Region declined by 13.7 % year-on-year to 4,833. This was driven by declines in the Retail, Tour Operator and Airline sectors in Belgium and the Netherlands. In France, staff numbers declined by 43.7 % to 535 due to restructuring measures.

ALL OTHER SEGMENTS

Overall, the headcount rose by 3.3 % year-on-year to 2,302. The number of employees working for Head Office functions in Germany fell by 8.0 % to 658, including 277 employees working for TUI AG. The number of employees working for Head Office functions in the UK remained nearly flat year-on-year. The headcount in IT rose by 19.6 % year-on-year to 879. The Future Markets segment recorded a decline in its headcount of 4.8 % to 357.

Personnel by region*

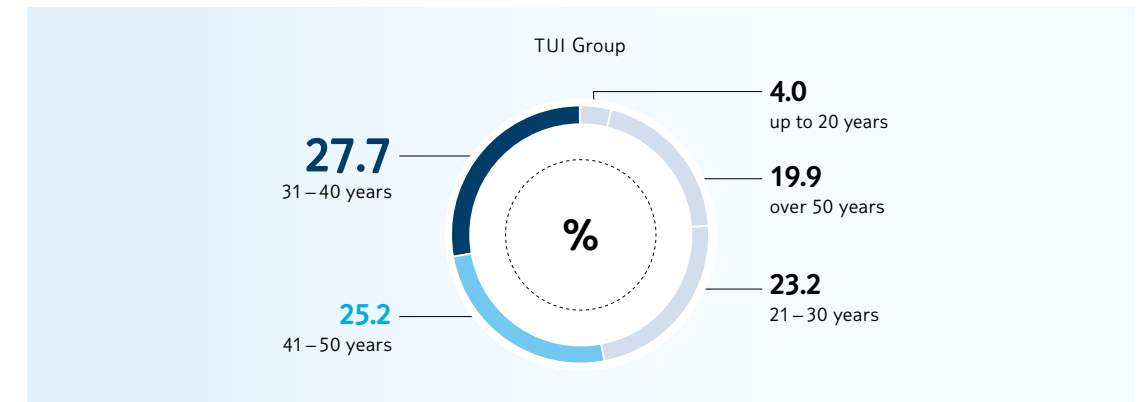


*By domicile of company
In brackets: previous year

EMPLOYEE INDICATORS

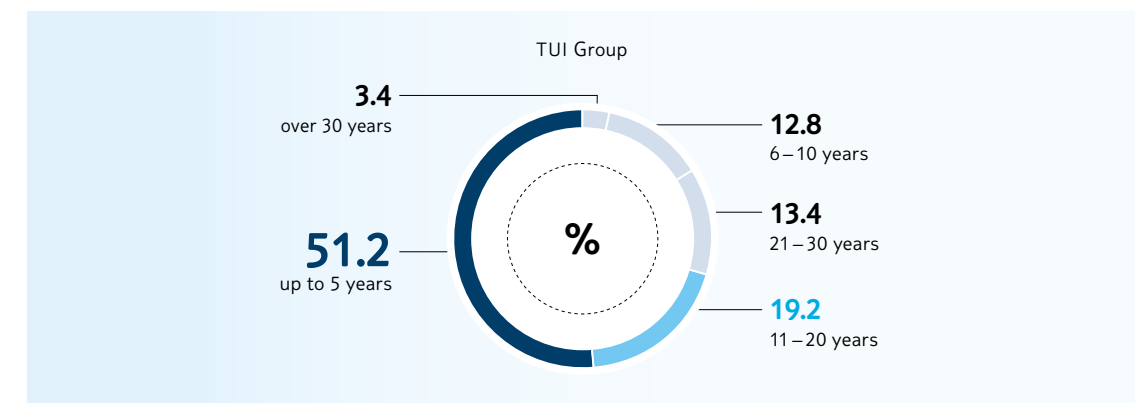
Age Structure (30 SEPTEMBER 2021)

in %



Seniority (30 SEPTEMBER 2021)

in %



Employment structure

in %	TUI Group		Germany	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Number of employees	50,584	48,330	7,592	8,841
Employees, female	54.6	57.8	66.1	66.2
Females in management positions	28.2	28.5	31.0	31.4
Employees in part-time, total	16.3	20.1	40.3	40.4
Employees in part-time, female	25.9	30.3	52.1	52.2
Employees, fixed-term employment contract	22.5	18.2	5.1	8.8

Personnel costs

€ million	2021	2020	Var. %
Wages and salaries	1,393.1	1,871.6	-25.6
Social security contributions	193.7	247.1	-21.6
Pension costs	119.3	142.3	-16.2
Total	1,706.1	2,261.0	-24.5

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 employees to sustainably participate in the Company's targets. In addition, the Senior Leadership Team can participate in a long-term share-based compensation programme based on the allocation of virtual shares.

In the period under review, TUI Group's personnel costs decreased from €2.3 bn in previous year to 1.7 bn. The year-on-year decrease in expenses for wages and salaries and social security contributions in financial year 2021 mainly results from the decline in average staff numbers across the Group due to the COVID-19 crisis as well as initial reorganisation effects, including from the Global Realignment Programme. In addition, substantial savings were generated through a range of measures including short-time work benefit schemes and other government-sponsored programmes, e.g. the job Retention Scheme in Great Britain, to save jobs. In the course of the gradual relaxations in the context of the COVID-19 crisis, these have already been partly terminated or are gradually being phased out. Moreover, restructuring costs were lower year-on-year in financial year 2021.

Anti-corruption and anti-bribery

→ Details of TUI Group's anti-corruption and anti-bribery measures are presented in the Corporate Governance section on Compliance from page 118 in this Report.

Limited Assurance Report regarding the Combined Non-Financial Declaration

The Group Audit department of TUI Group performed a limited assurance review of the combined non-financial declaration for financial year 2021. The work was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised).

The audit work comprised in particular the assessment of the materiality analysis used and the concepts specified on the basis of interviews and the collection and review of relevant records and evidence to evaluate data collection, validation and reporting processes and the reliability of reported data. In addition, inquiries of employees and directors responsible for determining the above matters at Group level were conducted, and the overall presentation of the declaration was assessed.

In financial year 2021 we focused specifically on the effects of the COVID-19 pandemic and climate – related matters.

Based on the procedures performed and evidence obtained, nothing has come to the attention of Group Audit that leads Group Audit to believe that the combined non-financial declaration for financial year 2021, in all material aspects, is not accurate, appropriate, or in line with legal requirements.