



2018

SUSTAINABILITY REPORT



betterholidays
betterworld

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

About this report

This report summarises TUI Group's progress on the fourth year of the Better Holidays, Better World strategy – reflecting on successes and challenges, and performance data for the 2018 financial year (1st October 2017 to 30th September 2018), unless otherwise stated.

The report is designed to be relevant to a wide audience, including employees, customers, and other stakeholder groups. As well as following our strategic framework for 2015 – 2020, we've tried to respond to emerging issues of material importance to our business and our stakeholders.

This report covers data and progress on activities from businesses owned or controlled by TUI Group. Further information on our sustainability reporting methodology can be found [→ here](#). TUI Group's 2018 UN Global Compact Progress Report can also be found in this report.

[→](#) Go online to find out more about TUI's sustainability initiatives



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

Contents

WELCOME

04 Welcome from Fritz Joussen

05 TUI at a glance

OUR APPROACH

06 Better Holidays, Better World Strategy

07 Managing Sustainability

09 Highlights for 2018

10 Sustainable Development Goals

11 TUI’s Contribution to the goals

13 Materiality

14 Human rights

STEP LIGHTLY

16 Strategy progress

18 Addressing climate change

19 Aviation

24 Cruise

29 Ground operations

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

59 Strategy progress

61 Engagement

64 Diversity

66 People development

68 Empowering colleagues

69 Security, Health & Safety


GLOBAL COMPACT


71 Progress report

REPORT NAVIGATION

To help you navigate through this report, we have created this PDF with links throughout. The contents bar in the left margin allows you to see where you are in the report (highlighted with blue text) and allows you to move to another area.

The following icons work in a similar way to a website:

 **TABLE OF CONTENTS**

 **SEARCH**

The following symbol in the text takes you to additional information outside the report:

 **TEXT REFERENCE**



WELCOME

04 Welcome from Fritz Jousen

05 TUI at a glance

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

Welcome

Tourism has an enormous creative power that goes far beyond holidays. For travellers, holidays are the most wonderful time of the year. This is what TUI's 70,000 employees work for. But that's not all: where there is investment in tourism, income, education, infrastructure, medical care and much more are also generated. The local population benefits directly from this. In emerging and developing countries in particular, I experience again and again how tourism opens up new perspectives for the local population.

As a leading tourism group, we want to continue to use our influence to initiate sustainable change. Of course, this also includes protecting the environment and the climate. Thanks to our investments in the latest technologies, we are on the right track. Our airlines in the UK and Germany rank in 1st and 4th place worldwide for airline carbon efficiency. TUI Group already has one of the most modern cruise fleets on the seas, and we have further reduced CO₂ emissions per cruise passenger night by around 12 percent from 2015 to 2018. Furthermore, our Mein Schiff new building ships ordered last year will be equipped with low-emission liquid gas engines. It is now important to expand the infrastructure needed on land, in cities and in ports to support this technology so that it can be used in many parts of the world in the years to come. Of the approximately 40,000 ships on the world's oceans, around 300 are cruise ships. I am convinced that modern cruise ships in particular are the source of innovations for the entire shipping industry that can lead to more environmental and climate protection on the oceans.

Environmental protection is wider than carbon reduction. For instance, we are experiencing just how great a threat plastic poses to our oceans. As a travel company we are particularly sensitive to this. We have launched multiple initiatives in our hotels, offices, aircraft and on our cruise ships to reduce plastic. To date, we have been able to remove 140 million single-use items of plastic. We will continue along this path.

The realisation of our sustainability ambitions is more successful where we succeed in engaging our customers and local communities in holiday destinations, and to this end our TUI Care Foundation is particularly instrumental. With more than 30 live projects, it works to ensure that as many people as possible in destinations benefit from tourism – for example through involvement in nature conservation initiatives, in the education programs of the TUI Academies, or by benefitting from our support for local entrepreneurs. Education and training are the key to change and the first step towards a better life for many young people and their families.



»Tourism is much more than holidays. Through education and training, we make an active contribution to improving the lives of people in the holiday countries in the long term.«

We make an active contribution to the transfer of knowledge and prosperity. And we promote the exchange between cultures when people meet on journeys and thus get to know the country and its people better. The world has changed, in many places relationships and living together today are more fragile and unstable. This is why the travel and tourism sector also offers unique potential here.

Our goal as TUI is to continue to play a pioneering role in sustainability. We want to use tourism's creative power to maximise the benefits of tourism. And at the same time we will innovate to minimise the ecological footprint of travel.

Fritz Jousen
Chief Executive Officer TUI Group



WELCOME

04 Welcome from
Fritz Jousen

05 TUI at a glance

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

TUI at a glance

TUI is the world's leading tourism group, comprising tour operators, five airlines with around 150 aircraft, 16 cruise liners, over 380 hotels and many destination management companies. This integrated offering enables us to provide our 27 million customers with unmatched holiday experiences. → [Read more here](#)



WELCOME

OUR APPROACH

06 Better Holidays, Better World Strategy

- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development Goals
- 11 TUI's Contribution to the goals
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



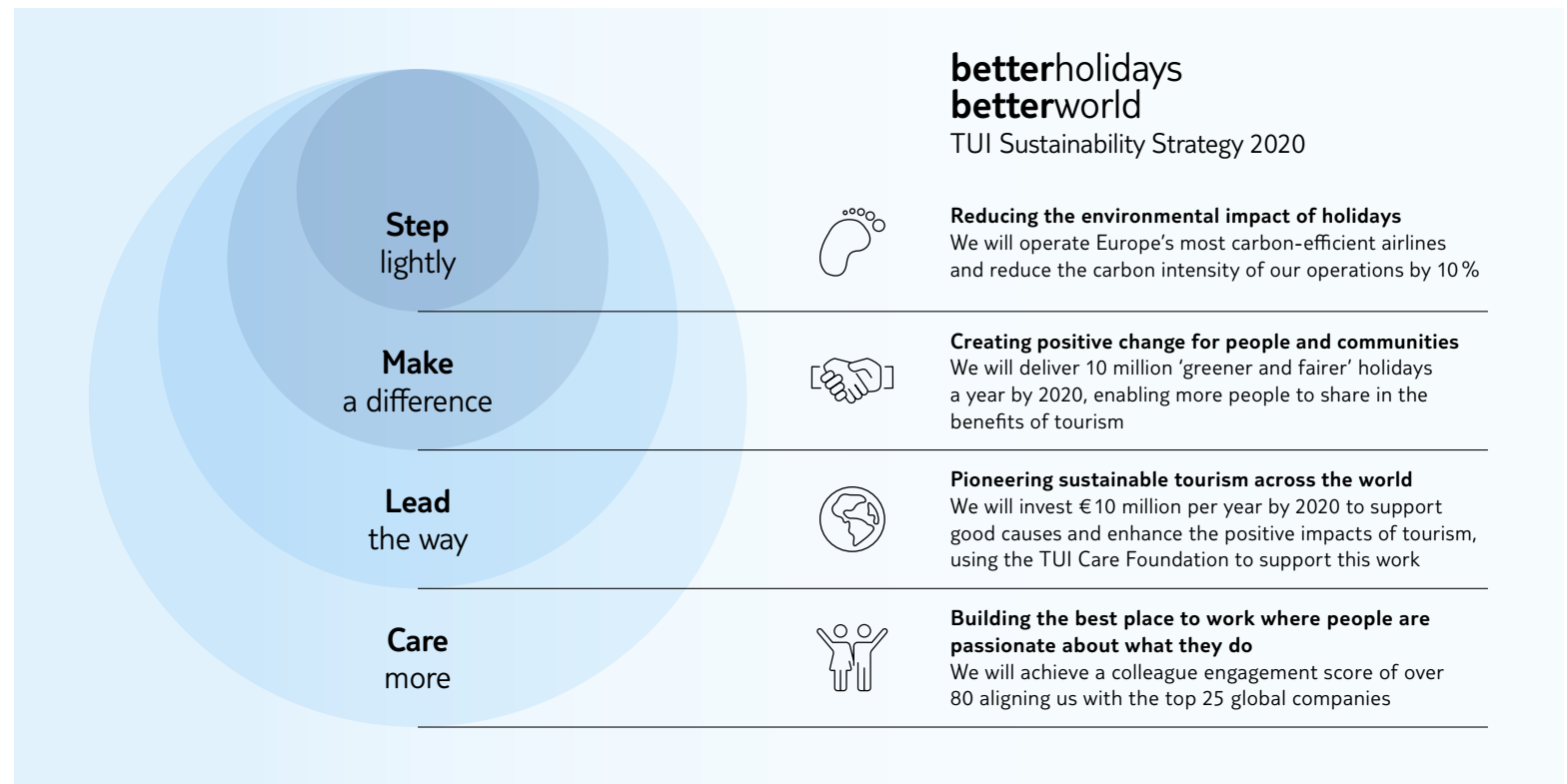
Better Holidays, Better World Strategy

As the world's leading tourism business, TUI Group is committed to making our sector more sustainable. Our Better Holidays, Better World strategy is built around four core pillars. These are areas where we aim to make a positive impact to create change at scale – in our own operations, through our value chain and customers, and across the wider industry and beyond.

TUI VISION

Discovering the world's diversity, exploring new horizons, experiencing foreign countries and cultures: travel broadens people's minds. At TUI we create unforgettable moments for our customers across the world and make their dreams come true. We are mindful of the importance of travel and tourism for many countries in the world and the people living there. We partner with these countries and help shape their future – in a committed and sustainable manner. We, the 70,000 TUI employees. Think Travel. Think TUI.

TUI SUSTAINABILITY STRATEGY 2015 – 2020



WELCOME

OUR APPROACH

- 06 Better Holidays,
Better World Strategy
- 07 **Managing Sustainability**
- 09 Highlights for 2018
- 10 Sustainable Development
Goals
- 11 TUI's Contribution
to the goals
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

Sustainability at TUI

TUI is a listed company and is committed to its shareholders. How should there be room for social and ecological objectives?

These are two sides of the same coin. I see a positive interaction, not a contradiction. Awareness of the environment and sustainability is growing. Let's think of the discussions about the use of plastics or the protection of the oceans. As awareness grows, it also has an impact on our decisions as customers. We are therefore successful if we include the expectations of all relevant stakeholder groups in our decisions. These are our guests, our shareholders, our colleagues and the people in holiday destinations. Our sustainability strategy „Better Holidays, Better World“ is guided by this approach. Two examples: In 2017, 53 percent of our customers demanded that tour operators invest in ecological and social initiatives. In 2012, the figure was 39 percent. And in Northern Europe, around a third of our customers want to make their travel plans even more sustainable in the future. Sustainability is therefore increasingly relevant for the strategic positioning of a company – for customers and shareholders as well as for employees who are interested in TUI as an employer.

But the concept of sustainability is vague. What do customers expect in concrete terms?

Sustainability is much more clearly defined today than it was ten years ago, the standards are more precise and the results are more measurable. A group like TUI therefore has a multi-year sustainability strategy that affects all business areas. For example, when we order new aircraft or ships or build or renovate a hotel. This already starts with the planning of a new hotel: can I operate solar systems like in the Robinson Clubs in Agadir and Apulia, how is the palm garden designed to reduce water consumption etc. In addition to ecological sustainability, TUI is focusing strongly on social sustainability and customer demand for authenticity is also growing. Many people want to get to know local products on holiday, immerse themselves more in the culture and make contact with the local population. At the same time, this also increases their sensitivity to local circumstances: What are the training and working conditions like in tourism? Do people benefit from tourists' expenses? What about waste disposal, energy efficiency and environmental protection at the holiday resort? We take this responsibility very seriously and are not only business partners for the holiday countries, but also see ourselves as a real partner. In many countries TUI has been around for more than 50 years, which is an enormously strong bond.

Can TUI meet these expectations?

TUI was the pioneer in the tourism industry in terms of the environment and sustainability. We continue to set standards today. Over 80 per cent of TUI Hotels & Resorts are certified to global sustainability standards. Over 9 million holidaymakers have already spent their holidays in a certified hotel in 2018. We are working on further increasing this figure. A second example is our excursions. The TUI Collection



THOMAS ELLERBECK

*Member of the Group
Executive Committee*

*(Group Corporate &
External Affairs)*

*TUI Group
Chairman of the Board,
TUI Care Foundation*

excursions must meet sustainability criteria and, for example, protect the environment or benefit the local population. In 2018, these excursions were booked 1.2 million times – up 15 per cent on 2017.

TUI cooperates with many hundreds of partners. What influence can you exert?

At TUI Group, we try to convince the partners in destinations of our approach. At TUI we work together with our partners on sustainable tourism. We meet regularly with political decision-makers in the destinations and with other stakeholders to discuss and jointly develop our approach to sustainability. Hotel and excursion partners are essential to achieve our sustainability goals locally. We work continuously with them to set ambitious goals and then achieve them together.

In addition, with the TUI Care Foundation we are involved in 30 local projects in 25 countries worldwide. Let's take Crete as an example. There, the Foundation supports around 200 small farmers in cultivating grapes and olives in a sustainable way. They are also networked directly with the tourism sector so that they can sell their products locally. We have developed a kind of cooperative for the many small, local businesses. Each of them was too small to meet the needs of hotels and restaurants. Now the local businesses are working together. After the positive experiences in Greece, similar projects are running in Spain and Turkey. This creates concrete opportunities, jobs and local employment. And with the TUI Academies, the Foundation offers disadvantaged young people opportunities for vocational training. Education and training are the key to a better life. This is very sustainable for the local people in the holiday destination.

The current sustainability strategy extends to 2020. What will come next?

We started further planning in 2018 with a view to 2030. We first surveyed customers, employees and financial markets as well as politicians, the media, NGOs, scientists, shareholders and business partners. An initial analysis shows that there are many expectations with regard to our focus on sustainability issues. In the current year, we will formulate our strategy for 2020-2030 more concretely. We want to remain the pioneer in this field for the tourism industry. This is what the management and our 70,000 colleagues at TUI stand for.



WELCOME

OUR APPROACH

- 06 Better Holidays, Better World Strategy
- 07 **Managing Sustainability**
- 09 Highlights for 2018
- 10 Sustainable Development Goals
- 11 TUI's Contribution to the goals
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



JANE ASHTON

*Director of Sustainability,
TUI Group*

» This is the 4th annual progress report against our 2015–2020 Better Holidays, Better World sustainability strategy, and it is gratifying to see how the targets we set ourselves back in 2015 continue to inspire colleagues to drive change and further embed sustainability into 'business as usual', as well as to rally in support of the TUI Care Foundation. We aspire to lead the leisure travel sector in sustainability, and in 2018 TUI Group was once again awarded with a long list of awards and accolades indicating we are on track in this respect.

However, whilst we work hard to realise our sustainability goals, the challenges posed to the world by climate change and biodiversity loss grow clearer and greater. And whilst countries around the world clamour for the social and economic benefits that tourism brings, there are also some destination residents who blame tourism's success for depleting their standard of living, the so-called 'over-tourism' effect. We remain live to these issues. We work closely with governments and authorities to plan our programmes, making long-term commitments to their economies, developing strong relationships and projects with suppliers and other stakeholders in destinations, and operating only with licenced accommodation and tourism service providers. We are constantly investing in new technologies, techniques and training to reduce our direct environment impacts and that of our suppliers.

At the same time as focusing efforts on our 'Better Holidays, Better World' commitments during the final two years of our strategy's timeframe, we are starting to look beyond 2020 – to scope a vision of the world in 2030 and the role of tourism and TUI within it. We are already aware that to future-proof our business and our industry, current efforts will need to be maintained and indeed increased to meet the challenges of the coming decade. «

MANAGING SUSTAINABILITY

Across TUI Group dedicated and experienced sustainability professionals work in close collaboration with senior management at Group and at divisional level to help ensure that TUI's business and sustainability strategies are aligned. Our sustainability colleagues' role is to drive uptake of more sustainable business practices across the TUI Group and along its supply chain, and to advise the TUI Care Foundation on destination project proposals and implementation.



SUSTAINABILITY INDICES AND AWARDS

TUI AG is represented in the sustainability index FTSE4Good and on the Ethibel Sustainability Index (ESI) Excellence Europe. In 2019 TUI was included in the RobecoSam Sustainability Yearbook with a 'Bronze Class' distinction. TUI was also recognised in the leadership band by CDP in the 2018 Climate Change assessment.

Throughout the year TUI companies have been recognized by a variety of awards. ➔ *Read more here.*



WELCOME

OUR APPROACH

- 06 Better Holidays, Better World Strategy
- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development Goals
- 11 TUI's Contribution to the goals
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

Highlights for 2018



**step
lightly**



TUI Airways and TUI fly Germany ranked **#1 & #4** most carbon-efficient airlines globally (In the 2018 atmosfair Airline Index)

19%



TUI's airlines are **19% more carbon-efficient** than the average of the six largest European airlines



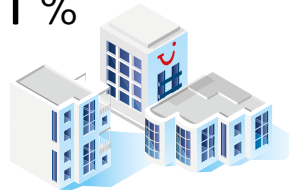
**make
a difference**

9.2 M



'Greener and fairer' TUI holidays delivered in hotels with sustainability certifications

81%

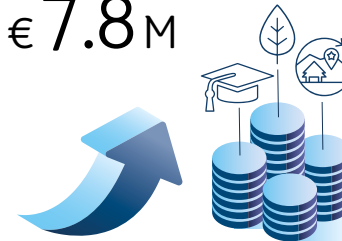


Of hotels owned by TUI Group had sustainability certifications



**lead
the way**

€7.8 M



Invested to enhance the positive impacts of tourism

>30



TUI Care Foundation projects active in 25 destinations



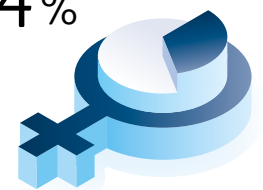
**care
more**

76



Building the best place to work with a **colleague engagement score of 76**

34%

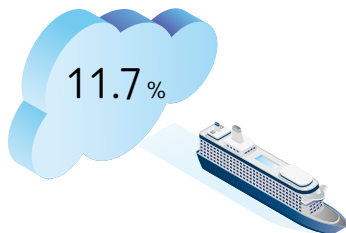


Of managerial positions are held by **women**

14%

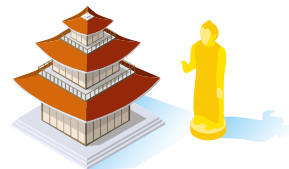


Of eligible colleagues participated in our **employee share programme in 2018**



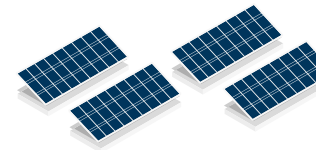
Reduction in CO₂ emissions per cruise passenger night compared with 2015

1,177,000



TUI Collection excursions with sustainability at their heart

3,280



Solar panels installed at Robinson Club Apulia in Italy – one of the largest hotel solar systems in Europe



WELCOME

OUR APPROACH

- 06 Better Holidays,
Better World Strategy
- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development
Goals**
- 11 TUI's Contribution
to the goals
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

Sustainable Development Goals

Launched in 2015, the  *UN Sustainable Development Goals* (SDGs) provide a 'big picture' way to view the material impact of our activities, and a benchmark to assess the relevance of our initiatives. The goals were a factor in the development of the TUI Care Foundation – our primary platform for funding destination initiatives – and will inform our strategy going forwards.

TOURISM AND THE SDGS

The tourism value chain connects closely with many sectors and through these industries we have the opportunity to accelerate progress towards all 17 SDGs, however three goals focus in particular on sustainable tourism – SDG 8 on decent work and economic growth, SDG 12 on responsible consumption and production, and SDG 14 on life below water.

LEADERSHIP OPPORTUNITY

TUI Group is committed to make our sector more sustainable and support the UN Sustainable Development Goals. As a global operator and the world's leading tourism business, we can drive change for the better – we also have a responsibility to tackle shared global challenges like climate change.

Our Better Holidays, Better World strategy aims to address key industry challenges and maximise our positive impact. It is built around four core pillars where we aim to create change at scale – in our own operations, through our value chain and customers, and across the wider industry and beyond.

In line with our strategy, we have chosen to focus on seven goals where we feel TUI can make a meaningful contribution.

SDG'S

TUI'S SUSTAINABILITY STRATEGY 2015 – 2020



betterholidays betterworld

TUI Sustainability Strategy 2020



**Reducing the
environmental impact
of holidays**



**Creating positive
change for people and
communities**



**Pioneering sustainable
tourism across the world**



**Building the best place to
work where people are
passionate about what
they do**

**Step
lightly**

**Make
a difference**

**Lead
the way**

**Care
more**

TUI's contribution
to the SDGs



WELCOME

OUR APPROACH

- 06 Better Holidays,
Better World Strategy
- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development
Goals
- 11 **TUI's Contribution
to the goals**
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

TUI's Contribution to the Goals

GOALS



Ensure inclusive and equitable quality education and promote lifelong learning for all



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Ensure sustainable consumption and production patterns

CONTRIBUTIONS

TUI Group is committed to training and people development with various programmes in place across the Group. By 2020, TUI UK will have 2000 new apprenticeships, in addition to 500 positions each year at TUI Germany and over 250 in the Netherlands and Belgium

We support education institutions so that young people and tourism students gain a real understanding of sustainable tourism. Our Better World Detective programme, for example, has been rolled out to 60,000 students since it was developed (p53)

TUI Care Foundation aims to empower 10,000 careers through the TUI ACADEMY programme, with academies either set up/or in the process of being set up in the Dominican Republic, Namibia, Tanzania, Vietnam, Morocco and Greece (p55)

We aim to operate Europe's most carbon-efficient airlines by 2020, with TUI Airways and TUI fly in Germany ranked #1 and #4 most carbon-efficient airlines in the world by the atmosfair global index (p21)

We have carbon improvement targets in place for our airlines, cruise, hotels, ground transport, shops and offices (p16)

We are investing in new technology to drive energy efficiency such as TUI Cruise's new build ships (p24)

A number of our hotels are investing in renewable energy, such as Robinson Club Apulia installing one of Europe's largest solar panel systems for hotels in 2018 (p51)



TUI Group employs 70,000 people in over 115 destinations. Our operations contribute to significant direct and indirect job creation (p61)

The core focus of our *Global Employment Statement* is fair and respectful treatment of employees

Through our Employee Code of Conduct (*Integrity Passport*) we uphold the principles of the UN Global Compact

Our *Supplier Code of Conduct* sets out the minimum standards we expect from suppliers – including on modern slavery, child labour and decent working conditions

TUI Care Foundation aims to enhance 10,000 local livelihoods through the TUI CARES programme (p57)



We aim to deliver 10 million greener and fairer holidays a year by 2020, taking customers to hotels with credible sustainability certifications (9.2 million delivered in 2018). Over 80% of TUI's owned hotels held sustainability certifications in 2018 (p33)

We are making our holiday offerings more sustainable – we delivered nearly 1.2 million TUI Collection excursions with sustainability at their heart in 2018 (up by 15%) (p39)

TUI is collaborating with UN Environment on the One planet travel with care network (p34)

Through the TUI Care Foundation we are supporting sustainable agriculture projects linked to tourism in Greece, Lanzarote, Turkey and Mainland Spain (p57)



WELCOME

OUR APPROACH

- 06 Better Holidays,
Better World Strategy
- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development
Goals
- 11 **TUI's Contribution
to the goals**
- 13 Materiality
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



GOALS



Take urgent action to combat climate change and its impacts

CONTRIBUTIONS

As operators of aircraft, cruise ships and hotels, our climate impact is significant. We mitigate this through efficiency and renewable energy measures (see SDG 7), and by supporting adaptation and resilience in our destinations (p17)

In the Philippines we are enhancing climate change resilience with training on sustainable farming and fishing for 2,200 families from two vulnerable communities. We are also planting 35 tree nurseries, reforesting mangroves, and developing adaptation plans with municipalities. [➔ More here](#)

In Mexico with Rainforest Alliance we are engaging young generations to protect biodiversity in the Riviera Maya through a teacher training program estimated to reach 600 teachers and 6,000 students (p55)



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

TUI Cruise ships use exhaust gas systems (scrubbers) to minimise pollution and protect the marine environment (p24)

Over the last five years we have organised over 250 beach cleans across 300 km of coastline with over 6,600 people participating (p68)

We are working to reduce single-use plastics. Through recent initiatives over 140 million pieces of single-use plastic have been removed from our operations and we aim to increase this to 250 million by 2020 (p42)

Through the TUI Care Foundation programmes, we aim to protect over 1 million turtles by 2020 (p56)



Strengthen the means of implementation and revitalize the global partnership for sustainable development

To make 'Better Holidays, Better World' a reality and effect change at scale, we collaborate with customers, suppliers, educational and training establishments, governments and UN organisations all around the world

TUI is represented on the board of the GSTC, Travelife, Green Star, Futouris and The Travel Foundation

TUI Care Foundation is working with a wide range of international and local partners in destinations around the world such as PLAN International to help empower young women through the TUI ACADEMY programme and a partnership with UNICEF to support emergency relief and education for the most vulnerable children and their families when a disaster strikes in holiday destinations (p55)



WELCOME

OUR APPROACH

- 06 Better Holidays,
Better World Strategy
- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development
Goals
- 11 TUI's Contribution
to the goals
- 13 Materiality**
- 14 Human rights

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

Materiality

During 2018, TUI Group conducted a formal materiality assessment with support from an expert third party. An analysis of TUI's impacts on nature and society across the value chain was undertaken and a list of key sustainability issues was developed. Within the framework of this impact analysis, the tourism value chain was examined using an input-output analysis. The indicators used were external costs for the environmental impacts and risk hours for the social risks.

Using qualitative and quantitative methods, stakeholder groups were invited to prioritise these sustainability issues in an online questionnaire. Around 2,800 participants took part in the survey, from across the following stakeholder groups:

- Customers
- Non-Governmental Organisations
- Shareholders
- Employees
- Suppliers/Business Partners
- Financial markets
- Politics
- Media
- Science

To determine the business relevance of these sustainability issues, a survey of the company's management was also carried out.

The results were used to create a materiality matrix.

The graph shows the major areas where TUI's stakeholders expect to see ongoing commitment and engagement.

Priority aspects of high relevance to the business and our stakeholders include:

- resource efficiency/waste (i.e. reducing plastic waste, efficient use of water and energy)
- child protection (i.e. protecting vulnerable children in destinations)
- local value creation & communities (i.e. helping communities and local businesses to benefit from tourism development)
- emissions (i.e. strategically managing carbon footprint and implementing actions to reduce other emissions)

In view of the high material importance of these key aspects to our business and our stakeholders, we will be extending and expanding our commitments in these areas.

The assessment findings will also be addressed by senior management and, along with the SDGs, will help to inform development of TUI's sustainability strategy beyond 2020.

Stakeholder Survey



- 1 Resource efficiency, sustainable procurement
- 2 Child protection
- 3 Local value creation & communities
- 4 Emissions & pollution
- 5 Forced labour
- 6 Creating more sustainable holidays & engaging customers
- 7 Fair business conduct
- 8 Customer well-being
- 9 Crisis management
- 10 Colleague working environment
- 11 Animal welfare & biodiversity



WELCOME

OUR APPROACH

- 06 Better Holidays,
Better World Strategy
- 07 Managing Sustainability
- 09 Highlights for 2018
- 10 Sustainable Development
Goals
- 11 TUI's Contribution
to the goals
- 13 Materiality
- 14 **Human rights**

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

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

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 Employee Code of Conduct 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 third party certifications recognised or accredited by the Global Sustainable Tourism Council (GSTC). Schemes accredited and/or recognised by GSTC mandate the highest standards of human rights, child protection and social welfare in the tourism industry. The number of TUI customers staying in a hotel certified to a GSTC-recognised standard grew to 9.2 million and the number of hotels with certification grew to 1,520.

A key focus is raising awareness of human rights across our business. In 2018 we continued to roll out bespoke training sessions and material on modern slavery, including a modern slavery video.

Over 4,600 TUI Destination Experiences colleagues completed child protection training in 2018. An e-learning module on modern slavery was developed and cascaded by Destination Experiences in 2018 and over 82% of customer-facing colleagues have completed it. Airline crew in the UK and Nordics receive Vulnerable Children & Trafficking Training during their inductions, where they learn about how to spot trafficking and what to do. Other TUI airlines are in the process of rolling out similar trainings.

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. We co-organised hotelier seminars in Thailand with Travelife in April 2018 to discuss modern slavery and influence more hotels to reach sustainability certification standards.

TUI Care Foundation supports a number of projects which protect human rights. In 2018 the Foundation expanded the TUI Academy programme by launching one in Hue, Vietnam. The project is providing education and training to help young vulnerable street workers improve their lives, including providing 350 young people with vocational training. Some 180 street workers will take part in hospitality training in a social enterprise training restaurant being set up in Hue city.



WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Reducing the environmental impact of holidays

A healthy planet and a healthy travel and tourism industry go hand-in-hand. That's why conserving natural resources and mitigating negative environmental impacts are vital to our business. We are committed to continuously reducing the environmental impact of our holidays, with an ambition to operate Europe's most carbon-efficient airlines and reduce the carbon intensity of our operations by 10% by 2020.

WELCOME

OUR APPROACH

STEP LIGHTLY

16 Strategy progress

- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

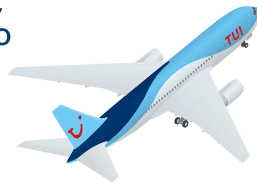


Reducing Environmental Impact

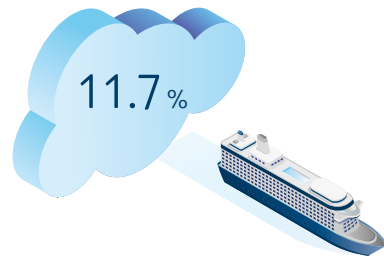


TUI Airways and TUI fly Germany ranked **#1 & #4** most carbon-efficient airlines globally (In the 2018 atmosfair Airline Index)

19%



TUI's airlines are **19% more carbon-efficient** than the average of the six largest European airlines



Reduction in CO₂ emissions per cruise passenger night compared with 2015

AMBITION BY 2020

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

As measured in terms of TUI Airlines' average grams of carbon emitted per revenue passenger kilometre (g CO₂/rpk), benchmarked against industry data, independent rankings, and carbon intensity metrics from our cruise and ground operations (TUI Hotels & Resorts and ground transport).

PROGRESS IN 2018

TUI Airlines' carbon emissions were 66.7g per revenue passenger kilometre (g CO₂/rpk) in 2018 – a 1.3% reduction since 2014, our baseline year. In the 2018 atmosfair Airline Index, TUI Airways (in the UK) and TUI fly Germany were independently ranked #1 and #4, respectively, as the most carbon-efficient airlines globally.

TUI'S CONTRIBUTION TO THE SDGS



WELCOME

OUR APPROACH

STEP LIGHTLY

16 Strategy progress

- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



HOW WE ARE DOING AGAINST OUR 2020 COMMITMENTS



AVIATION

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

In 2018 carbon emissions per passenger km were 66.7 g CO₂, a decrease of 0.1 % compared with 2017 and a reduction of 1.3 % compared with the 2014 baseline.

↑ All TUI's airlines will be ISO 14001 certified.

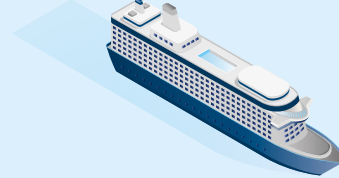
All five tour operator airlines maintained their ISO 14001 certification, now to the latest 2015 standard.

→ Our airlines will source food, beverages and other supplies responsibly.

Following the completion of a responsible sourcing review, we are in the process of setting targets.

→ We will segregate cabin waste and work with destination airports to improve waste management and recycling.

All of our airlines continue to sort cabin waste for recycling. We aspire to drive best practice, the waste segregation programme at Schiphol Airport in Amsterdam, which TUI was an implementation partner, has been extended to include Eindhoven Airport in 2018.



CRUISE

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

In 2018, carbon emissions per cruise passenger night were 101 kg CO₂, a 6.5 % reduction compared with 2017 (108 kg) and an 11.7 % reduction compared to the 2015 baseline (114 kg).

↑ All TUI cruise ships will be covered by ISO 14001 certification.

In 2018, all 16 of TUI's cruise ships were covered by ISO 14001 certification.

→ Our cruise operations will make improvements in water consumption, waste management, and sulphur and nitrogen emissions.

Fresh water consumption per guest night decreased by 32 % from 162 litres in 2017 to 110 litres in 2018 across the entire fleet. In addition, waste production per guest night reduced by 14 % from 14.7 litres in 2017 to 12.7 litres in 2018. TUI Cruises reduced sulphur by 36.7 % and nitrogen by 12.0 % on an intensity basis.

- ↑ On target
- More focus needed
- ↓ Behind target



GROUND OPERATIONS

↑ We will reduce carbon emissions from our offices, retail shops and brochures by 20%.

Carbon emissions from approximately 50 major offices totalled 17,113 tonnes of CO₂; 1,600 retail shops generated 9,082 tonnes of CO₂ and 5,107 tonnes of CO₂ resulted from brochure production. This in total reflects a 9.3 % reduction compared with 2017 and a 17 % reduction against the 2015 baseline.

→ Our hotels will reduce carbon emissions per guest night by 10%.

In 2018, average carbon emissions per guest night from TUI Hotels & Resorts was 9.4 kg of CO₂, a 1.4 % increase compared with 2017 (9.2 kg) but still a 5.8 % reduction compared to the 2015 baseline (9.9 kg).

↑ Our ground transport fleet will reduce carbon emissions per passenger kilometre by 10%.

In 2018, carbon emissions from our coach transport companies were on average 24.3 g of CO₂ per passenger kilometre, a 2.3 % increase compared with 2017 (23.8 g) but still an 8.8 % reduction compared to the 2015 baseline (26.7 g).

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Addressing climate change

THE CLIMATE CHANGE CHALLENGE

In December 2018, world leaders at COP24 in Poland agreed on rules for implementing the 2015 Paris Agreement on climate change, which aims to limit a rise in average world temperatures to “well below” 2°C above pre-industrial levels.

Rising to that challenge demands unprecedented changes: the October 2018 report of the International Panel on Climate Change (IPCC) found that limiting global warming to 1.5°C would require “rapid and far-reaching” transitions in land, energy, industry, buildings, transport and cities.

The private sector has a decisive role to play in this transition towards an energy-efficient, lower-carbon future and, as a sector leader, TUI has a responsibility to play its part.

Tourism constitutes a growing part of the world’s greenhouse gas emissions. Together, travel and tourism contribute some 5%* of global carbon emissions, with half arising from aviation. Quality holiday experiences depend on beautiful, biodiverse destinations, thriving communities, stable weather systems and customer comfort – all of which are at risk from climate change. A reduction in global carbon emissions is therefore essential for our industry.

TUI’s ‘Step lightly’ strategy aims to reduce the environmental intensity of our operations and sets clear stretch targets to reduce carbon emissions across aviation, cruise, hotels, offices, retail shops and ground transport.

Across the business, TUI has deployed specific carbon reduction initiatives – from airline and cruise fuel programmes, to retail energy savings and reducing printed brochures. Managing our carbon footprint benefits the bottom line; in total these initiatives have saved the Group €78 million between 2012 and 2018**.

* Climate Change and Tourism: Responding to Global Challenges – UNEP

** an approximate figure for savings that have been tracked, gross of any upfront investments required, part of previously identified cost savings.

AN A-GRADE CLIMATE REPORT

Since 2015, TUI Group has been annually awarded an A or an A- grade from CDP Climate Change, the non-profit global environmental disclosure platform, for the quality of its disclosure and its actions taken on climate change. This annual voluntary carbon disclosure provides information on TUI Group’s carbon performance, management programmes, climate change risks and low-carbon opportunities.

➔ [View our CDP reports here.](#)

CORSIA

TUI supports the principle of a mechanism to deliver a net reduction in global carbon emissions from aviation. To this end the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) has been developed, a scheme integral to the industry’s strategy to achieve carbon-neutral growth from 2020 onwards. From January 2019, all TUI airlines must monitor and record all international flights as per their Emission Monitoring Plan, and are required to submit their first verified Emissions Report covering the 2019 period by May 2020.

CARBON FOOTPRINT

In the 2018 financial year, TUI Group’s total carbon emissions increased by 4.8%, primarily due to growth in its Airline & Aviation sector. The increase in absolute carbon emissions for hotels is driven by the expansion of TUI’s hotel portfolio. Carbon emissions within cruises increased by 4.3% due to the launch of the new Mein Schiff 1 (operated by TUI Cruises) and the first full-year reporting of Mein Schiff 6. Emissions from offices and retail shops significantly declined, largely due to energy efficiency initiatives in the UK and Germany. Emissions from ground transport increased as a result of additional utilisation of our owned fleet.

TUI Group’s Carbon Footprint (CO₂)

tons	2018	2017	Var. %
Airlines & Aviation	6,393,342	6,115,492	+ 4.5
Cruises	850,335	815,582	+ 4.3
Hotels	554,666	507,230	+ 9.4
Major premises/shops	26,195	29,511	– 11.2
Ground transport	16,782	15,388	+ 9.1
Scope 3 (Other)	78,852	73,254	+ 7.6
Group	7,920,172	7,556,457	+ 4.8

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation**
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Aviation

Commitment by 2020

We will drive environmental improvements across our aviation operations

TUI Airlines comprise one of Europe's largest fleets, with some 150 aircraft flying 14 million customers per year (27 million sectors). We have five tour operator airlines and also operate Corsair, a scheduled airline*. With our aircraft responsible for more than 80 % of TUI's carbon footprint, our efforts to 'Step lightly' in this area present challenges, but are also our biggest opportunity for positive change.

TUI Airlines are already ranked among the most carbon-efficient in the world** and we have reduced our carbon intensity over the past decade by nearly 12 %. Future reductions become more challenging with each efficiency improvement. With efficiency measures and fleet renewal, we expect to make steady progress over the next few years but acknowledge that achieving our ambition to reduce our operational carbon intensity by 10 % by 2020 will be a challenge.

In 2018, carbon emissions per passenger kilometre were 66.7 g CO₂, a decrease of 0.1 % from 2017 and a reduction of 1.3 % against our 2014 baseline. As a scheduled long-haul operator, Corsair International's payload consists of both passengers and cargo. Cargo transportation results in higher fuel burn and carbon emissions, evident in Corsair's carbon intensity performance (Corsair airline sale announced in March 2019). The carbon efficiency performance of TUI fly Germany also declined in 2018 partly due to the fleet expansion associated with Air Berlin's insolvency.

Going forward we will achieve further improvements through a renewed focus on efficiency measures, and by taking delivery of new, more efficient aircraft such as Boeing 787 Dreamliners and 737-8 MAX aircraft. By the end of FY 2020 TUI's airlines are scheduled to operate 19 Boeing 787 Dreamliners and 39 Boeing 737-8 MAX aircraft.

TUI Airlines – Carbon intensity

		2018	2017	Var. %	g CO ₂ e/ rpk*
TUI Airline fleet	g CO₂/rpk*	66.7	66.7	-0.1	67.3
TUI Airways	g CO ₂ /rpk*	63.6	63.4	+0.2	64.2
TUI fly Belgium	g CO ₂ /rpk*	70.0	71.5	-2.2	70.7
TUI fly Germany	g CO ₂ /rpk*	64.7	63.5	+1.9	65.4
TUI fly Netherlands	g CO ₂ /rpk*	64.0	65.2	-1.8	64.7
TUI fly Nordic	g CO ₂ /rpk*	58.2	61.3	-5.3	58.8
Corsair International**	g CO ₂ /rpk*	84.9	84.3	+0.8	85.8

TUI Airlines – Fuel consumption and CO₂ emissions

		2018	2017	Var. %
Specific fuel consumption	l/100 rpk*	2.65	2.65	-0.1
Carbon dioxide (CO ₂) – total	t	5,860,431	5,571,719	+5.2
Carbon dioxide (CO ₂) – specific	kg/100 rpk*	6.67	6.67	-0.1

* rpk = revenue passenger kilometre

** Sale of Corsair announced in March 2019

A REFUELLED ENVIRONMENT TEAM

In December 2018, TUI Aviation announced a new organisational model designed to create stronger co-operation between TUI's tour operator airlines. The 'Fuel' and 'Environment' teams work in close partnership to drive best practice in fuel and environmental management. These teams drive initiatives and projects to achieve the TUI Group sustainability objectives. The latest performance developments and updates are regularly presented to the TUI Aviation Board so appropriate measures can be taken.

FULLY CERTIFIED

In 2018, each of our five tour operator airlines (based in the UK, Germany, Netherlands, Nordics and Belgium) maintained their ISO 14001 environment management certification and all airlines were certified to the latest version of the standard ISO 14001:2015. TUI fly Germany is also registered in the EU Eco-Management and Audit Scheme (EMAS).

* Sale of Corsair announced in March 2019

** 2018 atmosfair Airline Index

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation**
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



FLEET RENEWAL

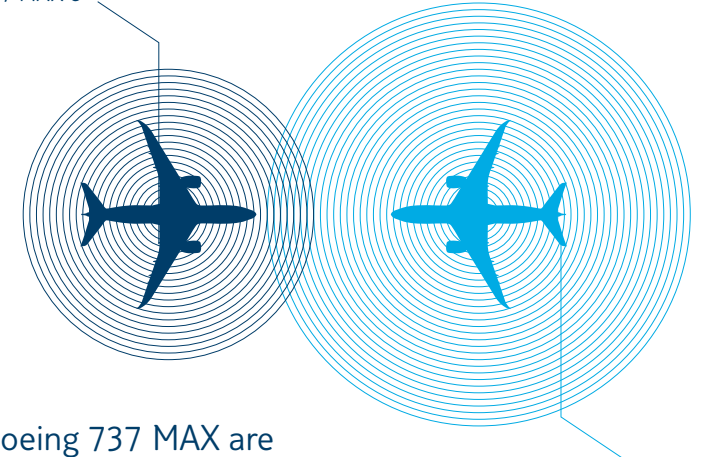
TUI Group started to take delivery of the new, more efficient Boeing 737 MAX aircraft in January 2018. The planes are 15 % more fuel-efficient than the 737 NG aircraft, outperforming the manufacturer's expected 14 %. The aircraft's engine and aerodynamic design, such as advanced technology winglets, are key to its superior fuel efficiency. The new Advanced Technology (AT) split winglets of the 737 MAX give the aircraft improved aerodynamic efficiencies which results in reduced overall fuel burn.

TUI Airlines took delivery of five 737 MAX aircraft during FY 2018, and is scheduled to have at least 73 in the fleet by 2023 as part of our fleet renewal programme. TUI is scheduled to receive its first Boeing 737-10 MAX aircraft in December 2020.

All 737 MAX and 787 Dreamliner aircraft are equipped with ozone converters, which reduce the amount of ozone in the cabin air by converting it into oxygen, therefore ensuring better air quality for passengers and crew members.

TUI Group was the first tourism group to launch the Boeing 787 Dreamliner aircraft. The Dreamliner consumes around 20 % less jet fuel than comparable aircraft, thanks to its lightweight construction, enhanced aerodynamics and fuel-efficient engines. By the end of 2019, TUI will operate 19 Dreamliner aircraft.

737 MAX 8



Boeing 737 MAX are
40 % quieter than 737 NG aircraft

737 NG

Modern aircraft also contribute to noise reduction – for example the Boeing 737 MAX has a 40 % smaller noise footprint than previous generation aircraft.

➞ [Watch the video about the arrival of our very first 737 Max in Belgium here.](#)



WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



OPTIMISING FOR EFFICIENCY

Improving carbon efficiency is central to our strategy for TUI Airlines. Along with continuously renewing our aircraft fleet, efficiency measures like these are key to achieving this goal:

- Process optimisation, e.g. single-engine taxiing in and out, acceleration altitude reduction, drag reduction, mass and balance optimisation and wind uplinks
- Weight reduction, e.g. introduction of carbon brakes and water uplift optimisation
- Flight planning optimisation, e.g. alternate distance optimisation, statistical taxi fuel, minimum fuel optimisation, and an optimised cleaning schedule
- Constant refinement of the fuel management system to improve fuel analysis and pilot communication, track savings and identify further opportunities

WASTE MANAGEMENT

All of our airlines segregate their waste and look to maximise recycling wherever possible. Focussed on optimisation of waste segregation, TUI fly Netherlands and Schiphol Airport partnered with waste management specialists to create a new on-site waste facility, which separated over 18,000 tonnes of waste last year. In 2018, a similar waste segregation facility set up at Eindhoven Airport meant the airport could process the waste delivered from aircraft separately. TUI fly Netherlands, the first airline to enter into the partnership with Eindhoven Airport, has urged other airlines to collect their waste separately, to produce less waste on board and ensure more sustainable processing of waste.



We are always looking for innovative ways to reuse rather than discard. Following on from TUI Airways recycling 2,000 uniforms in 2017, the focus in 2018 was to donate used aircraft pillows to several worthy causes in some of TUI's destinations – City of Joy in Mexico, a complex of schools and residential homes for disadvantaged children and adults; Harvest Time International in Florida, a charity that supports low-income families in Sanford, and SOS Children's Villages in Mauritius, an organisation for children in need.

GLOBAL RECOGNITION

TUI's airlines again earned top ranking in the 2018 Airline Index from the independent climate protection organisation atmosfair, which compares the carbon efficiency of the world's 200 largest airlines. TUI Airways won first place in the atmosfair ranking for the second consecutive year. TUI fly Germany netted fourth place.

The index also ranks airlines by their type – charter, regional and low-cost. For the second consecutive year, TUI Airways and TUI fly Germany were recognised as the #1 and #2 charter airlines in the ranking. Since 2015, TUI Airways and TUI fly Germany have been ranked in the top 5 airlines in the overall global rankings, and in the top 3 positions for charter airlines.

Overall ranking 2018

Rank	Airline	Country
1	TUI Airways	UK
2	LATAM Airlines Brasil	Brazil
3	China West Air	China
4	TUI fly Germany	Germany
5	Transavia.com France	France

Charter airlines ranking 2018

Rank	Airline	Country
1	TUI Airways	UK
2	TUI fly Germany	Germany
3	Transavia.com France	France
4	SunExpress	Turkey
5	Thomas Cook Airlines	UK

ENVIRONMENTAL AWARDS

TUI fly Belgium was honoured with the Environment Award at the Brussels Airport Aviation Awards in February 2018. These awards recognise airlines and partners for distinction in areas such as environment and safety. TUI fly Belgium's fleet renewal with the new generation Boeing 737 MAX and its significantly reduced noise footprint was singled out by the judges. At the Schiphol Aviation Awards in April 2018, TUI fly Netherlands was a runner-up in the sustainability award category.

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



SUSTAINABLE AVIATION

As part of our industry's efforts to lower its carbon emissions, TUI is committed to reduce fuel consumption until sustainable fuels become commercially viable – both economically and in terms of supply. TUI engages in industry initiatives and research programmes such as the Sustainable Aviation Fuel Users Group to help scale up sustainable aviation fuels of the future.

TUI Aviation joined Bioport Holland, a public-private sector initiative with key stakeholders from the Dutch aviation and biofuels industry. Working towards continuous production and supply of sustainable bio jet fuel for Europe, the partners hope to scale up deployment of sustainable aviation fuels.

We continue to stay engaged with the AlgaePARC project (part of Wageningen University and Research Centre in the Netherlands) with the Bonaire Authorities to facilitate development of sustainable aviation fuel from algae. TUI fly Netherlands supported the first phase of this project.

Sustainable aviation fuel represents a significant opportunity for reducing aviation's carbon footprint and achieving the industry's environmental goals. TUI collaborates on projects and partnerships to scale up sustainable aviation fuels and bring price-competitive sustainable aviation fuel to market.

EPIC LOWER-CARBON JOURNEY

In early 2018, TUI started to take delivery of the new 737 MAX aircraft, an important part of TUI's commitment to the future of sustainable aviation. In January the first 737 MAX 8 was delivered to TUI Belgium in Brussels. The second delivery flight to TUI Nordic in February was flown on a 30% blend of sustainable aviation fuel (bio fuel) from waste feedstock. This was one of the most carbon-efficient flights ever accomplished by this aircraft type.

The fuel was supplied by EPIC Aviation from AltAir Fuels, the world's first renewable fuels refinery with integrated jet fuel production capability, which achieved RSB certification in January 2018. RSB certification is a preference for many airlines globally to guarantee sustainability and traceability of fuels produced.



"Biofuel represents a significant opportunity for reducing aviation's carbon footprint and achieving its environmental goals. Our collaboration with TUI in 2015 on the Boeing ecoDemonstrator Program included testing of biofuel, and TUI's use of biofuel on its delivery flight is a further demonstration of TUI's interest in bringing price competitive bio-fuel to market."

SEAN NEWSUM

*Director of environmental strategy
at Boeing Commercial Airplanes.*

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Airline carbon efficiency

Our ambition is to operate Europe's most carbon-efficient airlines and cut carbon emissions per passenger kilometre by 10% by 2020.

TUI's airlines are

19 %
MORE CARBON-EFFICIENT
than the average of the
six largest European airlines*

INVESTING IN CUTTING-EDGE
AVIATION TECHNOLOGY
with the Boeing 787 Dreamliner
(up to 20% more fuel efficient)
and 737 MAX aircraft
(up to 15% more fuel efficient)
than the aircraft they are replacing

Dedicated environmental
and fuel teams drive best
practice

MODERN FLEET
with an average age
of 9.6 years

All five tour operator airlines
ISO 14001
CERTIFIED

IMPROVED CARBON
EFFICIENCY BY

11.6 %
over the last 10 years

66.7 g
CO₂ per passenger km
across TUI Airlines
in 2018

~150
AIRCRAFT
across 6 airlines

New split winglets on
737 MAX aircraft improves
aerodynamic efficiency

TUI Airways and TUI fly Germany
ranked #1 and #4 most
carbon-efficient airlines globally
(2018 atmosfair airline index)

* Data from the six largest European airlines based on 2018 passenger numbers and publicly available carbon efficiency data as of January 2019





Cruise

Commitment by 2020

We will drive environmental improvements across cruise operations

TUI Group operates 16 cruise ships across three brands – TUI Cruises, Hapag-Lloyd Cruises and Marella Cruises.

Carbon emissions and air pollution from sulphur and nitrogen particles and other fine particulate matter pose environmental challenges for the cruise industry. We are constantly improving the environmental performance of our fleet by investing in new, more fuel-efficient ships.

In the past year we achieved a further 6.5 % carbon efficiency improvement across our cruise operations. That’s an overall 11.7% reduction in CO₂ emissions per passenger night compared to our 2015 baseline. Our ongoing programme of refits to existing ships and investment in new-build vessels that deploy the latest environmental technologies helped achieve this.

Improvements in waste and fresh water per cruise passenger night were achieved as part of the fleet renewal process and use of enhanced water desalination facilities across the cruise businesses.

Cruise Environmental KPIs

	2018	2017	Var. %
CO ₂ [kg] per Cruise passenger night	101	108	–6.5
Fresh water [L] per Cruise passenger night	110	162	–31.9
Waste [L] per Cruise passenger night	12.7	14.7	–13.6

A CLASS ACT

In May 2018, the new Mein Schiff 1 went into service for TUI Cruises as one of the most energy-efficient ships of its class. Its sister ship, the new Mein Schiff 2, entered the fleet in February 2019. The original Mein Schiff 1 now sails under the Marella brand as the Marella Explorer. New-build vessels launching in 2019, the Hanseatic Nature and Hanseatic Inspiration, will renew the Hapag-Lloyd Cruises fleet. Two further new-build ships using cleaner liquefied natural gas will be delivered in 2024 and 2026.

FULL STEAM AHEAD FOR HIGH-TECH

New-build ships in the TUI Cruises fleet save fuel by utilising the latest technologies, including:

- Smart energy management system
- Efficient air conditioning
- Innovative lighting controls
- Use of engine waste heat
- Hydrodynamic hull shape
- Comprehensive LED concept
- Environmentally friendly underwater silicone painting

The energy-efficient new-builds Mein Schiff 1 and Mein Schiff 2 consume around 40 % less fuel than ships of comparable size.

The new-builds also have up to 99% lower sulphur emissions due to scrubber technology that treats exhaust fumes before they are released. These advanced emission purification systems are deployed on all TUI Cruises’ routes.

TUI Cruise' new build ships can operate in a completely closed-loop system, with zero discharge into the sea. This means that the scrubbers from the exhaust gas treatment system do not discharge any used scrubber wash water at sea but instead dispose of it exclusively on shore. TUI Cruises applies this self-imposed policy to all ports worldwide, in coastal areas up to a distance of three miles from the shore, as well as in the entire Baltic Sea region, the Norwegian Fjords, and the North Sea Canal.

➔ [Watch TUI Cruises video here.](#)

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



CLEANER CRUISING

In January 2019, Hapag-Lloyd Cruises announced that it will use low-sulphur Marine Gas Oil (MGO) on all routes operated by Hanseatic Nature, Hanseatic Inspiration and MS Bremen from July 2020 and on the Hanseatic Spirit when it joins the fleet in 2021.

In particularly sensitive areas such as the Arctic and Antarctica, Hapag-Lloyd Cruises has long used MGO, ahead of legal requirements. The low-emission fuel has a sulphur content of only 0.1 %. The new expedition ships are also equipped with SCR catalysts, reducing nitrogen oxide emissions by almost 95 %, and connectors to power the ship from shore electricity when in port.

An eco-efficient average speed for route planning and management cuts fuel consumption by a third. Hapag-Lloyd Cruises' fleet has seawater desalination systems to produce clean water and biological sewage treatment systems for wastewater. Environmentally acceptable biological lubricants are used for the bow thrusters and stabilisers.

ENVIRONMENTAL STRATEGY FOR MARELLA

A revised sustainability strategy was launched in 2018 as part of the rebranding of Thomson Cruises to Marella Cruises. Emissions and environmental management, water and waste reduction initiatives and biodiversity and community programs are key focus areas. Measures such as the installation of new air conditioning equipment, operating with a single engine running, or drifting on passage all help Marella Cruises run at an efficient speed, cutting energy demand.

Strengthened environmental data management systems and processes are also part of the new strategy, helping to drive continued improvement in carbon, fresh water consumption and waste production per passenger cruise night.

A POLAR FIRST

In 2017, Hapag-Lloyd Cruises expedition ship, MS Bremen, became the first passenger ship in the world to receive the Polar Ship Certificate, joined in 2018 by the MS Europa 2. The International Code for Ships Operating in Polar Waters (Polar Code) – adopted by the International Maritime Organisation – contains regulations concerning construction, equipment and training of crews that intend to operate in the polar regions in order to increase ship safety and ensure environmental protection. The remaining ship in the Hapag-Lloyd Cruises fleet, the MS Europa, will undergo certification in 2019, set for completion by the summer.

In December 2018, Hapag-Lloyd Cruises achieved the Environmental Passport Operation Certificate for all vessels in the fleet – an independent verification of the operator's commitment to achieving a sustainable ship operation.



WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



CRUISES GET THE GREEN LIGHT

Recognising an ongoing commitment to sustainability, TUI's cruise businesses garnered awards in 2018. This included the myclimate 2018 award for TUI Cruises for measures taken to reduce CO₂ emissions both on ships and on land. TUI Cruises also received the Readers Award from National Geographic Traveller in the Eco Travel Green Light category.

Hapag-Lloyd Cruises were also presented with the Venice Blue Flag award for its commitment to reducing emissions in the popular tourist port, helping to safeguard the city's environment.



GIVING BACK TO DESTINATIONS

TUI Cruises actively supports species and nature conservation projects in the destinations it visits. Since 2017 just under a quarter of a million euros (€236,295) has been donated via its Green & Fair donation programme, whereby TUI Cruises donates five euros to local environmental protection projects per booked excursion.

In 2018 the money was divided among the SECORE International, for a coral protection project in Curaçao; the German marine protection organisation MEER e.V. and Pottwale e.V, for whale conservation and sustainable whale-watching in Dominica, and the TUI Care Foundation, TUI's independent charitable foundation, which supports sustainability programmes in destinations including protecting the natural environment and endangered animal species. Marella Cruises also supports the TUI Care Foundation, with customer donations totalling over 150,000 Euros in 2018.

Hapag-Lloyd Cruises often travel to remote, seldom-visited regions, many with low levels of economic development. This entails a significant responsibility to provide support for local people. For example, onboard doctors treat people free-of-charge in places where there is no medical care available. Also, portable water-filter units and much needed educational materials are donated.

SUSTAINABLE MATERIALS ONBOARD

TUI Cruises prioritises use of sustainable materials for new-builds, for example using wood from responsibly managed forests for all installations in the cabins as well as numerous natural materials such as wool and cork for interior fittings. In the new Mein Schiff 1 (MS1) and Mein Schiff 2 (MS2), TUI Cruises took this a step further, changing all textiles in the guest cabins – ranging from the bedlinen and towels to the bathrobes – to organic cotton produced in accordance with the Global Organic Textile Standard with respect to cultivation and processing. The bedlinen cotton for MS1 and all prior mentioned textiles on MS2 are additionally Fairtrade certified which helps cotton producers invest in a sustainable future. A fleetwide concept for changing bedlinen enables guests to use it for a longer period and save water and energy by avoiding unnecessary laundry.

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise**
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Responsible management of waste on board the cruise ships

TIGHT SHIP MEANS LESS WASTE

Reducing onboard waste is imperative for TUI Cruises, using measures such as reusable systems, bulk packaging, and dosage and refill systems. Managing waste on vessels is strictly governed by national and international regulations. Environmental officers on board must plan, implement, control and document proper waste disposal according to the International Convention for the Prevention of Pollution from Ships. Waste is separated by type: recyclables such as glass, paper/cardboard, plastics and metal are sorted and partly shredded or compacted onboard. All collected recyclables and hazardous or special waste (paint residues, medical waste, etc.) are landed ashore.

➔ [Read the latest TUI Cruises Environmental Report here.](#)

NO APPETITE FOR FOOD WASTE

Food waste is a central concern for sustainable tourism, but little research has been done to date on reducing food waste on cruise liners. In 2017, TUI Cruises explored how to cut food waste with the travel industry initiative Futouris e.V. and non-profit organisation United Against Waste e.V. Initial analysis onboard Mein Schiff 4 aimed to reduce resource consumption and encourage crew and guests to avoid food waste. Using a waste analysis tool and applying various measures onboard led to a 17% reduction in food waste.

Innovations included using recyclable elements for restaurant decoration, rather than food, and optimising the arrangement and quantities of food at the buffet, such as smaller buffet inserts at the end of the buffet time – avoiding unnecessary waste while keeping the food supply diverse. The measures have now been rolled out to the entire Mein Schiff fleet.

In 2019, crew members will be trained to continuously carry out their own waste analyses. A final report will be published and made available for the entire cruise industry.

LESS IS MORE FOR PLASTIC-FREE HOLIDAYS

In 2018 TUI Cruises launched a plastic reduction program WASTELESS as part of its vision of plastic-free holidays on the Mein Schiff fleet. By end-2020, plastic products and unnecessary disposables are set to be eliminated onboard all ships as well as on land, replaced with renewable and natural raw materials.

The program takes waste management to the next level, requiring partners and suppliers, headquarters staff, crew members and guests to contribute to meeting the 2020 goal. Initially, the focus will be on implementing measures in the hotel, restaurant and bar areas.

Reducing plastic waste is not new for TUI Cruises. Cabins are already equipped with glass water jugs, which guests can fill at corridor water dispensers, eliminating the need for disposable plastic bottles. On all new TUI Cruises ships, cabin showers are equipped with a refillable shampoo and shower gel dispenser, saving 370,000 throw-away packs per year fleet-wide.

Among new measures are placing terry-cloth slippers in bathrobe pockets rather than packed individually in plastic, eliminating 250,000 plastic wrappings per year. In future, laundry bags made of bio-based plastic will replace 270,000 plastic bags.

In the restaurant, bar and crew areas, the inner lining and lids of takeaway coffee cups are made of bio-based – not oil-based – plastic. Converting from plastic to wood stirrers saves 1.5 million plastic stirrers and next steps will be reducing over five million plastic cocktail sticks. Plastic straws are issued to guests only upon request, thereby saving annually approximately three million straws.

➔ [Watch TUI Cruises WASTELESS video here \(in German\).](#)

WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise**
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Cruising ahead with sustainability

More fuel-efficient ships, the latest technologies and a range of environmental improvements help to make our cruise operations more sustainable.

16

CRUISE SHIPS

across 3 cruise companies
(TUI Cruises, Hapag-Lloyd Cruises
and Marella Cruises)

All of TUI's
cruise ships are covered by
ISO 14001
CERTIFICATION

WASTE SEPARATED
for processing, recycling
or proper disposal

Emissions purification
systems **REDUCE SULPHUR**
EMISSIONS by up to 99 %
on TUI Cruise ships

101 kg

CO₂ PER PASSENGER

CRUISE NIGHT –

a reduction of 11.7 % since 2015



Shore excursions
SUPPORT CONSERVATION
PROJECTS

DEDICATED
ENVIRONMENT OFFICER
onboard all TUI Cruises' ships

INDUSTRY-LEADING RESEARCH
resulted in **17% LESS FOOD WASTE** –
measures now rolled out across
TUI Cruises

TUI Cruises hybrid technology
allows for a closed-loop system,
meaning **ZERO EFFLUENT**
or **RESIDUE DISCHARGED**

ENERGY-EFFICIENT
technology installations, such as
lighting systems, air-conditioning
and heat recovery

Hapag-Lloyd Cruises operates
electric Zodiac expedition
ships in remote areas – **REDUCING**
AIR AND NOISE EMISSIONS



WELCOME

OUR APPROACH

STEP LIGHTLY

- 16 Strategy progress
- 18 Addressing climate change
- 19 Aviation
- 24 Cruise
- 29 Ground operations

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



Ground operations

Commitment by 2020

We will drive environmental improvements across our ground operations

TUI's ground operations consist of major premises, retail shops, brochures and transport vehicles. We have approximately 50 major offices and a retail portfolio consisting of around 1,600 shops throughout Europe. Our ground transport operations sit within Destination Experiences and operate around 300 vehicles.

In 2018 absolute emissions from our ground operations (offices, retails & brochures) were 9.3 % lower compared to 2017, a 17 % reduction from our 2015 baseline. Relative emissions from our transport vehicles slightly rose by 2.3 %, but have still shown an overall reduction of 8.8 % from the 2015 baseline.

In 2018, over 55 % of TUI Group's energy for major premises and retail stores was purchased on a green tariff – up from 35 % in 2017.

From sustainable building design and electric vehicle charging to more efficient coaches and reduced use of paper, TUI Group is working to reduce the environmental impact of its ground operations.

GREEN FROM THE GROUND UP

Sustainability was at the forefront of the design of TUI Netherlands' Rijswijk office, completed in December 2018. Sustainable materials were used throughout the building, including floors and stairs made of bamboo and a moss wall. Plans are being made to fit the roof with solar panels. The green roof helps prevent flooding as roots retain water and will also stimulate biodiversity. The parking area now includes 13 charging stations for electric and plug-in hybrid cars and electric bikes.

TUI Germany and TUI AG have been ISO 14001 certified since 2003 and 2005 respectively. These certifications cover a range of environmental aspects including emissions reductions, water management and biodiversity



Sustainable materials were used throughout the refurbishment of TUI Netherlands' Rijswijk office, including a moss wall.

preservation. TUI Business Services, which manage facilities in the head offices in Hannover, are also ISO 14001 certified. With a focus on energy reduction, TUI Germany have reduced the electricity consumption in their retail stores by over 19 % between 2015 and 2018.

CHARGING AHEAD WITH EVS

Since 2015, TUI fly Belgium have used electric cars for ground-based colleagues at Brussels Airport to transport ground support agents and technicians to aircraft before departure and on arrival. These cars offer energy savings of 70 %. TUI fly Netherlands also use electric vehicles air-side for maintenance and engineering. TUI fly Germany have now installed charging stations for electric vehicles at the employees' car park at the head office in Hannover, and are exploring the use of electric vehicles for aircraft maintenance at the airport.

FLEET RENEWAL

TUI's owned coach fleet in Cyprus underwent a complete renewal during 2018. As a result, the carbon efficiency improved by 15 % year-on-year, from 20.5g CO₂ per passenger kilometre to 17.5g CO₂ per passenger kilometre.

STOP PRESS

In 2018 TUI Group further reduced its printed brochures by 9 % compared to 2017, a 23 % reduction against the 2015 baseline. Since TUI's brochure reduction programme began in 2012, the business has reduced brochure manufacture by over two thirds.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

- 31 Strategy progress
- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



make a difference

Creating positive change for people and communities

Local communities should share the benefits of tourism and the environment and human rights should be protected. Our 'Make a difference' pillar aims to ensure that tourism is a powerful force for good – boosting economies, creating jobs, protecting wildlife and enhancing cultural understanding and tolerance along our value chain. By showing customers how more sustainable holiday products equal a better holiday experience, we want to boost demand for sustainable tourism.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



Creating positive change

9.2M



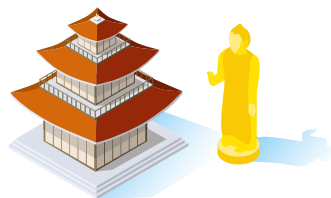
'Greener and fairer' TUI holidays delivered in hotels with sustainability certifications

81%



Of hotels owned by TUI Group had sustainability certifications

1,177,000



TUI Collection excursions with sustainability at their heart

AMBITION BY 2020

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

We measure our progress by the annual number of customers we take to hotels with credible sustainability certifications (sustainability certifications recognised by the Global Sustainable Tourism Council).

PROGRESS IN 2018

In 2018, we took over 9.2 million customers to certified hotels.

TUI'S CONTRIBUTION TO THE SDGS



31 Strategy progress

- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers



make
a difference



HOW WE ARE DOING AGAINST OUR 2020 COMMITMENTS



HOTELS

↑ **Hotels in our tourism business portfolio will achieve credible sustainability certifications.**

We have delivered 9.2 million ‘greener and fairer’ holidays (up by 11.9% y-o-y) through 1,520 hotels (up by 12.1%) that were certified to a standard recognised by the Global Sustainable Tourism Council. TUI has also included a sustainability component in contracts with accommodation suppliers setting out minimum standards and the requirement to work towards credible sustainable certification.

➡ **We will make sure our hotels can access the right tools, learning and expertise to lead the industry.**

We help hotels through sustainability workshops at local and international conferences, Travelife roadshows and through consultancy support.

➡ **Our TUI hotels will include innovative environmental features, invest in skills training for staff, develop local skills and favour local sustainable procurement.**

In 2018, 66% of employees in our owned and International Concept hotels were receiving



DESTINATIONS

↑ **Our destination management companies and excursions will meet sustainability standards.**

In 2018, we sold 1,177,000 TUI Collection excursions (up by 15% from 2017) – 286 ‘unique, authentic and responsible’ excursions in 66 destinations. These excursions are based on local and sustainability elements. TUI has also included a sustainability component in our excursion contracts based on TUI’s minimum standards.



CUSTOMERS

➡ **We will communicate about sustainability throughout the customer journey.**

TUI UK and TUI Nordic conducted consumer research on sustainability and tourism which further highlighted the importance of this topic to customers. The TUI Marketing Guidelines for Sustainability were cascaded across the business and piloted in several markets. TUI UK & Ireland won a gold award at the 2018 World Responsible Tourism Awards in the ‘Best for communicating responsible tourism’ category.

- ↑ On target
- ➡ More focus needed
- ↓ Behind target

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



Hotels

Commitment by 2020

We will work with hotel suppliers to increase their positive impact on the local community and to protect the environment

Our hotels play a key role in raising the bar in 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 for the whole community. Our most sustainably-managed hotels also consistently deliver higher quality and customer satisfaction.

TUI Group owns and operates 380 hotels in more than 30 destinations. The core TUI Hotels & Resorts brands are Robinson Club, Riu, TUI Magic Life and TUI Blue*. We also work closely with partners on International Concepts hotels (approximately 200 properties). These include TUI Senatori, TUI Sensimar and TUI Family Life, each designed for specific customer segments. Many of our markets have 'local concepts' such as the Dutch 'TIME TO SMILE' holiday apartments and the Nordic 'Blue Star' hotels. TUI's growth plans include expanding our portfolio of owned and operated hotels and International Concepts, and continuing to collaborate with thousands of accommodation suppliers around the world.

➔ *More information on our hotel portfolio can be found here.*

SETTING THE STANDARD

Our own hotels and hotel partners are expected to achieve credible, independent sustainability certifications to demonstrate social and environmental good practice. By 2020, our ambition is to extend the number of hotels with sustainability certifications to accommodate 10 million customers annually.

We encourage all our hotels to obtain certification that meets the ➔ *Global Sustainable Tourism Council (GSTC)* standard. Minimum expectations for accommodation suppliers are set out in a mandatory clause in

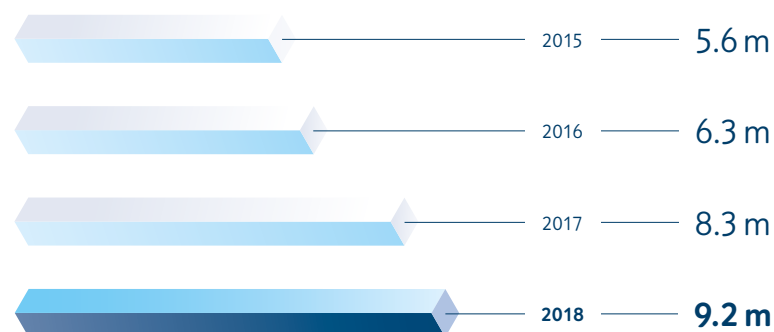
our contracts and they are also required to work towards credible GSTC-recognised sustainability certification.

In 2018 as a result of these efforts, the number of customers staying in hotels certified to a GSTC standard rose by 11.9% to 9.2 million across 1,520 hotels (up by 12.1%), and 81% of TUI Hotels & Resorts held sustainability certifications. Critical to this success is the guidance TUI provides its hotel partners to help them prepare for certification, as well as improved and adjusted reporting processes*.

* Methodology document ➔ *More info here*

Growth of 'greener and fairer' holidays

(million customers)



Greener and fairer holidays

	2018	2017	2016	2015	% Var. V Baseline
Number of customers (millions) staying at certified hotels*	9.2	8.3	6.3	5.6	+64
Number of contracted hotels with certifications*	1,520	1,356	1,170	950	+60
% of TUI Hotels with certifications**	78	76	74	68	+10

* Hotels that are certified to a GSTC-recognised certification

** TUI Hotels – TUI Hotels & Resorts plus International Concepts

*TUI Blue to become TUI Group's global flagship hotel brand from Summer 2020. ➔ *More info*

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 **Hotels**

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



➔ *Read an article here about a Travelife audit of the Robinson Club Soma Bay in Egypt.*

SPREADING THE WORD ON CERTIFICATION

To ensure high standards, TUI prioritises certifications aligned with the Global Sustainable Tourism Criteria. Currently over 30 standards have achieved GSTC recognition or accreditation status (see examples below).

We strongly support the ➔ *Travelife* sustainability certification scheme and are actively engaged on the Travelife Board and Steering Committee.

In partnership with the Travelife team, we continue to encourage more hotels to embrace certification. In 2018, we supported road shows in Mauritius, the US and Thailand, attended by over 210 hoteliers, to explain the benefits of sustainability certification.

GSTC recognised labels include:

- *Biosphere Responsible Tourism*
- *EarthCheck*
- *Green Globe*
- *Green Key*
- *Green Key Global*
- *Green Star Hotel*
- *Rainforest Alliance standard for tourism operations*
- *Travelife*



➔ *Full list here*

Sustainability & satisfaction go hand-in-hand

Our hotels with sustainability certifications deliver better environmental performance and higher customer satisfaction compared to non-certified hotels, according to our analysis of 330 hotels*.

Positive trend data for hotels with sustainability certifications

- 10 % lower CO₂ emissions per guest night
- 24 % lower waste volume per guest night
- 19 % less fresh water use per guest night
- 15 % less total water use per guest night
- 23 % higher use of green energy
- 9 % higher employment rate of national employees
- Higher customer satisfaction scores for accommodation overall

* analysis of 2017 performance data in which 75 % of hotels surveyed held sustainability certifications

“Our data analysis shows that sustainability certifications for hotels, such as Travelife, help to drive sustainability performance and continuous environmental and socio-economic improvements. We encourage hotels to aim for certification that is recognised by the Global Sustainable Tourism Council (GSTC).”

JANE ASHTON

Director of Sustainability

Read more ➔ *here* in a case study published by the ➔ *One planet travel with care* network for the 4th United Nations Environment Assembly.





HOW OUR HOTELS STACKED UP
Improving the sustainability performance of our hotels and hotel partners is an ongoing focus.

Since the launch of our Better Holidays, Better World strategy, we have seen overall reductions in energy, carbon dioxide and waste. In 2018, despite dedicated projects to reduce energy, carbon and water, these metrics remained relatively constant (and water increased). This was partly due to increased customer volumes to North Africa compared to the previous year, as well as a changing hotel portfolio. More focus is needed over the

remaining two years of the strategy to meet our commitment to reduce TUI Hotels & Resorts carbon emissions per guest night by 10%. Energy reduction workshops will be held in areas where they are most needed.

Hotels have a unique opportunity to make a positive socio-economic contribution in the communities where they operate. Our TUI Hotels & Resorts and International Concept hotels are asked to provide information on local employment, investment in training and support for the local economy so that we can monitor and help them improve performance in this area.

Hotel Environmental KPIs						Hotel Socio-Economic KPIs	
	2018	2017	2016	2015	% Var. V Baseline		2018
per Guest/Night						% of food that is country-sourced	79
Energy [kWh]	25.7 (26.0)	25.8 (26.3)	26.6 (27.9)	27.2 (27.8)	-5.4 (-6.2)	% of food that is sourced from the local region	47
CO ₂ [kg]	9.4 (9.5)	9.2 (9.4)	9.5 (10.1)	9.9 (10.1)	-5.8 (-6.9)	% of employees who are nationals	88
Water [L]*	549 (556)	520 (531)	514 (544)	509 (529)	+7.8 (+5.0)	% of employees from the local region	61
Waste [kg]	2.1 (2.2)	2.2 (2.3)	n/a	n/a	-4.1 (-4.3)	% of employees who received vocational training	66
						Number of apprenticeships in place	6,011

* Includes water for domestic, pool and irrigation purposes
Bold figures indicate performance by TUI Hotels & Resorts. Figures in brackets also include International Concept hotels.

TUI Future Hotel Days

Tourism is a dynamic, evolving industry, so we have to continually innovate to differentiate our brand. TUI is attuned to the trends shaping the future of tourism and applies this insight to develop new product features and services that improve the product experience for our guests and raise profitability. In 2018 a suite of creative workshops, the TUI Future Hotel Days, was launched to strengthen networking and collaboration between our hotel and cruise brands and tackle the innovation challenge together.

Since the inaugural workshop in April 2018, sustainability has been a topic at every workshop. At the February 2019 event in London, attendees grappled with issues such as how digitalisation drives guests' holiday experience and how to avoid food waste and manage increasing resource scarcity. Colleagues also toured various city hotels in London

to be inspired by best practices in operational efficiencies, including sustainability initiatives.

➔ Watch a video here.



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

- 31 Strategy progress
- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



SUPPORTING THE JOURNEY

To help our hotels achieve our BHBW targets and pursue certification, a core part of our commitment to offer 'greener and fairer' holidays includes supporting them on that journey. In 2018 two additional sustainable accommodation specialists were hired to engage our hotel partners on the benefits of sustainability certification, and support them through the process. We also held face-to-face meetings with hotel partners in Spain, Thailand and Curaçao to provide further guidance on implementing sustainability practices.

In other initiatives, our International Concept hotel conferences included a sustainability session focused on their specific sustainability targets, with sustainability certifications and single-use plastic reduction highlighted as top priorities, and the annual TUI Group Purchasing conference included a market stand and colleague engagement activity on sustainability.

SMARTER WITH DATA

TUI Group created a programme to identify potential cost savings for energy and water. An intensive analysis of consumption data and an onsite visit with experts in Portugal, on Lanzarote and Menorca, highlighted potential savings of more than 1,700 MWh in three TUI Hotels. Recommended measures such as presetting the air conditioning system in rooms and testing light motion sensors are now being implemented.

BRICKS AND MORE

Sustainable hotel construction and refurbishment is a cornerstone of sustainability. In 2018 we continued work with our construction consultancy partner MACE to develop a framework for improvements in this area, including a set of KPIs to help build more sustainable hotels and help them improve their sustainability performance. The project focuses on energy, water, materials and waste management as well as helping hotels with general sustainability practices, such as certification, communications and local community engagement. The KPIs are being trialled by selected hotel partners.

TASTE WITHOUT WASTE

The opportunity to enjoy different types of food is one of the most cherished holiday experiences. At the same time, food production, processing and disposal is linked with many sustainability challenges such as excessive energy and water use and food waste. TUI Group is working with Futouris, an industry organisation dedicated to sustainable tourism, to

produce a comprehensive manual for hotels and cruise ships to increase the range of sustainably produced food and drinks. A second phase of the project tackles food waste, developing a waste-analysis-tool to survey the waste problem in partner hotels, followed by recommendations for action. In another step, relevant hotel staff will be trained to understand the potential for reducing food waste in their own hotels.

SUSTAINABILITY IN THE SPOTLIGHT

TUI rewards and celebrates those hotels across our markets that are making notable progress in sustainability. In Germany, the long-established TUI Umwelt Champion (TUI Environmental Champion) programme recognised 192 hotels in 2018 for achieving both certification to a recognised sustainability standard and earning high customer satisfaction scores on environmental performance. In early 2019, TUI Germany awarded TUI Magic Life in Sarigerme the Premium TUI Umwelt Champion award for its continuous efforts to improve social and environmental processes and performance.

The annual Northern Region Awards from TUI UK and TUI Nordic showcase the work of their hoteliers, including a sustainability category. This year's winning entry was the Castelli Hotel in Zakynthos for sourcing their restaurant food from an adjacent farm, informing guests about local cuisine and composting food waste. For over 20 years, the hotel has educated guests about the National Marine Park, and its endangered loggerhead sea turtles. It also uses environmentally sound and natural materials during renovations and maximises use of renewable energy.



Riu publishes sustainability report

In 2018, our joint venture partner Riu Hotels & Resorts published their first sustainability report describing the company's 2017 environmental and social performance.

[→ View here.](#)

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 **Hotels**

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



We aim to deliver 10 million 'greener and fairer' holidays a year by 2020

Every hotel plays a role in managing our impacts on the local community, economy and environment. We have found that our most sustainably-managed hotels deliver higher quality and customer satisfaction.

Offer LOCAL PRODUCTS
and dishes in the restaurant

9.2 M

'GREENER AND FAIRER' HOLIDAYS
delivered in hotels with sustainability
certifications in 2018
(29 million over the last four years)

81 %
of TUI HOTELS & RESORTS
had sustainability
certifications

1,520 HOTELS
certified to GSTC
recognised standard

Work to REDUCE FOOD
WASTE

REDUCE WASTE
and recycle

SAVE WATER

REDUCE ENERGY
CONSUMPTION

Inform guests about the
LOCAL AREA and
SUSTAINABILITY

TREAT STAFF FAIRLY

SUPPORT THE LOCAL
COMMUNITY



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



Destinations

Commitment by 2020

Our destination management companies and excursions will meet our sustainability standards

Our goal is to make every TUI holiday more sustainable, by benefiting more local people and making sure environmental considerations are a top priority.

EXPERIENCE THE DIFFERENCE

Our TUI Destination Experiences business grew significantly last year. By the end of 2018, we had acquired Hotelbeds Destination Management business and the technology platform specialist Musement. TUI Destination Experiences now has 9,000 employees across 49 countries, offering 14 million customers a broad product portfolio of high-quality destination experiences such as excursions, activities, tours, transfers and guest service.


Our Make a Difference commitment means we want to make sure that growth is responsible. Sustainability has been at the forefront of our destination services business and we've made significant progress, including offering more sustainable excursions, conducting animal welfare audits and engaging colleagues on sustainability (see p68). In 2019, we will work with the newly acquired businesses to align standards and processes with TUI Group's sustainability approach.

TAKING YOU GLOCAL

TUI Tours are part of a new concept that puts sustainability front and centre of the visitor experience. TUI Tours are multiday tours that include flights, hotels, experiences and a tour guide to experience different countries and really connect with the area and people. From spring 2019, cultural roundtrips in Italy, safaris in South Africa, trekking in Peru, and tours of the American West Coast will be conducted by "glocal guides" – global locals with in-depth knowledge of the area and who speak the customers' language.



Since October 2018, a dedicated resource in the TUI Tours team has been integrating sustainability processes into the programme. All guides must complete the TUI Tours academy through e-learning and face-to-face training. The modules incorporate a number of sustainability elements including animal welfare, human rights, child protection, the TUI Care Foundation, an understanding of why guests value sustainability and its importance to tourism, and how to encourage practical measures like reducing plastic.

TUI Tours will need to follow a checklist of sustainability criteria. Each one will feature an interactive and engaging customer highlight, such as a home-stay, language exchange or workshop. In partnership with the TUI Care Foundation, tours will visit projects like the  *Pikala biking project* in Marrakesh, which empowers young females and offers employment for young Moroccans. TUI Tours will include a donation to the TUI Care Foundation, helping to support local projects around the world.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



CLAUSE FOR A CAUSE

Thriving destinations benefit customers and local communities alike. Through excursions, our customers discover new places and contribute to the local economy. Sustainability clauses must be part of excursion concepts and are part of all excursion contracts.

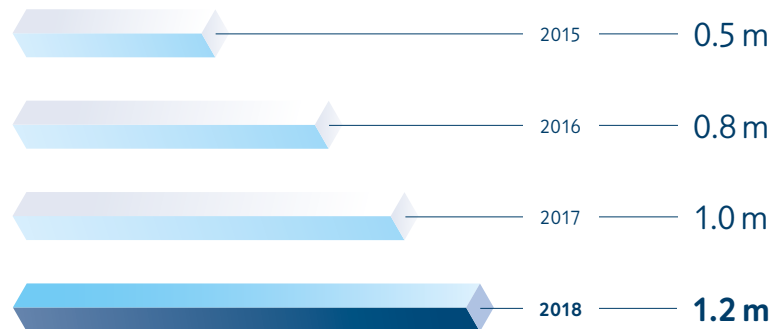
Since 2014, TUI Collection excursions have promoted unique, authentic and responsible activities, now offered by most of our tour operators.

Each TUI Collection excursion must be exclusive to TUI and meet specific criteria for sustainability, demonstrating that it benefits local people and minimises environmental impact (*see p41 for an overview*). In 2018, our customers went on 1,177,000 TUI Collection excursions – up by 15% from 2017 – and 286 excursions were offered in 66 destinations. Since 2015, TUI Collection has grown by 135% and over 3.5 million excursions have been delivered.

→ Watch the TUI Collection video [here](#).

Growth of TUI Collection Excursions

(in million)



TUI COLLECTION EXAMPLES

COBA MAYAN TRADITIONS, MEXICO

Developed with the Mayan community, guests visit the historic Mayan site of Coba, a Mayan village, shop for local handmade products, and dine at a local restaurant, bringing benefits to 130 families.

KAYA DISCOVERY, TURKEY

Customers can explore the ruins of a historic village and visit a local farm – part of the TUI Taste of Fethiye project which links farmers with hotels. Guests can buy local produce at the farm.

BERBER TRAIL, MOROCCO

On this excursion guests visit a traditional pottery house in rural Morocco, a local argan oil producer and a Berber market. Guests may buy locally produced goods before being hosted by a local family for tea.

OUTBACK & BEYOND, DOMINICAN REPUBLIC

Guests visit a typical Dominican country home, meet a local family and learn about local customs and traditions. They can see local goods like rum and chocolate being made, buy samples, and enjoy local cuisine at a traditional ranch.

AGRO VILLAGE TOUR, SRI LANKA

A tour of rural Sri Lanka includes visiting a Buddhist temple, a village and surrounding farms, tasting local tea and observing how traditional products like cinnamon and coconut oil are made.

VOLCAN GRILL EXCELLENCE, SPAIN

Within the lunar landscapes of the Timanfaya National Park – a UNESCO Biosphere reserve – visitors can sample local wines at a historic winery and dine at a locally owned restaurant where dinner is cooked on geothermal grills powered by the volcano.

EAST EXPERIENCE, PORTUGAL

In the forested interior of Madeira, customers take a Levada walk to learn about the local area, catch their own lunch from the lake, eat alfresco and contribute to environmental protection by planting a tree.



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



ANIMAL WELFARE

TUI takes an active approach to animal welfare. In 2013 we collaborated with ABTA, the leading association of travel agents and tour operators, to launch the first → *“Global Welfare Guidance for Animals in Tourism”* and engaged with suppliers of all our animal excursions to publicise the guidelines. TUI was the first tourism company to conduct animal welfare audits.

In 2016 we removed all excursions involving elephant rides or shows and now offer elephant-friendly excursions where our customers can instead see and learn about elephants in their natural habitat.

OUR POSITION

Excursions involving animals remain very popular with our customers. There are also significant socio-economic benefits for destinations from animal-related excursions, particularly in developing countries. Our market research shows that the protection of wild animals is important to the majority of holidaymakers, who also believe that animal-related excursions should meet global welfare standards. TUI's position on the issue is as follows:

- Adherence to the Global Welfare Guidance for Animals in Tourism is a component of all our supplier contracts.
- An independent audit against the Global Welfare Guidance for Animals in Tourism is a prerequisite for continuing to be a supplier of animal excursions for TUI Group.

- We direct significant funding to the TUI Care Foundation to help support their animal protection initiatives.
- We seek to increase the number of animal-friendly excursions offered to customers where animals can be seen in their natural environments.
- We train our colleagues in destination on animal welfare in excursions.
- We support ending the capture of animals from the wild for shows or entertainment.

ASSURING COMPLIANCE

All TUI excursion suppliers featuring animals must comply with the Global Welfare Guidance for Animals in Tourism sector guidelines. Many of these suppliers are long-term partners who share our commitment to continuous improvement and higher welfare standards.

Our rolling programme of audits is the most extensive among tour operators, with over 150 independent audits carried out since 2016 and a further 50 planned for 2019. By the end of 2018, 76% of our animal welfare excursion suppliers had been audited on-site by a 3rd party auditor. We believe that auditing, combined with a close supplier working relationship, enables us to meet customer expectations on animal welfare standards in excursions. Wherever possible we prefer to engage with our suppliers on improvement plans, but we also remove venues from the programme if standards are not met. So far, more than 60% of the suppliers audited, have made improvements in terms of animal welfare.

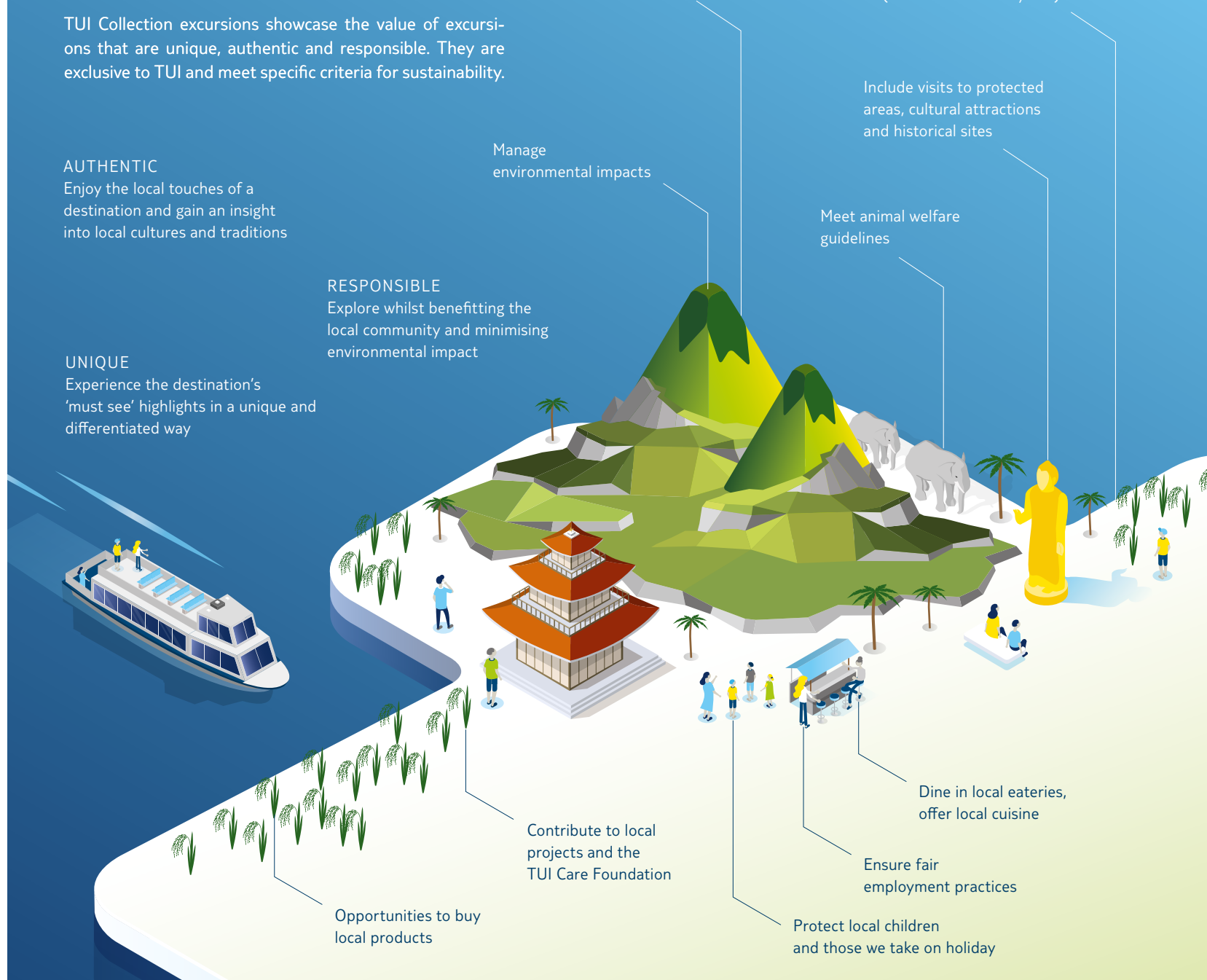
STAYS FOR STRAYS

TUI operates in many destinations where animals live on the streets. The protection of stray animals in holiday destinations is important for TUI, our partners and customers. Hotel operations are often affected as stray animals live nearby or try to get food from the grounds. In 2019 we will be rolling out the new and improved 'TUI stray animal award' for hotels that protect stray animals by establishing feeding sites with appropriate food, organising veterinary visits and participating in neutering programmes.

WILDLIFE DECLARATION

The illegal trade of wild animals and wildlife products remains a serious ethical issue and a great danger to species populations. In April 2018, TUI Group signed the World Travel & Tourism Council (WTTC) Travel and Tourism Declaration on Illegal Trade in Wildlife, recognising the positive role our sector can play in tackling this problem on the ground.

→ Watch WTTC's video on *Illegal Wildlife Trafficking* [here](#).



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



Reducing plastic waste

By the end of 2018 TUI Group had removed 140 million pieces of single-use plastic. As part of our contribution to the global fight against plastic waste, we aim to raise this to 250 million by the end of 2020.

The alarming rise in plastic waste, particularly in the oceans, is one of our most serious global environmental threats. Worldwide, only 15 % of plastics are currently recycled* and around eight million tons of plastic waste enters our oceans each year** – the equivalent of one garbage truck per minute***. By 2050, it is predicted there will be more plastic waste than fish in our oceans****.

Growing plastic pollution negatively impacts travel and tourism, particularly near the beaches and oceans so important to our destinations. Recognising the industry's role, our focus is on preventing waste in the first place by reducing single-use plastic from our operations. To date, a total of 140 million pieces were removed – and our aim is to raise this to 250 million pieces by 2020 through concerted efforts across our hotels, cruise ships, airlines, destinations and offices.

This approach aligns with broader trends: in 2018 the European Parliament voted for a blanket ban on a range of single-use plastics including plastic straws, drink stirrers, plates, cutlery, cotton buds and balloon sticks, with proposed reductions for other plastic items such as food packaging and drink containers. This is expected to come into effect by 2021 but TUI is acting now.

In 2018, TUI established a Group-wide plastic waste reduction workstream covering our airlines, cruise operations, hotels, destinations and markets. The aim is to accelerate progress by identifying, monitoring and reducing plastic waste and sharing best practice. Here are some highlights to date.

* OECD
** UNEP

*** World Economic Forum
**** The Ellen MacArthur Foundation

HOTELS

STRAWS NO MORE

In 2018, plastic straws were the item most commonly removed or replaced with a non-plastic alternative in our own hotels, with around 60 % reporting that they no longer provide plastic straws. Hotels also implemented measures to reduce or replace plastic cups, cutlery, stirrers, bottles, bags, bathroom amenities and packaging, contributing to the removal of 112 million pieces of single-use plastic.



KICKING THE PLASTIC HABIT

TUI has developed guidelines to help hoteliers implement plastic reduction programmes. Based on the '4 Rs' principle (reduce, reuse, replace, recycle) they include practical advice, suggested alternatives to single-use items and advice on communication with staff, guests and suppliers.

➔ *Launched in early 2019, the guidelines are publicly available here.*

LEADING THE WAY ON WASTE

The following initiatives demonstrate best practice among our hotels in combatting plastics waste.

Installing water fountains for refilling reusable polycarbonate glasses or paper cups helped the Atlantica Hotel Sancta Napa in Cyprus reduce use of single-use plastic bottles. Customers can buy a reusable plastic bottle, with 20 % of the cost donated to charity.

On the Maldives our two Robinson Clubs produce their drinking water by desalination of salt water. Soda water is created by adding minerals and carbonic acid. The soda water is decanted into glass bottles which are cleaned locally, eliminating transport and disposal of around 800,000 plastic bottles annually.

Since 2016, TUI Sensatori Barut Fethiye in Turkey has reduced 4,450 kg of plastic waste, thanks to a comprehensive plastic reduction strategy. Guests and staff are part of the effort. The hotel won a 2018 Travelife Waste Champions Award in the plastic waste management category.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

- 31 Strategy progress
- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



From 2018 the Riu hotels in Spain, Portugal and Cape Verde have offered guests compostable straws. Riu, TUI Group's largest hotel brand, will incorporate the straws into its hotels in the Americas in 2019. TUI Blue, TUI Magic Life and Robinson also offer environmentally sound alternatives to single-use plastic straws.

CRUISE

By the end of 2020, TUI Cruises aims to eliminate all unnecessary plastic products and disposables and replace with renewable and natural raw materials. *More info on p27.*

→ *Watch our animation here (German)* → *and video here (German)*

A plastic straw ban on all Marella Cruises ships keeps 1.8m straws per year out of the waste stream. Other measures include removing cocktail stirrers, using cardboard packaging for grab-and-go foods and replacing individual plastic shampoo bottles with wall-mounted bathroom dispensers.

AIRLINES

We replaced single-use plastic stirrers with wooden alternatives on our airlines which will save 12m pieces of plastic per year. Other initiatives include reducing the plastic cable length on headsets and eliminating plastic packaging for blankets. Since summer 2018, TUI fly Germany no longer provides plastic straws or plastic bags for in-flight duty-free purchases.

DESTINATIONS

The TUI Clean & Green programme is a TUI Care Foundation initiative targeting waste in coastal areas through technical advice, training, capacity-building and awareness-raising to help change behaviours.

A new programme is being initiated on Cyprus, TUI Care Foundation is partnering with The Travel Foundation to help hotels, bars and restaurants reduce single-use plastics by 70 % in Ayia Napa. In Curaçao, over 2,000 schoolchildren and teachers will be educated about plastic waste.

PRACTICE WHAT WE PREACH

Across our activities we are replacing single-use plastics where possible. For example, at the 2018 TUI Destination Experiences Leadership Conference, over 550 colleagues were gifted with a TUI-branded reusable stainless steel bottles to use at five refill stations, avoiding over 5,000 plastic bottles. Across our Destination Experiences division we rolled out a campaign to engage colleagues in offices around the world to reduce plastics. Key measures include: installation of osmosis water filters; provision of reusable water bottles; use of bamboo cups; awareness-raising sessions, additional recycling bins at onsite cafés, options for reusable take-away cups and containers; and preference for catering companies that do not use single-use plastic.



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

31 Strategy progress

33 Hotels

38 Destinations

42 Reducing plastic waste

45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



HOTELS

112 M

SINGLE-USE PLASTIC
ITEMS removed across
TUI's hotels

60 %

OF TUI'S HOTELS
have removed or
replaced plastic straws

Launch of
TUI'S PLASTIC
REDUCTION GUIDE-
LINES for Hotels

CRUISE

WASTELESS

PLASTIC REDUCTION
PROGRAM launched by
TUI Cruises

13 M

PLASTIC ITEMS
removed including sauce
sachets and toiletries

NO STRAWS POLICY
on all TUI Cruises and
Marella Cruises ships

AVIATION

12 M

PLASTIC STIRRERS
replaced with wooden
alternatives

PLASTIC BAGS
for duty free items
and BLANKET
PACKAGING removed

REDUCTION IN
PLASTIC CABLE
LENGTH
on headphones

OFFICES

FIRST-EVER
SINGLE-USE
PLASTICS-FREE
TEAM CONFERENCE

AWARENESS
CAMPAIGN
to engage colleagues
and customers

5
OF TUI'S OFFICES
became single-use
plastic-free

DESTINATIONS

TUI Care Foundation
PLASTIC REDUCTION
PROJECT IN CYPRUS

2,000

CHILDREN AND
TEACHERS will be
educated on plastic
waste

TUI tours aligned to
PLASTIC-FREE
STRATEGY

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

- 31 Strategy progress
- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 **Customers**

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



Customers

Commitment by 2020

We will help customers to create positive change

Around the world people increasingly expect sustainability to be a primary ingredient in their travel and tourism experiences. 'Responsible tourism' is becoming intertwined with mainstream holidaymaking rather than a 'nice to have' or niche travel concept. Consumer research conducted by TUI Group shows growing customer demand for holiday companies to manage their sustainability impacts and to provide more sustainable holiday products. Over half (53 %) of the holidaymakers we surveyed in 2017 have a better image of holiday companies that actively invest in environmental and social initiatives (39 % in 2012). Some 68 % are prepared to make lifestyle changes to benefit the environment (60 % in 2012). Regional surveys we conducted in 2018 and early 2019 further highlight the importance of sustainable tourism to holidaymakers.

NORDIC TRAVELLERS GOING GREEN

A survey* of travel preferences among our Nordic customers showed strong willingness to change current travel behaviour to adapt to sustainability priorities.

- 95 % of customers think taking sustainability measures is important.
- More than half say it is equally important to engage in sustainability measures on holiday as well as at home.
- 32 % said they will change their travel based on sustainability concerns in the next two years. Key actions travellers said they were prepared to take less luggage, eat less meat, and choose sustainably-managed hotels.
- The survey showed travel brands face high expectations in several areas, particularly safeguarding human and animal rights and ensuring local people benefit from tourism.

* Survey of TUI customers and consumers in Sweden, Denmark, Norway, and Finland in January 2019 with 6,394 respondents.

GIVING BACK IS BIG IN UK

Nearly 50 % of UK holidaymakers say 'giving back' to a holiday destination is important to them, according to a survey by the research company Opinion Matters commissioned by TUI UK & Ireland in 2018.

The issues most likely to attract support from British tourists are eliminating hunger (27 %), animal welfare (26 %), cultural heritage conservation (22 %), education and lifelong learning opportunities (18 %).

UK holidaymakers agree travel companies' commitment to support local communities impacts their booking decisions, according to the survey.

Engagement with local culture and people is particularly important to holidaymakers, with some 62 % of UK holidaymakers agreeing it makes them feel better when they know their holiday was organised with respect for nature and the local community. For 82 %, that means sampling local cuisine, 68 % mentioned shopping for souvenirs and 48 % highlighted visiting local markets and neighbourhoods. Taking a tour with a local guide was valued by half of those surveyed.

"It's great news that British holidaymakers are increasingly more concerned about the welfare of the places they visit," said Xavier Font, Professor of Sustainability Marketing at the University of Surrey, UK, who helped develop the study. "On an individual level, the notion of 'giving back' is becoming the norm and people want to engage with local cultures on holiday. There's also a very clear message for the travel industry with the majority of TUI customers expecting the companies they book with to demonstrate care and responsibility towards the destinations they operate in to show how they 'give back' too."

ENVIRONMENTAL RESPONSIBILITY

The regional survey findings dovetail with our Group research, which in 2017 showed that 57 % of travellers would book more environmentally responsible holidays if they were more readily available (compared to 40 % in 2012). This aligns with our Better Holidays, Better World strategy and spurs on efforts to communicate proactively with customers on sustainability throughout the holiday journey.

➔ *Read the full findings from the 2017 survey here.*

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

- 31 Strategy progress
- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



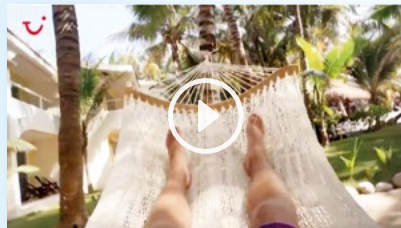
Sustainability is core to our brand and a core part of our commitment to customers. Our customers increasingly want more sustainable holidays – and our aim is to demonstrate that a holiday with a positive impact on the environment, local communities and cultures is an altogether better holiday experience.

GETTING THE WORD OUT

We are working hard to communicate with our customers on sustainability. The oneBrand campaign in 2017 brought our major European tour operator brands under one TUI umbrella. In 2018, we rolled out 'Marketing Guidelines for Sustainability' to further embed sustainability storytelling and experiences into our brand. TUI UK & Ireland piloted the guidelines and their work was recognised at the World Responsible Tourism Awards.

One way we're getting the word out is by highlighting 'greener and fairer' hotels (properties with independent sustainability certifications), using an icon in brochures and online, as well as enabling consumers to filter for these hotels. In 2018, we published hotel sustainability stories on our websites and brochures to inform our customers and used social media and blogs to tell our sustainability story. Customers in the UK, Germany, Belgium and the Netherlands can all choose to donate to the TUI Care Foundation when booking their holiday.

Learn more



View our customer-facing video on sustainability across the holiday journey here.

Read about sustainability on our TUI holiday websites

- Germany
- UK
- Netherlands
- Belgium
- Nordics

World responsible tourism award winner



TUI UK and Ireland's commitment to sustainable tourism was recognised at the World Responsible Tourism Awards in November 2018, as the company won the gold award in the Best for Communicating Responsible Tourism category.

The accolade acknowledges a communications campaign devised and delivered by TUI UK and Ireland's sustainability and marketing teams to raise consumer awareness and promote better understanding and advocacy for responsible tourism issues.

The 'Better Holidays, Better World' campaign ran across all TUI UK-owned marketing channels over the last year, reaching 4.5 m holidaymakers, and created a framework for ongoing communications, which is now also being used in TUI's other main European markets.

The judges said, "TUI UK & Ireland have given the same marketing weight to TUI's 'Better Holidays, Better World' as their other five key messages. They have embedded better business' storytelling and experiences into the core brand and by doing so, have put responsible tourism at the heart of their offer."

→ More information

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

- 31 Strategy progress
- 33 Hotels
- 38 Destinations
- 42 Reducing plastic waste
- 45 Customers

LEAD THE WAY

CARE MORE

GLOBAL COMPACT



**make
a difference**



*15% of worldwide population
(1 billion people) lives with some form
of disability. Expected to reach 1.2 billion by 2020*

Source: Amadeus Report. Voyage of Discovery, working towards inclusive and accessible travel for all. (2017)

ACCESS FOR ALL

Travel should be enjoyed by all. We want to provide as many people as possible with accessible holidays. We are constantly innovating to develop new products and processes that make travel easier and more comfortable for everyone.

In 2018, we took measures to provide clearer information to our customers about accessibility. We invited hotel partners to complete a 70-point survey to provide specific accessibility information, which is shared with holidaymakers to inform their choices. We continue to explore ways to include more information on the website, to enable informed customer decisions. We also undertake accessibility training – for instance, Paralympian athlete Pippa Britton delivered a disability awareness session for our TUI UK colleagues.



To ensure smooth transfers for customers with limited mobility, particularly those needing a wheelchair-accessible vehicle, a new transfers process has been implemented which allows contact centre agents in all source markets to have instant visibility of the vehicles available in each destination.

Across our cruise operations, we offer special cabins with a wider entrance as well as more space. Almost all areas of the ships are step-free and accessible by elevator. TUI Cruises website shares extensive information on accessibility. Our airlines provide onboard assistance, free transportation of mobility equipment and use of an onboard wheelchair, among other services.

One example of our specialised customer accessibility support is the dedicated team at TUI Germany (in place since 1981), which organises arrivals and departures, accommodation, transfers and excursions for customers with reduced mobility.

More broadly, we are also engaging with the wider travel industry to advance access for the mobility-limited, including speaking at seminars and conferences to share our approach.

DISABILITY SNOWSPORTS UK

- ➔ *Crystal Ski*, our ski holiday specialist business, has supported
- ➔ *Disability Snowsport UK* (DSUK) since 2009.

DSUK is the UK's leading charity providing access to adaptive skiing and snowboarding for people with disabilities. Crystal has raised over £240,000 for the charity through numerous events, including annual Santa Runs, taking part in the annual National Skiathon as well as organised events overseas in resorts by our teams.

The DSUK activity weeks, available throughout winter, provide a great opportunity for disabled skiers who are looking for a group skiing holiday. Every year 30 TUI and Crystal colleagues are encouraged to volunteer as helpers, offering their time and skills during the whole week and ensuring skiers get the most of their holiday.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

- 49 Strategy progress
- 51 Innovation
- 53 Educating the next generation
- 54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



lead the way

Pioneering sustainable tourism across the world

As the world's leading tourism business, TUI Group has a valuable opportunity and unique responsibility within our industry to encourage uptake of sustainable tourism. Our scale gives us the resources, reach and credibility to strengthen the positive impacts travel and tourism can have.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

- 51 Innovation
- 53 Educating the next generation
- 54 TUI Care Foundation

CARE MORE

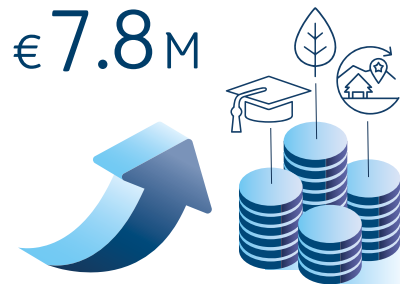
GLOBAL COMPACT



**lead
the way**



Pioneering sustainable tourism



€7.8M

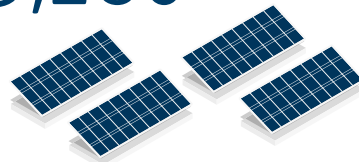
Invested to enhance the positive impacts of tourism

>30



TUI Care Foundation projects active in 25 destinations

3,280



Solar panels installed at Robinson Club Apulia in Italy – one of the largest hotel solar systems in Europe

AMBITION BY 2020

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

We will measure this by the amount invested in charity, projects, and initiatives as well as memberships that support good causes and enhance the positive impacts of tourism.

PROGRESS IN 2018

Our businesses, colleagues and customers raised €7.8 million to support good causes and enhance the positive impacts of tourism.

TUI'S CONTRIBUTION TO THE SDGS



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



HOW WE ARE DOING AGAINST OUR 2020 COMMITMENTS



↑ We will improve our understanding of the impacts of holidays

TUI Care Foundation partnered with the Travel Foundation on a pilot project in Jamaica to understand how to increase the impact of tourist spend in the Montego Bay area. Project activities included the development of a pocket map 'insider guide' and its distribution to 40,000 tourists, 138 front-line hotel staff and tourist police trained and equipped with 'Warm Welcome' ambassador packs and 200 craft traders trained on business skills. Analysis from the Harbour Street Craft Market area showed that tourist footfall had more than doubled and tourist spend increased by 50% since the start of the project.

↑ Our airlines, cruise operations and hotels will deploy new technologies and practices

TUI Cruise's new build ships use the latest closed-loop technology, so that waste wash water disposal only occurs onshore (p24). Our hotels also continued to invest in innovative technology. Robinson Club Apulia, for example, installed one of the largest hotel solar panel systems in Europe, and Robinson Club Jandia in Fuerteventura was the first international hotel to achieve platinum certification by the German Sustainable Business Council.

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

In February 2018, we took delivery of the first 737 MAX aircraft for our Nordic airline on a 30% blend of sustainable aviation fuel resulting in one of the most carbon-efficient flights achieved by that aircraft type. We continued to play a key role in organisations such as the Bioport Holland initiative and Sustainable Aviation Fuels User Group. *More info on p22.*

We will invest in empowering young people

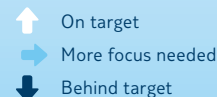
By 2020, TUI Care Foundation aims to improve the life chances of over 100,000 children and youth. Project examples: protecting youngsters from exploitation by building their life skills and providing vocational training in tourism (Dominican Republic); opening up new perspectives for youth through the establishment of a social enterprise training restaurant (Vietnam); and safeguarding a sustainable future for the next generation by educating local children (Mexico). *More info on p55.*

We will invest in protecting the natural environment

By 2020, TUI Care Foundation aims to protect the welfare of over 1 million animals and participate in projects to save resources. Project examples: protecting marine turtles and helping to build turtle friendly environments in holiday destinations (Worldwide); protecting elephants in the wild (Kenya) and improving the welfare of elephants kept in captivity for tourism entertainment (Thailand); and working with hotels to reduce use of natural resources (Cape Verde). *More info on p56.*

We will invest in projects that support thriving communities

By 2020, TUI Care Foundation aims to help enhance 10,000 local livelihoods in destinations through tourism. Project examples: creating new opportunities for wine and olive farmers on Crete to offer their produce and experiences to holidaymakers (Greece); supporting women to develop food-related businesses for tourists in the traditional areas of Malaga (Spain); and connecting local farmers with holiday destination supply chains in Andalucía (Spain). *More info on p57.*



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 **Innovation**

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



Innovation

Commitment by 2020

We will innovate for a more sustainable future for tourism, and share our findings with the industry

HERE COMES THE SUN

Sunshine is a must-have holiday ingredient for many tourists, but harnessing the sun's power as a source of energy for hotels is also increasingly important. Many TUI hotels have already switched to generating their own renewable energy from solar and photovoltaic systems. Robinson Club Apulia in southern Italy launched one of Europe's largest solar panel systems for hotels in summer 2018. The installation of 3,280 solar panels covers a total area of 5,500 square metres – three quarters of a football pitch. The system generates 1,438 megawatt hours of electricity per year, the average power requirement for approximately 450 private households in Germany. Some 71 % of the power generated is used to meet the hotel's needs, with the remainder fed into the local power grid.

The Robinson Club Agadir in Morocco, situated on a long sandy beach, has installed the largest solar system operated by a hotel in Morocco. The power generated is used to produce hot water and heat the pool landscape. TUI also uses solar power in its Italian resort in Castelfalfi in Tuscany. The solar power system on the 1,100 hectare-estate generates energy for the holiday properties outside the village centre.



FIRST PLATINUM CERTIFICATE

In January 2019, Robinson Club Jandia Playa became the first international hotel outside of Germany to earn the German Sustainable Business Council (DGNB) platinum certification. The new building of the Robinson Club on Fuerteventura in Spain's Canary Islands incorporates state-of-the-art standards and is a prime example of sustainable construction in tourism, achieving a DGNB total performance index of 82.5 %, the third highest ranking among hotels worldwide. The DGNB system considers all aspects of sustainable construction: ecology, economy, socio-cultural and functional aspects, technology, processes and location. The criteria also include lifecycle assessments and link each criterion to the UN SDGs.



The new building features sustainable technologies such as a thermal ceiling system to provide silent, non-draught cooling or heating for rooms and insulated window glazing creates a balance between light transmission and sun protection – also preventing heat loss in winter. A hydrothermal system based on high-performance water-source heat pumps, ensures the combined generation of hot water with a temperature of up to 90 degrees, and sufficient residual cold, to cover the cooling requirements for the kitchen, cooling chambers and rooms. These measures and others contribute to significant savings compared to standard consumption, for example 45 % less water consumption, 69 % less waste water and 27 % less energy for room air conditioning.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 **Innovation**

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



POOLING RESOURCES FOR YOUTH UNEMPLOYMENT

Lack of skilled personnel, limited vocational training opportunities and low participation of women in the labour force pose real obstacles for Egypt's tourism industry. Through the lab of tomorrow – an initiative of German development organisation GIZ – TUI is tackling these challenges with the support of the TUI Care Foundation and Jaz Hotel Group (our joint venture partner in Egypt).

The lab of tomorrow is designed to inspire companies large and small to use their creativity to solve specific problems through collaboration. Currently, seven of these labs are successfully functioning around the world.

TUI and GIZ joined a range of local stakeholders over three days in February 2018 at the TUI Magic Life Resort Kalawy in Egypt to pool their resources and develop a sustainable business-driven strategy aimed at creating better opportunities for young people in the Egyptian tourism industry. Local representatives included training companies and consultancies, hotel and tourism schools, IT companies, social entrepreneurs, and regional governments.

During 2018 public and private partners examined ways to develop hotel management skills and improve technical and vocational education for young people in the tourism sector to improve quality standards. New business models were then researched, co-created and are being piloted

on a small scale in Egypt to prove the concepts. For example, an integrated training system for upper and middle management in hard and soft skills, with a mentoring program that transforms experienced managers in their last years of their professional career into mentors for trainees.

[➔ More information here](#)

HACK THAT HOLIDAY

Hacking is creative problem-solving and hackathons often focus on collaborative computer programming – but they don't have to involve technology. At multi-day hackathon events in Belgium and Sweden, TUI turned innovators' minds to sustainable tourism; at Hack Belgium a group of people examined how sustainability can contribute to better holiday experiences and how holiday experiences can contribute to more sustainable destinations. As a result, several ideas generated around digitalization are being considered over the next year.

In Stockholm, sustainability was one of three core areas in a two-day fun internal #Innovation hackathon involving 80 participants from cross-functional teams applying a test & learn mentality and innovating together. With the aim of delivering customer value sustainably while growing the business, a multitude of ideas emerged with year 2050 in mind to trigger the creative spirit of participants. Three category winners are developing their ideas with a professional development coach, with the ambition for these to become future TUI-products, creating a more digital TUI customer experience.



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



Educating the next generation

The next generation will play a crucial role in shaping the future of sustainable tourism. To empower them as change agents, we work with young people and tourism students at schools, colleges and universities to raise awareness about sustainable tourism.

EMPOWERING CHANGE AGENTS AT UNIVERSITIES

Across Europe, we support learning institutions and students by sharing expertise on sustainable tourism topics, offering internships and recognising excellence. In 2018 this included guest lectures at institutions across the UK, in Belgium, in the Netherlands and the Nordics. In July 2018, the University of Bedfordshire in the UK awarded Jane Ashton, TUI Group's Director of Sustainability, an Honorary Doctor of Science for her outstanding contribution to sustainable tourism.

TUI Netherlands presents a Sustainable Tourism Thesis award to the best Master's thesis from a selection of universities across the Netherlands and Belgium. The 2018 winner was from Breda university of Applied Sciences for her thesis contributing to the European Smart City Hospitality project. TUI Austria's 2018 'TUI Sustainability award for scientific research' was granted to a student from Salzburg University of Applied Sciences for a climate-related research project.

TUI UK & Ireland has partnered with Hertfordshire University in the UK to develop a Chartered Manager Degree Apprenticeship. The programme started in September 2018 with 18 apprentices. Candidates will work full-time for TUI in a variety of roles while completing a tailor-made degree that includes sustainable tourism.



60,000 PUPILS BECOME BETTER WORLD DETECTIVES

Since 2016, over 60,000 pupils in the UK have benefited from TUI UK's Better World Detectives sustainable tourism education programme. Developed in partnership with the Geographical Association and closely aligned with the UK national curriculum, the programme engages pupils aged 7 to 11 around sustainability and responsible tourism topics.

Created in partnership with teachers, free, ready-to-use teaching resources and cross-curricular lesson plans are made available. These include multi-sensory resources like video content, Skype calls and WhatsApp messages alongside traditional worksheets to tap into different curriculum learning objectives on how to live and travel sustainably. Students gain knowledge about sustainability and are actively encouraged to consider how they can help protect the environment.

Lesson topics range from plastics, carbon and energy to local sourcing, over-tourism, and health and wellbeing. In 2018, existing primary school resources were updated and improved, and brand-new secondary school resources were added to the portfolio.

[➔ More information here](#)

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



TUI Care Foundation

The TUI Care Foundation exemplifies our mission to 'Lead the way' by supporting good causes and enhancing the positive impacts of tourism.

TUI Care Foundation, an independent charitable foundation with a majority of non-TUI trustees, has been in operation as our Group corporate foundation since 2016. The Foundation builds on the potential of tourism as a force for good by supporting and initiating partnerships and projects that contribute to thriving destinations worldwide and creating new opportunities for younger generations.

The Foundation's strategic plan, 'Caring for a Better World' sets out ambitions and objectives for 2017–2020, around three fields of engagement, aligned with the UN Sustainable Development Goals (p10).

[➔ More information here](#)



**EMPOWERING
YOUNG PEOPLE**



**PROTECTING THE
NATURAL
ENVIRONMENT**



**THRIVING
COMMUNITIES**

Read more about these fields of engagement, programmes and projects in the following pages.

In 2018, TUI Care Foundation was running 30 projects in 25 destinations.

[➔ Visit the TUI Care Foundation website here](#)

The charitable foundation values transparency and the efficient use of funds. Therefore 100% of donations go to destination programmes with all administration costs of the foundation covered by TUI.



Helen Caron joins
TUI Care Foundation Board
of Trustees

HELEN CARON
Group Purchasing Director

Why are you involved with the TUI Care Foundation?

I've seen first-hand the difference sustainable tourism can bring to a destination when I visited Zambia ten years ago on one of TUI's very early sustainable tourism projects. The trip left a lasting impression on me as I saw the positive impact we can make in local communities. It's a great privilege to be asked to sit on the Board of trustees for TUI Care Foundation and I'm looking forward to being more involved, getting closer to the detail and helping support the great projects it undertakes.

How can holidaymakers contribute to the TUI Care Foundation?

Our customers have an opportunity to support the foundation and learn more about the projects during their holiday, for example through many of our TUI excursions and fundraising activities in resort, on cruise ships and onboard our aircraft. We are so grateful for all the generous donations from our customers and would ask them to please continue supporting the work of the TUI Care Foundation so we can keep making a positive difference.

What experience do you bring to the Foundation's work?

I've worked for TUI for over 18 years and as Group Purchasing Director I work with hoteliers, partners and tourist boards very closely. I hope to bring my understanding of destinations and hoteliers to the table, to help support the TUI Care Foundation and its projects. I'm looking forward to taking an active role, using my experience and knowledge of TUI and the travel industry to help continue raising funds, to ensure there is a good pipeline of projects.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



Empowering young people

AMBITION

We will improve the life chances of over 100,000 children and youth by 2020.

Disadvantaged children and youth living in or around our holiday destinations and in countries where TUI operates have a right to safe living environments and access to education and job opportunities. To help empower them to reach their full potential, we invest in education and life skills for young people.

PROGRAMME AND PROJECT EXAMPLES

TUI ACADEMY creates new opportunities for disadvantaged youth living in and around holiday destinations by means of professional education and training. Our objective is to empower 10,000 youngsters through vocational training, life skills, teaching work placements and online courses.

In partnership with Plan International, the TUI Care Foundation focuses on female empowerment and skills development for youth in local communities in the Dominican Republic. In 2018, the second TUI Academy group started, providing 60 new students, of which approximately 80% are young women, a training programme ranging from kitchen assistant, bartender to hotel receptionist. New life and vocational skills, plus a 3-month internship, help protect the youth from commercial sexual exploitation, and will kick-off their careers in the tourism sector. From the first group of 45 graduates, 26 entered into employment in 2018 in one of the hotels of Blue Diamond Resorts or Riu.

In 2018 the TUI Academy programme was launched together with Plan International in Hue, Vietnam offering disadvantaged youth career opportunities. The project provides 350 young people with vocational training and/or loan support for setting up a business, of which 180 youth will take part in hospitality training in a social enterprise training restaurant called TRE (bamboo) which has opened its doors in July 2018 in Hue city.

TUI JUNIOR ACADEMY gives children better opportunities in life by getting involved in important sustainability issues such as biodiversity, climate change, animal welfare, waste management and human rights. Our objective is for 100,000 children to benefit from these enrichment opportunities.

In Mexico, TUI Care Foundation partners with the NGO Rainforest Alliance to teach the next generation about the importance of sustainability. A teacher training programme to build expertise in sustainable tourism and environmental issues started to train community teachers, benefiting over 2,500 school children in 2018.

In Mexico (Cancun) and Thailand (Phuket), DCI-ECPAT and TUI Care Foundation have initiated multi-stakeholder taskforces projects to improve the protection of children from commercial sexual exploitation in the tourism industry, in collaboration with private tourism businesses, NGOs, local communities and governments. The project also empowers children and adolescents in the local communities to speak out and act as agents of change.

TUI FUTURE FUND works with pre-selected partners to provide rapid humanitarian response and emergency relief for children and youth in need when a disaster strikes. In 2018 the TUI Care Foundation established a four-year partnership with UNICEF to support UNICEF's emergency relief and education program for the most vulnerable children and their families in holiday destinations.

In South Africa, the Foundation also supports UNICEF in providing vocational education in technology and guidance in life skills to disadvantaged teenage girls. This includes a new classroom-based coaching programme that aims to reach 5,000 girls, addressing their performance in science, technology, engineering and maths (STEM).



In Vietnam, youth receive practical training in food, beverages, sales and marketing as part of the TUI ACADEMY project.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



Protecting the natural environment

AMBITION

By 2020, we will protect the welfare of over 1 million animals and participate in projects to save resources.

Biodiverse destinations are important for tourism and play a vital role for ecosystems, in community livelihoods and as cultural icons. Unfortunately, elephants and marine species are among those most threatened by people, unsustainable development and climate change.

Tourism can put pressure on waste, water and energy in destination countries so efficient use of natural resources helps to safeguard holiday destinations. TUI Care Foundation supports sustainable management of waste, water and energy by participating in resource-saving destination projects.

PROGRAMME AND PROJECT EXAMPLES

TUI TURTLE AID supports protection projects to safeguard turtle nesting areas and protect newly born turtles. We work with partners to create awareness among holidaymakers, children and coastal communities about turtle protection and the need for climate change adaptation. Our objective is to protect 1 million turtles by 2020.

Our partners include local organisations such as Project Biodiversity and BIOS.CV on the Cape Verdean islands of Sal and Boa Vista, Archelon in Greece and DEKAMER in Turkey.



After the 2018 Cape Verde turtle hatching season, Project Biodiversity registered 15,000 new hatchings on Sal – four times as many as in 2016 – and BIOS.CV on Boa Vista registered 14,600 nests – three times as many as in 2017.

TUI ELEPHANT AID exists to safeguard elephant populations in Africa and Asia. The programme contributes to protecting elephants in the wild and improving the welfare of elephants kept in captivity for tourism entertainment. The objective is to protect 15,000 elephants.

In Thailand, TUI Care Foundation is working with World Animal Protection to improve conditions for Asian elephants in captivity. In Kenya, the Foundation is collaborating with the International Fund for Animal Welfare to combat poaching and human-elephant conflict. Through an innovative wildlife security strategy called 'tenBoma,' government and community rangers are trained to better predict threats and protect both elephants and communities in the Tsavo Conservation Area.

TUI CLEAN & GREEN prioritises environmental initiatives that raise awareness amongst holidaymakers, the tourism industry and local communities by tackling food waste, plastic recycling and the circular economy.

In Cape Verde, TUI Care Foundation worked with the Travel Foundation and local organisations to reduce the environmental impact of solid waste generation while maximising associated livelihoods opportunities. Some 20 hotels on the islands of Sal and Boa Vista have changed practices to reduce their water and energy use and waste. As a result, energy consumption has fallen by 17% and water consumption by 16%. The hotels also reduced food waste – the biggest contributor to the hotel waste stream – by 22% of total volume of waste produced.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

49 Strategy progress

51 Innovation

53 Educating the next generation

54 TUI Care Foundation

CARE MORE

GLOBAL COMPACT



**lead
the way**



Thriving communities

AMBITION

We will help enhance 10,000 local livelihoods in destinations through tourism by 2020.

Tourism can play a vital role in enhancing livelihoods in destinations through the economic benefits it brings. To do so, local populations and locally sourced, responsible products and services need greater access to the tourism industry and holidaymakers.

PROGRAMME AND PROJECT EXAMPLES

TUI CARES ensures that local communities benefit from tourism. It focuses on professional education, business skills training, financial support for enterprise development and employment creation for people living in and around holiday destinations. The objective is to drive local sourcing, create cultural experiences for holidaymakers and enhance entrepreneurship opportunities.

In Crete, the Foundation is helping some 200 smallholder farmers to protect their livelihoods and preserve their sustainable agriculture methods by enabling direct access to the tourist market so they can sell their wines and olive oils.



In 2018, holidaymakers were able to experience a variety of sustainable wines from the Crete project at their hotels.



Two projects were launched in 2018 in Spain. The first is a culinary experience involving women in the traditional corralones (semi-roofed shelters) of Malaga. Around 70 underprivileged women are being supported to develop food-related businesses for tourists, including cookery workshops, trips to markets and guided tours. The aim is to empower local businesswomen by using cooking as a means for tourists to experience the city's rich cultural heritage.

The second, in Andalucía, is a collaboration with Association AIVelAI to connect local farmers with holiday destination supply chains. Some 130 farmers and 60 chefs will receive direct training and technical support, applying regenerative food production practices and diversified and organic farming methods to help raise incomes. The aim is for 2,150 people working on farms, in hotels or restaurants, to benefit from the programme, with the ultimate goal of boosting standards of living for local farmers and their families, and creating new horizons for future generations. As well as securing rural livelihoods, this holistic approach also fosters land restoration and promotes Andalucía as a travel destination.

[Learn more](#)



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



**care
more**

Building the best place to work

TUI employees are the ambassadors of our strategy, so we want our company to be the best place to work and our people to be passionate about what they do. That's why a key goal of 'Care More,' the fourth pillar of our Better Holidays, Better World strategy, is to reach a colleague engagement score of more than 80 by 2020.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

59 Strategy progress

- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



Building the best place to work

76



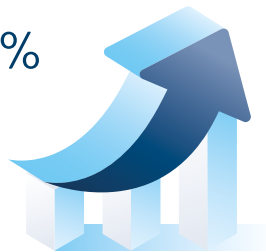
Building the best place to work with a
colleague engagement score of 76

34%



Of **managerial positions** are held by
women

14%



Of eligible colleagues participated in our
employee share programme in 2018

AMBITION BY 2020

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

PROGRESS IN 2018

In 2018 the TUItogether employee engagement score was 76 points, in line with our target to achieve a score of 80 or more by 2020.

TUI'S CONTRIBUTION TO THE SDGS



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

59 Strategy progress

- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



HOW WE ARE DOING AGAINST OUR 2020 COMMITMENTS



↑ Align our employee engagement score with high performers

Following on from three annual cycles of our full employee survey, a more condensed version of the survey was conducted in 2018 called TUIgether Pulse. In total 75% of employees participated and the engagement index remained relatively stable at 76 (one percentage point lower than 2017). The score of 76 is 2 percentage points above our research institute's global standard. The overall value for the VIBE leadership model remained stable at 72 (73 in 2017).

→ Create a leadership team reflective of the diverse nature of our business

In 2018, the proportion of women in leadership positions increased slightly to 34.4% from 34.1%, the proportion of women overall was 56%. The largest group of employees is between the ages of 21 and 30 and 15.5% are over 50 years of age.

→ Roll out people development opportunities

Through the Global 360 programme, TUI promotes international careers within the organisation and increases employee mobility. Participants gain international work experience and get to know other parts of TUI Group. The Global 360 Team offers comprehensive support to participants moving onto a career step abroad.

↑ Our colleagues will be ambassadors of sustainability

Sustainability champion networks were re-established in several of our markets, such as Belgium, the Netherlands and Germany. During 2018, our markets rolled out a campaign to raise awareness of and support for the TUI Care Foundation. The 'TUI Care Foundation month' campaign saw high participation levels and a total of 95,000 euros raised. Colleagues in our Destination Experiences division organised their 5th annual beach clean campaign – with 52 beach cleans completed.

- ↑ On target
- More focus needed
- ↓ Behind target

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

59 Strategy progress

61 Engagement

64 Diversity

66 People development

68 Empowering colleagues

69 Security, Health & Safety

GLOBAL COMPACT



Engagement

BUILDING BETTER WORKPLACES

In tourism, direct contact between employees and travellers plays an important role. This applies in particular to TUI. Our people make TUI the number one tourism business. Our success depends on their satisfaction, engagement and personal development. That's why we aspire to be a great employer whose people are passionate about what they do. This importance increases with digitalization. We understand digitalization as a technical, cultural and organizational process, and challenge. Our employees are an essential success factor, to successfully shape the future. That's why we rethink work: individual, digital, modern.

We are convinced that from the satisfaction of our employees much grows. We track employee satisfaction through the engagement score in our annual employee survey TUIgether. In 2018 that score was 76, in line with our target to achieve a score of 80 or more by 2020.

TUIGETHER

TUI Group has conducted an employee survey for the past three years together with an independent market research institute. This survey provides valuable feedback, helping us develop new programmes or projects. The TUIgether Pulse, a compact version of the survey, was conducted in 2018 – a 'health check' until the next full survey in 2019. TUIgether Pulse captures employees' level of engagement, their views on TUI's leadership model VIBE (Vision, Inspire, Build Teams, Execute) and on the follow-up process. It also provides an opportunity to further implement the team changes launched in 2017.

In 2018 TUI Group's engagement index of 76 is two percentage points above our market research institute's global standard. The score fell by one percentage point in 2018 compared to 2017 (77). The overall value for the VIBE leadership model remained stable at 72 (73 in 2017). The 75 % response rate indicates that our employees take the survey seriously.

Survey results are discussed within the teams. The overall results are published on smile, the TUI Group's Intranet platform.

Personnel by segment

	30 Sep 2018	30 Sep 2017 restated	Var. %
Hotels & Resorts	27,643	26,313	5.1
Cruises*	328	316	3.8
Destination Experiences	8,469	5,412	56.5
Holiday Experiences	36,440	32,041	13.7
Northern Region	12,513	14,196	-11.9
Central Region	10,389	10,276	1.1
Western Region	6,595	6,523	1.1
Markets	29,497	30,995	-4.8
All other segments	3,609	3,541	1.9
TUI Group	69,546	66,577	4.5

* Excludes TUI Cruises (JV) employees.

Cruises employees are primarily hired by external crew management agencies.

Most of our employees (79%) work in Europe. In the UK, headcount dropped to 17% due to an organisational change in Destination Experiences. Around 15% of the overall workforce were employed in Germany, followed by Spain with around 14%.

Personnel by region*

	30 Sep 2018	30 Sep 2017	Var. %
Germany	10,345	10,274	0.7
Great Britain	11,770	13,354	-11.9
Spain	9,952	9,607	3.6
Other EU	22,594	20,911	8.0
North and South America	5,005	4,535	10.4
Other regions	9,880	7,896	25.1
TUI Group	69,546	66,577	4.5

* By domicile of company

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

59 Strategy progress

61 Engagement

64 Diversity

66 People development

68 Empowering colleagues

69 Security, Health & Safety

GLOBAL COMPACT



TUI PEOPLE

We continually look for ways to enhance our employees' personal development as a key contributor to our competitiveness. TUI People is a new, user-friendly software. This online software is designed to support employees' loyalty, performance assessment and development as well as recruitment of new talent. TUI People also standardises Group processes to support employees' personal development, ease the next career step and provide executives and HR managers with better control, for instance, in managing global teams.

TUI People will be launched with five modules: Performance and Talent Management, Reward, Data & Analytics, Learning, and Recruitment. The Performance and Talent Management module was piloted in 2017 in seven German Group companies. At the beginning of the new financial year, the module was rolled out throughout the Group. The other modules will follow in 2019.

SHARING IN TUI'S SUCCESS

The oneShare employee share programme offers another opportunity for colleagues to participate in TUI's success. It strengthens their commitment to TUI and contributes to making them feel a more integral part of the TUI Group.

Employees from participating companies can subscribe to TUI shares at preferential terms and conditions. They receive a discount of 20 % on the share price and a free share for every three shares acquired. In 2018, special Golden Shares were issued for all participants for the first time, with each participant receiving twelve additional shares, regardless of the amount invested.

In 2018, colleagues from 24 countries took part in the scheme. With 14.1 % of all eligible employees participating, the oneShare scheme has been extremely popular.

The Global Equity Organization (GEO), the leading global body promoting the employee share culture, presented an award to oneShare in 2018. At its annual members' conference, an expert jury awarded a prize to the programme in the category "Best Use of a Share Plan in a Corporate Action". The jury acknowledged the importance of the share programme for TUI Group's integration and commended the effective communications strategy for the programme launch.



2018 GEO Award for oneShare

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety



NEWWORK@TUI: THE FUTURE OF WORK IS DIGITAL

Digitalisation is rapidly transforming business and the workplace. While exciting, it also presents technological, cultural and organisational challenges. As part of our project newWork@TUI, we are actively looking at the future of work at TUI and exploring what this means for both our customers and employees. For instance, we will look at the implications of working remotely and how digitalisation affects work/life balance.

As a first step, we issued a policy paper in March 2018, signed by representatives of the Group Works Council and TUI Group’s Executive Board. An initiative of the Group Works Council, the newWork@TUI paper sets out guiding principles for the future of work and defines a joint understanding of the opportunities and challenges of digital transformation for employees. The paper identifies a range of initiatives that will fundamentally change the way we work at TUI.



A DIGITAL TUI TOWNHALL

To make sure we capture employees’ thoughts and concerns about the future of work, the Digital Roadshow: New Work, was hosted by TUI Group HR Director Dr Elke Eller. During the roadshow at TUI offices in various markets (and livestreamed for all Group colleagues), employees were given a platform to discuss the specific changes they see in the world of work, and how well TUI is responding to these changes. The online audience of some 500 to 700 employees also had a chance to ask questions of Elke Eller and other discussion participants.

In 2018, the roadshow was held in Hanover and Rijswijk. In 2019, it continued in Luton, Palma and Stockholm. Each webcast focused on a specific topic: collaboration / Office 365 (Hanover), agile work (Luton), test & learn (Stockholm), digital culture (Palma), and work environments and new leadership culture (Rijswijk). In addition, Elke Eller took part in local discussions and one-on-one meetings to gain a fuller picture of each TUI division’s views on New Work.

CONVERTS TO NEW WORK

TUI Netherlands’ new office space is emblematic of the future of work. As part of a 14-month building conversion project, our tour operator and airline colleagues now share the same building in Rijswijk. The office is designed to encourage exchange and dialogue between different functions and to break down silos. It features open-plan offices, spaces for breakout and retreat, state-of-the-art meeting rooms (equipped with video conference facilities) and lounge seating areas, as well as coffee bars on each floor to foster informal exchange. Read about the environmental aspects of the building here (p29).

At TUI AG’s head office in Hanover, another building conversion in 2018 supports agile team processes and interdivisional cooperation, strengthens team communication and simplifies processes. The new work environment aims to motivate employees and reflect TUI’s values: ‘unique’ and ‘inspiring’. Colleagues moved to the redesigned spaces in December 2018.

Employees were deeply involved in each project and their ideas were taken account in the new design.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



Diversity

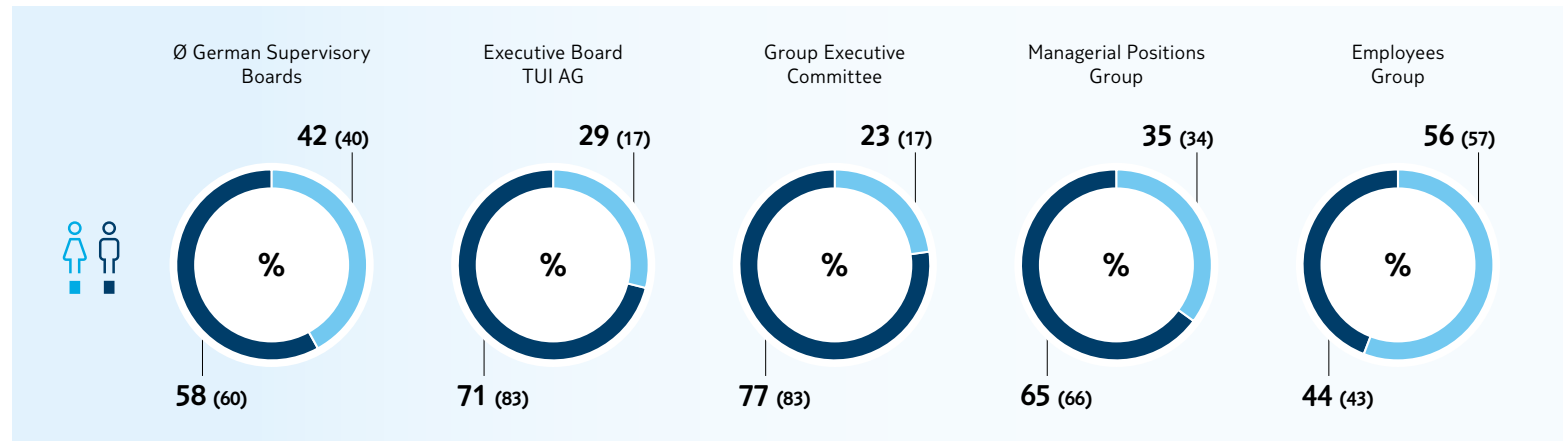
At TUI, people are encouraged to bring their whole selves to work, irrespective of gender, age, sexual orientation or origin. Diversity is something we value.

As an organisation with a high proportion of female employees, TUI prioritises work/life balance. More flexibility not only helps employees with children but benefits everyone. TUI offers a variety of approaches, such as flexible working hours and options to work part-time, remotely or take sabbaticals. In Germany, we support employees with childcare and nursing care for relatives.

A key focus is gaining more women in management; in 2018 the number of women in leadership positions rose from 34.1 % (in 2017) to 34.5 %. The percentage of women in the overall workforce declined slightly by around one percentage point from 56.6 % to 55.7 %. See table below.

In Germany, voluntary targets were initiated in 2015 for TUI AG, TUI Deutschland and TUI fly, reflecting legal requirements. Nearly all targets were achieved in 2018. We have defined new targets for 2020 for these companies on the basis of this voluntary commitment.

Proportion of Woman



In brackets: previous year



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



TACKLING THE GENDER PAY GAP

Reward and remuneration are part of our overall approach to diversity and developing a more diverse leadership team. We are compliant with the UK gender pay regulations, which require businesses with at least 250 employees to calculate and publish their gender pay gap on an annual basis.

To ensure full compliance with the regulations, we collected broader data sets which showed that all three TUI businesses evaluated (TUI Airways, TUI Retail, and TUI UK) revealed significant differentials between female and male hourly rates of pay and bonuses. This understanding will inform our human resources approach to diversity and inclusion going forward as we tackle these discrepancies.

Making a significant change in our gender pay gap will take time. We are committed to increasing the number of females holding senior roles by reviewing and ensuring our methods for attracting new employees contain

no bias in style, tone and language. We are also implementing unconscious bias training for our hiring managers. This will not only help us address gender bias in recruitment, but any other bias that impacts diversity and inclusion in the broadest sense. We aim to reduce occupational segregation and encourage a more even gender split across the organisation. We will review our organisational design, including the full- and part-time role balance, and continue our efforts to increase our female pilot population.

→ The TUI UK & Ireland Gender Pay Gap Report 2017/18 can be accessed [here](#).

Other staff indicators

in %	TUI Group	
	30 Sep 2018	30 Sep 2017
Employment structure		
Number of employees	69,546	66,577
Employees, female	55.7	56.6
Females in managerial positions	34.5	34.1
Employees in part-time, total	16.4	17.3
Employees in part-time, female	25.6	26.2
Employees, fixed-term employment contract	28.4	30.0
Age structure		
Employees up to 20 years	4.8	5.1
Employees 21 – 30 years	29.3	30.1
Employees 31 – 40 years	26.6	26.4
Employees 41 – 50 years	23.8	23.7
Employees more than 50 years	15.5	14.7
Average company affiliation		
up to 5 years	55.7	54.0
6 – 10 years	13.9	14.9
11 – 20 years	20.4	20.8
21 – 30 years	8.0	8.3
more than 30 years	2.0	2.0



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 **People development**
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



People development

DEVELOPING TOMORROW'S LEADERS

To attract junior technical and executive staff for the future, TUI engages in forward-based succession planning and carries out a number of international development programmes. The Group-wide International Graduate Leadership programme and global programmes such as Global High Performance Leadership, Perspectives and Horizons are aimed at identifying and retaining qualified employees. We also offer additional local programmes providing development and continuous training for technical and executive staff. Perspectives and Horizons were nominated for the Excellence in Learning & Development Award at the Personnel Today Awards 2018 in London.

To ensure that business-critical functions and key positions can be filled with candidates meeting all requirements, a specific succession plan for the senior management levels was adopted in the financial year under review. It lists short, medium and long-term successors so that the Group is operational and has appropriate HR resources at any time.

INTERNATIONAL GRADUATES 2018

TUI Group's International Graduate Leadership Programme offers targeted training for top graduates to become junior executives. The 18-month programme was extended to 20 months at the launch of its new phase in September 2018. It entails five assignments in different sites and departments, each lasting three to five months in different functions across TUI Group to offer participants the best possible insights into the Group, and provide them with strategic and operational knowhow. Trainees can set individual priorities, but undergo a mandatory assignment in Finance. New participants start in March and September each year. In 2018, 35 trainees from 16 countries took part in the programme.

From 2019, TUI will offer an International Aviation Programme. It will last 20 months and include five assignments, four of which will be carried out in aviation (e.g. a local carrier) while one assignment will take place in a different sector to enable participants to gain broader experience in the integrated tourism group. The programme will also include an aviation project which participants will manage themselves.



In workshops employees get fresh insights

GREAT PLACE TO GROW

A key step forward in People Development is the establishment of Great Place to Grow, the Group's global approach to performance and talent management. Its core element is a three-step structured dialogue process between executives and employees. The approach ensures that every employee receives honest feedback on their performance and potential. The dialogue also focuses on TUI's values Trusted. Unique. Inspiring, which reflect the way we work and are to be even more firmly anchored in our employees' activities. A dedicated digital platform supports executives and employees throughout the process.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



LEARNING@TUI

The world of work is constantly changing and TUI is becoming increasingly digital. We want our employees, who combine so many different talents, to recognise their potential and skills as well as master new ones. TUI offers numerous learning and development opportunities to support employees in their current roles, develop their future careers and equip them for digital transformation. This includes the provision of numerous e-learning programmes and online trainings in specialised TUI Academies, which offer further training programmes in selected areas (e.g. Finance or IT). Individual digital learning opportunities such as online libraries and digital Learning Hubs are also provided at the local level.

In 2018 we held Learning Days and Learning Weeks in the Netherlands, Belgium, the UK and Germany. The programme enables employees to find out more about new topics and gain fresh insights.

In Germany nearly 3,000 colleagues took part in three Learning Weeks and two Learning Days in 2018. The motto of the first cross-company Learning Week at Hanover was 'newWork@TUI – TUI as a Learning Organisation'. It was attended by 1,000 employees and executives, who could choose from more than 50 sessions on topics such as Cloud, Office 365, Blockchain and leadership in changing organisational structures. Many of the speakers during the Learning Week were TUI colleagues. In this way, the Learning Weeks also strengthen dialogue and cooperation between our divisions and companies.



Employees working for TUI Destination Experiences had the chance to test a new learning format: the TUI DX Digital Garage was being held for the first time. More than 100 courses relating to digitalisation were offered over two days in Palma and transmitted to TUI DX offices around the world via live stream. The concept also includes a digital quiz to test the knowledge acquired. The Digital Garage received very positive feedback. It proved to be the right format to inspire employees in Palma and in the destinations around digital topics.


GLOBAL 360

Through the Global 360 programme, TUI promotes international careers within the organisation and increases employee mobility. Participants gain international work experience and get to know other parts of TUI Group. The Global 360 Team offers comprehensive support to participants moving onto a career step abroad. For an integrated company such as TUI, it is really important for employees to gain experience around the world and get to know different parts of the organisation. Global 360 makes an important contribution towards this goal. It also helps to raise awareness among executives and encourages them to look beyond the borders of their own market when scouting for talent.

The career programme was launched under the name Global 60 in 2017. At the first Global 60 Conference in December 2017, when the first participants discussed their experience, it was suggested to change the name to Global 360. The new name reflects the comprehensive impact of the programme – on culture, working methods and the exchange of experience between source markets – and its role as a driver of cultural change within TUI towards a digital, networked platform organisation.

GLOBAL EMPLOYMENT STATEMENT

As a global player, TUI Group supports fair and respectful treatment of employees at all levels and compliance with applicable laws and industry standards.

The  *TUI Global Employment Statement* published in 2018 sets out TUI's values and commitments to its employees and those working for our contract partners. The TUI Global Employment Statement defines specific guidelines on human rights, anti-discrimination, protection from forced labour, banning child labour, pay, the right of association, health and safety, diversity, HR development and feedback culture.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

- 59 Strategy progress
- 61 Engagement
- 64 Diversity
- 66 People development
- 68 Empowering colleagues
- 69 Security, Health & Safety

GLOBAL COMPACT



Empowering colleagues

Our Better Holidays, Better World strategy is most effective when our people are empowered to become ambassadors for sustainability. TUI provides opportunities for colleagues to engage through champion networks, sustainability-themed training, and supporting the work of the TUI Care Foundation.

WE ARE THE CHAMPIONS

The best sustainability change agents are our own employees. Our TUI champion networks exist to engage colleagues on sustainability, support our strategy and expand charitable activities.

TUI BENELUX: To boost involvement, the sustainability department posted innovative job vacancies for sustainability champions, advertising for 50 new CEOs – or Chief Environmental Officers. Colleagues had to explain why they wanted these positions from a sustainability perspective. The successful champions meet quarterly for updates from the sustainability team, then cascade this information within their own departments.

TUI GERMANY: Some 20 core champions meet bi-monthly and were active in the TUI Care Foundation campaign month. A current focus is to boost biodiversity around the TUI Germany office precinct.

TUI UK & IRELAND: Waste was a key priority for the office based champions in 2018. This included improving signage and communication to encourage more recycling at the Luton office and community litter pick-up events.

A WHOLE MONTH OF SUSTAINABILITY

In 2018 our champion networks supported TUI Care Foundation month to raise awareness of and support for the Foundation. Activities ranged from zero waste events to 500 turtle adoptions to fundraising initiatives that raised a total of 95,000 euros. The concept was carried out at different times in all markets. Auctions “from colleagues for colleagues” ranged from numerous different sports activities to photo shoots, drawing events, language courses through to music events. The TUI Care Foundation month created true engagement across the business and will come back in 2019.



MAKING A CLEAN SWEEP

For the fifth consecutive year, our Destination Experience colleagues held a Big Holiday Beach Clean campaign, asking teams to organise a beach clean in their local areas. It supports the ABTA-led ‘Make Holidays Greener’ campaign to keep destinations clean for future guests. In 2018, over 1,400 colleagues and customers collected almost 4,500 kg of rubbish, covering more than 90 km of beach. In total, 52 beaches in 17 countries benefited from the effort.

In the past five years, over 250 beach cleans have been held, engaging over 6,600 people and covering over 300 km of coast line. Over 25,000 kg of rubbish have been removed.

MASTERING SUSTAINABILITY

Sustainability is embedded in training across TUI, from inductions and manuals to management development programmes. Raising awareness about sustainability is the first step. From intranets, newsletters and videos, to blogs, townhalls and dedicated initiatives, TUI works to get the word out to colleagues across the organisation.

Every TUI colleague in the Nordics has 40 hours of worktime a year to attend professional development of their own choice. Through its Master Classes program, it is taking advantage of internal experts to share knowledge and expertise within their field to colleagues across the business. Five Master Classes on sustainability have been held since October 2018 taught by Anna Kiefer, Sustainability Lead for TUI in Sweden, and Jane Ashton, Director of Sustainable Development at TUI. The master class focused on key sustainability challenges and opportunities and TUI’s strong commitment to sustainability and corporate social responsibility.

WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

59 Strategy progress

61 Engagement

64 Diversity

66 People development

68 Empowering colleagues

69 Security, Health & Safety

GLOBAL COMPACT



**care
more**



Security, Health & Safety

TUI Group operations span holiday destinations from Europe to the Caribbean and South-East Asia. That means events around the world can directly impact our customers, employees and business processes. In 2018, this included social unrest in Sri Lanka, an earthquake in Indonesia and wildfires in Southern Europe.

TUI takes an integrated approach to Security, Health & Safety across the Group, with prevention measures in place to manage crisis situations and extreme events quickly and effectively, minimise negative effects, and respond professionally when the need arises. Our approach is rooted in our corporate values – Trusted, Unique, Inspiring.

PREVENTION IS OUR PRIORITY

As well as continuously monitoring global trends and developments to identify potential risks and assessing social, environmental and governance-related events in the regions where we operate, we prepare response measures to manage exceptional situations. Prevention is our priority, with the goal of avoiding potential risks so that damage or loss can be minimised and customers, employees, and company reputation and assets protected.

Across TUI Group we take a systematic, integrated approach to Security, Health & Safety (SHS). Our Group-wide framework of guidelines, operational instructions and processes covers security and safety measures within Hotels & Resorts, business travel and event and crisis management. Group SHS coordinates a network of security and safety functions across the Group, with regular site visits made to destinations and to our Hotels & Resorts to ensure our security and safety standards are being met.

Our holistic risk analysis includes natural hazards, social and political events and developments in destinations, health-related information and security and safety-relevant briefings from government agencies. As well as regular reporting to management, we use accredited external auditors to evaluate compliance through Group-wide interlinked reviews.

CRISIS-READY

Our professional crisis management system draws on international standards, best practice from other industries and processes and reaction mechanisms used by government agencies. Our objective is to ensure we can respond rapidly to unexpected and sudden events – as we did, for instance, during an earthquake in Indonesia or tropical storms in the Caribbean.

In addition to aggregating data and analysing the local situation, our event management frameworks track how guests and employees may be affected, what support they need, and coordinate with local public agencies, European bodies and other partners to ensure their safety and wellbeing. Control centres operate 24/7 for rapid, tailored responses to critical events, while reporting ensures that management is kept informed and continually updated on key developments.



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

59 Strategy progress

61 Engagement

64 Diversity

66 People development

68 Empowering colleagues

69 Security, Health & Safety

GLOBAL COMPACT



QUALITY IS EVERYONE'S CONCERN

We continually assess and enhance our security, health & safety processes to ensure high quality standards are maintained. In addition to management systems and training exercises for employees and partners, we work closely with others in destinations and source markets, such as security and disaster management authorities. This can include foreign ministries, police, medical facilities and research institutions involved in crisis prevention.

Regular dialogue with our subsidiaries and Group departments helps to ensure that security, health and safety management is fully in line with needs and requirements. We also use follow-up measures like lessons learnt and process adjustments to ensure continuous improvement and quality management.

HEALTH AT WORK

For TUI, employee health and wellbeing is a core priority. Our Corporate Occupational Health Management (COHM) system takes a two-pronged approach:

1. Ongoing compliance with prevailing statutory regulations, in order to offer healthy and safe workplaces to our employees.
2. Voluntary commitments that exceed the standards required by law – for example by signing the Luxembourg Declaration on Workplace Health Promotion.



In Germany, TUI AG is active in the Corporate Health Network and has achieved ratings in the external independent Corporate Health Award Audit in the excellent category every year since 2009. TUI AG won the Corporate Health Award in 2010 and more recently in 2017. This success is due in part to TUI AG's occupational health management's systematic and strategic approach. Preventive health measures for different target groups also played a role, including preventive healthcare, company sport, wellbeing, inclusion and family welfare offers such as organisational support for small children and care for the elderly. In line with Healthy Leadership essentials, managers are also informed about TUI's basic health requirements at management training seminars held every two years. Seminars feature topics like self-awareness and responding to the needs of employees whose health is impaired.

Inspired by the experience of occupational health management in Germany, TUI formed a Group-wide Corporate Occupational Health Committee. Structures are currently being put in place to provide optimal occupational health and to learn from each other through best-practice exchange across the Group.



Progress report

PRINCIPLE

1 and 2

Support for human rights and prevention of human rights violations

3 to 6

Freedom of association, abolition of forced and child labour, elimination of discrimination

RULE / ACTION

➔ **TUI Code of Conduct updated in 2019. Training and worldwide whistleblower system is in place for reporting violations. (AR p127)**

TUI pledges to uphold all internationally proclaimed human rights as specified in the UN Guiding Principles on Business and Human Rights.

TUI became a signatory to the UNWTO Global Code of Ethics in 2012.

Statement on Modern Slavery published online ➔ [here](#).

Signatories to The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism ("The Code").

Our hotels and those of our hotel partners are required to align to a GSTC-recognised sustainability certification process, which includes Human Rights components, as part of the contractual relationship (BHBW p14)

Signatory to the German Diversity Charter. Diversity at TUI approach to increase the proportion of women in managerial functions (AR p95)

OUTCOMES

The whistleblower system called 'Speak Up' implemented in 2013 was extended to all TUI jurisdictions in 2016. In 2018, 70 reports were received via the 'Speak Up' system and investigated.

Modern Slavery / Human Rights working group meets regularly to assess risks, assign tasks and monitor progress of measures.

In 2016 TUI Joined the Board of The Code, taking the role of Chairperson.

9.2 million 'Greener and Fairer' holidays in 2018 (holidays in sustainability-certified hotels), up by 12 % versus 2017.

34.5 % women in managerial positions. 42 % of supervisory Board is female.

55.7 % of the employees at TUI Group are women.

16.4 % of the employees at TUI Group work part-time.

TUI Europe Forum: In 2018 45 employee representatives from 14 countries were delegated to the Forum



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

71 Progress report

PRINCIPLE

7
A precautionary approach to environmental challenges

RULE / ACTION

Expansion of cruise environmental reporting to monitor water consumption and waste.

Working on biofuels.

Phasing out of brochure printing and replacing with improved digital infrastructure.

Showcasing environmental initiatives in TUI Hotels & Resorts.

Promotion of environmentally responsible hotels and excursions.

Beach cleaning as part of 'Make Holidays Greener' campaign.

OUTCOMES

12.7 litres of waste produced and 110 litres of fresh water per guest night across TUI's cruise businesses.

TUI engages in industry initiatives and research programmes such as the Sustainable Aviation Fuel Users Group to help scale up sustainable aviation fuels of the future.

TUI Group took delivery of the first 737 MAX aircraft for our Nordic airline on a 30% blend of sustainable aviation fuel in February 2018.

In 2018 TUI Group further reduced its printed brochures by 9% compared to 2017. Since 2012, TUI has reduced brochure production by over two thirds.

Investment in technology and renewable energy; food waste reduction, plastic reduction, nature conservation and local products (BHBW p32 – 37, 42, 51)

Highlighting sustainably-certified hotels to customers and delivery of almost 1.2 million TUI Collection excursions in 2018.

In 2018, over 1,400 employees and customers cleaned a coastline of 90 km on 52 beaches collecting 4,500 kg of waste.



WELCOME

OUR APPROACH

STEP LIGHTLY

MAKE A DIFFERENCE

LEAD THE WAY

CARE MORE

GLOBAL COMPACT

71 Progress report

PRINCIPLE

9
Development
and diffusion of
environmentally
friendly technologies

RULE / ACTION

Modernisation of the aircraft fleet and continual commitment to new technologies and processes.

New cruise ships with industry leading technology.

Use of renewable energy

OUTCOMES

In January 2018, TUI Group started to take delivery of the first of at least 72 highly efficient Boeing 737 MAX aircraft by 2023, which are 15 % more efficient than previous generation aircraft.

In 2018 airline intensity emissions improved by 0.1 % and overall have improved by 1.3 % against our 2014 baseline.

TUI Cruises' new build ships' combined exhaust gas treatment systems deliver up to 99 % lower sulphur emissions, 75 % lower nitrogen oxide emissions and 60 % lower particulate emissions.

Solar panels installed at Robinson Club Apulia in Italy – one of the largest hotel solar systems in Europe.

10
Anti corruption

Code of Conduct/Supplier Code addresses ethical, social and legal expectations of business partners. (AR p91 & 126)

In 2018 our due diligence approach was expanded to more indirect procurement categories and around 12,075 third-party suppliers were checked against a third party due diligence programme.



FOR MORE INFORMATION ABOUT
SUSTAINABILITY AT TUI GROUP, VISIT:

➔ www.tui-sustainability.com

CONTACT

GROUP CORPORATE &
EXTERNAL AFFAIRS

Thomas Ellerbeck

Member of the Group
Executive Committee
Group Corporate &
External Affairs Director
thomas.ellerbeck@tui.com

Jane Ashton

Director of Sustainability
TUI Group
jane.ashton@tui.com

Christian Rapp

Group Corporate & External Affairs
Head of Sustainability
Communications
christian.rapp@tui.com

TUI CARE
FOUNDATION

Elise Allart

Executive Director Programmes
and Operations
elise.allart@tuicarefoundation.com

Alexander Panczuk

Executive Director External Affairs
and Development
alexander.panczuk@tui.com