

## C0. Introduction

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### C0.1

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**(C0.1) Give a general description and introduction to your organization.**

TUI is the world's leading tourism group. The broad portfolio gathered under the Group umbrella consists of strong tour operators, 1,600 travel agencies and leading online portals, five leisure airlines with around 150 aircraft, over 380 hotels, 17 cruise liners and many incoming agencies in all major holiday destinations around the globe. It covers the entire tourism value chain under one roof. This integrated offering enables us to provide our 27 million customers with an unmatched holiday experience in 180 regions. A key feature of our corporate culture is our global responsibility for economic, environmental and social sustainability. This is reflected in more than 20 years of commitment to sustainable tourism. In 2018 financial year the TUI Group with a headcount of around 70,000 recorded turnover of €18.5bn and an operating result of €1.177bn. The TUI Group's share is listed on the London Stock Exchange in the FTSE 100 index, in the Quotation Board of the Open Market on the Frankfurt Stock Exchange, and regulated Market of the Hanover Stock Exchange.

### C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	October 1 2017	September 30 2018	No	<Not Applicable>

### C0.3

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**(C0.3) Select the countries/regions for which you will be supplying data.**

Austria  
Belgium  
Bulgaria  
Cabo Verde  
Costa Rica  
Croatia  
Cyprus  
Denmark  
Dominican Republic  
Egypt  
Finland  
France  
Germany  
Greece  
Italy  
Jamaica  
Maldives  
Mauritius  
Mexico  
Morocco  
Netherlands  
Norway  
Panama  
Poland  
Portugal  
Russian Federation  
Spain  
Sri Lanka  
Sweden  
Switzerland  
Thailand  
Tunisia  
Turkey  
United Arab Emirates  
United Kingdom of Great Britain and Northern Ireland  
United States of America

**C0.4**

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

**C0.5**

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

**C1. Governance**

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**C1.1**

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

**C1.1a**

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**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Director on board	The Group Director Corporate & External Affairs (a member of the Group Executive Committee) is responsible for reporting on sustainability and climate change for TUI Group. The Group Executive Committee manages the business both strategically and operationally. Rationale: Climate-related issues fall within the wider remit of Sustainability. The Group Director of Sustainability reports into the Group Director Corporate & External Affairs, so organisationally it is the most appropriate and direct line of reporting to raise climate change issues to the highest level within the business.

**C1.1b**

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**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Group Director Corporate & External Affairs updates the Group Executive Committee (the board) on climate-related issues. This forms part of a wider Group Sustainability update. 'Step Lightly' is the pillar of TUI's sustainability strategy that addresses climate change, which has specific carbon reduction goals and targets for our airlines, cruise ships, hotels, coach fleet, and premises – in addition to carbon reduction initiatives across the business, such as fuel management programmes. The board are updated on performance against this strategy and progress towards targets. Sustainability is a principle risk at TUI; therefore the board is also updated on the management of climate-change risks.

**C1.2**

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**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Half-yearly

## C1.2a

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**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

TUI Group's Director of Sustainability (CSO) heads up the Group Sustainability Network, and reports to the Group Director Corporate & External Affairs who has agenda slots with the Group Executive Committee to update on sustainability and climate-related issues, including performance against the Group's sustainability strategy. The CSO leads the Group-wide sustainability team that has accelerated the tourism Group forward on sustainability over 25 years to the leadership position it now occupies. Under their stewardship, sustainable tourism has become integral to TUI Group's strategy, product positioning and risk management. The Group Sustainability Network drives and supports activity on the wide range of sustainability issues throughout the extensive operations of this large and multi-faceted tourism business, working with the business to develop and deliver on a set of public sustainability targets that are both ambitious and commercially strategic. The CSO champions sustainable tourism at a global level as a member of the Advisory Committee to the UN 10 Year Framework Programme for Sustainable Tourism, and as Executive Board Member of the Global Sustainable Tourism Council. The CSO is also Chair of the Advisory Committee of the TUI Care Foundation, the independent charity founded by TUI which focuses on projects to empower young people, to protect the natural world and to improve destination livelihoods through tourism. The CSO has responsibility for monitoring climate-related issues and maintaining TUI's sustainability principle risk register, which is consolidated, reported and reviewed on at least a half yearly basis.

## C1.3

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**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

## C1.3a

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**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

**Who is entitled to benefit from these incentives?**

Chief Sustainability Officer (CSO)

**Types of incentives**

Monetary reward

**Activity incentivized**

Emissions reduction target

**Comment**

TUI's Chief Sustainability Officer (Director of Sustainability) receives a monetary reward if a number of targets are met including sustainability and carbon management related targets.

**Who is entitled to benefit from these incentives?**

Management group

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction project

**Comment**

TUI operates a discretionary bonus scheme for senior and middle management. It is designed to reward employees in line with both financial performance and personal contribution to delivering successfully against our strategy. An example role with energy reduction targets is a Facilities Manager.

**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Other, please specify (Various carbon/sustainability projects)

**Comment**

TUI offers monetary rewards linked to personal targets which are related to sustainable development.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	1	3	Short-terms risks are those triggered by changes in the external and regulatory environment; and those in relation to internal operations and control. Most operating risks exist as part of running the business therefore these risks may be faced every year. These should be measured over a rolling 12 month basis.
Medium-term	3	10	Medium-term risks are those associated with business change programmes. Risks associated with individual projects and business change processes should be considered in line with the time frame associated with the project delivery.
Long-term	10	30	Long-term risks consider strategic and emerging threats. These risks are generally related to specific circumstances associated with the defined business strategy or emerging threats that will affect the strategy, for consistency, these should be measured over the life cycle of the rolling 3 year plan.

C2.2

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**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

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**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	Although the process of risk identification, assessment and response is continuous and embedded into day-to-day operations, it is consolidated, reported and reviewed throughout the Group on at least a quarterly basis.

C2.2b

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## (C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Identifying and assessing climate change and sustainability risks are facilitated by the Group Risk Management and Sustainable Development departments. Responsibility for risks are also owned by the businesses (asset level), with direction & support coordinated at the centre (company level). Group Risk does not own the risks. There is a specific risk category in the Group's web-based risk & control software solution that enables all climate change and sustainability risks to be identified and assessed. TUI's Group Director of Sustainability meets with the Group Risk Department at regular intervals throughout the year and the Risk Oversight Committee (chaired by CFO) at least once a year. The purpose of the meeting is to discuss any changes, either internal or to the external environment which affect the business exposure to climate related risks. If there are any changes to key sustainability risks or any new ones reported by Business areas, these are communicated to the Director of Sustainability on a timely basis. CSR is considered as an active principal risk to the Group.

**Company Level:** Successful identification and assessment of existing and emerging climate change risks is critical to the long-term success of our business. Our risk governance framework is aligned to and embedded within our business planning cycle. We recognise good risk governance exists when an organisation is intuitively sensitive to changes in its risk landscape and profile and is quick to flex either its strategic objectives and/or its risk strategy. We also recognise this capability requires active commitment and entrepreneurial leadership, a strong independent risk function and consistent risk methodology and language. TUI has established and maintains a system to identify, assess, manage and monitor risks that complies with the UK Corporate Governance Code and the German Corporation Act. The framework has been designed utilising best practice guidance (COSO, 2004 / ISO 31000).

**Asset Level:** Climate change risk identification aims to recognize potential risks within the Group companies, assess these risks with the aid of uniform parameters & summarise them in an overall Group-wide system. TUI has implemented a flexible web-based Risk & Control solution that fully supports the Group's Risk & Control objectives and the needs of a large, complex, geographically disperse & diverse organisation. This software solution reinforces clarity of language, visibility of risks, controls & actions, and accountability of ownership.

**Risk Identification:** On a quarterly basis, line management closest to the risks identify the risks relevant to the pursuit of the strategy within their business area in the context of four types of risk: longer-term strategic and emerging threats; medium-term challenges associated with business change programmes; short-term risks triggered by changes in the external and regulatory environment; and short-term risks in relation to internal operations and control. A risk owner is assigned to each risk, who has the accountability and authority for ensuring that the risk is appropriately managed.

**Risk Assessment:** The methodology used is to initially assess the gross risk. The gross risk is essentially the worst case scenario, being the product of the impact together with the likelihood of the risk materialising if there were no controls in place to manage, mitigate or monitor the risk. The key benefit of assessing the gross risk is that it highlights the potential risk exposure if controls were to fail completely or not be in place at all. Both impact and likelihood are scored on a rating of 1 to 5. Likelihood ratings; below 10% (rare), 10-30% (unlikely), 30-60% (possible), 60-80% (likely), above 80% (almost certain). Impact ratings detailed below. The next step in the process is to assess the controls which are currently in place and which help to reduce the likelihood of the risk materialising and / or its impact if it does. The details of the controls including the control owners are documented. Consideration of the controls in place then enables the current or net risk score to be assessed, which is essentially the reasonably foreseeable scenario. This measures the impact and likelihood of the risk with the current controls identified in operation. The key benefit of assessing the current risk score is that it provides an understanding of the current level of risk faced today and the reliance placed on the controls currently in operation.

**Defining substantive financial or strategic impact:** Financial and strategic impact are defined in both quantitative and qualitative terms. Financial impact is calculated in terms of % of EBITA for the financial year; below 3% (insignificant), 3-5% (minor), 5-10% (moderate), 10-15% (major) and above 15% (catastrophic). Based on 2018 EBITA, 'Insignificant' climate-related risks can result in a financial impact of up to €35m and 'Minor' up to €60m.

## C2.2c

**(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation is a relevant risk to TUI as failure to comply could lead to both a financial and negative reputational impact. Considering this is a current risk the likelihood would be the highest rating of 5. This risk is assessed at both an asset and company level as regulation can affect either parts of the business, such as TUI's airlines, or the business as a whole, such as TUI's non-financial reporting obligations which are presented in the annual report and accounts. Information used to assess current regulation risks comes from government publications, involvement in the industry, collaboration with consultancies and awareness and actions of TUI colleagues. The departments responsible for assessing regulation risk are those affected, be it at source market/platform (i.e asset) level or Group (company) level, working with their relevant Legal department, with assistance as required from Group Sustainability. The results are presented to the Risk Oversight Committee (Group Risk). A specific example of this risk to TUI is the EU ETS scheme in which TUI's airlines are currently required to participate.
Emerging regulation	Relevant, always included	Emerging regulation is a relevant risk to TUI as failure to comply could lead to both a financial and negative reputational impact. Considering this is a risk which is coming into force or in the initial phase the likelihood would be the highest rating of 5. This risk is assessed at both an asset and company level as emerging regulation can affect either parts of the business, such as TUI's cruise operations, or the business as a whole, such as TUI's non-financial reporting obligations which are presented in the Group's Annual Report and Accounts. Information used to assess emerging regulation risks comes from government publications, involvement in the industry, collaboration with consultancies and awareness and actions of TUI colleagues. The departments responsible for assessing regulation risk are those affected, be it at source market/platform (i.e asset) level or Group (company) level, working with their relevant Legal department, with assistance as required from Group Sustainability. The results are presented to the Risk Oversight Committee (Group Risk). A specific example of this risk to TUI is the inclusion in CORSIA, for which the baseline phase began in 2019 and the pilot phase will commence in 2021.
Technology	Relevant, always included	Technology and its reliability is one of the criteria for determining TUI's risk impact. This risk assessment is taken at an asset level as with a diverse business such as TUI's, technology varies considerably between operations. Information used to assess technology risks comes from within specific teams within the organisation, for example, fleet planning or TUI's Aviation team would assess airline technology. The departments relevant and closest to the specific technology risk are responsible for assessing risks and the results are presented to the Risk Oversight Committee (Group Risk). A specific example of a technology risk for TUI is that it operates modern, carbon efficient airline and cruise fleets. Investing in, and operating new aircraft and cruise ships has both financial and reputational benefits, such as TUI's recent order for 2 new cruise vessels which will run on cleaner LNG fuel. Set for delivery in 2024 and 2026, the two identical 161,000gt new builds will be built at Fincantieri's yard in Monfalcone and bring TUI Cruises' Mein Schiff fleet up to nine ships.
Legal	Relevant, always included	Any legal proceedings against TUI on climate change issues are relevant to the business. Such actions are considered at both an asset level, for example against an individual TUI hotel, and at a whole company level. Information and tools used to assess legal risks come from the legal teams of the business area closest to the risk (asset level) and TUI's Group Legal Department (company level). These departments are also responsible for assessing the risks which will be reported to the Risk Oversight Committee (Group Risk). An example of a specific climate change legal risk to TUI would be a cruise vessel not meeting legal obligations regarding fuel type use when operating in environmentally sensitive areas such as the Arctic. TUI manages legal risk through appropriate and proper business conduct.
Market	Relevant, always included	Market risks are relevant risk to TUI as failure to adapt to customer demand could lead to both a financial and negative reputational impact. This risk is assessed at a company level. Information used to assess market risks comes from TUI's independently commissioned market research, TUI customer feedback and customer satisfaction scores and media analysis. These metrics are tracked by the group Sustainable Development team who are responsible for assessing risks associated with customer demand regarding sustainability and climate change. These are also the responsibility of source market/platform and Group customer insight & marketing & external affairs/PR departments and the asset management teams, with assistance from local and Group SD departments. The results are presented to the Risk Oversight Committee (Group Risk). An example of a specific climate change market risk to TUI is for the business not to adapt and meet the changing demand for more sustainable and environmentally friendly holiday products.
Reputation	Relevant, always included	Reputation is one of the key criteria for determining TUI's qualitative risk impact, which can also have a financial impact. Reputational risks can be assessed at both an asset level, for example one of TUI's cruise brands, and also at a company level, i.e. the TUI brand as a whole. Information and tools used to assess climate change reputational risks come from sustainability managers in the business area closest to the risk (asset level) and TUI's Group Sustainable Development Department (company level). These are also the responsibility of source market/platform and Group customer insight & marketing & external affairs/PR departments and the asset management teams, with assistance from local and Group SD departments. These departments are also responsible for assessing the risks which will be reported to the Risk Oversight Committee (Group Risk). A specific example of a reputational risk on an asset level could be a poor reputation of a TUI cruise operator which could lead to decline in bookings, and an example at the company level is that the Group is not recognised in its source markets as being a leader in sustainability. Positive reputational impacts are also considered, such as by communicating the increase of renewable energy purchased by TUI's hotels, offices and retail stores in 2018.
Acute physical	Relevant, always included	Acute physical risks are relevant to TUI and feature as a specific risk where we have identified risks that have the potential to have substantive change. As a tourism business, there remains the risk of hurricanes, cyclones, flooding, etc. in some of the 180 destinations in which TUI operates. This risk is assessed at both an asset level, e.g. a TUI owned hotel, and a company level, if for instance a destination is affected that is featured by all of TUI's key source markets. Destination disruption is one of TUI's principle risks, which is overseen by the Risk Oversight Committee (Group Risk). Information used to assess this risk is taken from the foreign office in each source market. Specific examples of this risk to TUI are the European wildfires in 2018, or the damage and disruption that was caused in 2017 by hurricanes Harvey and Irma in the Caribbean. TUI owns or manages a number of hotels in the Caribbean that were impacted, which resulted in the inability to take guests to the region.
Chronic physical	Relevant, always included	Chronic physical risks are considered by the business in the long term at company level. Information used to assess this risk is taken from scientific and industry publications. Long-term effects of climate change forms part of TUI's principle 'sustainability' risk which is the responsibility of the Group Sustainable Development department and is reported to the Risk Oversight Committee (Group Risk). A chronic physical risk to TUI is the ability to take guests to and operate in a destination. Quality holiday experiences rely on beautiful, biodiverse destinations, thriving communities, stable weather systems and customer comfort, all of which are at risk from the long-term effects of climate change. A specific example is that TUI owns/operate hotels in the Maldives which has been identified as destination at risk from sea level rise.

	Relevance & inclusion	Please explain
Upstream	Relevant, always included	Upstream risks in TUI's supply chain are considered relevant as they can have both a financial and reputational impact. These risks can be assessed at both an asset level and a company level. Information and tools used to assess upstream risks come from the business area closest to the risk. These departments are also responsible for assessing the risks which will be reported to the Risk Oversight Committee (Group Risk). A specific example of an upstream risk to TUI is the volatility of fuel prices as TUI is reliant on fossil fuels to operate its airlines and cruise ships and an increase to fuel prices will add to the Group's cost base. 6-7% of TUI's operational spend is on fuel.
Downstream	Relevant, always included	Downstream risks in TUI's supply chain are considered relevant as they can have both a financial and reputational impact. These risks can be assessed at both an asset level and a company level. Information and tools used to assess downstream risks come from the business area closest to the risk. These departments are also responsible for assessing the risks which will be reported to the Risk Oversight Committee (Group Risk). A specific example to TUI of a downstream risk is customer experience in a destination which can impact the way they regard TUI in climate change related issues. If a TUI customer takes the view that the business is not taking appropriate action in a specific destination, e.g. preservation of water in water scarce areas such as in the Caribbean or North Africa, it may affect customer retention rates.

## C2.2d

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## (C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

**Process for Managing Climate Change Risk:** TUI's management of risk is integrated in to its company-wide management process. If management are comfortable with the current risk score, then the risk is accepted and therefore no further action is required. The controls in place continue to be operated and management monitor the risk, the controls and the risk landscape to ensure that the risk score stays stable and in line with management's tolerance of the risk. If, however, management assesses that the current risk score is too high, then an action plan will be drawn up with the objective of introducing new or stronger controls which will reduce the impact and / or likelihood of the risk to an acceptable, tolerable and justifiable level. This is known as the target risk score and is the parameter by which management can ensure the risk is being managed in line with the Group's overall risk appetite. The risk owner will normally be the individual tasked with ensuring that this action plan is implemented within an agreed timetable. Each division / source market will continue to review their risk register on an ongoing basis, at a minimum frequency of six-monthly, through the mechanism appropriate for their business e. g. local Risk Committee. The risk owner will be held to account if action plans are not implemented within the agreed delivery timescales. This bottom-up risk reporting is considered by the ROC alongside the Group's principal risks. New risks are added to the Group's risk register if deemed to be of a significant nature so that the ongoing status and the progression of key action plans can be managed in line with the Group's targets and expectations. Climate change risks, in common with all risks are prioritised within the web-based Risk & Control solution. This enables the business to understand the relative significance of the risks it faces. This is after taking into consideration any controls that are in place and helps to focus management attention to further mitigate the risk where practically possible, i.e. prioritising the risk. Each risk is assessed on impact & likelihood at a gross (uncontrolled) level, current (taking into account controls in place) and a target (planned) level of risk taking into account the overall level of risk which is deemed acceptable/justifiable.

**Process for Managing Climate Change Opportunities:** TUI's climate change opportunities are often directly linked to a risk. A clear example of this is TUI's opportunity to derive energy savings from its operations as a direct result of participation in the European Energy Directive (EED), which is a reporting/legal risk. In such instances the risk owner and departments closest to the risk have overall responsibility to drive maximum benefits, be it financial or reputational from the opportunity and as such the process is as described above for climate change risks. In some instances an opportunity may not be directly linked to a climate change risk. For example, efficiency of operations presents both a clear financial opportunity (fuel cost savings) and reputational opportunity (industry recognition). Where a climate change opportunity is not directly linked to a climate change risk and therefore monitored via the Group's web-based Risk & Control solution, it is tracked by the Group Sustainability Data Manager with details of key information such as energy/emissions/costs savings and detail of the initiatives and programs that drive the opportunity. This information is provided by management or sustainability colleagues closest to the opportunity, for example, airline fuel savings will be reported by the Environment Manager (TUI Aviation). Data is then collated and reported annually, as well as tracked over time, and published in TUI's annual Sustainable Development report.

**Case Studies:** An example of how this process is applied to a physical risk: Environmental management across our operations. Control owner is assigned to implement controls, for example, maintenance of ISO 14001 certifications. Holding ISO 14001 certifications helps to mitigate climate change risks by establishing a framework for continuous environmental improvement, e.g. improving resource efficiency or meeting environmental legislative obligations. The current risk score is then calculated based on impact and likelihood and is reviewed against a defined target risk score. An example of how this process is applied to a transitional risk: Investment in more efficient technology. Control owner is assigned to implement controls, for example, delivery of B787 Dreamliner and B737 MAX aircraft. The current risk score is then calculated based on impact and likelihood and is reviewed against the defined target risk score.

## C2.3

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### (C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

## C2.3a

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### (C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

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Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Increased pricing of GHG emissions

**Type of financial impact**

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company- specific description**

TUI's airlines are required to participate in the EU Emissions Trading Scheme. All (EU & non-EU) airlines within, arriving & departing the EU must comply. Under the EU ETS, all airlines operating in Europe, European and non-European alike, are required to monitor, report and verify their emissions, and to surrender allowances against those emissions. They receive tradeable allowances covering a certain level of emissions from their flights per year. The EU ETS for aviation will be subject to a new review in the light of the international developments related to the operationalisation of CORSIA - the Carbon Offsetting and Reduction Scheme for International Aviation. In 2018 TUI was required to pay €12.3m in additional allowances – a figure that could potentially be higher if not for TUI's strategy to minimise the amount of allowances it is required to purchase by operating as efficiently as possible. Since TUI operates around 150 aircraft, it must mitigate the costs relating to EU ETS as much as is realistically feasible.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

12300000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact is based on the current framework for the EU ETS and cost of allowances to TUI per annum. In 2018, this came to a total of €12.3m.

**Management method**

All 5 of TUI's airlines have achieved the latest ISO 14001 Environment Management Standard. The airlines continue to submit the necessary emissions reports to the appropriate competent authority in each of the countries the Airline is based, e.g. The Environment Agency in the UK. Case Study: The strategy is to ensure the cost of ETS to TUI is kept as low as possible by buying as few extra emission permits (above those given for free as part of the free allocation). The ETS exposure has been fully hedged, in line with good practice and TUI's hedging policy, using Over The Counter derivatives as well as making use of the permitted amount of Certified Emissions Reduction products. TUI will continue to challenge itself to reduce its carbon emissions from the airlines with on-going fuel efficient flying techniques, challenging the airspace management bodies to improve air transport movements to reduce on-route delays, and where feasible, continue to invest in more fuel-efficient aircraft – e.g. taking delivery of 737-MAX and 787 Dreamliner aircraft. Audit services (required by the Directive) have been procured from PwC to ensure appropriate and timely reporting has been made and TUI colleagues have collaborated to ensure a risk management approach has been taken. The cost of management relates to verification costs and operating costs of TUI's Risk & Control solution. TUI also has FTEs that focus on managing and mitigating the environmental impact, including GHG emissions.

**Cost of management**

75000

**Comment**

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Enhanced emissions-reporting obligations

**Type of financial impact**

Increased costs and/or reduced demand for products and services resulting from fines and judgments

**Company- specific description**

The EU Energy Efficiency Directive (EED) entered into force on 4th December 2012 and impacts large companies operating in the EU 28 nations – including TUI Group. Each of the EU 28 Member States was required to transpose this legislation into its national law by July 2014, although not all countries met this deadline further complicating the task for TUI Group. For example, Greece - where TUI was required to comply – failed to transpose the Directive into legislation making it impossible to receive guidance and a route to compliance, Furthermore, guidance for businesses on how to comply has been inconsistent across Europe. Having complied with phase 1, TUI must comply phase 2 of the legislation in each Member State where it has operations and meets the trigger thresholds by December 2019. TUI's obligated companies are required to measure energy use, perform audits and produce evidence/documentation packs to submit to their local competent body – for example, in the UK it is the responsibility of the Environment Agency to administer the scheme. Routes to compliance will vary from each Member State across the EU 28 and therefore must be addressed on an individual state basis, rather than a combined Group approach.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact is based on penalties for non-compliance at the regulator's discretion in the UK, which has been extrapolated to reflect each Member State in which TUI is liable to calculate a figure for the whole business (not just the UK).

**Management method**

TUI Group undertook a thorough review of its European operations to determine in which countries it must comply with EED law. This review was conducted by the Group Sustainability Dept. in partnership with Group Legal representatives. Responsibility for compliance then rested within each EU member state. Case study: In the UK, TUI appointed a lead assessor (3rd party) who advised on scope and the recommended route to compliance. Compliance was met in all relevant countries. TUI continues to monitor the developments of EED as it prepares for compliance of phase 2 by December 2019. TUI engaged with consultants to assist with the compliance of this legislation. Based on an estimated number of consultancy days for TUI's exposure across the 28 EU Member States and an approximate daily cost based on consultancy rates, cost of management in the region of €100k to €250k.

**Cost of management**

175000

**Comment**

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Exposure to litigation

**Type of financial impact**

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company- specific description**

In October 2016 the European Union / European Economic Area agreed that shipping / cruise companies must implement a Monitoring, Reporting and Verification (MRV) scheme according to the EU regulation 2015/757. Shipping companies are to monitor and report the verified amount of CO2 emitted by their vessels on voyages to, from and between EU ports, for example when a TUI cruise ship 'Marella Dream' departs the home port in Palma, Majorca and travels to the first itinerary stop in Trapani, Sicily it must provide an emissions report. TUI operated 16 cruise liners that must comply with the MRV obligations, and these ships are operated by 3 different cruise businesses – TUI Cruises and Hapag-Lloyd Cruises based in Germany and Marella Cruises based in the UK so the reporting obligations are effectively being managed by three separate teams. The MRV reporting period is calendar year, which commenced in January 2018. The deadline for submitting the first report was April 2019.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

160000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The MRV Regulation requires that Member States establish and enforce a system of penalties for failure to comply with the regulation. If a ship fails to comply for two or more consecutive reporting periods and fails to respond to other enforcement measures then a Member State may issue an expulsion order. For example, in the UK the maximum penalty for failure to comply is an unlimited fine in England and Wales (and to a fine not exceeding the statutory maximum in Scotland or Northern Ireland which is £10,000). With 16 cruise ships, failure to comply could result in fines of around €160,000, though the cost of not be able to operate would be much more significant.

**Management method**

By August 2017 TUI's cruise businesses submitted a monitoring plan indicating the method chosen to monitor and report CO2 information to the relevant verifiers. As of 1st January 2018 the first monitoring and cycle began, which lasted the duration of the calendar year. Case study: TUI Cruises, Marella Cruises and Hapag-Lloyd cruise all submitted monitoring plans which were approved. 'Per voyage' data gathering templates were in place for all ships, use of which continued throughout 2018 before the verification phase commenced in 2019. Cost of management cannot be stated as compliance costs (associated with verification of data) were facilitated by TUI's cruise operator partners.

**Cost of management**

0

**Comment****Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Acute: Increased severity of extreme weather events such as cyclones and floods

**Type of financial impact**

Reduced revenue from decreased demand for goods/services

**Company- specific description**

Extreme weather events such as hurricanes, typhoons or flash floods and their consequences can affect TUI Group's ability to do business in regions around the world. For example, significant hurricane activity in two key TUI destinations – the Caribbean and Florida. There was a financial impact to TUI resulting from the repatriation of TUI customers and the cancellation of bookings. The unpredictability of these events also increases the challenge to cope with them. The effects of such extreme weather events could lead to changes in TUI's operations. The infrastructure of affected regions might be impaired more heavily within the coming years. This can result in damage to or reduction in quality and/or reputation of some of our key destination and hotels. As a consequence, this might have an impact on the attractiveness of the region and consequently on our ability to send guests to these regions.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

30000000

**Explanation of financial impact figure**

The financial impact is based on estimated costs per major event, based on customer repatriation, re-booking, damage to assets and resuming normal service in our destinations for customers. A range must be stated as it is impossible to put a single figure as a potential financial impact due to the wide ranging variables involved. €1m to €30m per major event.

**Management method**

TUI Group maintains a balanced destination mix to minimise concentration and having flexible supplier agreements in order to enable capacity to be switched as required. TUI also minimises the impact of negative events in our destinations by ensuring the effective execution of our established incident management and emergency response plans and the deployment of our experienced leadership teams to support and repatriate stranded customers. Case study: TUI implemented an effective crisis management plan several years ago, drawing on experience from previous such extreme weather events. As our business continues to become more integrated we are able to operate more consistently in destinations across our main operating source markets, sharing knowledge and developing joint programmes to address business interruption from natural disasters. These programmes help to reduce the magnitude of the impact as the business is more prepared, both financially and in terms of reacting in the event of a natural disaster. Crisis management was implemented in the Caribbean and Florida. The estimated financial cost would only be spent in the event of a natural disaster affecting our customers in destination. TUI makes financial provision in the event of such a disaster. The cost of management is determined on a case by case basis, estimated to be between €1m to €30m per major event. The cost of management if there were no event would be zero.

**Cost of management**

1000000

**Comment****Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Customer

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Shifts in consumer preferences

**Type of financial impact**

Reduced revenue from decreased demand for goods/services

**Company- specific description**

Carbon emissions from TUI Group, if not properly addressed can have a negative impact upon our reputation and impact upon brand value. There has been evidence to suggest that consumers will boycott brands with poor reputations in this area, and favour brands with a good reputation. Research undertaken by TUI in 2017 indicated that 53% of customers have a better image of holiday companies that actively invest in environmental initiatives - an increase from 39% in 2012. TUI promotes its 'Greener & Fairer' holidays and reports customers to these hotels. There is a potential on-going risk to TUI's reputation if stakeholders do not positively respond to the changes, process improvements and emission reductions (current and planned) that TUI is focussing on. Inadequate carbon management could lead to a reduction of perceived and actual brand value and possible exclusion from sustainability indices in the future, e.g. CDP and FTSE4Good, thereby lowering TUI Group's attractiveness for investors, customers and other stakeholders.

**Time horizon**

Current

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact is based on customer research commissioned by TUI that indicates consumers' rising concern about the sustainability impact of their lifestyle, and internal discussions with colleagues in corporate communications and brand departments.

**Management method**

TUI participates in annual sustainability disclosures to communicate the work and progress it has made on sustainability issues and how it is addressing climate change. TUI publishes a standalone annual sustainability report. The 2018 report has a dedicated page to communicate with customers what the business is doing to address climate change. TUI is listed on FTSE4GOOD and on the Ethibel Investment Register. Case study: TUI Group received the RobecoSAM Bronze Class Sustainability Award in early 2019. Case study: Since 2007, TUI has participated in the voluntary carbon disclosure CDP Climate Change programme and has been awarded an A or an A- grade for the past five years for the quality of its disclosure and climate change performance. Case Study: At the World Responsible Tourism Awards in 2018, TUI UK won the Gold award in the Best for Communicating Responsible Tourism category. This accolade acknowledged a communications campaign by TUI's sustainability and marketing teams to raise consumer awareness and promote better understanding of sustainability issues and TUI's sustainability strategy among customers. Cost of management based on costs to submit and indices and management time and resources to the business.

**Cost of management**

12000

**Comment**

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**C2.4**

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Participation in carbon market

**Type of financial impact**

Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon

**Company-specific description**

Inclusion of aviation in the EU ETS from 2012 presents opportunities for TUI Group who are operating their aircraft very efficiently. Increased ability to derive competitive advantage and a leadership position in the industry due to our efficient aircraft fleet operation and sustainable flying operational practices. The efficiency of our airlines delivers substantial financial savings - both in terms of the costs of EU ETS permits and fuel procurement. By 2020 TUI is scheduled to operate 19 new Boeing 787 Dreamliner aircraft which consumes 20% less fuel than comparable aircraft, and 39 Boeing 737 MAX aircraft are joining the fleet as part of TUI's fleet renewal programme which are 15% more efficient than previous generation aircraft. Since TUI currently operates around 150 aircraft this is a significant overhaul of the Group's fleet.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

12300000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact is based on the current framework for the EU ETS and cost of allowances per annum. In 2018 this came to a total of €12,300,000.

**Strategy to realize opportunity**

All TUI Group airlines continue to operate as efficiently as possible which makes good business sense & reduces emissions. Case study: All of TUI's airlines have achieved the ISO 14001 Environment Management Standard. The TUI airlines continue to submit the necessary emissions reports to the appropriate competent authority in each of the countries the Airline is based, e.g. The Environment Agency in the UK. The strategy is to ensure the cost of EU ETS to TUI is kept as low as possible by buying as few extra emission permits (over and above those given for free as part of the free allocation). The ETS exposure has been fully hedged, in line with good practice and TUI's hedging policy, using Over The Counter derivatives as well as making use of the permitted amount of Certified Emissions Reduction products. TUI continues to challenge itself to reduce its carbon emissions from

the airlines with on-going fuel efficient flying techniques, challenging the airspace management bodies to improve air transport movements to reduce on-route delays and continue to invest in more fuel-efficient aircraft – e.g. taking delivery of 737-MAX and 787 Dreamliner aircraft. Audit services (required by the Directive) have been procured from PwC to ensure appropriate and timely reporting has been made and TUI colleagues have collaborated to ensure a risk management approach has been taken. The cost of management relates to verification costs and operating costs of TUI's Risk & Control solution.

### Cost to realize opportunity

75000

### Comment

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#### Identifier

Opp2

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Energy source

#### Primary climate-related opportunity driver

Use of lower-emission sources of energy

#### Type of financial impact

Returns on investment in low-emission technology

#### Company-specific description

The EU Energy Efficiency Directive (EED) is intended to put energy as a topic on the Board Room agenda of large companies and ultimately drive down energy use. It presents the opportunity for TUI to increase focus on continued energy efficiency improvements, i.e. by implementing the findings/recommendations identified from energy audits conducted by approved 3rd party auditors. The EED has created additional focus for TUI Group's management teams throughout each of the EU Member States in which TUI operates. Following the required energy audits, decisions can be made on implementing energy saving opportunities, through capex investments, behavioural change or other means, providing a win-win for TUI in terms of reducing future operating costs. For instance, TUI UK was presented with energy saving initiatives throughout its operations such as roll-out of LED lighting, increasing engine-wash program for aircraft and colleague engagement KPI programmes.

#### Time horizon

Current

#### Likelihood

Virtually certain

#### Magnitude of impact

Medium-low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

15000000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

The financial impact is based on TUI's carbon consultant's estimations/forecasts of the businesses implementing the findings from the energy audits. Between 10 – 20% savings could be delivered. Based on this estimate, TUI Group could realize energy savings from its owned hotel portfolio, major premises and retail estate in the region of €15m over the course of 3 years, gross of any capex investments.

#### Strategy to realize opportunity

TUI Group undertook a thorough review of its European operations to determine in which countries it must comply with EED law. This review was conducted by the Group Sustainability Dept. in partnership with Group Legal representatives. Responsibility for compliance then rested within each EU member state. Case study: In the UK, TUI appointed a lead assessor (3rd party) who advised on scope and the recommended route to compliance. An ESOS Energy Assessment Report was prepared and signed off by TUI UK's Managing Director and submitted to the Environment Agency to meet the Phase 1 deadline. Compliance was met in all

relevant countries. Report from lead assessors was then provided to the business, identifying possible areas for energy reductions. TUI is currently preparing for compliance of Phase 2 by the December 2019 deadline. TUI engaged with consultants to assist with the compliance of this legislation. Based on an estimated number of consultancy days for TUI's exposure across the 28 EU Member States and an approximate daily cost based on consultancy rates, cost of management in the region of €100k to €250k.

### Cost to realize opportunity

175000

### Comment

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#### Identifier

Opp3

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Ability to diversify business activities

#### Type of financial impact

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

#### Company-specific description

Due to changing precipitation patterns and the change of temperature extremes certain destinations might become more attractive because the summer seasons extends to the shoulder months as well as destinations that are popular in the winter. For example, Greece that can extend passengers numbers during autumn and spring. The main summer season for Mediterranean destinations is May-October with the peak being June, July and August. The shoulder months typically May & September/October could become increasingly popular and help TUI to achieve higher passenger demand which translates into a more positive load factor in these months which typically would be less busy. In addition, due to the changes of customer behaviour and preferences, tourism companies have the opportunity to identify new destinations. TUI is therefore presented with the opportunity to extend its selling period for destinations effected by changes in weather conditions. In addition, customers might be attracted by new destinations during these extended periods.

#### Time horizon

Medium-term

#### Likelihood

About as likely as not

#### Magnitude of impact

Medium-low

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

1000000

#### Potential financial impact figure – maximum (currency)

12000000

#### Explanation of financial impact figure

The financial impact is estimated to be €1m to €12m based on potential revenue growth for expanding the locations identified by the business.

#### Strategy to realize opportunity

TUI tour operating businesses have product management functions for various destinations in order to manage and assess the on-going profitability and customer satisfaction of those destinations. Furthermore our tour operating businesses also have product development functions to continually research and develop new ideas in both existing and potential destinations. Case study: For example, the Alps have become more popular not only for skiing during winter time but also for hiking in spring and autumn. TUI is working on identifying and further developing the destinations which fit to the demands of our customers. The capital outlay (investment) costs have, in most cases, been minimal for very positive returns in terms of carbon and cash savings. Costs based on the management time of all the FTE (full-time equivalents) working on sustainability and carbon management throughout TUI

would be €320k to €640k.

### Cost to realize opportunity

480000

### Comment

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#### Identifier

Opp4

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Resource efficiency

#### Primary climate-related opportunity driver

Other

#### Type of financial impact

Other, please specify (Operational efficiencies)

#### Company-specific description

An increased focus providing services and products to our customers in an efficient way i.e. with a climate protection and mitigation lens, will create carbon and therefore cost efficiencies. There is a clear link between carbon-efficiency translating through to cost-efficiency. By introducing new products and services, such as TUI Blue's Castelfalfi resort in Tuscany, Italy which has sustainability at the heart of the development and generates its own energy via a biomass thermal power plant, TUI can differentiate itself from its competitors. This resort is unique and exclusive to TUI so the business can gain competitive advantage and increase market share.

#### Time horizon

Current

#### Likelihood

Very likely

#### Magnitude of impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

6000000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

In 2018, TUI Group identified circa €6m of cost savings as a result of carbon-related efficiencies across the business, including airlines, cruise operations, retail estate, major premises and owned hotel portfolio.

#### Strategy to realize opportunity

TUI's proactive approach is to ensure that wherever possible the cost of carbon is factored into the way we do business – to drive efficiency. Carbon management is one of our core issues. The business is serious about driving carbon and cost out of the business with its flexible business model. Furthermore, fuel and energy conservation is an on-going priority for TUI across its operations, including airlines, cruise operations, our hotels and our ground transport fleet. For example, TUI has established a dedicated network of environmental managers to share best practice across each area of the business. Case Study: During the 2018 summer season, TUI's Robinson Club Apulia has installed one of the largest solar panel systems of a hotel in Europe, with 3,280 solar panels across a total area of 5,500 square meters. The energy yield gained will be the same amount that is required to power around 450 private households. In December 2018, Robinson Club Jandia Playa in Fuerteventura reopened after a construction and refurbishment phase of several months. The club's renewed landmark building, is the first international hotel outside Germany to have been awarded the highly coveted DGNB platinum certificate. The resort was rated number four among the best hotels in the world and number one overall on the 2018 hotel buildings list. Cost based on management time of all the FTE (full-time equivalents) working on sustainability and carbon management throughout TUI.

#### Cost to realize opportunity

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**Comment****Identifier**

Opp5

**Where in the value chain does the opportunity occur?**

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Type of financial impact**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**

To maintain and enhance its reputation, a company needs to communicate internally and externally its sustainability and climate protection measures. This is a key responsibility of a public quoted company like TUI Group. TUI promotes its 'Greener & Fairer' holidays, for example by using a filter when searching for holidays via TUI's websites, and TUI reports the number of customers on these holidays. TUI also engages with customers through brochure material, blogs, news articles, digital marketing, and in-flight magazines. Working to achieve change – whether behavioural or with the aim of reducing emissions – the strategic direction to address carbon emissions can and will enhance the internal and external reputation. In addition, due to the increasing threat of climate change, relevant measures become more important for companies and their key stakeholders. Embedding mitigation and/or adaptation measures into corporate strategy is crucial. Responsible business practices and the prudent use of natural resources is good business sense. In addition, it presents an opportunity in terms of increased customer demand and loyalty and that drives turnover.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1000000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

When it comes to measuring reputational benefit, this tends to be a rather intangible commodity to measure. The financial impact for a poor reputation is estimated to be in the region of €1m (based on internal discussions with colleagues in corporate communications and brand departments) therefore the same figure could be applied to the opportunity of an enhanced reputation.

**Strategy to realize opportunity**

TUI participates in annual sustainability disclosures to communicate the work and progress it has made on sustainability issues and how it is addressing climate change. TUI publishes a standalone annual sustainability report. The 2018 report has a dedicated section to communicate with customers what the business is doing to address climate change. Case study: Since 2007, TUI has participated in the voluntary carbon disclosure CDP Climate Change programme and has been awarded an A or an A- grade for the past five years for the quality of its disclosure and climate change performance. TUI is listed on; FTSE4GOOD and on the Ethibel Investment Register. TUI Group received the RobecoSAM Bronze Class Sustainability Award in early 2019. Case Study: TUI group has a public target to take 10m customers on 'Greener & Fairer' holidays by 2020. The strategy for this is to ensure a high percentage of TUI's hotels hold a GSTC-recognized certification, and by promoting these hotels to our customers. Cost of management based on costs to submit and indices and management time and resources to the business.

**Cost to realize opportunity**

## Comment

## C2.5

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	Impact	Description
Products and services	Impacted	TUI's products and services are considered a risk and an opportunity, both financially and reputationally. This covers most of the business operations – transport (airlines/coaches) accommodation (hotels/cruise ships) and also destinations. The magnitude is considered to be medium, because of the number of risks and opportunities that fall within this category such as carbon tax schemes, legal reporting obligations, and reputation.
Supply chain and/or value chain	Impacted	TUI's supply chain, i.e. its hotels, feature as both a risk and opportunity (Reputation). TUI promotes 'greener & fairer' holidays to its customers which has reputational benefits. In 2018 81% of TUI's owned and managed hotels held a GSTC recognized sustainability certification, for example Travelife. TUI's data analysis shows that these hotels emit on average 10% fewer CO2 emissions than non-certified hotels. TUI incorporates sustainability criteria into contracts with its hotel partners. The magnitude of this impact is considered medium-low, primarily due to financial impact although this is likely to become a more significant risk/opportunity as seen in TUI's customer research that shifts in demand and expectancy becomes more important.
Adaptation and mitigation activities	Impacted	All of TUI's legal compliance risks and opportunities - carbon trading schemes, energy and emissions reporting obligations, and MRV obligations require the business to adapt to climate-related requirements. These risks and opportunities are factored into TUI's business planning and strategy. They have a financial impact on the Group which TUI mitigates through efficiency of operations, to reduce carbon costs and avoid any compliance penalties. The magnitude of these risks and opportunities are considered to be medium to low, due to the financial impacts, although reputational damage due to non-compliance must also be considered.
Investment in R&D	Not yet impacted	TUI engages in industry initiatives and research programmes such as the Sustainable Aviation Fuel Users group (SAFUG) to help scale up sustainable aviation fuels of the future. TUI Aviation joined Bioport Holland, a private-public sector initiative with key stakeholders from the aviation and biofuels industry. Working towards continuous product and supply of sustainable biojet fuel for Europe, the partners hope to scale up deployment of sustainable aviation fuel. Since large scale, commercially viable sustainable biofuels are not currently available this risk/opportunity will impact in the short-medium term future.
Operations	Impacted	TUI's operations in destinations can be impacted both positively and negatively by extreme weather such as hurricanes and cyclones in TUI's destinations including the Caribbean and Florida. This risk is largely out of TUI's control, although steps to prepare for and mitigate such events are taken into consideration. The magnitude of such events have the potential to be of a medium magnitude, though this can vary considerably depending on the nature of event and location in the world. TUI has operational contingency/crisis management plans in preparation for such events. Within TUI's control is the efficiency of its operations, i.e. of its airlines, cruise ships and hotels. This can have considerable financial and reputational benefits to the business in terms of fuel cost savings and customer awareness. Therefore the magnitude of this impact is considered medium.
Other, please specify	Please select	

## C2.6

**(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.**

	Relevance	Description
Revenues	Impacted	Reputation risks for TUI relating to matters of climate change can affect revenues due to customers' likelihood to book a holiday with TUI depending on their perception of the business and how it is addressing climate change. This magnitude is considered to medium-low, though awareness and interest of this topic among customers is rising and therefore so may the magnitude over time. The impact covers 100% of TUI's operations as revenues are derived from across the Group.
Operating costs	Impacted	EU ETS, EED and Cruise MRV obligations all have an impact on TUI's operating costs due to carbon taxes and cost of emissions verification. The magnitude of impact is considered to be medium-low as provisions for these costs are made by the business on an annual basis. The impact covers 100% of TUI's operations – primarily airlines and cruise, but also ground operations - hotels, offices and retail.
Capital expenditures / capital allocation	Impacted	Efficiency of operations through capital expenditure is factored into TUI's financial process. For example, the order of new carbon efficient aircraft and cruise ships. These are significant investment, but deliver fuel saving costs to the business as well other benefits such as customer experience. The magnitude of impact is considered to be medium, due to the significant costs involved in re-fleeting of aircraft and cruise ships. Also, energy efficiency/renewables are now considered for each TUI hotel new build prior to business case being signed off. The impact covers 98% of TUI's operations – airlines, cruise and hotels.
Acquisitions and divestments	Not impacted	Acquisitions and divestments are not considered in the financial planning concerning climate change risks or opportunities. As a company with a corporate culture for environmental sustainability, TUI focusses efforts to work throughout its operations and businesses to minimise climate change risks and maximise opportunities, and acquisition and divestment decisions are taken on a business basis.
Access to capital	Impacted	TUI makes provisions to provide access to capital relating to climate change risks and opportunities. This may range from carbon taxes to investment in low-carbon technology in hotels. The magnitude of impact is considered to be low-medium due to the fact that TUI makes provision for such costs within the business planning. The impact covers 10% of TUI's operations – financial obligations plus potential for investment.
Assets	Impacted	Extreme weather such as hurricanes and cyclones are identified as a risk to TUI's fixed assets, i.e. hotels in destinations. The magnitude is considered to be medium, but can vary considerably depending on location impacted and the assets TUI has in that destination, and the severity of the event. The impact covers 10% of TUI's operations – hotels.
Liabilities	Not impacted	TUI makes financial provision for the associate costs relating to its identified climate change risks and opportunities within the business.
Other	Please select	

**C3. Business Strategy**

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**C3.1**

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**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

**C3.1a**

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**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

Yes, qualitative and quantitative

**C3.1c**

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**(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

TUI's sustainability strategy is implemented across its tourism businesses & business platforms and aligns with our corporate strategy. The Group Sustainable Development team is based in Germany and the UK & led by the Director of Sustainability. Its role is to drive uptake of sustainable business practices across the Group. Sustainability aspects & climate related issues are taken into consideration in the long & short term. Sustainability fact bases are prepared for senior management when determining strategy for current and prospective destinations. Physical, regulatory and reputational aspects of climate change are considered.

Our strategy aims to reduce the environmental intensity of our operations and sets clear stretch targets for improvement across aviation, cruise, hotels, and ground transport – reducing the carbon intensity of our operations by 10% by 2020. These targets influence substantial business decisions, for example, the investment in new, cutting-edge aircraft and cruise ships.

TUI Airlines are already ranked among the most climate-efficient in the world and we continue to invest in new more-efficient aircraft, such as the Boeing 787 Dreamliner and 737-8 MAX aircraft, which are approximately 20% and 15% more efficient than the aircraft they are replacing. 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 - approximately 40% more efficient than similar sized ships. TUI Cruises will take delivery of two further ships in 2024 and 2026 which will run on the cleaner liquefied natural gas. This investment is beneficial to the business for the physical aspects of climate change (i.e. the production of fewer GHG emissions), regulatory aspects of climate change (e.g. our strategy to comply with EU ETS) and also reputational aspects of climate change (e.g. communicating to customers the environmental impact of flying/cruising on state of the art aircraft and ships).

**C3.1d**

**(C3.1d) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios	Details
Other, please specify (Forum For The Future)	Prior to the launch of TUI's current sustainability strategy, TUI engaged Forum For The Future – a non-profit organisation with expertise in sustainability and business. Scenario analysis was used to explore what travel and tourism could look like 10 years into the future. Topics included climate change, energy, restraints on natural resources, commodity prices, water scarcity, economies and technology. Various scenarios and visions were used to identify emerging and long-term trends and themes, for example, 'boom and burst tourism' or 'in a carbon clamp-down world'. The 4 scenarios were developed with the help of more than 100 industry experts focussing on two key variables: whether the economy, politics, technology and energy costs combine to encourage or restrict overseas travel; and whether the appeal of overseas destinations and consumers' sensitivity to the environmental impacts of travel makes tourism more or less attractive. The exercise covered the whole of TUI's operations. The key outcomes were identifying the sustainability risk and opportunities associated with each scenario and noting the key themes that featured across all 4 scenarios, identifying key stakeholders, and barriers to success. This directly influenced and fed into TUI's Better Holidays, Better World sustainability strategy. An example of this was that it was more appropriate to set specific emissions reductions targets for different areas of the business (airlines, cruise, hotels, etc.) as opposed to a single Group-wide emissions reduction target, and as such that is the approach taken in the current strategy. During 2018, TUI Group conducted a formal materiality assessment with support from an expert 3rd party. An assessment of TUI's sustainability impacts were undertaken and a list of key issues developed. The findings will be addressed by senior management and, along with the SDGs, will inform development of TUI's strategy beyond 2020.

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets

**C4.1a**

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**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Scope**

Scope 1+2 (location-based) +3 (downstream)

**% emissions in Scope**

0.55

**Targeted % reduction from base year**

20

**Base year**

2015

**Start year**

2016

**Base year emissions covered by target (metric tons CO<sub>2</sub>e)**

37687

**Target year**

2020

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**% of target achieved**

85

**Target status**

Underway

**Please explain**

In 2015, TUI Group set a target to reduce absolute carbon emissions from its major premises (Scope 1 & 2), retail premises (Scope 1 & 2) and brochure production (Scope 3) by 20% by 2020, against a baseline of 2015. Absolute emissions from TUI's major premises, retail premises and brochure production decreased from 37,687 tonnes CO<sub>2</sub> in FY15 to 31,301 tonnes CO<sub>2</sub> in FY18. This represents an absolute decrease of 17% compared to the baseline year.

---

**Target reference number**

Abs 2

**Scope**

Scope 1

**% emissions in Scope**

100

**Targeted % reduction from base year**

50

**Base year**

2005

**Start year**

2009

**Base year emissions covered by target (metric tons CO<sub>2</sub>e)**

650000000

**Target year**

2050

**Is this a science-based target?**

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

**% of target achieved**

0

**Target status**

Underway

**Please explain**

TUI supports the International Air Transport Association's (IATA) target for the aviation industry to achieve a reduction in net aviation CO2 emissions of 50% by 2050, relative to 2005 levels. This will be achieved by; improved technology, including the deployment of sustainable low-carbon fuels, more efficient aircraft operations, infrastructure improvements including modernized air traffic management systems, and a single global market-based measure to fill the remaining emissions gap. The base year emissions in this target are 650Mt - the global level of emissions for aviation according to IATA. TUI fly Germany is an IATA member. In 2018 the IATA Director General stated that the industry is on the right path to achieve this goal, though exact progress is yet to be reported. Since the target was announced in 2009, TUI has improved the efficiency of its airlines from 78.1 gCO2/rpk to 66.7 gCO2/rpk (15%).

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**C4.1b**

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**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).****Target reference number**

Int 1

**Scope**

Scope 1

**% emissions in Scope**

78.9

**Targeted % reduction from base year**

10

**Metric**

Grams CO2e per revenue passenger kilometer\*

**Base year**

2014

**Start year**

2015

**Normalized base year emissions covered by target (metric tons CO2e)**

67.6

**Target year**

2020

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**% of target achieved**

13

**Target status**

Underway

**Please explain**

In 2015, TUI Group set a target to reduce relative (intensity) carbon emissions from its airlines by 10% by 2020, against a baseline of 2013/14. The intensity emissions from TUI's airlines have decreased from 67.6g CO2 per RPK in FY14 to 66.7g CO2 per RPK in FY18. This represents an intensity improvement of 1.3% since the baseline year.

**% change anticipated in absolute Scope 1+2 emissions**

0

**% change anticipated in absolute Scope 3 emissions**

0

**Target reference number**

Int 2

**Scope**

Scope 1

**% emissions in Scope**

9.2

**Targeted % reduction from base year**

10

**Metric**

Other, please specify (Kilograms CO2e per guest per night)

**Base year**

2015

**Start year**

2016

**Normalized base year emissions covered by target (metric tons CO2e)**

114

**Target year**

2020

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**% of target achieved**

100

**Target status**

Underway

**Please explain**

In 2015, TUI Group set a target to reduce relative (intensity) carbon emissions from its cruise operations by 10% by 2020, against a baseline of 2014/15. The intensity emissions from TUI's cruise operations decreased from 114kg CO2 per guest/night in FY15 to 101kg CO2 per guest/night in FY18. This represents an intensity improvement of 11.7% since the baseline year.

**% change anticipated in absolute Scope 1+2 emissions**

0

**% change anticipated in absolute Scope 3 emissions**

0

**Target reference number**

Int 3

**Scope**

Scope 1

**% emissions in Scope**

0.3

**Targeted % reduction from base year**

10

**Metric**

Grams CO2e per revenue passenger kilometer\*

**Base year**

2015

**Start year**

2016

**Normalized base year emissions covered by target (metric tons CO2e)**

26.7

**Target year**

2020

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**% of target achieved**

88

**Target status**

Underway

**Please explain**

In 2015, TUI Group set a target to reduce relative (intensity) carbon emissions from its ground transport fleet by 10% by 2020, against a baseline of 2014/15. The intensity emissions from TUI's ground transport fleet have decreased from 26.7g CO2 per RPK in FY15 to 24.3g CO2 per RPK in FY18. This represents an intensity improvement of 8.8% since the baseline year.

**% change anticipated in absolute Scope 1+2 emissions**

0

**% change anticipated in absolute Scope 3 emissions**

0

**Target reference number**

Int 4

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

7.5

**Targeted % reduction from base year**

10

**Metric**

Other, please specify (Kilograms CO2e per guest per night)

**Base year**

2015

**Start year**

2016

**Normalized base year emissions covered by target (metric tons CO2e)**

9.9

**Target year**

2020

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**% of target achieved**

58

**Target status**

Underway

**Please explain**

In 2015, TUI Group set a target to reduce relative (intensity) carbon emissions from its hotels by 10% by 2020, against a baseline of 2014/15. The intensity emissions from TUI Hotels & Resorts decreased from 9.9kg CO2 per guest/night in FY15 to 9.4kg CO2 per guest/night in FY18. This represents an intensity improvement of 5.8% since the baseline year.

**% change anticipated in absolute Scope 1+2 emissions**

0

**% change anticipated in absolute Scope 3 emissions**

0

## C4.2

---

### (C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

**Target**

Other, please specify (Environmental Management Systems )

**KPI – Metric numerator**

All TUI's airlines will be ISO 14001 certified.

**KPI – Metric denominator (intensity targets only)**

n/a

**Base year**

2015

**Start year**

2016

**Target year**

2020

**KPI in baseline year**

5

**KPI in target year**

5

**% achieved in reporting year**

100

**Target Status**

Underway

**Please explain**

In 2018 all 5 of TUI's airlines maintained ISO 14001 certification. This is on-going process.

**Part of emissions target**

Holding the ISO 14001 certification helps to drive environmental performance and there contributes to TUI's airline CO2 intensity target (Int1).

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

---

**Target**

Other, please specify (Environmental Management Systems )

**KPI – Metric numerator**

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

**KPI – Metric denominator (intensity targets only)**

n/a

**Base year**

2015

**Start year**

2016

**Target year**

2020

**KPI in baseline year**

7

**KPI in target year**

18

---

**% achieved in reporting year**

100

**Target Status**

Underway

**Please explain**

In 2018 all 16 of TUI's cruise ships were covered by ISO 14001 certification. This is on-going process. It is anticipated that by the target year of 2020 TUI will operate 18 cruise ships.

**Part of emissions target**

Holding the ISO 14001 certification helps to drive environmental performance and there contributes to TUI's cruise CO2 intensity target (Int2).

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	5	
To be implemented*	1	2500
Implementation commenced*	1	24000
Implemented*	5	46737
Not to be implemented	0	

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative type**

Energy efficiency: Processes

**Description of initiative**

Cooling technology

**Estimated annual CO2e savings (metric tonnes CO2e)**

36404

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

120000

**Investment required (unit currency – as specified in C0.4)**

120000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

Investment in new air-conditioning equipment. (Target ABS1)

---

**Initiative type**

Process emissions reductions

**Description of initiative**

Changes in operations

**Estimated annual CO2e savings (metric tonnes CO2e)**

9878

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1600000

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Fuel Reduction Programme across the TUI Group Airlines related to on-going efficiency planning. Our airlines continually seek to improve operational efficiencies such as single-engine taxiing, continuous descent approach and optimised flight planning, reducing weight on-board, and associated maintenance activities e.g. engine-wash programmes. Also, we have established a dedicated network of airline environmental managers from across TUI who meet regularly to share best practice. (Targets INT1)

---

**Initiative type**

Process emissions reductions

**Description of initiative**

Changes in operations

**Estimated annual CO2e savings (metric tonnes CO2e)**

239

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

4400000

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

---

Ongoing

**Comment**

Group-wide brochure pagination reduction. TUI is embracing an online driven future and therefore seeking to reduce brochure print runs each year to maximise customer experience and minimise printing and distribution based emissions associated with brochure production. The CO2 savings are associated with cutting paper use (brochure print runs), printing, storage & distribution. (Target ABS1)

---

**Initiative type**

Energy efficiency: Building fabric

**Description of initiative**

Other, please specify (Building renovation)

**Estimated annual CO2e savings (metric tonnes CO2e)**

150

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

25000

**Investment required (unit currency – as specified in C0.4)**

250000

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

The renovation of the Rijswijk building in the Netherlands consists of many initiatives, both energy efficiency as well as comfort and general renovations. It's hard to mention the investment and payback that relate specifically to energy reduction. The first 6 months show energy reduction of approx. 35%. (Target ABS1)

---

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

Building controls

**Estimated annual CO2e savings (metric tonnes CO2e)**

65

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

25250

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Optimizing setting in building controls, including air-conditioning, water heating and printer settings. (ABS1)

---

C4.3c

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**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	TUI Group complies with all regulatory requirements applicable to the business. For example, the EU Energy Efficiency Directive (EED).
Dedicated budget for energy efficiency	TUI has annual budget for sustainability related activities, including energy efficiency/reduction projects. For example, providing hotels with expert consultancy to help reduce energy consumption.
Employee engagement	Achievement of behavioural change through employee engagement is a key initiative for the Group. For example, driving down energy consumption in TUI's hotels via staff training.
Internal incentives/recognition programs	TUI UK operates an on-going internal recognition program which offer financial credit incentives. There is an annual awards ceremony which recognizes the best colleague/department with 5 categories, one of which is 'sustainability'.

C4.5

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**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

C4.5a

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**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Product

**Description of product/Group of products**

TUI Airlines comprise about 150 aircraft across five airlines serving 14 million holiday customers each year. We are leading the way by showing that more efficient flying is possible: TUI Airlines emit on average 19% fewer CO2 emissions per passenger kilometre than the average of the 6 largest European airlines and we have set stretching goals to reduce our emissions further by 2020.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Technical specifications & public data)

**% revenue from low carbon product(s) in the reporting year**

39

**Comment**

TUI airlines emit 19% less carbon dioxide per revenue passenger km than competitors and up to a third less than the industry norm. This can be stated using technical specifications of new aircraft introduced to TUI's fleet, comparison against competitor data in the public domain, and against airline emissions data published by DEFRA (UK Government) which demonstrates TUI's leadership status regarding CO2 per revenue passenger kilometre (RPK), the industry standard for carbon efficiency. Also in 2018 TUI Airways and TUI fly Germany were ranked #1 and #4 most carbon efficient airlines globally in the independent 2018 atmosfair Airline Index. As an example, a return flight from London to the Dom Rep would save approximately 0.4 CO2 tonnes per person by flying with TUI. Across all of TUI's flying operations this equates to a saving of approximately 1.1m tonnes CO2 per year. Percent of revenue based on Airlines & Markets.

---

**Level of aggregation**

Product

**Description of product/Group of products**

TUI offers its customers the opportunity to book 'Greener and Fairer' holidays. These holiday products involve taking customers to hotels with a credible sustainability certification, plus the option of booking excursions that have met environmental/sustainability criteria.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (GHG emissions factors & GSTC-recognised certifications)

**% revenue from low carbon product(s) in the reporting year**

29

**Comment**

On average, TUI hotels that hold a credible sustainability certification emit 10% fewer carbon emissions per guest per night than hotels that are not certified. In 2018 84% of guest nights from TUI's owned and controlled hotels were in a sustainability certified hotel, resulting in 49,000 tonnes CO2 saved (approximately 1kg CO2 per guest per night). Revenue percentage based on percentage of TUI's hotels which hold a GSTC-recognised certification.

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## C5. Emissions methodology

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### C5.1

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**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

October 1 2014

**Base year end**

September 30 2015

**Base year emissions (metric tons CO2e)**

6443896

**Comment**

**Scope 2 (location-based)**

**Base year start**

October 1 2014

**Base year end**

September 30 2015

**Base year emissions (metric tons CO2e)**

438855

**Comment**

**Scope 2 (market-based)**

**Base year start**

October 1 2014

**Base year end**

September 30 2015

**Base year emissions (metric tons CO2e)**

475231

**Comment**

**C5.2**

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**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

Defra Voluntary 2017 Reporting Guidelines

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Other, please specify (International Energy Agency (IEA))

**C5.2a**

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**(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

International Energy Agency (IEA) Emissions Factors latest edition

**C6. Emissions data**

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**C6.1**

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

7436600

**Start date**

October 1 2017

**End date**

September 30 2018

**Comment**

---

C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

For the purpose of market-based reporting TUI has applied residual emission factors where possible.

---

C6.3

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**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

483244

**Scope 2, market-based (if applicable)**

515279

**Start date**

October 1 2017

**End date**

September 30 2018

**Comment**

---

C6.4

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**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

---

C6.4a

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**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

Emissions from very small operations within the Group.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

TUI Group has some business units which are non-carbon intensive, e.g. an office with less than 5 people. The amount of carbon emitted is insignificantly low in comparison to the carbon intensive parts of the business, i.e. airlines, cruise ships and hotels. The effort to monitor these business units would be disproportionately high compared to the carbon emissions they produce.

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**C6.5**

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**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

539

**Emissions calculation methodology**

Office Copier Paper data is provided by a sustainability contact in each applicable business. The number of reams and environmental features is reported for each size of paper. To calculate emissions, the number of reams are aggregated to A4 size and converted in weight (kg). Emissions factor: DEFRA 2018 - CO2 kg 955.7 per tonne of paper (primary production).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0.5

**Explanation**

Emissions associated with the manufacture and distribution of copier paper used in TUI's offices. TUI Group acknowledges that this is not a complete list of all purchased goods and services, but currently includes all available data.

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Explanation**

For the purposes of this submission, TUI Group has selected 'operational control' as the most appropriate data collection methodology. Therefore, as we lease aircraft and effectively lease hotel beds we only account for emissions from the use of capital goods which are reported as Scope 1 & Scope 2. Emissions from capital goods would be negligible in comparison to our Scope 1 & 2 emissions. Therefore this category is not relevant.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

28768

### Emissions calculation methodology

Scope 3 Electricity Total electricity kWh from all relevant sources for the reporting period is provided by colleagues from around the Group. To calculate emissions, the 2018 UK and overseas DEFRA emissions factors were applied. Emissions factors: DEFRA CO<sub>2</sub>e UK Scope 3 Electricity T&D per kWh - 0.02394 / DEFRA CO<sub>2</sub>e EU Average Scope 3 Electricity T&D per kWh - 0.02573

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

24

### Explanation

As per DEFRA reporting guidelines, emissions associated with the transmission and distribution of electricity use is now considered Scope 3. TUI is working to increase data coverage of this category.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

40681

### Emissions calculation methodology

Financial data associated with food and beverage spend/logistics is applied to the latest publically available DEFRA emissions factor for supply chain spend 'food and beverage' category - 0.97kgCO<sub>2</sub>e per GBP of spend.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

34

### Explanation

Emissions associated with transportation and distribution of food and beverage products.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

29190

### Emissions calculation methodology

Water data is gathered from TUI's Hotels & Resorts via the web-based data collection tool. This data is provided by the hotel general manager or facilities manager. Emissions factor: DEFRA 2018 CO<sub>2</sub>e Water Supply: 0.344kg per m<sup>3</sup> & Water Treatment: 0.708kg per m<sup>3</sup> [Total = 1.052kg CO<sub>2</sub>e per m<sup>3</sup>].

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

24.4

### Explanation

The energy and subsequent emissions associated with the supply and treatment [e.g. sewage treatment works] for water used by TUI's Hotels & Resorts.

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

15266

### Emissions calculation methodology

Business Travel By Air data is provided by the 'Sustainable Development Champion' in each applicable business. For each sector (flight) that is taken the SD Champion reports the number of colleagues on board the flight, departure airport, destination airport and airline. To calculate emissions, the following factors are applied, according to the total distance of the sector. Emissions factors: DEFRA 2018 - CO2e kg per Km: Domestic: 0.15777 / Short Haul: 0.08584 / Long Haul: 0.11237.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

12.7

### Explanation

TUI Group's business travel by air on 3rd party airlines.

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

122

### Emissions calculation methodology

Colleague commuting data from the UK. The data is provided by the 3rd party coach companies contracted to supply these services. Data is supplied in litres of diesel for the reporting period. Emissions factor: DEFRA 2018 - CO2e kg per litre 2.6878.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.1

### Explanation

Colleague commuting - shuttle buses operating to major premises in the UK.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

For the purposes of this submission, TUI Group has selected 'operational control' as the most appropriate data collection methodology. Therefore, whilst we lease aircraft and effectively lease hotel beds we then account for these as Scope 1 & Scope 2. Therefore this category is not relevant.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

5165

### Emissions calculation methodology

Brochure data is provided by a sustainability contact in each applicable business. Total number of brochures, number of pages per brochure, weight of 1 brochure (in grams), paper brand and paper environmental features are reported. To calculate emissions, TUI applies a factor of 448 kg CO2e per tonne of paper. This figure was provided by the Environmental Manager of TUI paper supplier (based in the UK), and reflects the average emissions associated with the manufacture of 15 different 'grades' or quality of paper.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

4.3

### Explanation

Emissions associated with the manufacture of TUI Group's brochures, via external print companies.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

TUI Group's primary business is selling travel experiences rather than physical products. Therefore this category is not relevant.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

TUI Group's primary business is selling travel experiences rather than physical products. Therefore this category is not relevant.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

TUI Group's primary business is selling travel experiences rather than physical products. Therefore this category is not relevant.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

TUI Group's primary business is selling travel experiences rather than physical products, and does not lease/sublet assets. Therefore this category is not relevant.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

TUI Group has a small number of franchised retail shops which are not currently included in our Scope 3 data collection, however the emissions from these sites are not material in comparison to the size of our business. Emissions from owned retail stores are accounted for in Scope 1 and Scope 2. Therefore this category is not relevant.

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

TUI Group's primary business is selling travel experiences. Rather than investments, TUI makes regular acquisitions of business and brands that it wishes to bring under the TUI banner. Emissions from these businesses would therefore be considered Scope 1 and Scope 2. Therefore this category is not relevant.

## Other (upstream)

### Evaluation status

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

## Other (downstream)

### Evaluation status

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

## C6.7

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### (C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

## C6.10

---

### (C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

#### Intensity figure

0.000406

#### Metric numerator (Gross global combined Scope 1 and 2 emissions)

7919844

#### Metric denominator

unit total revenue

#### Metric denominator: Unit total

19523900000

#### Scope 2 figure used

Location-based

#### % change from previous year

0.4

#### Direction of change

Decreased

#### Reason for change

TUI Group's intensity figure of emissions per unit of total revenue decreased from 0.000407 in FY17 to 0.000406 in FY18 (0.4%). This decrease has been achieved through a combination of an increase in the Group's revenues (up from €18,535.0m in FY17 to €19,523.9m in FY18) and the Group's emissions reduction activities to minimise emission levels during a period of growth for the business. Emission reduction activities align with TUI's sustainability strategy; airline and cruise fuel reduction programmes, fleet replacement within airline, cruise and ground transport operations, absolute reductions made in TUI's retail estate through energy efficiencies and behavioural change.

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## C7. Emissions breakdowns

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### C7.1

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**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

**C7.1a**

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**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	7359852	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	72848	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	3900	IPCC Fourth Assessment Report (AR4 - 100 year)

**C7.2**

---

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Austria	1513
Belgium	609
Bulgaria	101
Cabo Verde	5077
Caribbean	2085
Other, please specify (Corsica)	5
Costa Rica	1123
Croatia	283
Cyprus	3904
Dominican Republic	3833
Egypt	14108
Germany	3318
Greece	3198
Italy	608
Jamaica	7554
Mauritius	685
Mexico	16143
Morocco	4854
Netherlands	379
Panama	1824
Portugal	1909
Spain	25023
Sri Lanka	541
Switzerland	80
Thailand	184
Maldives	5
Tunisia	5578
Turkey	9372
United Arab Emirates	230
United Kingdom of Great Britain and Northern Ireland	1710
United States of America	855
Other, please specify (Zanzibar)	42
Other, please specify (International Air Space)	6457262
Other, please specify (International Waters)	862605

**C7.3**

---

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

**C7.3a**

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**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

<b>Business division</b>	<b>Scope 1 emissions (metric ton CO2e)</b>
Airlines & Aviation	6457262
Cruise Operations	862605
Hotels & Resorts	96422
Major Premises	2808
Retail Estate	483
Ground Transport	17020

**C7.5**

---

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Austria	425	1373	6057	3776
Belgium	761	702	3344	1611
Cabo Verde	13144	13144	28723	0
Costa Rica	90	90	13651	0
Croatia	1730	3450	8333	929
Cyprus	19460	23130	30802	458
Denmark	10	33	57	57
Dominican Republic	54126	54126	89999	0
Egypt	59599	59599	134231	7785
Finland	21	64	199	199
France	159	181	2625	0
Germany	14514	19932	45300	24482
Greece	41140	41460	76677	2721
Italy	2757	3775	9937	1422
Jamaica	45298	45298	70099	0
Mauritius	6216	6216	7704	0
Mexico	81762	81762	177320	0
Morocco	18908	18908	26827	0
Netherlands	2347	2557	4780	4780
Norway	4	217	489	489
Panama	5544	5544	17617	0
Poland	495	582	674	0
Portugal	3265	2772	9842	0
Spain	46588	62838	162705	2490
Sri Lanka	3497	3497	6773	0
Sweden	1	7	121	121
Switzerland	13	155	538	153
Thailand	6741	6741	13119	0
Maldives	0	0	16	0
Tunisia	15106	15106	32201	0
Turkey	16186	16185	85200	46473
United Arab Emirates	5660	5660	9956	0
United Kingdom of Great Britain and Northern Ireland	6432	8929	22721	20579
United States of America	2494	2494	5452	0
Caribbean	8710	8709	37410	0
Other, please specify (Corsica)	41	43	880	0

**C7.6**

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

**C7.6a**

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Hotels	460198	484817
Major Premises	14392	18286
Retail	8654	12176

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

**C7.9a**

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2476	Decreased	0.03	In the reporting year the amount of energy from renewable sources increased from the previous year by 8%. This accounted for the removal of 2,476 tonnes of CO2e that would have been accounted for in the previous financial year. Our total Scope 1 and 2 emissions in the previous year were 7,551,343 tonnes of CO2e. Therefore, we arrived at a 0.03% increase $((2,476 / 7,551,343) * 100 = 0.03)$ .
Other emissions reduction activities	46737	Decreased	0.62	In the reporting year, 46,737 tonnes of CO2e were reduced by our emissions reduction projects. Our total Scope 1 and 2 emissions in the previous year were 7,551,343 tonnes of CO2e. Therefore, we arrived at a 0.62% decrease $((46,737 / 7,551,343) * 100 = 0.62)$ . This is attributable to a number of on-going emissions reductions activities associated with TUI's sustainability strategy; for example, fuel reduction and route optimization programmes for TUI's airlines and cruise ships, investment in lower energy IT systems, and building management optimization.
Divestment	0	No change	0	n/a
Acquisitions	70669	Increased	0.94	In June 2018, TUI Cruises' new ship the Mein Schiff 1 entered the fleet and operated for 4 months of the reporting period. Also, the Mein Schiff 6 operated for a full year in FY18 compared to just 4 months in the previous FY when it entered the fleet in June 2017. In the reporting year, 70,669 additional tonnes of CO2e were reported due to these acquisitions. Our total Scope 1 and 2 emissions in the previous year were 7,551,343 tonnes of CO2e. Therefore, we arrived at a 0.93% increase $((70,669 / 7,551,343) * 100 = 0.94)$ .
Mergers	0	No change	0	n/a
Change in output	280503	Increased	3.71	In the reporting year, 280,503 of additional tonnes of CO2e were reported due to increased capacity in our airlines and aviation sector. This increase is expected in line with TUI's growth strategy. Our total Scope 1 and 2 emissions in the previous year were 7,551,343 tonnes of CO2e. Therefore, we arrived at a 3.71% increase $((280,503 / 7,551,343) * 100 = 3.71)$ .
Change in methodology	0	No change	0	n/a
Change in boundary	49084	Increased	0.65	In line with TUI's growth strategy, the business is expanding its hotel portfolio. For the reporting period this has accounted for 49,084 tonnes CO2e. Our total Scope 1 and 2 emissions in the previous year were 7,551,343 tonnes of CO2e. Therefore, we arrived at a 0.65% increase $((49,084 / 7,551,343) * 100 = 0.65)$ .
Change in physical operating conditions	0	No change	0	n/a
Unidentified	0	No change	0	n/a
Other	0	No change	0	n/a

## C7.9b

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**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

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### C8.1

---

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 5% but less than or equal to 10%

### C8.2

---

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

---

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	29831033	29831033
Consumption of purchased or acquired electricity	<Not Applicable>	116169	1004407	1120576
Consumption of purchased or acquired heat	<Not Applicable>	0	14282	14282
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	15528	<Not Applicable>	15528
Total energy consumption	<Not Applicable>	131697	30849722	30981419

### C8.2b

---

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

---

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Jet Kerosene

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

26070988

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Marine Fuel Oil

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

2673648

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Marine Gas Oil

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

554165

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

161798

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

157092

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Kerosene

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

122612

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

85690

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

5040

**MWh fuel consumed for self-generation of electricity**

---

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

---

## C8.2d

---

**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

**Diesel**

**Emission factor**

2.68779

**Unit**

kg CO2e per liter

**Emission factor source**

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

**Comment**

**Jet Kerosene**

**Emission factor**

3.18116

**Unit**

metric tons CO2e per metric ton

**Emission factor source**

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

**Comment**

**Kerosene**

**Emission factor**

2.53627

**Unit**

kg CO2e per liter

**Emission factor source**

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

**Comment**

## Liquefied Petroleum Gas (LPG)

### Emission factor

1.51906

### Unit

kg CO<sub>2</sub>e per liter

### Emission factor source

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

### Comment

## Marine Fuel Oil

### Emission factor

3.15949

### Unit

metric tons CO<sub>2</sub>e per metric ton

### Emission factor source

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

### Comment

## Marine Gas Oil

### Emission factor

3.24928

### Unit

metric tons CO<sub>2</sub>e per metric ton

### Emission factor source

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

### Comment

## Motor Gasoline

### Emission factor

2.30531

### Unit

kg CO<sub>2</sub>e per liter

### Emission factor source

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

### Comment

## Natural Gas

### Emission factor

2.04652

### Unit

kg CO<sub>2</sub>e per m<sup>3</sup>

### Emission factor source

2018 UK Government GHG Conversion Factors v1.0, published July 2018 ([www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018))

### Comment

## C8.2e

---

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	795	795	795	795
Heat	14732	14732	14732	14732
Steam	0	0	0	0
Cooling	0	0	0	0

## C8.2f

---

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Solar PV  
Wind  
Hydropower

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Other, please specify (Global - primarily Europe and North Africa)

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

72114

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

Green electricity purchased by TUI's Hotels & Resorts - various suppliers so a mix of low-carbon technologies

---

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Solar PV  
Wind

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

20298

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

Green electricity purchased for major premises & retail stores in the UK

---

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Hydropower

---

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

18137

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

Green electricity purchased for major premises & retail stores in Germany

---

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Wind

Hydropower

Biomass (including biogas)

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

4780

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

Green electricity purchased for major premises & retail stores in the Netherlands

---

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Wind

Hydropower

Biomass (including biogas)

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

1611

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

Green electricity purchased for head office in Belgium

---

**Basis for applying a low-carbon emission factor**

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

**Low-carbon technology type**

Solar PV

Wind

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Other, please specify (Global - primarily Europe and North Africa)

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

795

**Emission factor (in units of metric tons CO2e per MWh)**

0

---

**Comment**

Electricity generated & consumed by TUI hotels on-site through the installation of photovoltaic panels and wind power plants

---

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Solar PV  
Wind  
Hydropower

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

284

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

Green electricity purchased for head office in Austria

---

**Basis for applying a low-carbon emission factor**

Contract with suppliers or utilities ( e.g. green tariff), supported by energy attribute certificates

**Low-carbon technology type**

Solar PV  
Wind  
Hydropower

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

153

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

Green electricity purchased for head office in Switzerland

---

**Basis for applying a low-carbon emission factor**

Power Purchase Agreement (PPA) with energy attribute certificates

**Low-carbon technology type**

Solar PV  
Wind  
Hydropower

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

121

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

Green electricity purchased for head offices in the Nordics

---

## C9. Additional metrics

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## C9.1

---

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Waste

**Metric value**

2.2

**Metric numerator**

Kg

**Metric denominator (intensity metric only)**

Kg waste per guest night

**% change from previous year**

4.3

**Direction of change**

Decreased

**Please explain**

Waste generated per guest per night from TUI's Hotels & Resorts and International Concept hotels. This figure includes waste that is recycled.

---

## C10. Verification

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### C10.1

---

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

---

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

**Scope**

Scope 1

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

---

**Page/ section reference**

Emissions verified stated on page 2

**Relevant standard**

ISAE 3410

**Proportion of reported emissions verified (%)**

74

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**Scope**

Scope 1

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

TUI Group Arqum Audit ISO 14064 2018.pdf

**Page/ section reference**

1-9

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

TUI Group Arqum Audit ISO 14064 2018.pdf

**Page/ section reference**

Pages 1-9

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**C10.1b**

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**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope**

Scope 3- all relevant categories

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Attach the statement**

TUI Group Arqum Audit ISO 14064 2018.pdf

**Page/section reference**

Pages 1-9

**Relevant standard**

ISO14064-3

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a**

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	ISAE 3000 'Assurance engagements, other than audits or reviews of historical financial information', and ISAE 3410 'Assurance engagements on Greenhouse Gas Statements'	On an on-going annual basis, TUI appoints PwC to provide independent, reasonable assurance on the Group's headline environmental KPI – gCO2 per revenue passenger kilometre of each of its each of its airlines, and for the Group's average performance.

**C11. Carbon pricing**

**C11.1**

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

**C11.1a**

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

## C11.1b

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(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

### EU ETS

**% of Scope 1 emissions covered by the ETS**

24

**Period start date**

January 1 2018

**Period end date**

December 31 2018

**Allowances allocated**

1188481

**Allowances purchased**

622160

**Verified emissions in metric tons CO<sub>2</sub>e**

1750899

**Details of ownership**

Facilities we operate but do not own

**Comment**

## C11.1d

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(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

The strategy is to ensure the cost of ETS to TUI Group is kept as low as possible by buying as few extra emission permits as possible (over and above those given for free as part of the free allocation). The ETS exposure has been fully hedged, in line with good practice and TUI's hedging policy, using Over The Counter (OTC) derivatives as well as making use of the permitted amount of Certified Emissions Reduction (CERs) products. TUI will continue to challenge itself to reduce its carbon emissions from the airlines with on-going fuel efficient flying techniques, challenging the airspace management bodies to improve air transport movements to reduce on-route delays and where feasible, continue to invest in more fuel-efficient aircraft. In the Calendar Year 2018 of the EU ETS Aviation scheme, the cost spent on permits was minimal and therefore had no material impact on the financial results of TUI Group.

## C11.2

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(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

## C11.2a

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**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Solar

**Project identification**

The installation of a 30 Megawatt photovoltaic Solar Energy Farm in Monte Plata, Dominican Republic. Up to 45 Giga Watt hours (equals the consumption of 9,000 households) electricity will be produced per year thanks to ideal solar radiation conditions.

**Verified to which standard**

Gold Standard

**Number of credits (metric tonnes CO2e)**

1726

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

1726

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**C11.3**

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**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

80

**% total procurement spend (direct and indirect)**

80

**% Scope 3 emissions as reported in C6.5**

48

**Rationale for the coverage of your engagement**

TUI collects annual climate change, carbon and sustainability information from its key hotel partners. This information is not requested from hotels that are not under TUI management, and therefore we have limited control and influence over a hotel's climate-related strategy.

**Impact of engagement, including measures of success**

A wide range of climate-related and environmental performance indicators are monitored as a result of this data collection. Key examples include: Emissions: Average CO2 emissions per guest per night across all TUI hotels and concept hotel partners. In 2018 this was 9.5kgCO2 (improvement from 10.1kgCO2 in 2015). The indicator of success for this would be a decrease in emissions intensity. Energy: Average energy consumption per guest per night across all TUI hotels and concept hotel partners. In 2018 this was 26.0 kWh (improvement from 27.8 kWh in 2015). The indicator of success for this would be a decrease in energy (and therefore emissions) intensity. Certifications: Percentage of hotels that hold a GSTC-recognised sustainability certification. In 2018 this was 78% (up from 67% in 2015). The indicator of success for this would be an increase in certification across our hotels. Other metrics that are tracked include waste and water per guest/night, local food and beverage procurement, and project volunteering hours. Annual sustainability reports are produced and sent to sustainability contacts within each hotel brand to provide feedback on performance.

**Comment**

The information in this row refers to TUI's hotel partners and suppliers. As a tourism business this is considered to be our material impact and most relevant for this question.

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**C12.1b**

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to education customers about your climate change performance and strategy

**% of customers by number**

100

**% Scope 3 emissions as reported in C6.5**

38

**Please explain the rationale for selecting this group of customers and scope of engagement**

TUI is able to engage with all of its customers as our involvement in the end-to-end customer journey provides us with opportunities to communicate our sustainability strategy, including how we are addressing climate change, every step of the way. The engagement process at TUI: Research stage: communicating how we manage the impacts of holidays and promoting 'greener and fairer' hotels. Booking stage: Promoting the TUI Care Foundation and encouraging customers to donate to projects worldwide. Pre-holiday stage: Providing sustainability information in pre-holiday literature. Journey stage: In-flight films and magazines feature sustainability stories. On holiday: Promoting excursions with a focus on sustainability and kids clubs incorporate sustainability activities. After the holiday: Customer feedback questionnaires and sustainability stories in post-holiday communications. In addition, TUI publishes an annual sustainability report which provides detailed information for all customers on TUI's sustainability and climate change strategy.

**Impact of engagement, including measures of success**

One way TUI measures progress against our engagement is through our consumer research. The measure of success is the percentage of customers that consider TUI to be a leading tourism group. The latest survey (2017) showed that consumers in our six key source markets (Germany, the United Kingdom, Belgium, the Netherlands, Sweden and France) consider TUI to be the leading tourism group for sustainability. In 2017, we conducted research across our six main source markets with almost 4,000 consumers to understand their attitudes around sustainability and brands, sustainable holidays and our work with the TUI Care Foundation. The results showed a significant increase in customer demand for holiday companies to manage their sustainability impacts and to provide more sustainable holiday products. This aligns with our sustainability strategy and spurs on efforts to communicate proactively with customers on sustainability throughout the holiday journey. Key findings: - 57% of customers would book more environmentally responsible holidays if they were more readily available (up from 40% in 2012) - 53% of customers have a better image of holiday companies that actively invest in environmental initiatives (up from 39% in 2012) - 68% of customers are prepared to make lifestyle changes to benefit the environment (up from 60% in 2012). A survey conducted in early 2019 with over 6,000 respondents found that 95% of TUI customers in the Nordics think sustainability measures are important, and that almost a third would change their travel plans in the next two years due to sustainability concerns. An additional measure of impact/success was TUI UK receiving the Gold award in the Best for Communicating Responsible Tourism category at the World Responsible Tourism Awards in 2018. This acknowledged a communications campaign by TUI's sustainability and marketing teams to raise consumer awareness and promote better understanding of sustainability issues and TUI's sustainability strategy among customers.

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**C12.3**

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**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

**C12.3a**

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**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support with minor exceptions	TUI Group continues to support the inclusion of aviation emissions in the EU ETS, until such time as the ICAO Carbon Offsetting Scheme for International Aviation (CORSIA) comes into effect in 2021. TUI has participated in the EU ETS since January 2012. TUI's German airline, TUIfly, is a member of Bundesverband der Deutschen Luftverkehrswirtschaft (BDL) – the German Aviation Association. Their aims are to make air travel more environmentally friendly and develop the future of German aviation.	TUI believes that a well-designed global monetary based mechanism should deliver tangible environmental gains, minimise the administrative burden on participating companies, and avoid distortions to competition. We believe this will help to reduce the industry's carbon footprint, specifically through incentivising the use of alternative sustainable fuels.
Clean energy generation	Support	Across Europe, governments and organisations are in the process of developing next generation sustainable aviation fuel. TUI believes that this strategy should reflect the accelerated pace of aviation fuel development, and devise mechanisms to incentivise investment and build a next generation sustainable aviation fuel infrastructure. Next generation sustainable aviation fuel – fuels derived from independently-certified sustainable biomass, waste streams or other renewable or sustainable sources – could play a significant role in reducing carbon emissions from aviation in the UK and beyond. There has been dramatic progress over the past few years in developing sustainable fuels for aviation, but the industry is in the early stages of market development. Production volumes of these new fuels are low and the fuel price is high, which means that these sustainable fuels are not yet competitive with oil-derived kerosene, the current standard aviation fuel. TUI is a member of SAFUG (Sustainable Aviation Fuel Users Group), a coalition of global airlines that account for approximately 33% of global commercial aviation fuel demand. TUI Nederland continues to stay engaged with AlgaePARC (which is part of Wageningen University in the Netherlands) to facilitate the research for the development of next generation sustainable aviation fuel. One of the leading research themes is specifically focusing on algae as a next generation sustainable aviation fuel feedstock. TUI is a member of Sustainable Aviation (UK) and contributed to Sustainable Aviation's roadmap for sustainable fuels.	TUI supports SAFUG's view that policy makers need to recognise the critical importance of catalysing the development of safe, sustainable and commercially viable fuels for aviation. Renewable aviation fuels are being developed to address key issues with existing petroleum fuels, including greenhouse gas emissions and energy security. TUI also supports the Sustainable Aviation Roadmap's conclusions that with the right policy and investment framework UK aviation can significantly reduce its CO2 emissions, and that will require a step change in the current policy and investment framework for sustainable aviation fuels. Green diesel was trialled as part of TUI's ecoDemonstrator programme, in partnership with Boeing. The green diesel tested was a blend of jet fuel with green diesel made from material that included waste animal fats and used cooking oil.
Other, please specify (Emissions reductions)	Support	TUI Aviation is in favour of the Carbon Offsetting Scheme for International Aviation (CORSIA), a global market-based measure (MBM) scheme developed by the International Civil Aviation Organization (ICAO), a UN specialised agency.	The scheme is one of the industry's 4-pillar strategy designed to achieve the aspirational goal of carbon neutral growth from 2020 onwards, reducing net emissions annually so that global aviation net emissions in 2050 will be 50% lower than in 2005. CORSIA is intended to be a complementary measure to the other emission reduction opportunities available to the sector. TUI Airlines' emissions have been verified annually by audit and assurance firm PwC for several years. This puts TUI in a strong position for compliance with the monitoring, reporting and verification requirements of CORSIA.
Mandatory carbon reporting	Support	TUI supports the Monitoring Reporting and Verification (MRV) European Union legislation, requiring shipping companies to monitor and report the verified amount of CO2 emitted by their vessels on voyages to, from and between EU ports.	The EU MRV (Monitoring, Reporting, Verification) regulation entered into force on 1 July 2015, and it requires ship owners and operators to annually monitor, report and verify CO2 emissions for vessels larger than 5,000 gross tonnage (GT) calling at any EU and EFTA (Norway and Iceland) port. Data collection takes place on a per voyage basis and started on 1 January 2018. The reported CO2 emissions, together with additional data, are to be verified by independent certified bodies like DNV GL and sent to a central database managed by the European Maritime Safety Agency (EMSA). The aggregated ship emission and efficiency data will be published by the EC by 30 June 2019 and then every consecutive year.

**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

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**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.****Trade association**

Global Sustainable Tourism Council (GSTC)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The GSTC works to: 1) promote a universal set of principles that define sustainable tourism; 2) expand understanding; 3) increase sustainable tourism best practices; and 4) generate new markets for sustainable holidays. At the core of their efforts are the Global Sustainable Tourism Criteria, a set of voluntary principles that provide a framework for the sustainability of tourism businesses across the globe.

**How have you influenced, or are you attempting to influence their position?**

TUI's Director of Sustainable Development at is member of the GSTC Board (Vice Chair) and is on the Executive Committee responsible for steering the activities of the organisation. The GSTC represents a diverse and global membership, set up with the backing of UN agencies, leading travel companies, hotels, country tourism boards, tour operators, individuals and communities, which are actively involved with local governments to achieve best practices in sustainable tourism.

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**Trade association**

Association of British Travel Agents (ABTA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

ABTA is the UK's leading travel association. ABTA's aims include: - Sharing the benefits of tourism to ensure destinations thrive - Managing the issues of finite resources and environmental impact - Making a fair tax contribution both at home and in the destinations - that the industry takes the lead in managing natural resources responsibly and in mitigating impacts throughout the supply chain. ABTA developed and pioneered the Travelife Supplier Sustainability System which has grown to be one of the world's leading hotel sustainability management and certifications and is GSTC recognised.

**How have you influenced, or are you attempting to influence their position?**

TUI is a member of ABTA and participates on its Sustainable Tourism Committee and Travelife committee. During 2018 TUI UK's Commercial & Business Development Director joined the ABTA Board of Directors.

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**Trade association**

Sustainable Aviation (SA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Sustainable Aviation, a UK aviation industry initiative to which TUI UK's Airline is a partner and signatory, has made a number of carbon commitments. Sustainable Aviation believes that the aviation industry should aim to reduce its actual carbon emissions through (a) technology; (b) sustainable alternative fuels; (c) operational improvements including air traffic management with additional policy measures to further incentivize these developments only if necessary.

**How have you influenced, or are you attempting to influence their position?**

TUI Group is a member of Sustainable Aviation following the business' ongoing commitment to sustainability. TUI's Head of Aviation Regulatory Affairs represents TUI.

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**Trade association**

Dutch Association of Travel Agents and Tour Operators (ANVR)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Main vision: For sustainable tourism to have become widely accepted by 2025 and fully integrated into the operational management of the ANVR members. We will have maximised the positive effects of the travel product and minimised the negative effects, with the aim of achieving a balance between People, Planet and Profit. This applies to both the countries of origin and the

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destination countries.

**How have you influenced, or are you attempting to influence their position?**

TUI is actively involved in a frontrunners committee and helped formulate a vision for the future 2025 on sustainable development, including climate change.

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**Trade association**

Cruise Lines International Association (CLIA)

**Is your position on climate change consistent with theirs?**

Mixed

**Please explain the trade association's position**

Cruise Lines International Association (CLIA) is the world's largest cruise industry association with representation in North and South America, Europe, Asia and Australasia. Primary goals include; advocating the industry's legal, legislative and technical positions to key domestic and international regulatory organizations, policy makers and other industry partners to foster continued growth of a safe and secure cruise industry, and actively protect the marine environment with minimal impact on the ocean, marine life and destinations.

**How have you influenced, or are you attempting to influence their position?**

TUI Cruises are proactive in stakeholder discussion, in information sharing and creating more ambitious climate protection goals. We add statements to draft position papers on a regular basis, and help to develop best practice by working with industry colleagues.

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**Trade association**

The European Travel Agent's & Tour Operator's Associations (ECTAA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

ECTAA is the Group of national travel agents' and tour operators' associations within the EU. Among its aims is creating the best possible conditions to ensure that destinations worldwide are able to thrive whilst also being sustainable.

**How have you influenced, or are you attempting to influence their position?**

TUI is a member of trade bodies, e.g. ABTA in the UK and DRV in Germany, which are full members of ECTAA. Full Members of ECTAA are trade associations of travel agents and/or tour operators that are established in a member state of the EU.

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**C12.3d**

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**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

**C12.3e**

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**(C12.3e) Provide details of the other engagement activities that you undertake.**

In 2018, senior management from across TUI participated in World Travel Market London's extensive three-day Responsible Tourism Programme. TUI Group's Purchasing Director (Hotels & Resorts, Cruises, Destination Experiences) spoke on the 'Responsible tourism - how much progress have we made?' panel session. TUI's Director of Sustainability took part in a panel discussion debating CSR and creating shared value. TUI UK & Ireland's Sustainable Business Manager, discussed communicating responsible tourism on a panel session.

Also in 2018, TUI's Director of Sustainability participated in the 4th UN Environment Assembly in Nairobi, to address the critical environmental challenges facing the world today. They joined other panelists at the "Leveraging sustainable procurement practices to transform the tourism sector". The panel session focused on the role that procurement can play to advance sustainable consumption and production in the tourism sector.

Other examples of our public engagement include:

- Aviation Carbon conference, UK
- Institute of Travel & Tourism, Italy
- Dutch Travel Fair in Utrecht, Netherlands
- ABTA - Delivering Sustainable Tourism, UK
- ITB (International Tourism Bourse) in Berlin, Germany

**C12.3f**

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

The Group Sustainable Development Department's role is to drive change towards a more sustainable company and to forge Sector leadership. Our Group-wide SD colleagues meet regularly to tackle issues and develop programs of work. Each key source market within the Group has a sustainable development coordinator or team with a remit to develop and implement sustainable development strategy, supported by a network of champions. This results in a common approach across TUI to climate change engagement and sustainable strategies.

TUI works to embed sustainability and climate change objectives into its business operations, such as product and purchasing, airlines, cruise and hotel operations and destinations experiences to ensure that 'business as usual' is consistent with our overall climate change / sustainability strategy. To review performance and to measure progress, we have incorporated sustainable development questions into regular employee surveys at Sector and Group level, and constantly develop sustainability data and information gathering processes for the entire business, which helps to ensure our direct and indirect activities align with our sustainability and climate change strategy.

The Group Executive Committee sets the Group's strategic direction and long-term objectives for sustainable development, and signed off the Group's sustainability strategy. Sustainability is integrated into strategy at a source market and platform level.

**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

TUI Group Annual Report & Accounts 2018.pdf

**Page/Section reference**

Non-Financial Disclosure - Pages 82-99

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Sustainability certifications)

**Comment**

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

TUI Group Sustainability Report 2018.pdf

**Page/Section reference**

Whole document

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Sustainability certifications)

**Comment**

---

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

TUI Cruises Environment Report 2018.pdf

**Page/Section reference**

Whole document

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Sustainability certifications)

**Comment**

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## C14. Signoff

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### C-FI

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**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C14.1

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**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Group Director of Sustainability	Chief Sustainability Officer (CSO)

## Submit your response

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

**Please confirm below**

I have read and accept the applicable Terms