



Modern Slavery Statement 2023

March 2024

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This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015. It sets out the steps TUI Group has taken to prevent acts of modern slavery and human trafficking from occurring in its business and supply chain, up to and during the 2022 financial year (1st October 2022 to 30 September 2023).

Introduction

The travel and tourism market is a significant contributor to the global economy¹, growing above global GDP levels pre-pandemic². Demand for tourism is driven by strong fundamental trends – people living longer, healthier lives; the growth of middle classes across the globe, which increases disposable income; and the desire for experiences, of which travel plays a significant part. This demand has proved highly resilient – after the disruption of COVID-19 and resulting travel restrictions, international arrivals are expected to return almost to pre-pandemic levels in 2023³. Therefore, we expect leisure tourism to continue to be an attractive growth market over the long-term.

The industry still faces some key challenges. Cost inflation (driven by higher energy costs and labour supply shortages), higher interest rates and foreign exchange fluctuations all impact supplier cost bases, as well as putting a squeeze on household income and hence consumer sentiment. In turn, this reinforces customer needs for brands which they can depend on, and which deliver choice and flexibility in configuring the right product for them. TUI's focus on delivering quality to our customers while increasing choice and flexibility, both in terms of our product offer, and by increasing the flexibility of flight and hotel sourcing, mean that we can deliver growth by offering value and choice, without additional risk capacity.

Climate change is a pressing global challenge. There is an urgency to act and for everyone to play a role in the transition to a low carbon economy. TUI has committed to Science Based Targets, in order to significantly reduce carbon emissions in our airline, hotels and cruise business by 2030, with a further commitment to reach net-zero by 2050 at the latest. In addition, our Sustainability Agenda sets out our wider commitments to sustainability, in terms of People, Planet and Progress.

About TUI Group and its supply chain

TUI is a leisure experiences group covering the entire holiday journey, serving millions of customers, operating 126 aircraft, 424 hotels (including our concept hotels) and 16 cruise ships⁴, as well as a sizeable experiences, transfers and tours business. The group is structured into two divisions – Holiday Experiences and Markets & Airlines.

Holiday Experiences delivers differentiated content in hotels, cruises, experiences, transfers and tours:

- Our hotel portfolio consists of own and differentiated leisure brands such as Robinson, TUI Magic Life, TUI Blue and TUI Suneo, complemented by JV hotel brands such as Riu, Atlantica, Blue Diamond and Grupotel. The portfolio is well-diversified in terms of product offer, destination mix and ownership models, and benefits from multi-channel and multi-source market distribution via Markets & Airlines, direct to customer, and via third parties such as Online Travel Agents (OTAs) and tour operators mainly outside our own source markets.
- Our three cruise brands (Mein Schiff, Hapag-Lloyd Cruises, Marella) cover the cruises sector from premium all-inclusive to luxury to expeditions, with leading positions in the German-speaking and

¹ Based on WTTC Economic Impact Research 2023 – Travel & Tourism sector contributed 10.3% to global GDP in 2019; this decreased to 5.3% in 2020, 6.1% in 2021 and 7.6% in 2022, due to government restrictions on mobility. However, Travel & Tourism GDP is expected to reach 95% of 2019 levels in 2023

² Based on UNWTO international travel arrivals CAGR versus global GDP CAGR for 2015 to 2019

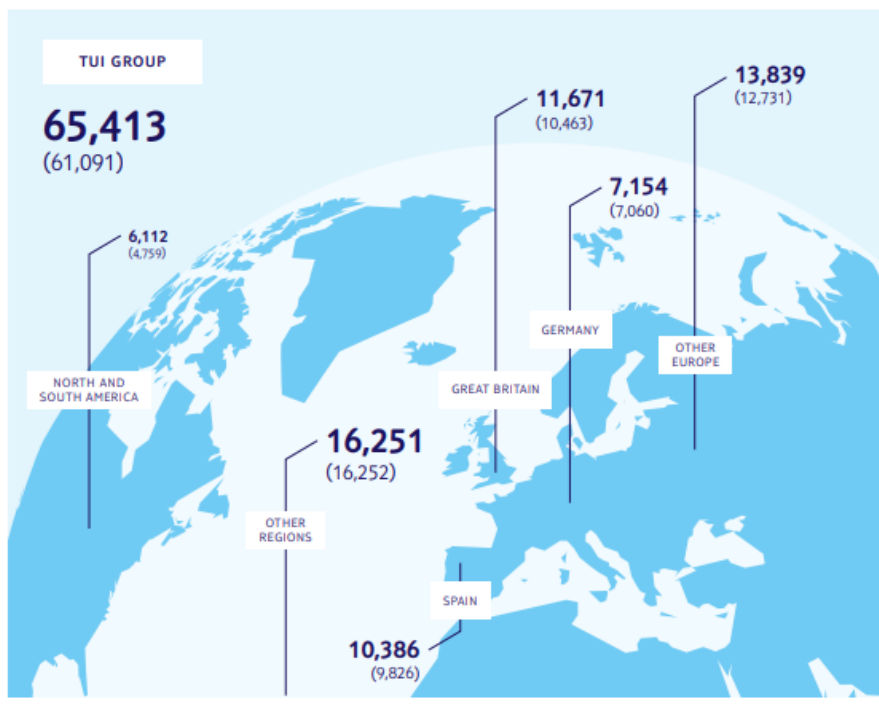
³ UNWTO World Tourism Barometer September 2023

⁴ As at 30 September 2023, including concept hotels in third party properties

UK markets⁵ benefitting from multi-channel distribution via Markets & Airlines, direct to customer and via third parties.

- TUI Musement is one of the largest⁶ digital providers in the online intermediary market for tours and activities, including experiences (excursions, activities and tickets) and tours (multi-day tours), connecting our own and third party product portfolio in destinations with Markets & Airlines customers, direct to customer and via third parties; as well as providing transfers and customer support in the destination.

Markets & Airlines distributes and fulfills holidays to a large customer base in more than a dozen source markets. By covering the whole customer journey, TUI holds multiple digital and physical touchpoints with its customers, and therefore delivers a strong blend of digital and human interaction.



* By domicile of company
In brackets: previous year

As shown in the graph, we employ people from all around the world. In addition to our direct employees, our diverse business encompasses an extensive supply chain, with thousands of suppliers in more than 90 countries – from manufacturers of aircraft and cruise ships to hotel laundry services, excursions in destination, tourist guides and other destination services used by our customers.

Our biggest supplier category continues to be hotel partners, representing over half of our direct operating costs. Accommodation suppliers therefore continued to be a central focus of our due diligence.

⁵ As measured by capacities

⁶ As measured by market share

Governance and policies

Due to the German Supply Chain Act, it was decided to define a combined governance structure to encompass both commitments in one single framework.

The Executive Board of TUI AG has appointed a **Human Rights Officer**. He monitors whether an appropriate and effective risk management system has been put in place to comply with due diligence obligations within the company. He is responsible for ensuring the strategy for securing risk management in all relevant business processes through appropriate measures and regularly reports on this to the GEC.

In the **Group Sustainability department**, the responsible employees coordinate the resulting tasks with the various departments and report to the Human Rights Officer. They coordinate, in consultation with other Group functions, the implementation of the various appropriate risk analyses, the establishment of the risk management system and monitor the timeliness of risks and the implementation of appropriate remedial measures. This area is also responsible for reporting. In this context, relevant information is collected across the Group, progress and incidents are reported, the annual report is prepared and future legislation on environmental, social and corporate governance due diligence is reviewed.

In order to comply with the due diligence obligations under the GSCA, the following departments liaise with their colleagues in Group Sustainability on the tasks assigned to them:

Group Integrity & Compliance: The team is responsible for setting up an appropriate complaints procedure at Group level and ensuring that the relevant requirements are met. It is responsible for coordinating the receipt and processing of suspected cases and for contacting and liaising with the relevant departments/entrusted individuals.

Group Legal: The team supports the relevant TUI companies in cooperation with Group Purchasing, Group Procurement, and other relevant departments and TUI companies. Its role is to ensure that legal documents (for example, contractual clauses) comply with legal requirements and are implemented in an appropriate manner.

Group Risk Management: In collaboration with the Group Sustainability team and in conjunction with Group Purchasing and Group Procurement as well as other relevant departments, the team is responsible for implementing an appropriate risk analysis within its own business area as part of risk management. In the event of changes to the risk analysis methodology, it ensures that risk identification and control measures are properly documented.

Human Resources: This area is responsible for managing appropriate risk and remediation processes related to human rights compliance for employees in its own business area. It is also responsible for reporting on progress and cases/remedial actions, developing and delivering training, and developing and implementing the TUI Global Employment Statement.

Occupational Health and Safety: The team is responsible for carrying out risk analysis processes and the resulting implementation of appropriate measures in relation to health and safety issues as well as ensuring that risk identification and control measures are properly documented.

Purchasing and Procurement: These teams are responsible for carrying out risk analysis processes and the resulting implementation of appropriate measures with direct suppliers, reporting on progress and cases, as well as maintaining and updating the risk analysis methodology for the supply chain in collaboration with the Group Sustainability team.

Group Corporate & External Affairs: This team establishes and maintains contact with political decision-makers and authorities in relation to upcoming legislation and ensures close and transparent collaboration with associations in the development of shared positions.

Communications: The communications team is responsible for preparing internal and external communications relevant to the Group in the event of public enquiries, for example from non-governmental

organisations or the media, in collaboration with the Group Sustainability team, as well as providing updates and handling internal communications regarding progress.

Group Internal Audit: Group Internal Audit reviews implemented GSCA processes to ensure compliance with controls as well as their appropriateness and effectiveness.

TUI has a number of policies and initiatives in place to monitor, identify, mitigate and prevent human rights impacts in line with the UN Guiding Principles on Business and Human Rights. As described in our previous [Modern Slavery statements](#), topics addressed include responsible recruitment, discrimination, forced labour, child labour, salaries and benefits, freedom of association and collective bargaining, health and safety, diversity as well as people development and a feedback culture. In line with the German Supply Chain Act requirements, a revision of relevant TUI policies, e.g. the Supplier Code of Conduct, was conducted in 2023.

Risk assessment

As part of risk management, an appropriate risk analysis is carried out once a year to identify human rights and environmental risks in the company's own business area and within the supply chain. Ad hoc risk analyses are initiated if the risk situation significantly changes or significantly increases within the supply chain. As part of the risk analysis, particularly those risks that are already known from many years of experience in day-to-day business were analysed. The identification of risks was based on indices such as the Global Slavery Index and our own internally developed criteria for assessing human rights and environmental risks, both in our own business area and within the supply chains. This criteria takes into account product and industry risks, country risks, types of employment, impact on rights holders, opportunities to influence and the effectiveness of existing preventive measures. The risks were categorised as "low", "medium" or "high".

Detailed procedure in own business area: Of all managed Group companies, those that employ their own staff, regardless of whether they are permanent or temporary or domestic or foreign, were selected for the gross risk analysis. Based on the results of the gross risk analysis, taking into account the country risk, industry risk and volume risk (measured by the number of employees as of the reporting date), the companies were prioritised according to the risk identified. The companies that were categorised as "relevant" following the gross risk analysis were sent a web-based questionnaire to answer detailed questions relating to their exposure to the risks specified, particularly with regard to their impact and probability of occurrence. The results from these questionnaires were further analysed for each risk and each company in order to carry out a risk assessment. From this evaluation, a matrix is derived that can be used to understand the exposure to "high", "medium" and "low" risks and appropriate measures for risk minimisation and risk prevention can be developed.

Detailed approach in the supply chain: Due to existing different purchasing processes for the individual business areas, four different risk analyses were carried out based on the same two-step risk analysis methodology; through an abstract analysis and a risk questionnaire. The responsible areas are Group Procurement, Accommodation Purchasing, and the TUI Airline and TUI Musement segments. In addition, TUI Deutschland GmbH, a subsidiary of TUI AG, has also carried out an appropriate risk analysis. This is described in more detail in the separately published report by TUI Deutschland GmbH.

In all four areas, an abstract risk assessment of the product or service to be procured was initially carried out, using the internally defined criteria - industry risk, country risk and total volume/turnover. The result of this assessment determined the applicability of the risk questionnaire. Suppliers for which a risk exposure between "medium" and "high" was identified in the initial assessment were asked to complete the risk questionnaire.

Within the TUI Airline and TUI Musement segments, the risk questionnaire was also sent to all suppliers rated lower than "medium" if they had refused to agree to the inclusion of the revised Supplier Code of Conduct in the respective contractual relationship.

Within Group procurement, a catalogue of questions on compliance with human rights was also included in the tendering platform and all suppliers participating in tenders had to answer this as part of the tendering

process. The answers were analysed by the Procurement team and the relevant experts, and the results of the evaluation were incorporated into the overall assessment and the final contract award.

Actions and performance measurement in modern slavery prevention in 2023

We believe that everyone should be treated with respect and dignity. We do not accept discrimination based on origin, ethnicity, gender, gender identity, sexual orientation, marital status, religion, world view, disability, age or social origin, and we are committed to constantly improve diversity and inclusion across our growing business. We continue with the expansion of our inclusion programmes across the Group, including initiatives such as Diversity and Inclusion (D&I) groups, Female Leaders@TUI articles and e-coffees to celebrate International Women's Day, Awareness days around Disabilities, Mental Health awareness talks and a campaign for Black History Month.

Complaint procedure: In 2023, we continued to operate our Group-wide whistleblower system - the SpeakUp Line - to ensure a confidential reporting channel is available for all our employees as well as third parties to report any infringement of our policies and applicable laws. In 2023, a total of 117 reports (2022: 43 reports) were received through the SpeakUp Line, one of which related to modern slavery. The complaint related to the condition of an employee's accommodation in a target area. The allegation was addressed to the responsible HR department and investigated. Part of the allegation was substantiated, therefore appropriate remedy action was taken and the case could be closed. The whistleblower system was adjusted to ensure that it meets the requirements of the German Supply Chain Due Diligence Act and the EU Whistleblowing Directive. This includes, in particular, opening up the system for third parties outside TUI Group.

Engaging with our stakeholders: TUI Group recognises the importance of collaborating with others to address human rights and modern slavery in our industry. In 2023 we engaged with a wide range of organisations as demonstrated through the following activities and initiatives:

- To support industry-wide progress we continued to sit on the boards of the Global Sustainable Tourism Council (GSTC) and Travelife, both of which are addressing these issues through sustainability certification standards for hotels.
- Our external website for suppliers (TUIPartners.com) which includes Human Rights and Child Protection guidelines and best practices was updated with further information due to the GSCA
- Destination stakeholder initiatives: An important aspect of protecting young children and adolescents at risk of trafficking, commercial sexual exploitation and/or exploitative labour practices is giving them the tools and support they need to help prevent and identify exploitation before it happens. In addition to policy, auditing and training, through our corporate foundation, the TUI Care Foundation, we invest in prevention by taking proactive steps to support young people.
- Tui Academy: Offering vocational training for disadvantaged young people to access high quality education, work experience, life skills coaching and a brighter future. The programme offers vocational education and sustainable career opportunities to young people from vulnerable communities. With a combination of theoretical education and life skills coaching, the programme focusses on the potential of tourism as an established driver of global job creation and growth. Each destination programme is unique and offers various qualifications. At the moment the TUI Care Foundation supports TUI Academies in the Cape Verde, Dominican Republic, Jamaica, Kenya, Montenegro, Morocco, Sri Lanka, Thailand and Zanzibar.

Training and awareness: Raising awareness of human rights and modern slavery across our business continues to be a key focus area for TUI Group. To do so, we run a bi-annual mandatory training programme on child protection and modern slavery were completed at TUI Musement.

- As part of this training programme, 2,280 trainings in Child Protection and 2,518 trainings in Human Rights were conducted in 2023. The e-learning sessions have been integrated into TUI People, a global internal HR and learning platform, which is a more efficient and better tool to track completion.
- Airline crews in the UK, Nordics and Germany receive Vulnerable Children & Trafficking Training during their inductions, where they learn about how to spot trafficking and what to do.
- Our internal Child Protection Guidelines also include information for our colleagues on “voluntourism” and visits to orphanages and schools, what activities are currently being offered on the market, the issues surrounding it and what TUI is doing to this respect, including: Prohibiting any type of visits to orphanages during TUI activities, no interaction between local children and TUI guests during any activities, visits to schools only outside of school hours or without interrupting classes, partnering with [The Code](#) on working against child sex tourism
- Travelife, our key hotel sustainability certification partner, has created [a sustainability e-learning](#) for all its members, where [the TUI Modern Slavery Training Video](#) can be found in both the Human Rights and Fair Labour Practices modules to raise awareness about modern slavery practices such as bonded labour and exploitation.

Progress in 2023 and Outlook 2024

PERFORMANCE MEASURE	PROGRESS IN 2023	FOCUS FOR 2024
Number of customers staying in hotels certified to a -recognised certification	10.5 million customers staying in 1,481 certified hotels, compared with 7.9 million in 2022. This means an increase of 32% vs 2022	We will continue working to increase the number of hotels offered with sustainability certification.
Number of colleagues trained on human rights in tourism	Over 4,798 colleagues trained on human rights in tourism, as part of annual mandatory e-learning process.	We will continue expanding our training to more colleagues in offices and destinations and across our hotels and airlines.
Actions taken to strengthen our policies	We continued to communicate our policies around our business and supply chain. The whistleblowing system was also made available for third parties.	
Steps taken to initiate and strengthen supply chain management	We implemented the requirements of the new German Supply Chain Act. Policies, procedures and contract clauses were being revised to that effect.	In 2024, we will further work on the defined processes and check for optimizations. Furthermore, we will work on supplier trainings within our multi-stakeholder cooperation with Futouris e.V.

PERFORMANCE MEASURE	PROGRESS IN 2023	FOCUS FOR 2024
Number of modern slavery cases reported and actions taken in response	In 2023, a total of 117 reports were received through the Speak Up line, one of which was related to Modern Slavery	We will continue to raise awareness of reporting mechanisms, address stakeholder concerns and take appropriate actions.
Projects and partnerships in place to uphold human rights in our destinations	TUI Academy, as part of the TUI Care Foundation programmes, offers vocational education and sustainable career opportunities to young people from vulnerable communities	TUI Care Foundation will continue to work on and expand projects, with a focus on youth empowerment to help prevent exploitation in the first place.

This Modern Slavery Statement was approved by the TUI Executive Board and signed off by Thomas Ellerbeck, Group Director Corporate & External Affairs & Chief Sustainability Officer, on March 20, 2024.