

# betterholidays betterworld

SUSTAINABILITY STRATEGY 2015-2020



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# betterholidays betterworld

Only by helping to make the world a better place, can holidays keep getting better - it really is that simple.

We will work tirelessly to create experiences that are more responsible and more enjoyable, one holiday at a time.

**By stepping lightly**  
and reducing the impact of holidays on the environment;

**By making a positive difference**  
for people and their communities;

**We will lead the way**  
in pioneering sustainable tourism so that travel and sustainability really can become inseparable.

That's what we mean when we say  
**Better Holidays, Better World.**

## INTRODUCTION

Welcome to Better Holidays, Better World. This document gives an overview of TUI Group's new sustainability strategy, outlining our ambitions and commitments from 2015 to 2020.

As the world's leading tourism business, we believe we have a responsibility not only to manage our own impacts on the economy, society and environment, but also to lead the way in understanding, improving and innovating for sustainable tourism.

Better Holidays, Better World builds on the sustainability achievements and commitments of both TUI Travel PLC and TUI AG before our merger in December 2014.

To find out more about sustainability at TUI Group, visit [www.tui-sustainability.com](http://www.tui-sustainability.com)



“ I am pleased to announce the next, exciting, chapter in TUI's sustainability journey - our 'Better Holidays, Better World' strategy.

I am proud to work for an industry that can stimulate so much employment and wider economic activity - both in the developed and developing world - in regions where social and economic stability is increasingly important.

I am also mindful that in parallel to these benefits, tourism's operations contribute to the depletion of natural resources. Our interest undoubtedly lies in stimulating systemic change to more sustainable tourism practices and policies, and in leading by example. ”

Fritz Jousen,  
CEO, TUI Group



“ With the 'Better Holidays, Better World' 2015-2020 strategy, the TUI Group has set itself ambitious goals for sustainable business, spanning environmental, social and economic sustainability. Today's businesses are expected to act as 'corporate citizens' and we take this responsibility seriously. We have defined goals which all businesses in the TUI Group, all 77,000 colleagues, can work towards and integrate into daily work.

Holidays open up new horizons, peoples and cultures. He who travels the world, understands it better. Tourism is a critical driver of many of the world's economies, serving to improve destination infrastructure and living conditions. In this context, TUI seeks to be recognised as a reliable employer, investing particularly in developing the professional skills of young people in destinations.

Our focus will be to expand the positive impacts of tourism, whilst simultaneously working to reduce the negative impacts. We know we can achieve a great deal. ”

Thomas Ellerbeck,  
Member of the Group Executive Committee,  
Group Corporate & External Affairs, TUI Group

# ABOUT TUI GROUP

Every year, TUI Group takes millions of people on holiday. Whether it's a cruise, a beach resort or an adventure on the other side of the world, we offer a fantastic range of unique holiday experiences.

## The world's leading tourism business at a glance\*

Market capitalisation\*\*  
**€10b**



**Global**  
Company –  
domiciled in Germany

Revenues of  
**€18.7b**



**77,000**  
colleagues in 130 countries

Underlying EBITA  
**€869m**



More than  
**30m** customers  
from 31 source markets  
travelling to 180 destinations

**FTSE  
100** business



Around  
**140** aircraft

Over **300** hotel  
with 210,000 beds



**1,800**  
retail shops in Europe

**13** cruise ships

\* Based on numbers from FY 2014

\*\* As of 13th May 2015



## OUR TRACK RECORD

Both TUI Travel PLC and TUI AG have a long history of commitment to sustainability. We are proud to have been recognised over many years by some of the leading experts in the field.



### Carbon Disclosure Project

In 2014, TUI was featured in the Climate Disclosure Leadership Index (CDLI) in the UK and Germany for its approach to carbon disclosure. In the UK, TUI was ranked joint first with 100 points in the FTSE 350.

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

### Dow Jones Sustainability Index

TUI is the only tourism group to feature in the reputable Dow Jones Sustainability Index Europe.

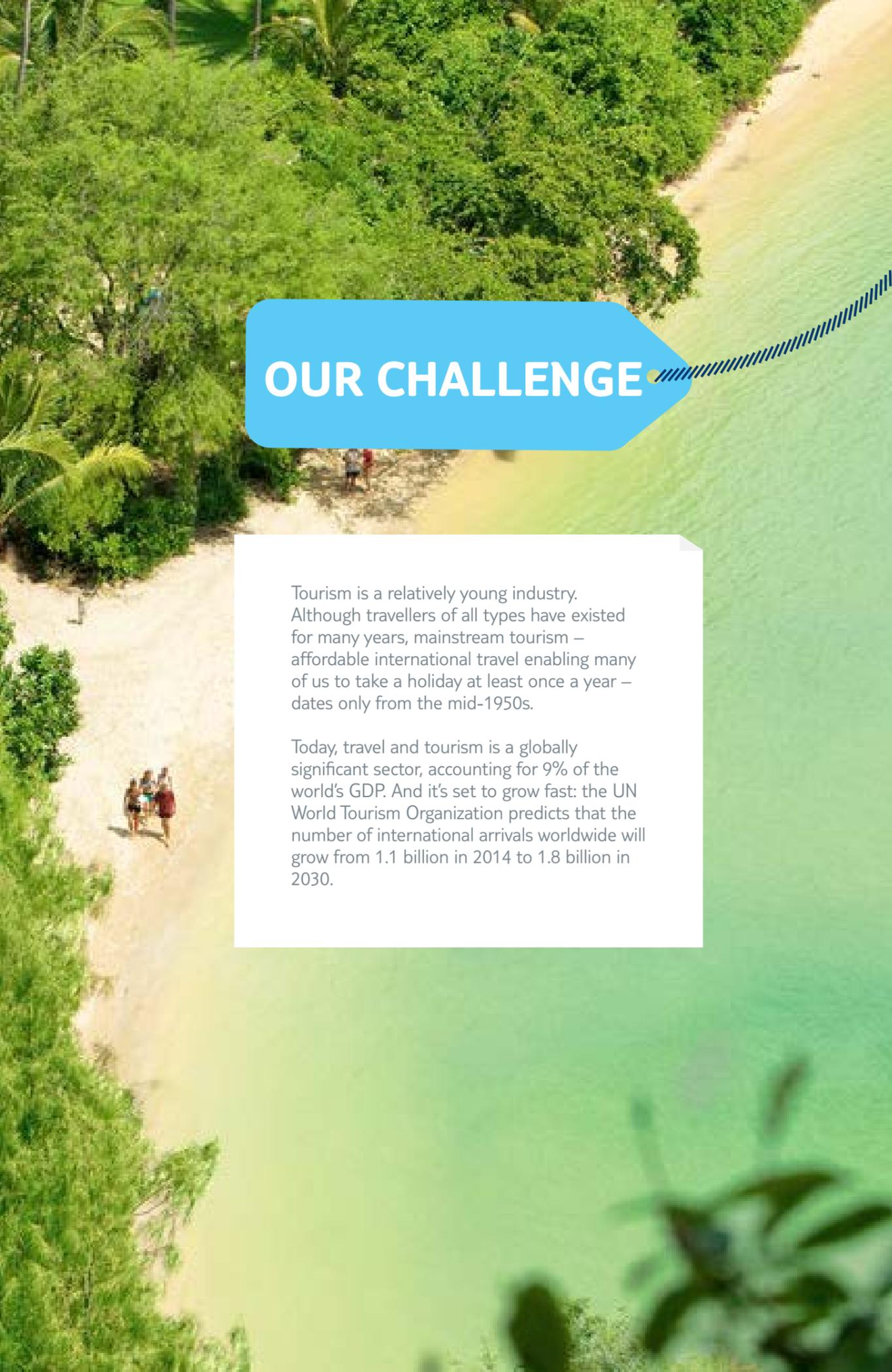


### FTSE4Good

TUI is listed on the FTSE4Good Index in recognition of our transparency and for meeting strict social, environmental and governance standards.

### Other indices

TUI is also listed in the sustainability indices Ethibel Excellence Index, ECPI Ethical Index Euro and STOXX Global ESG Leaders Indices.



## OUR CHALLENGE

Tourism is a relatively young industry. Although travellers of all types have existed for many years, mainstream tourism – affordable international travel enabling many of us to take a holiday at least once a year – dates only from the mid-1950s.

Today, travel and tourism is a globally significant sector, accounting for 9% of the world's GDP. And it's set to grow fast: the UN World Tourism Organization predicts that the number of international arrivals worldwide will grow from 1.1 billion in 2014 to 1.8 billion in 2030.

## TOURISM AND THE ECONOMY

Tourism has been credited with many positive impacts, from economic growth and the promotion of emotional and physical wellbeing to being a force for world peace, tolerance and understanding.

We know that tourism is the main source of foreign exchange in one-third of developing countries\*, making it an important tool to help people out of poverty. Our industry employs 277 million people across the world – that's one in every 11 people in work\*\*.

Tourism also generates significant indirect and induced economic benefits in a ripple effect across the world.

But the socio-economic impacts of tourism are much more complex than this top-level analysis would suggest. The localised socio-economic impacts of tourism can be multifaceted, and vary considerably depending on the context.

Our measuring the impacts of tourism project (see page 17) is a major step in understanding the complex impacts of our industry. We hope it will help shape the way we and other businesses in our industry operate in the future.

## TOURISM AND THE ENVIRONMENT

Our industry has a significant carbon footprint, accounting for 5% of global carbon emissions. Half of that footprint is attributable to aviation, making fuel reduction (and, in the longer term, finding more sustainable alternatives to aviation fuel) a critical challenge for travel and tourism.

We face additional environmental challenges at a local level. Water, for example, is likely to become increasingly scarce in the coming years in some destinations – and the waste generated by tourism needs to be managed to ensure it does not create a problem for destinations.

\* UNEP, 2014

\*\* UNWTO, 2015

Our core product is the quality of customers' holiday experiences. These experiences are dependent on beautiful biodiverse destinations, thriving communities, predictable weather and personal comfort.

The World Economic Forum considers climate change, water and unemployment to be among the top ten global risks in terms of likelihood and impact for the next ten years – all factors that would threaten the quality of our holidays.

That means reducing our carbon footprint and tackling local environmental challenges are not only good for the planet and local people – they are critical to the future success of travel and tourism.

## MEETING OUR CHALLENGES

TUI Group's response to our socio-economic and environmental challenges can be found throughout this document. We seek to lead the way through practical examples wherever possible, and our work is guided by this conviction. Tourism is a force for good, and we can make it even better.

Better Holidays, Better World.

# OUR APPROACH

We are the world's leading tourism business, with a real opportunity to shape the future of sustainable tourism.

Over the past year we have engaged with key stakeholders – those who have an interest in our company and its activities – from inside and outside TUI Group, to help us define and improve our sustainability strategy.

We asked them several specific questions about our impacts, activities, and how we can work with others to make a difference. But the overall question we sought to answer was this: how can the world's leading tourism business show real leadership in sustainable tourism?

Their responses helped us to shape Better Holidays, Better World, which sets out TUI's sustainability ambitions for 2020.

In the past decade, TUI has invested substantially in programmes with suppliers and community stakeholders to boost local economic spend – but we know there is much more to learn about how to measure and manage our impacts.

We partnered with PricewaterhouseCoopers (PwC) and the Travel Foundation to pilot a new, holistic method to measure the impacts of tourism. This project helped us to identify many of our material impacts (see page 17).

## BETTER HOLIDAYS, BETTER WORLD FRAMEWORK

Our research showed there were three levels of influence in which TUI Group needs to make an impact.



### 1. STEP LIGHTLY

We have the greatest level of control over our airlines, hotels, cruises, coaches, shops and offices. So the clear starting point for Better Holidays, Better World is to reduce the environmental impact of our operations.

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

### 2. MAKE A DIFFERENCE

Our products are the special and memorable holidays we deliver for our customers. Although many of our hotels and excursions are managed by partners and suppliers, we can still exert a strong influence over the sustainability impacts of our holidays, including the way we engage customers and colleagues in sustainable tourism.

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

### 3. LEAD THE WAY

We believe we should use our influence to drive sustainability throughout travel and tourism. We want to be at the forefront of innovation and investment into sustainable tourism, and to spread the word throughout our industry and beyond.

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

“ It is great to see TUI set out its ambitions for the next five years. This is an important milestone on its leadership journey - it is modelling not only making a positive difference in its own business, but in the wider world. Through 'Leading the Way' TUI takes responsibility for their wider operating context and playing a key role in shaping the tourism industry of the future - that is real leadership. ”

*Stephanie Draper,  
Director of Systems Innovation,  
Forum for the Future*

# THE CUSTOMER JOURNEY

We want to make sure that every holiday we offer contributes to a better world, and we can only do that by working to increase our positive impacts and decrease our negative impacts across the whole customer journey.



# betterholidays betterworld



“ Thank you to the many internal and external stakeholders who have contributed to the creation of the 2020 ‘Better Holidays, Better World’ strategic commitments and framework.

As the worlds largest tourism business, we recognise our responsibility to pioneer and influence change for more sustainable tourism. We do not underestimate the sustainability challenges that lie ahead for us and for the wider industry as international tourist arrivals grow from 1.1 billion in 2014 to 1.8 billion in 2030.

Better Holidays, Better World is our response to these challenges and we are delighted to see that tourism will also play an important role in the new UN Sustainable Development Goals.

We welcome your feedback on our plans and our performance, as well as your collaboration in making it a reality. Contact us on [sustainability@tui.com](mailto:sustainability@tui.com) ”

Jane Ashton,  
Director of Sustainability, TUI Group

# BETTER HOLIDAYS, BETTER WORLD

## AMBITIONS BY 2020

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

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

We will invest **€10 million** per year by 2020 to enhance the positive impacts of tourism, creating the TUI Care Foundation to support this work

## COMMITMENTS BY 2020

- 1) We will drive environmental improvements across our aviation operations
- 2) We will drive environmental improvements across our cruise operations
- 3) We will drive environmental improvements across our ground operations
- 4) We will work with hotel suppliers to increase their positive impact on the local community and to protect the environment
- 5) We will showcase world-class sustainability standards across our own TUI hotels and concept partner hotels
- 6) We will help customers and colleagues to create positive change
- 7) We will innovate for a more sustainable future for tourism, and share our findings with the industry
- 8) We will invest in youth, tourism skills and education to create employment opportunities in our source markets and destinations
- 9) We will collaborate with destinations on the sustainable management of tourism

 **step lightly**

Reducing the environmental impact of holidays

 **make a difference**

Creating positive change for people and communities

 **lead the way**

Pioneering sustainable tourism across the world



**step  
lightly**

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

## REDUCING THE ENVIRONMENTAL IMPACT OF HOLIDAYS

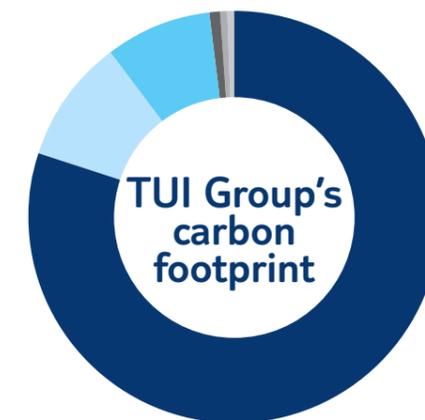
Climate change is a critical global challenge and the next five to 10 years will be key for reducing global emissions and moving towards a lower carbon economy.

As a company with a substantial carbon footprint – a total of 6,879,976 tonnes of carbon dioxide in 2014 – we acknowledge the necessity to transition to a lower carbon economy and we will continue to reduce the environmental impacts of our operations.

Managing our carbon footprint makes good business sense for TUI. In the short term, reducing energy and fuel use saves us a sizeable amount of money. Across TUI, improved management of energy, natural resources and fuel saved a total of €53 million between 2012 and 2014.\*

In the long term, combating climate change will be critical for our industry as a whole. We need to continue to sell quality holiday experiences, which rely on beautiful biodiverse destinations, thriving communities, stable weather systems and personal comfort. All of these are threatened by climate change.

Our carbon management programme covers aviation, hotels, cruise, offices, retail shops and ground transport emissions. These areas of our business each have clear and stretching targets for improvement.



<b>Airlines &amp; Aviation</b>	<b>80.2%</b>
Hotels & Resorts	9.6%
Cruise	8.4%
Other**	0.9%
Major Premises	0.5%
Ground Transport	0.4%

Aviation accounts for over 80% of our carbon footprint, and a key area of focus is therefore on reducing the climate impact of our TUI airlines. We already operate the most carbon-efficient airlines in Europe, have a strong history of backing new, carbon-saving technologies, and support progressive climate policies for aviation.

But we can achieve more, and TUI Group has strong climate-related commitments from 2015 to 2020.

\* An approximate figure of TUI Travel savings that have been tracked, gross of any upfront investments required to achieve those savings in 2012, 2013 and 2014. Part of previously identified cost savings.

\*\*Indirect emissions from our value chain including business travel by air.

# AVIATION

TUI Group owns or manages more than 130 aircraft across six airlines, making us Europe's 7th largest airline fleet. Our airlines accounted for around 80% of our carbon footprint in 2014, and mitigating the climate impact of aviation is one of our most significant sustainability challenges.

Global aviation is a growing industry with a substantial carbon footprint. Aviation's long-term challenge is to find a more sustainable alternative to kerosene, the fuel used for air travel, and we are actively involved in several programmes and partnerships that are pursuing sustainable aviation fuels.

Although there has been significant progress in recent years, sustainable fuels are not yet financially competitive with kerosene.

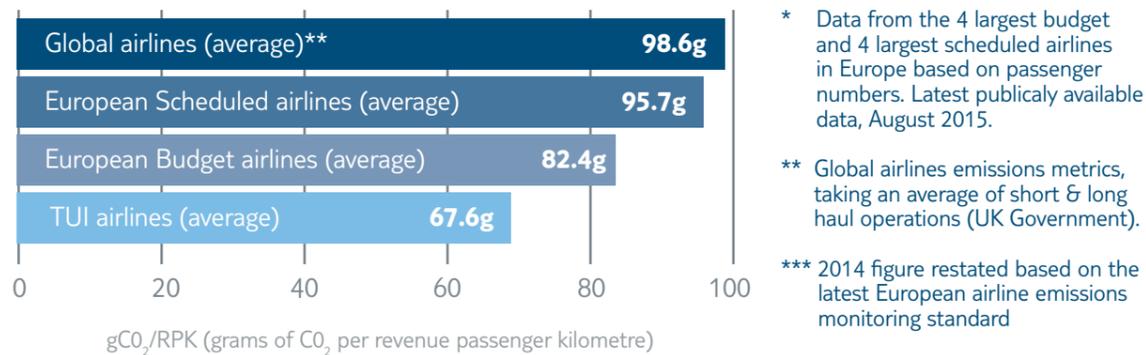
That means our first priority must be to continue reducing fuel consumption as much as possible before new fuels become commercially available.

We are leading the way by showing that more efficient flying is possible: TUI airlines already emit 30% less carbon dioxide than the industry norm (see chart below), and we have set stretching goals to reduce our emissions further by 2020.

We believe that a global solution is needed to manage the carbon emissions of the travel and tourism sector. We welcome the work of the International Civil Aviation Organisation (ICAO), which is committed to developing a global market-based mechanism for aviation by 2020.

## WHERE WE ARE

### TUI airlines' carbon efficiency versus the largest airlines in Europe\*



- We have reduced our airlines' CO<sub>2</sub>/RPK by more than 10% over the last six years. We did this by investing in more fuel-efficient aircraft, identifying ways to conserve fuel, and flying with higher passenger capacities.
- TUIfly was named 'most climate-efficient airline in the world with 1 million passengers' for the second year in a row in the 2014 atmosfair Airline Index, and Thomson Airways won 'best aviation programme for carbon reduction' at the 2014 World Responsible Tourism Awards.



## DREAMLINER

We are the only integrated tourism business to fly the Boeing 787 Dreamliner, which emits around 20% less carbon dioxide per passenger kilometre than comparable aircraft. It also produces considerably less noise pollution – around 60% less than the aircraft it replaces.

We operate eight 787 Dreamliner planes, and this will expand up to 17 aircraft by 2019. In 2014 we carried one million long-haul passengers on the Dreamliner and received exceptional feedback from our customers on their experience.

## COMMITMENTS

1) We will drive environmental improvements across our aviation operations

- We will reduce TUI airlines carbon emissions per passenger km by 10%
- All TUI airlines will be ISO 14001 certified
- Our airlines will source food, beverages and other supplies responsibly
- We will segregate cabin waste and work with destination airports to improve waste management and recycling

# CRUISE

Cruise holidays are growing in popularity. In 2014, the global cruise industry carried around 22 million passengers on over 500 ships. Cruise ships represent approximately 0.5% of the global shipping industry which has over 99,000 ships.

Cruise operations come with their own sustainability challenges. Chief among them are carbon dioxide emissions. Cruise ships also emit sulphur and nitrogen particles and other fine particulate matter, causing air pollution.

Passengers on a cruise generate as much waste as tourists on land, the challenge for cruise ships is to manage these amounts on a relatively small area of the vessel. Therefore waste prevention and effective waste management are crucial tasks for the crew and management.

The cruise industry could be seen as a forerunner within the shipping industry in applying state of the art and innovative environmental technologies. Our cruise operations are playing their part to make the industry more sustainable. We are constantly improving the environmental performance of our fleet and investing in new, more fuel-efficient ships as we grow.

TUI Group operates 13 cruise ships across our three brands:

- TUI Cruises, a joint venture with Royal Caribbean, featuring premium, all-inclusive holidays
- Hapag-Lloyd Cruises, consisting of a fleet of luxury and expedition ships
- Thomson Cruises, offering a wide range of great value cruises

## WHERE WE ARE

- TUI Cruise's Mein Schiff 4 has been ranked the most environmentally efficient cruise ship operating in the market by the German Nature and Biodiversity Union (NABU) in 2015.
- Hapag-Lloyd Cruises' newly-built MS EUROPA 2 is equipped with a catalyst that reduces nitrogen oxide emissions by almost 95% and partially filters soot. It was the first cruise ship to be awarded Energy Efficiency Design Index (EEDI) certification by Germanischer Lloyd.
- Thomson Cruises reduced carbon dioxide emissions per passenger night by 24% between 2007 and 2014 by making changes to cruise itineraries and retrofitting its ships with energy-saving technologies.



## TUI CRUISES LAUNCHES CARBON-EFFICIENT SHIPS

TUI Cruises launched Mein Schiff 3 in 2014 and Mein Schiff 4 in 2015, cruise ships with exceptional environmental credentials. They are 30% more energy efficient than comparable ships and set a new standard for the industry.

The ships save fuel through a combination of the latest environmental technology and strict environmental management practices. A smart on-board energy management system, efficient air conditioning, innovative lighting controls and the use of waste heat from the engines all contribute to a significantly reduced carbon footprint.

Mein Schiff 3 and 4 also produce up to 99% fewer sulphur emissions through new systems that treat exhaust fumes before releasing them into the air.

## COMMITMENTS

2) We will drive environmental improvements across our cruise operations

- We will reduce carbon emissions per cruise passenger night by 10%
- All TUI cruise ships will be ISO 14001 certified
- Our cruise operations will make improvements in water consumption, waste management, and sulphur and nitrogen emissions

## GROUND OPERATIONS

TUI's ground operations consist of approximately 70 major office premises, 300 hotels, 1,800 retail shops and 300 transport vehicles.

Together, our ground operations make up 11% of our total carbon emissions, the majority of which is from TUI hotels (see page 14 for details of our plans for hotels).

Although offices, shops and ground transport make up just 2% of our total emissions, they are an important part of our carbon reduction programme. We have made significant carbon reductions in the past few years, especially through energy-saving initiatives in retail shops and reduction in printed brochure pages.

### WHERE WE ARE

- We reduced total carbon dioxide emissions from our retail shops by 25% between 2012 and 2014.
- Through more efficient use of our coach fleet, we made a substantial reduction of 22% in total carbon dioxide emissions in the same period.
- Between 2012 and 2014 we reduced carbon dioxide emissions from the manufacturing of brochures by 51%, printing 8.2 billion fewer brochure pages. We are making reductions in customer printed materials. One of the new technologies allowing us to make these significant reductions is the TUI Digital Assistant app, a 'one stop shop' for customers that has been downloaded over a million times.

### COMMITMENTS

3) We will drive environmental improvements across our ground operations

- We will reduce carbon emissions from our offices, retail shops and brochures by 20%
- Our hotels will reduce carbon emissions per guest night by 10%
- Our ground transport fleet will reduce carbon emissions per kilometre by 10%

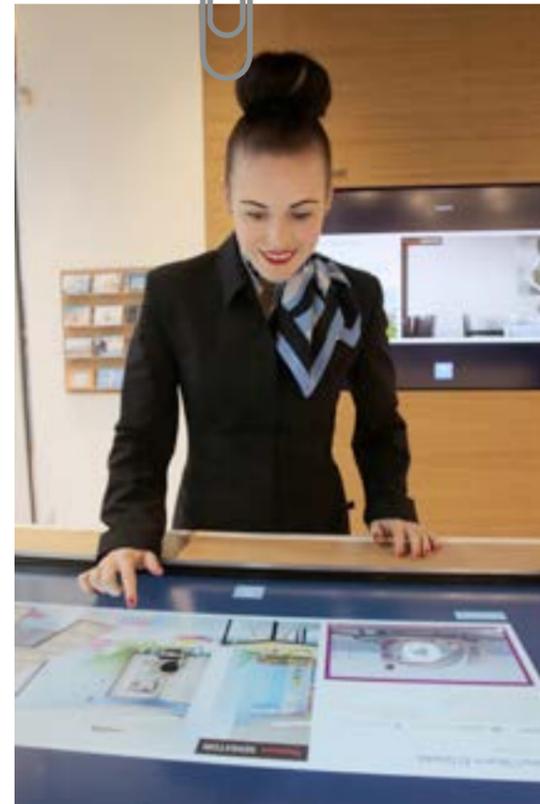


### TUI UK & IRELAND ROLLS OUT ENERGY DASHBOARD

An energy dashboard was rolled out to all Thomson and First Choice shops, giving a simple, real-time indication of how each shop is performing against its energy targets.

The dashboard has helped reduce carbon dioxide emissions by 24% over three years – and, when shop managers were asked to respond to regular updates to change employees' behaviour, we saw a 19% reduction in carbon in a single year.

The installation of the dashboards was one of the reasons that TUI UK & Ireland achieved ISO 50001 certification for energy management in January 2015. We are one of only approximately 100 companies in the UK to achieve the certification.



### ULTRAMAR TRAINS DRIVERS IN FUEL-EFFICIENT TECHNIQUES

Ultramar, our largest ground transport company, based in Spain and carrying 10 million passengers per year, has several measures in place to improve fuel efficiency. These include training drivers on more efficient driving techniques, investing in new, fuel-efficient vehicles, and installing satellite navigation in all vehicles for route optimisation and to monitor fuel consumption.





make  
a difference

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

## CREATING POSITIVE CHANGE FOR PEOPLE AND COMMUNITIES

Beautiful biodiverse and unique destinations are the heart of our holidays, and we are proud of the role our industry plays in protecting and preserving them. Tourism can be a real force for good, from generating the transfer of wealth to promoting cultural understanding and tolerance.

But we know that travel and tourism can also have unintended negative consequences. Water, for example, is likely to become increasingly scarce in the coming decades and waste management is a challenge in many destinations.

We rely on thriving communities to welcome our customers in destinations. That means it's important that the benefits of tourism reach the local community, in the form of jobs and educational opportunities and human rights are protected along our value chain.

One of our key areas of focus is the hotel – the largest component of the holiday experience. Our expectation of hotels that work with us is that they will commit to social and environmental good practice. This expectation is based not only on our commitment to sustainable tourism, but also on good business sense. Reducing the consumption of energy and water saves money for hoteliers, and TUI customer surveys indicate that our most sustainably-managed hotels deliver higher quality and customer satisfaction.

We believe that sustainability can enhance the holiday experience for our customers. TUI Group's market research shows that customers value learning about the country and its people. We have created a set of exclusive excursions called the 'Collection', giving customers a true taste of the destination with great feedback from customers.

## HOTELS

TUI Group works with over 5,000 hotel suppliers around the world. We own or manage over 300 of these hotels, and our global portfolio of over 210,000 beds includes the key hotel brands RIU, ROBINSON, TUI MAGIC LIFE and TUI Blue.

In addition, we work closely with partners on around 200 'international concepts' – including Sensatori, SENSIMAR and Family Life – that are designed for specific customer segments.

Our hotels are the driving force for improving our sustainability performance in our destinations. Each of them plays a significant role in managing our impacts on the local community, economy and environment.

The best way for us to make tourism more sustainable is to offer 'greener and fairer' holidays. A 'greener and fairer' holiday is one that includes a hotel with a credible sustainability certification recognised by the Global Sustainable Tourism Council (GSTC), demonstrating that the hotel cares for the environment, their employees and the local community.

Hoteliers who wish to work with us are expected to achieve a credible sustainability certification. We go even further with our TUI hotels and international concepts: sustainability is built into the concept specification of these hotels, and we set specific sustainability targets.

## WHERE WE ARE

- We have incorporated environmental and social minimum standards into contracts with hotel suppliers and developed a Supplier Code of Conduct.
- Between 2012 and 2014, we took 11.5 million customers on 'greener and fairer' holidays that included a hotel with a credible sustainability certification.
- Over half of TUI hotels and our concept partner hotels currently have a sustainability certification that is recognised by the Global Sustainable Tourism Council (GSTC).
- Since 2007, we have lent support to the Travelife sustainability certification scheme. TUI is the largest supporter of Travelife, playing an active role on the Travelife Board, and in 2014 we helped to develop new, stricter criteria for the scheme.
- We have also begun to monitor and improve the local economic contribution of our hotels. Information provided by 170 hoteliers shows that 58% of employees are from the local region, and that 45% of the food served is from the same area.

## COMMITMENTS

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

- All hotels in our tourism business portfolio will subscribe to credible sustainability certifications

## COMMITMENTS

5) We will showcase world-class sustainability standards across our TUI hotels and concept partner hotels

- We will develop and roll out the TUI EcoResort standard to drive exemplary sustainability performance
- We will develop a support forum for hotels to share sustainability learnings and drive improvements
- Our hotels will include innovative environmental technologies, invest in skills training for staff, develop local skills, and favour local sustainable procurement



**make**  
a difference



### ROBINSON CLUB REDUCES CARBON IN MALLORCA

Heat production in the ROBINSON Club Cala Serena in Mallorca is saving significant amounts of carbon. Three 200-kW biomass boilers generate hot water, heating and pool heating. Thanks to the installation of a wood pellet system, around 220,000 litres of conventional heating oil are saved every year.



### SENSATORI SOURCES LOCALLY IN MEXICO

Our Sensatori hotel in Mexico is supporting a beekeeping community that sells honey-based products to local hotels. They have also supported our Jungle Jams project, run in conjunction with the Travel Foundation. Mayan women from the remote community of Chumpon are earning an income selling jam to this hotel (and others in the area), giving visitors a taste of the real Mexico.



### RIU PRESERVES BIODIVERSITY IN COSTA RICA

RIU has set up a private conservation area in Costa Rica, covering 200 hectares of land in the coastal mountain range of Matapalo, close to two RIU hotels. The reserve has been established by working in partnership with public and private entities and hopes to become an example of successful local management of natural resources.

The site is part of a biological corridor called Chorotege, helping to maintain vital links between the nature conservation areas. The reserve is home to more than 250 plant and animal species, some of them facing extinction.

A detailed management plan has been drawn up, setting out all the measures and activities to be undertaken, including combating illegal hunting and preventing forest fires.

## CUSTOMERS AND COLLEAGUES

We believe our role as a tourism business is to help our 77,000 colleagues and 30 million customers discover their smile by making the link between sustainable holidays and a better holiday experience.

It's beginning to work: customer demand for more sustainable holidays is on the increase.

Research undertaken by the Federal Ministry of the Environment in Germany in 2015 found that 61% of consumers want to book a sustainable holiday. TUI Group marketing research found a similar trend, establishing that half of all customers surveyed would be willing to book a more sustainable holiday if one were available.

### COMMITMENTS

6) We will help customers and colleagues to create positive change

- We will communicate about sustainability throughout the customer journey
- Our colleagues will be ambassadors for sustainability
- Our destination management companies and excursions will meet our sustainability standards

## WHERE WE ARE

- Customers in five of our six key source markets rank us as the leading holiday company for sustainability.
- Many TUI tour operators explicitly identify and promote 'greener and fairer' holidays as part of their portfolio.
- We communicate with customers on sustainability throughout their holiday journey, helping them to take simple and meaningful actions that make a difference. We engaged more than 6 million holidaymakers between 2012 and 2014 via

initiatives such as sustainability activities in Kids' Clubs, sustainable excursions and customer donation schemes.

- In July 2015, TUI Group supported the Travel Foundation's Big Holiday Beach Clean, part of Make Holidays Greener month. Our colleagues organised beach cleans in over 50 destinations, involving over 1,300 colleagues and holidaymakers and collecting 1,000 bags of rubbish



make  
a difference



## TUI EXCURSIONS WITH A LOCAL FLAVOUR

The Collection is a set of exclusive excursions that have been developed by TUI and tailored to give customers a true taste of the destination. They were launched in 2014 and are now offered by the majority of our tour operators.

Each excursion in the Collection must be exclusive to TUI and meet specific criteria for

sustainability (based on ABTA's sustainable excursion criteria), showing that it is bringing benefit to local people and minimising its impact on the environment.

Over 84,000 customers enjoyed these excursions last year, and customer satisfaction research showed that they valued the 'sustainability' and 'local flavour' aspects most of all.



lead  
the way

**We will invest  
€10 million per  
year by 2020 to  
enhance the positive  
impacts of tourism,  
creating the TUI  
Care Foundation to  
support this work**

## **PIONEERING SUSTAINABLE TOURISM ACROSS THE WORLD**

TUI Group is the world's leading tourism business. We believe that means we have a unique responsibility towards our industry. Our scale gives us the resources, reach and credibility to build the resilience and positive impacts of travel and tourism.

Our role in driving sustainable tourism is to support our suppliers and customers and influence our whole industry towards a more sustainable way of operating.

To achieve this, we need cutting-edge research that allows us to understand our impacts – both positive and negative – and the most impactful actions we can take to enhance the benefits of tourism. TUI Group partnered with PricewaterhouseCoopers (PwC) and the Travel Foundation to pilot a new, holistic method of impact measurement which quantifies and values the economic, tax, environmental and social impacts of tourism, called TIMM (Total Impact Measurement and Management).

The project focused on 60,000 customers in eight hotels used by TUI in Cyprus in 2013, and found that TUI Group's net impact on destinations is overwhelmingly positive, with very significant economic and tax benefits of €84 per guest per night. This far exceeded the negative environmental (-€4) and social (-€0.2) costs.

The project identified three clear areas for TUI to maximise its positive impacts on destinations:

- Increase local sourcing of food and beverages in our hotels and facilitate greater access to our customers for local businesses and service providers.
- Support skills development and training for those working in our hotels, particularly through work placements for tourism and hospitality students.
- Influence destination governments on sustainability, encouraging them to protect biodiversity, their local environment, communities and culture.

To find out more about the TIMM project, read the full report [here](#) or watch a short video [here](#)

To make progress in these areas we will invest €10 million per year by 2020 into major projects and strategic partnerships with destinations to drive forward our understanding and actions in this area. We will create the TUI Care Foundation to facilitate much of this work.

By innovating and collaborating to tackle the industry's biggest challenges, we believe we will help to future proof our own business and tourism across the world.

## INNOVATION

To achieve our aims we need to innovate in all areas of our business – aviation, hotels, and the measurement of our own impacts.

Many of the initial ideas for our sustainable tourism projects come from our colleagues at TUI Group, who understand the workings of our industry better than anyone else. We intend to take a collaborative approach to our innovation projects, involving colleagues and other stakeholders wherever we can.

TUI Group has committed to leading our industry in innovation for sustainable tourism. That means we will pilot projects within our operations where possible, replicate the successful pilots across our business, and encourage the wider industry to adopt them as well.



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## WHERE WE ARE

- TUI has been first in line to adopt new aviation technologies that reduce fuel use. TUI airlines were the launch customers for the Boeing 787 Dreamliner, which has 20% lower CO<sub>2</sub>/RPK than comparable aircraft, in the UK, Belgium and the Netherlands. We are also the first airline in Europe to use innovative split scimitar winglets on our aircraft, reducing fuel burn by up to 2%.
- In 2012, we ran a Green Ideas Factory competition, asking for colleagues' ideas on how we could green our business. We received over 120 ideas from 18 countries and nearly 1,500 colleagues voted for their favourite idea. We implemented ideas across the business, from aviation and hotels to digital innovations. For example, in early 2014 Jetairfly introduced one of the winning submissions: electric cars for ground colleagues at Brussels Airport.

## COMMITMENTS

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

- We will investigate the holistic impacts of holidays and develop strategies to minimise the negative impacts and maximise the positives
- Our airlines, cruise operations and hotels will pilot cutting-edge sustainability technologies and practices
- We will collaborate on projects and partnerships to help scale up sustainable aviation fuels



## TUI PARTNERS WITH BOEING TO REDUCE CARBON EMISSIONS

We partnered with Boeing for a phase of their ecoDemonstrator Programme, which aimed to accelerate the development and testing of environmental technologies to reduce noise and carbon emissions from commercial aviation.

As part of the project, our airline colleagues held dedicated workshops to come up with initiatives to test on the plane.

New technologies being tested include a wing coating that can protect the leading edge from insects sticking to it, thereby reducing drag on the aircraft. In partnership with NASA, the Boeing team also tested green diesel (a blend of jet fuel with green diesel made from material that included waste animal fats and used in cooking oil).

The first test flight took off from Seattle in March 2015, and trials continued throughout the summer. The plane was dismantled and recycled in September using new methods to maximise the value of the materials for aerospace and other industries.

# SKILLS AND EDUCATION

Travel and tourism is responsible for one in 11 jobs globally – that's five times more than the global automotive industry.

Working in tourism can provide a way out of poverty for many, providing a clear skill set and relatively stable employment.

Our TIMM research (see page 17) identified skills development and training for hotel workers as one of the best ways for TUI to enhance its socio-economic impact in destinations. In particular, it highlighted the need for work placement for students working towards qualifications in the hospitality industry.



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## WHERE WE ARE

- In Tunisia we partnered with the German development agency GIZ to support a major project which focused on training hotel managers, working with hotel schools, and promoting tourism employment opportunities for women.
- The TUI Stiftung in Germany runs the Impact4Jobs project, which analyses existing models for combating youth unemployment to find out if they can be transferred to other countries.
- Over one million UK schoolchildren have been engaged in sustainable tourism through TUI's Eco-traveller education programme since 2011.

## COMMITMENTS

8) We will invest in youth, tourism skills and education to create employment opportunities in our source markets and destinations

- We will work with vocational institutions and suppliers to increase tourism skills and support local employment in destinations and source markets
- We will support schools, colleges and universities so that young people and tourism students gain a real understanding of sustainable tourism



## ROBINSON CLUB INVESTS IN TOURISM SKILLS

ROBINSON Club are involved with hotel training schools in Morocco, Turkey and Greece.

In 2008, the ROBINSON Club Agadir established a Hotel Management School with the German development agency (GIZ) and Moroccan Ministry of Education, offering one-year courses for Moroccan students. Over 400 students have been trained, with 60% gaining employment at the hotel.

ROBINSON Club Pamfilya offers vocational training for young people aged 17-23 who would like to work in front-of-house, housekeeping, or as bar and kitchen staff. Since 2008, 250 students have taken part in the vocational training on offer at the hotel, offered in partnership with the Turkish Ministry of Education and Hanover's Chamber of Trade and Industry.

In Greece, Robinson Club Daidalos in Kos is a partner of the Mentoring Dual International Project (MENDI) which provides high quality apprenticeships in the catering and hotel sector. Since 2013, more than 200 training places have been created in around 50 hotels in Greece.

## COLLABORATION

TUI can only continue to bring positive socio-economic impacts to a destination if that destination maintains an attractive local environment, a welcoming culture, and appropriate amenities for tourism.

We believe it is our role to influence and work in partnership with destination stakeholders to ensure that they safeguard these assets for future generations.

Recent UN research shows that only 34% of countries said that their tourism sector was guided by a 'sustainable tourism' policy – so there is a real opportunity for us to support the inclusion of sustainability considerations into tourism planning.

With the creation of the TUI Care Foundation, we will actively pursue projects and partnerships in areas such as youth and education, environmental protection and sustainable tourism.



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## WHERE WE ARE

- We work in partnership with communities, governments and other organisations to enhance the sustainable management of destinations and demonstrate the positive impact that tourism can have. Our partners include the Global Sustainable Tourism Council, the Dutch Association of Travel Agents & Tour Operators, Deutscher ReiseVerband, the UK's travel industry association ABTA, German development agency GIZ, and the Travel Foundation.
- TUI is on the Board of the Global Sustainable Tourism Council (GSTC) and we encourage destinations to participate in their destinations programme.
- We are also part of the sustainable tourism task force of the UNEP ten-year framework for sustainable consumption and production, adopted at the Rio+20 conference.

## COMMITMENTS

- 9) We will collaborate with destinations on the sustainable management of tourism
- We will help to integrate sustainability into the tourism strategy and frameworks of key destinations
  - We will invest in strategic destination projects at scale that enable local communities to benefit from tourism



## DESTINATION PROJECTS WITH THE TRAVEL FOUNDATION

TUI has a longstanding partnership with the Travel Foundation, a sustainable tourism charity. We collaborate on strategic projects that address the sustainability issues facing our industry.

For example:

- In Cape Verde, we helped to set up a destination council to tackle sustainability issues, leading to the development of programmes on crafts, excursions and better beaches.

- We have been working with the Travel Foundation in Cyprus on projects including the integration of minimum sustainability standards into the island's national hotel quality rating system.
- In Jamaica, we are supporting projects to develop cultural excursions and boost tourist expenditure in Montego Bay.
- We supported the development of an online best practice tool for whale shark guides, which is now a mandatory requirement for all whale shark guides in the Quintana Roo region of Mexico.



For more information about  
sustainability at TUI Group, visit:  
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