



Sustainable Holidays Report 2013

Spreading smiles










How to use this report

Welcome to the TUI Travel Sustainable Holidays Report 2013.

Highlighting performance from the 2013 financial year
(1st October 2012 to 30 September 2013).




This interactive PDF allows you to access information easily, search
for a specific item or go directly to another page, section or website.

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Links in this PDF

These icons are dynamic links – clicking on
them will take you to further information
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Tell us what you think:

We're keen to hear what you have to say about this report.

Please email your views to @sustainabledevelopment@tuitravel.com



Welcome

"Welcome to TUI Travel's second report on progress against our three-year, Group-wide Sustainable Holidays Plan.

TUI Travel is a significant player in leisure tourism and, like many leading businesses, we recognise that our stakeholders expect us to act as a catalyst for positive sustainability action across our industry.

Now more than ever, we need to spearhead change at scale. Recent reports from the Intergovernmental Panel on Climate Change, World Economic Forum and World Resources Institute show that the impacts of carbon and water use will be amongst the world's most severe challenges over the coming decades – and tourism is dependent on both.

We need to support our supply chain

TUI Travel has delivered 5.8 million 'greener and fairer' holidays to customers since 2012, proving that we can drive meaningful change within mainstream tourism. But although our suppliers achieved sustainability certification at a faster rate in 2013 than in 2012, there is much more to do before we reach our target of 10 million 'greener and fairer' holidays.

We need to drive greater carbon reduction in aviation

Our airlines lead the aviation sector in terms of carbon efficiency and we over-achieved on our airline carbon targets, reducing CO₂ per passenger kilometre by 9.3% in five years. But we're still at the forefront of the efforts to drive greater carbon savings, partnering with Boeing to test innovative, carbon-saving technologies as part of their ecoDemonstrator programme.

We need to support destinations to plan for the future

Evidence from the past year shows that too many destinations are failing to build sustainability into their long-term tourism strategies. We are working with The Travel Foundation in Cyprus, supported by PricewaterhouseCoopers, to map a holistic picture of how holiday operations contribute to the economy, public finances, the environment and wider society. We hope that this pioneering project will inform future tourism strategy – for all partners involved, and beyond.

There are significant challenges ahead. But I believe that our track record in driving change, and our determination to push for greater positive impact, will mean that TUI Travel can continue to make mainstream holidays greener and fairer for everyone, bringing to life our Company value of 'Responsible Leadership'."

Peter Long, Chief Executive





TUI Travel at a glance

TUI Travel PLC (referred to in this report as 'TUI Travel' and 'the Group') is one of the world's leading leisure travel groups, with over 220 trusted brands in 180 countries and more than 30 million customers. From the most popular holiday brands to an unparalleled collection of specialist travel providers, we offer the breadth and depth of experiences and expertise for every conceivable type of traveller.

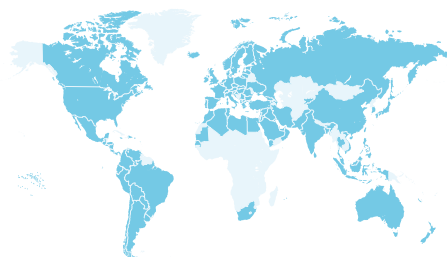
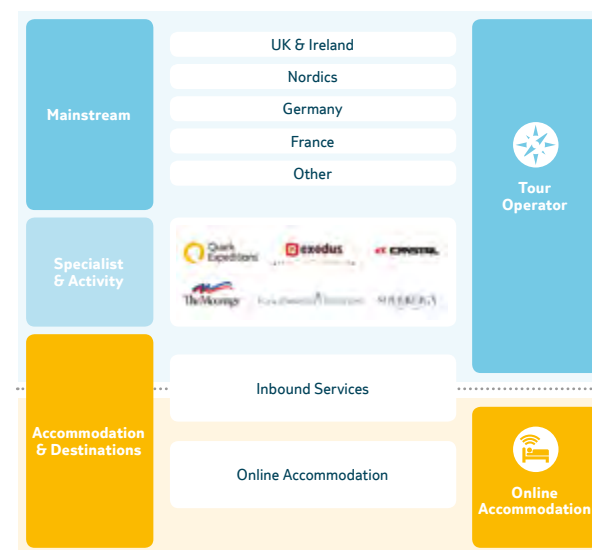
'Making travel experiences special' underpins everything we do and keeps our focus on providing the unrivalled choice, professionalism and confidence our customers and stakeholders can rely on, now and in the future.

Our business is grouped into three principal sectors: Mainstream, Specialist & Activity and Accommodation & Destinations. The businesses within our sectors follow either the Tour Operator or Online Accommodation business model depending on which market they address.

We are a truly global business, employing approximately 55,000 people and operating in 31 key source markets worldwide. As a dynamic, influential company we are committed to responsible leadership in the travel sector. Our head office is in the UK and TUI Travel PLC is listed on the London Stock Exchange as a member of the FTSE 100 and FTSE4Good indices with the ticker code TT.

For further information about TUI Travel, visit:

 www.tuitravelplc.com



OUR 31 KEY SOURCE MARKETS ARE:

Australia	Finland	Mexico	Spain
Austria	France	The Netherlands	Sweden
Belgium	Germany	New Zealand	Switzerland
Brazil	Hungary	Norway	Thailand
Canada	India	Poland	Ukraine
China	Ireland	Russia	United Kingdom
Czech Republic	Italy	Singapore	United States
Denmark	Luxembourg	Slovenia	



Highlights

£28m

amount saved through environmental efficiencies in 2012 & 2013*



70.7g

of CO₂ emissions per revenue passenger kilometre (RPK) across TUI Travel airlines – making our airlines some of the most fuel efficient in Europe



TUI Travel airlines reduced CO₂ per passenger km by

9.3%

in five years

TUI Travel airlines reduced total annual CO₂ emissions

by **15%** over 5 years (emitting 1 million tonnes of CO₂ less in 2013 compared to 2008)

Investment in clean energy and energy efficiency projects delivered over

1.2m

tonnes of CO₂ savings over the past 5 years (equivalent to taking around 500,000 cars off the road for a year)



5.8m

Customers stayed in hotels with best practice sustainability certifications in 2012 & 2013



We featured over

1,200

hotels with sustainability certifications in 2013

TUI Travel executives presented on sustainable tourism to international stakeholders at

65

events since the launch of our plan

650

Participants attended our supplier sustainability workshops in 2012 & 2013



Our businesses helped contribute over

€5m

to good causes in 2013



Our sustainability strategy

"We believe that our efforts to optimise the social, economic and environmental impacts of our own business, as well as initiate change at scale across the wider industry, can have the greatest reach if we focus on our Mainstream business sector.

Mainstream accounts for around 85% of TUI Travel's revenue, and the sector has been undergoing significant change over the past year, providing the perfect opportunity to further integrate sustainability in a way that supports our core business strategy.

Sustainability is being built into the key programmes of work to promote synergies across Mainstream: the shift to digital customer engagement is supporting carbon reduction; our product & purchasing forward strategy has embedded high sustainability standards as an expectation for suppliers wanting to work with us; our 'One Aviation' framework will drive further alignment of environmental standards and performance across our airlines; and in destinations we are targeting further fuel efficiency in ground transport, as well as developing more sustainable excursions.

A key challenge remains to communicate the benefits of greener and fairer holidays to customers through our brands, building on linkages between customer perceptions of sustainability, product quality and value for money.

I am looking forward to the next and final year of the Sustainable Holidays Plan with confidence that our colleagues will rise to the challenges ahead."

Johan Lundgren, Deputy Chief Executive (PLC Board sponsor for sustainable development)



Watch our report highlights video: www.tuitravelplc.com

"This report outlines the latest case studies, processes and data which chart TUI Travel's sustainability journey. Some significant steps were made in 2013, when carbon efficiency improvements exceeded our expectations and we saw a major shift in the number of hotel suppliers who achieved independently-audited sustainability certification. We are building on this performance in 2014, the 3rd

and final year of our Sustainable Holidays Plan, as we strive to fulfil our 4 goals and 20 commitments.

At the same time we are mapping the next chapter of our sustainability plan – scoping ambitions for our business operations over the coming years, but also actively working to better measure and articulate the holistic impact of mainstream leisure

travel operations. Our aim is to be more effective and strategic in our collaboration with destination partners, so together we can preserve the environments and support the communities we rely on to keep holiday experiences special for the next generation."

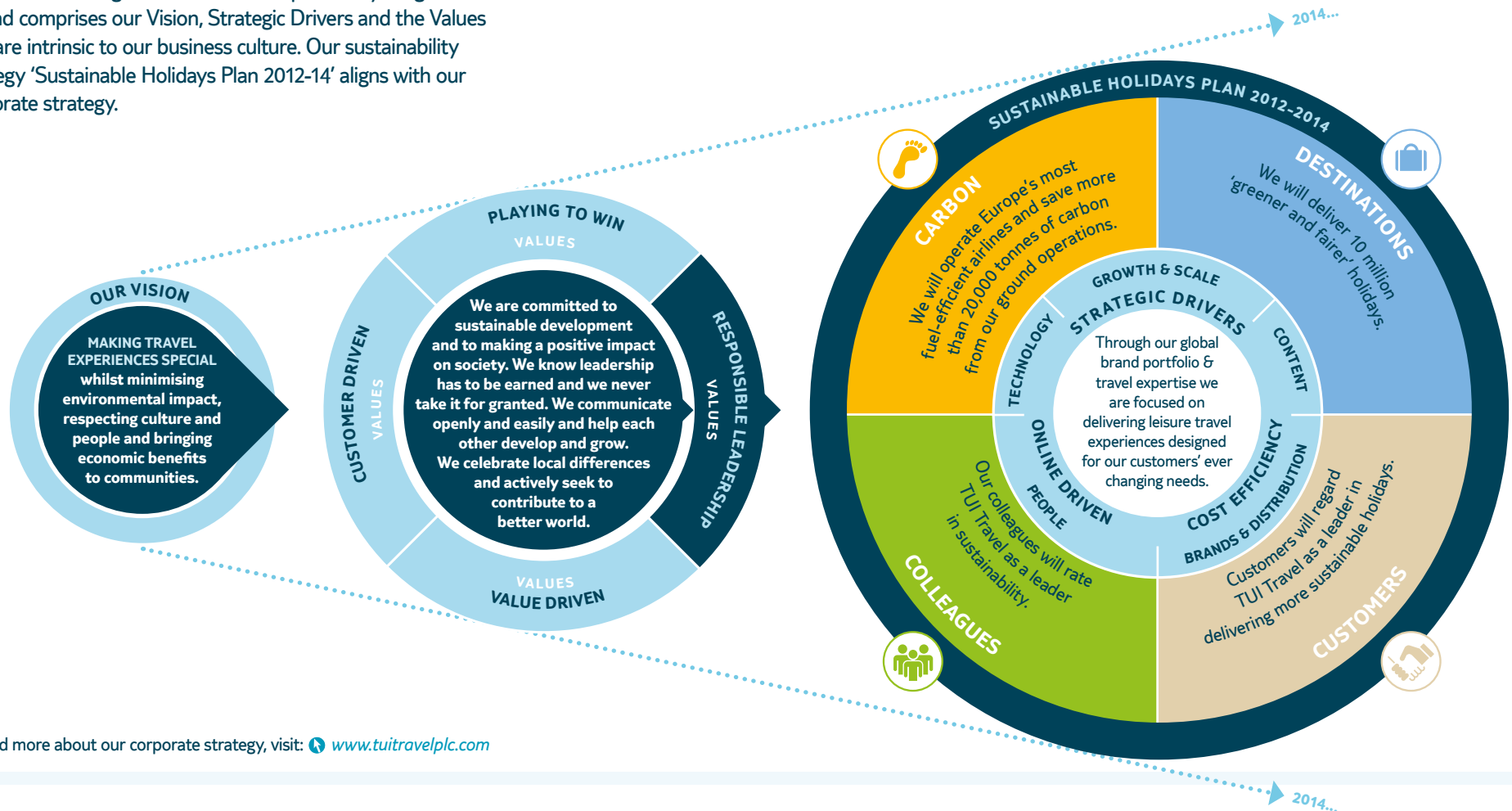
Jane Ashton, Director of Group Sustainable Development





Our strategic framework

TUI Travel's strategic framework underpins everything we do and comprises our Vision, Strategic Drivers and the Values that are intrinsic to our business culture. Our sustainability strategy 'Sustainable Holidays Plan 2012-14' aligns with our corporate strategy.



To read more about our corporate strategy, visit: www.tuitravelplc.com



Stakeholder engagement

Communicating with the groups that have an interest in our Company and its activities helps us develop as a business and incorporate respect for the environment and people into the way we work.

TUI Travel PLC engages regularly with customers, colleagues, investors, industry partners, academia, suppliers, stakeholders in destinations, governments, non-governmental organisations and experts in sustainable tourism. Where possible, we have incorporated their feedback into our sustainable development strategy.

We have developed collaborative partnerships with many stakeholders whose insight and guidance continue to help us develop our position on aviation and climate change. Examples include: Carbon Disclosure Project, Sustainable Aviation Fuel

Users Group (SAFUG), Sustainable Aviation, Forum for the Future in the UK and Aviation Initiative for Renewable Energy in Germany (AIREG). Read more here [page 25](#).

We are conscious of the pressures that tourism can place on local populations and resources and therefore work collaboratively with communities, governments and a range of other partners to support sustainable management of destinations. Examples include: Global Sustainable Tourism Council, Dutch Association of Travel Agents & Tour Operators, Deutscher ReiseVerband, the UK's travel industry association ABTA, German development agency GIZ and The Travel Foundation. Read more here: [page 12](#).

For more information on our partnerships and collaboration, visit: www.tuitravelplc.com

Senior managers are advocates for sustainable tourism

Since we developed our Sustainable Holidays Plan in 2012, TUI Travel executives have publicly advocated sustainable tourism at 65 events with a wide range of international stakeholders.

Some of the most high profile examples include:

- *Green Expo Riviera Maya in Mexico, 2013*
- *European Parliament in Brussels, launch event for Global Welfare Guidance for Animal Welfare in Tourism, 2013*
- *International Conference on Responsible Tourism in Destinations (RTD7) in Barcelona, 2013*
- *Harvard University Business School in Boston, 2013*
- *Responsible Business Summit in London, 2013*
- *ITB (International Tourism Bourse) CSR day in Berlin, 2013 & 2014*
- *Corporate water risk conference in London, 2014*
- *UNEP Annual Symposium GPST in Agadir, 2014*

We sponsored a Guardian Sustainable Business round table event in 2013 on Sustainable Tourism.



Harald Zeiss, Head of Sustainability at TUI Deutschland, presenting at the CMT Travel Market in Stuttgart



Photo credit: U. Regenscheit

TUI Travel presented at the International Conference on Responsible Tourism in Destinations (RTD8) in Manchester in 2014. We also sponsored the participation of 20 university students.



Arantxa Garcia, Head of Sustainable Development for the Accommodations & Destinations Sector, spoke at the Future conference in Madrid, 2013 & 2014.



James Whittingham, Group Environment Manager, took part in the Water debate on World Responsible Tourism Day at World Travel Market in London, 2013.





Managing sustainable development

Governance

Commitment at the most senior level is vital for us to lead the leisure travel sector in sustainable development. Johan Lundgren, Deputy Chief Executive, is the TUI Travel PLC Board sponsor for sustainable development and Jacky Simmonds, Group HR Director, is responsible for reporting on sustainable development to the Group Management Board. Jane Ashton is the Director of Group Sustainable Development. The Group Management Board acts as our Steering Committee, setting the strategic direction and long-term objectives for sustainable development across the Group.

The role of Group Sustainable Development is to drive change towards a more sustainable business and to forge and maintain leadership in our industry sector. The team works closely with other parts of the Group and Sustainable Development Coordinators in each key source market/sector who have a remit to develop and implement sustainable development strategy, supported by a network of champions.

www.tuitravelpc.com

Risk management

Policy and mitigation for Group-wide risks relating to sustainability are facilitated by Group Risk Management and Group Sustainable Development, with responsibility for managing such risks also shared by the businesses themselves. Increasing legislative and societal demands on an organisation like ours require that we act responsibly and identify and manage our risks effectively.

Key areas of risk identified are:

- Legislative and societal demands in relation to size and management of TUI Travel carbon footprint
- Actions of colleagues need to uphold TUI Travel's sustainable development policy
- Actions of suppliers need to uphold TUI Travel's environmental and social supplier standards
- The need for better understanding of the socio-economic impacts of tourism

- Concern over damage to and quality of destinations due to ecosystem degradation and climate change
- Growing expectation among our customers regarding sustainability issues

For further information about these risks and how we manage them see Destinations ([page 12](#)), Carbon ([page 25](#)), Colleagues ([page 34](#)) and Customers ([page 43](#)). Sustainability risks also form part of TUI Travel's Principal Risks (see page 51 of our 2013 Annual Report). www.tuitravelpc.com

Our policies

Our Sustainable Development Policy sets out our vision and approach to sustainable development. We also have Group policies on Child Protection and Animal Welfare. To read these policies, visit:

www.tuitravelpc.com

"TUI Travel continues to demonstrate a holistic approach to sustainable business. The link between the new core strategy and sustainability is even stronger than before. This is critical as it ensures business resilience, thriving destinations and happy customers.

As the projections for climate change get ever more serious, we look to sustainable business leaders to redouble their efforts to reduce their carbon impacts. By investing in the most efficient aircraft and working with others in the industry on projects

such as the ecoDemonstrator programme TUI Travel is increasing efficiency and reducing its own impacts whilst pushing the boundaries of what is possible for the rest of the industry. TUI Travel is also working on key social issues like human rights and pioneering ways to value and enhance the benefits of tourism to local communities through the supply chain. And this work is delivering value to the business and the brands. TUI Travel customers are reaping the benefits, shown by the high customer satisfaction scores for Travelife certified hotels.

Of course there are plenty of challenges and TUI Travel will need to stay agile and future-focused to support the step-change we need, but by working with others to reduce its environmental impacts, and maximise its contribution to destinations, TUI Travel will be able to keep making travel experiences special, long into the future".

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

www.forumforthefuture.org





Indices and awards

Our commitment to Responsible Leadership extends beyond our Group. We take great pride in the recognition we receive from external experts who assess our achievements and give us awards.

For details of previous awards, visit: www.tuitravelplc.com



Carbon Disclosure Project –
In 2013, TUI Travel was featured in the Climate Disclosure Leadership Index (CDLI) in the UK and was ranked in the top 10% of the FTSE 350 for its approach to carbon disclosure. TUI Travel was the only Travel & Leisure company to feature in the 2013 CDLI and the only company to feature for the sixth year running.



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



Sustainability Yearbook –
For the third consecutive year TUI Travel was featured in the RobecoSAM 2013 Sustainability Yearbook which highlights the best performing 15% of companies who submit data to the Dow Jones Sustainability Index (the largest 2,500 companies globally).



TUI Nordic was the first tour operator in the Nordic region to achieve ISO 14001 certification in 2014.



TUI Travel was a finalist in the business category of the WTTC's 2014 Tourism for Tomorrow Awards.



TUI UK & Ireland won the Contribution to the Community Award at the 2013 TTG Travel Awards.



Sunsail achieved ISO 20121 for sustainable event management in 2013.



TUI Nederland was named Blue & Green Tomorrow's Sustainable Tour Operator of the Year in 2013.



Jetairfly won the Airline Environment Award, at the 2014 Brussels Airport Aviation Awards.



Jetairfly has received the National Travel Award for Sustainable Tourism in 2011, 2012 and 2013.



TUIfly was ranked most climate-efficient airline worldwide with 1 million passengers and most climate-efficient charter airline worldwide in the 2013 atmosfair Airline Index.



TUI Nederland was the first major travel company to achieve the new Travelife certification for Tour operators and Travel agents in 2013.



TUI UK & Ireland won a Silver Award in the Interactive Category of the IVCA Clarion Awards in 2013 for their Eco-traveller programme.



Fritidsresor was named 'The greenest brand in Sweden', in the holiday travel category by Differ in 2014.



Our brands in Sweden (Fritidsresor), Denmark and Norway (Star Tours) were ranked most sustainable travel company in the 2014 Sustainable Brand Index.



TUI Nederland won the 'Overall winner' award and 'Best for child protection' award at the 2013 World Responsible Tourism Awards.

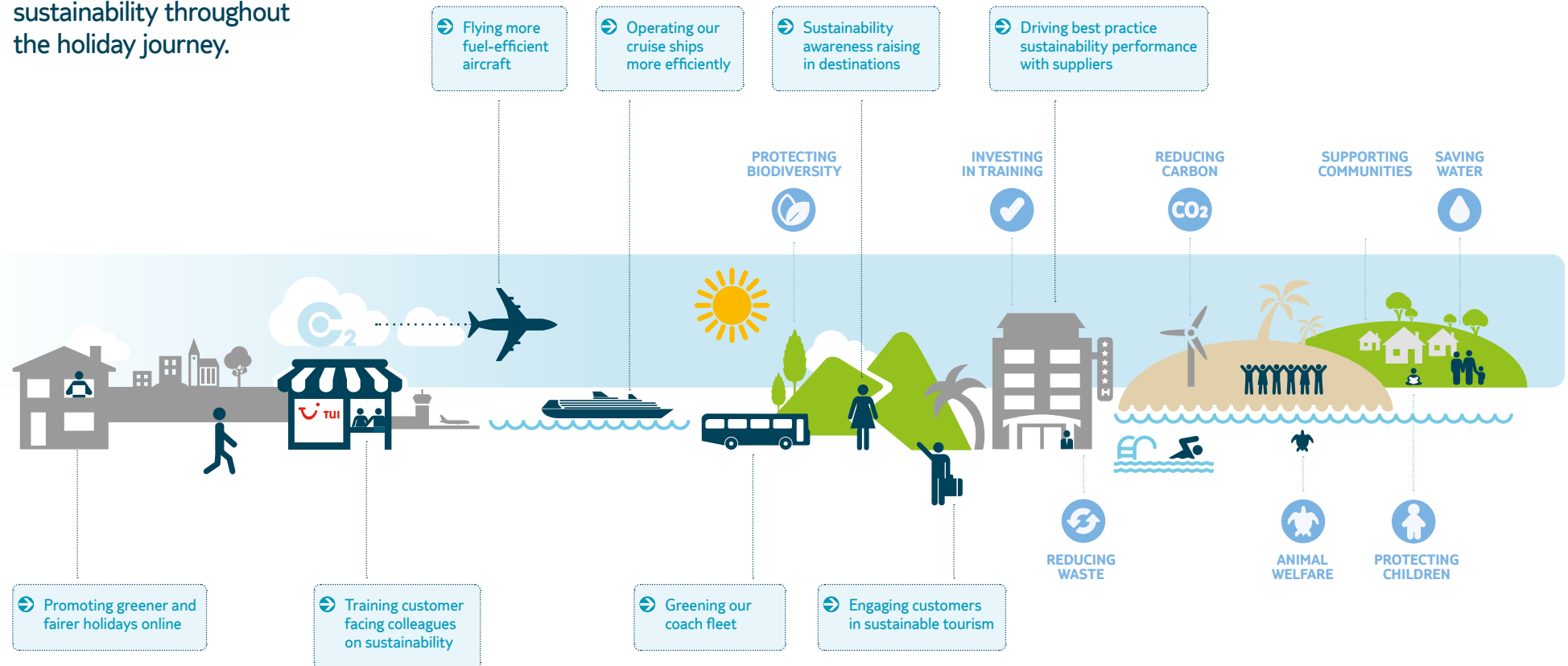


TUI Travel was recognised by Carbon Clear for its approach to carbon reporting, ranking the company joint sixth in the FTSE 100 2013 survey.



Our sustainable holiday journey

We are working to embed sustainability throughout the holiday journey.





Our three-year Sustainable Holidays Plan

Our vision is to make travel experiences special with a firm commitment to sustainability.

We've set ourselves four goals to achieve by 2015...

 <p>Destinations <i>Better on the ground</i> Taking care in destinations</p> <p>We will deliver 10 million 'greener and fairer' holidays</p> <p>We will measure this by the number of customers we take to hotels with credible sustainability certifications from 2012 – 2014.</p>	 <p>Carbon <i>Better in the air</i> Reducing carbon emissions</p> <p>We will operate Europe's most fuel-efficient airlines and save more than 20,000 tonnes of carbon from our ground operations</p> <p>We will measure this through TUI Travel airlines' average carbon emissions per revenue passenger kilometre (CO₂/RPK) and CO₂ saved from our major premises, retail outlets, brochure paper production, differentiated hotels and fleets of vehicles (against 2011 baseline).</p>	 <p>Colleagues <i>take action</i> Involving and empowering colleagues</p> <p>Our colleagues will rate TUI Travel as a leader in sustainability</p> <p>We will measure this through the Your Voice global opinion survey results – aiming to meet High Performing Company scores for responsibility towards the environment and community for all colleagues and senior leaders.</p>	 <p>Customers <i>who care</i> Creating demand for sustainable holidays</p> <p>Customers will regard TUI Travel as a leader in delivering more sustainable holidays</p> <p>We will measure this by our performance in consumer research in our key source markets.</p>
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For an overview of our progress in 2013, see ➤ [page 47](#)



Destinations

Better on the ground

Taking care in destinations



GOAL BY 2015: We will deliver 10 million 'greener and fairer' holidays

We want our holidays to benefit local people and to protect the environment. It's important to us not just because it's the right thing to do, but because our products – memorable and special holidays – rely on beautiful and friendly tourist destinations. Managing our impact means we can maintain the quality, viability and desirability of our products for years to come.

- ☒ 12 OUR RESPONSIBILITIES
- ☒ 13 SUSTAINABILITY CERTIFICATION
- ☒ 14 HUMAN RIGHTS
- ☒ 15 WORKING WITH SUPPLIERS
- ☒ 17 ROBINSON CLUB
- ☒ 18 PROJECTS
- ☒ 20 REDUCING CARBON
- ☒ 21 PROTECTING CHILDREN
- ☒ 23 SUSTAINABLE DESTINATION MANAGEMENT





Destinations *our responsibilities*



We're proud of the positive role that our industry plays around the world. The travel and tourism sector accounts for 9% of the world's GDP and 6% of its exports¹. It is responsible for one in 11 jobs globally¹ and is the main source of foreign exchange in one-third of developing countries².

But travel and tourism can also have unintended negative consequences. Not all of the wealth generated by tourism stays in the destination, but we are committed to understanding and enhancing the socio-economic impacts of our holidays. There are also significant environmental challenges: for example, water could be a key challenge for our industry in the coming decades, particularly in island states. TUI Travel takes customers to six of the top ten countries worldwide facing the highest levels of water stress³.

Our challenge is to maximise the positive social and economic impacts of tourism in all our destinations, and to minimise our environmental impacts.

Why is this important?

Supporting local livelihoods and protecting the environment is not only the right thing to do, but we believe there is a significant business benefit as well.

Our most sustainably managed hotels deliver higher quality and customer satisfaction. Analysis of over 1.4 million customer service questionnaires at TUI UK & Ireland in 2012 and 2013 showed that hotels with Travelife sustainability awards scored higher on overall satisfaction (see the graph below). That means our customers certainly experience a link between sustainability and quality.

Good sustainability management – and good environmental management in particular – can have a significant effect on a hotel's bottom line. For example, depending on the region, energy costs can account for between 5% and 15% of a hotel's turnover⁴. So encouraging hotel suppliers to use energy more efficiently and use renewable energy wherever feasible, helps them save on one of their biggest costs as well as helping destinations prepare for a low carbon future.

In many destinations, TUI Travel accounts for a significant percentage of tourist arrivals. That means we contribute, directly or indirectly, to many of the jobs, tourism-related businesses and tax revenues in destination countries.

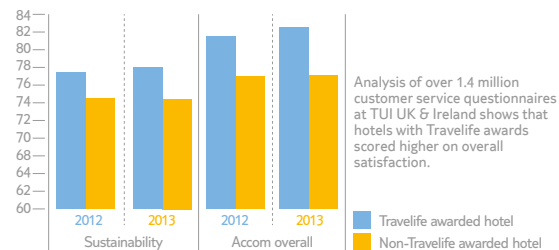
In 2013, we invested in a system which has allowed us to track and influence the environmental impact of our key suppliers, as well as to start to monitor social indicators such as local employment and procurement. Information from around 170 hoteliers indicates the following socio-economic benefits:

- 59% of employees in these hotels are from the local region (86% are from the same country)
- 47% of food is from the local region (74% is from the same country)
- One member of staff to four guests

Monitoring and improving the local economic contribution of a hotel is challenging. In 2014, we are working with global experts to better understand this so we can seek to improve our impacts. Read about our previous work in this area here: www.tuitravelplc.com

Recent UN research shows that only 34% of countries said that their tourism sector was guided by a 'sustainable tourism' policy⁵. There is, therefore, a real opportunity to ensure that countries integrate sustainability considerations into their future tourism planning, and we will be seeking to influence and advocate this wherever possible.

THE LINK BETWEEN SUSTAINABILITY & QUALITY



Watch our Viewpoint video – Johan Lundgren discussing the importance of sustainability to the tourism industry

www.tuitravelplc.com

www.tuitravelplc.com

¹ WTTC, 2012

² UNEP, 2011

³ World Resources Institute, 2014

⁴ blueContec 2012

⁵ UN, 2014



Destinations *sustainability certification*



We send our customers to quality hotels all over the world. Because accommodation is such an important part of our holidays, our suppliers are critical to achieving our sustainability goals – and plenty of them have impressive sustainability plans of their own.

One of the ways for us to measure and manage our hotels' performance on these issues is to encourage them to implement credible sustainability certification schemes that demand high standards and continuous improvement.

Our goal is to deliver 10 million 'greener and fairer' holidays by 2015. That means we'll take 10 million customers to hotels with credible sustainability certifications between 2012 and 2014. In 2013, we took over 3.8 million customers to hotels certified as sustainable, making a total of 5.8 million customers since 2012.

We already know that our biggest challenge for 'greener and fairer' holidays is the speed at which hotels are achieving sustainability certification. The rate of certification is still much slower than we had anticipated when we set our goal.

TUI Travel is the largest supporter of the Travelife sustainability certification system, featuring over 554 Travelife-awarded hotels in 2013. Travelife recognises hotels that care for the environment, their employees and the local community, using a robust system of self-assessment, audit and awards to drive improvement. Since 2005, we have worked with the UK's travel industry association ABTA and industry peers to develop Travelife, and we play an active role on the Travelife Board and Steering Committee. In particular, we helped to develop new, stricter Travelife criteria, which were launched in 2014.

Along with 18 other schemes, Travelife is recognised by the Global Sustainable Tourism Council (GSTC) as a best practice sustainability certification. We use GSTC's Sustainable Tourism Criteria (which cover all aspects of sustainability: environmental, social and economic) to define what we consider to be a credible scheme for inclusion in our goals, as well as international environmental standards such as ISO 14001 and EMAS.

Travelife Gold awarded Fuerte Conil-Costa Luz Hotel and Spa hosted one of TUI Nederland's sustainability conferences for hotels.



GOAL BY 2015:

We will deliver 10 million 'greener and fairer' holidays. We will measure this by the number of customers we take to hotels with credible sustainability certifications from 2012 – 2014, e.g. sustainability certifications working with the Global Sustainable Tourism Council such as Travelife, and international environmental management standards such as ISO 14001 and EMAS.

2013 PERFORMANCE

We took over 3.8 million customers to hotels with credible sustainability certifications in 2013, making a total of 5.8 million since 2012.

Commitment #1

We will feature over 3,000 hotels certified as more sustainable

2013 PERFORMANCE

In Winter 2012/13 and Summer 2013 we featured over 1,200 hotels with sustainability certifications (up from 850 in 2012).



www.tuitravelplc.com



Destinations *human rights*



TUI Travel PLC acknowledges the UN Guiding Principles on Business and Human Rights and has a number of policies and initiatives in place to identify, prevent, mitigate and account for how we are addressing key human rights issues. We continue to work with stakeholders to understand better and respond to these issues.

We have a Group employee Code of Conduct which covers a wide range of human rights including discrimination and working conditions and commits TUI Travel to upholding the principles of the UN Global Compact. The Company also has HR policies, Health & Safety policies, an Anti-Bribery & Corruption Policy and a Whistle-blowing Policy addressing key human rights. TUI Travel's Mainstream businesses are signed up to the international Child Protection Code and support several child protection projects (➔ [see page 21 for more details of TUI Nederland's award-winning project in northeast Brazil](#)).

In 2013, TUI Travel launched a new Supplier Code of Conduct for all suppliers including hoteliers. The code sets out the minimum standards we expect from suppliers and their employees, contractors, agents and subsidiaries when working on our behalf. The code covers human rights and labour laws, support for local communities, environmental impacts, and bribery and corruption.

We are actively encouraging our hotel suppliers to implement credible sustainability certifications. The majority of businesses across the Group promote Travelife, which incorporates the principles of the Ethical Trading Initiative Base Code and the GSTC criteria. We have been working with Travelife to strengthen criteria around human rights and these were launched in 2014. We are working with our trade associations and industry peers in key source markets (UK, Germany and the Netherlands in particular) to better understand and take action in addressing human rights issues



TUI Travel has formed a three-year partnership with the German development agency GIZ, The Code and other industry partners to focus on child protection in Thailand.



TUI Travel is a Top Member of the Child Protection Code



Our Accommodation & Destinations companies based in the Dominican Republic officially partnered with UNICEF in that country to protect children from exploitation



In October 2013, the Deutscher ReiseVerband (DRV) in partnership with TUI Deutschland and other partners organised a child protection workshop for 39 stakeholders in Hanoi, Vietnam.

www.tuitravelplc.com



Destinations *working with suppliers*



Improving energy and water management and achieving sustainability certification benefits both our suppliers and TUI Travel's own sustainability goals. We work in partnership with our hotels across the world to improve their environmental management, and to help them share best practice with one another.

Minimum standards

The majority of TUI Travel businesses have incorporated environmental and social minimum standards into their contracts for accommodation suppliers. We require hotels to have a sustainability programme to manage their impacts on the environment, their employees and the local community.

www.tuitravelpc.com

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www.tuitravelpc.com

Supporting hoteliers

We offer support for hotels to help them improve their sustainability performance through tools, workshops and rewarding best practice. For example:

- We organised several sustainability supplier workshops in 2013 with over 370 attendees in total. Venues for the workshops included the Costa del Sol, Puglia, Kos, Madeira, Mallorca and Rhodes.

- TUI Nordic holds an annual conference for Blue Village hoteliers, which includes sustainability and provides consultancy support and funding for ISO 14001 certification.
- TUI Nederland distributes a regular sustainability e-newsletter to suppliers
- TUI UK & Ireland awards its top-performing hotels on sustainability at an annual supplier event at the World Travel Market in London. In 2013, the winner was Protur Biomar Hotel in Majorca for integrating sustainability into the way they operate, including their food sourcing and support for the local community.
- TUI Deutschland has been recognising their most sustainable hotels since 1996 with the TUI Environmental Champion Award.

Hotel Botanico in Tenerife won TUI Deutschland's top Umwelt Champion ('Environmental Champion') award in 2013 for the installation of an extensive solar power system and exemplary water management.



Animal welfare

We experience high demand amongst our customers for visits to animal attractions and wildlife-viewing opportunities whilst on holiday. We also recognise that these activities have a socio-economic benefit and potential educational and biodiversity advantages. However, the welfare of animals impacted by tourism – in the wild or in captivity – is a key concern of some stakeholders, particularly animal focused NGOs.

Our Group Animal Welfare Policy commits us to upholding minimum standards of welfare for animals whose lives are impacted by tourism, and to protecting animals from neglect and cruelty.

We work closely with the UK's travel industry association ABTA, other industry partners and animal welfare NGOs worldwide – in particular, the Born Free Foundation, our partners since 1995. To date, we have raised over £3 million for the Foundation to improve the welfare of animals in captivity.

www.bornfree.org.uk

We were actively involved in the development of the industry's first ever Global Welfare Guidance for Animals in Tourism, and provided support for its launch at the EU Parliament in June 2013. We use the guidelines to help ensure our suppliers maintain the ABTA standards in animal welfare and protection, in animal attractions and other establishments to which we facilitate visits for our customers. Read our policy:

www.tuitravelpc.com



Global Welfare
Guidance for
Animals in Tourism



Destinations *working with suppliers*



We believe that more sustainable holidays go hand-in-hand with higher quality holidays and we are building our business around unique holiday experiences that are exclusive to us, providing a seamless experience for customers.

We classify a portion of our unique holidays as 'differentiated'. Within the Sustainable Holidays Plan, differentiated hotels as those over which we have a level of influence and control, so we take a greater level of responsibility for their sustainability performance. We are the exclusive customer of these hotels within our source markets. Our target group of differentiated hotels increases every year – from 202 hotels in 2011 to 297 in 2013 – and we expect it to rise even further in the future.

We have incorporated energy and water consumption benchmarks into our contracts with differentiated hotels across the Mainstream part of our business (see Commitment #4 for details), and are now integrating social criteria as well. We also give extra support to many of these hotels, helping them to identify and fund expert sustainability advice.

Our goal is for all our differentiated hotels to hold a credible sustainability certification by the end of 2014. In 2013, 58% of our 297 differentiated hotels had a sustainability certification, up from 36% (of 246 hotels) in 2012. At the same time, we are working to increase the robustness of the certification we use. In particular, we have helped to develop new, stricter criteria for Travelife, which were launched in 2014. That means we're setting the bar higher for our hotels – and that we'll have to work harder in 2014 to meet our targets.

We also aim for 50% of our differentiated hotels to have an environmental management standard by the end of 2014. In 2013, 37% of our 297 differentiated hotels had achieved an environmental management standard, up from 24% (of 246 hotels) in 2012.

Meeting new challenges

In our 2012 Sustainability Report, we identified a key challenge in this area: gathering accurate energy and water data from our hotel partners, which would allow us to target specific improvements in

performance. In 2013, we invested in a web-based sustainability software solution that has improved the accuracy of our data, and allows us to monitor and report on carbon, water and waste data from differentiated hotels. This software will also allow us to increase the frequency of data collection, which we plan to do in 2014.

Providing expert advice

In 2012 and 2013, TUI UK & Ireland worked with blueContec and the Responsible Hospitality Partnership to provide 43 hotels with dedicated environmental consultancy. Together, the participating hotels saved over €2.2 million per year (an average of €50,000 each) by reducing their energy and water consumption – even though their total number of guests increased by 3.5%.

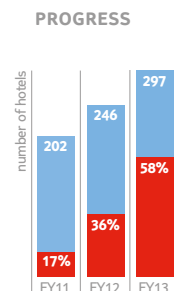
One of the most impressive examples was the Thomson Couples Savoy Gardens hotel in Madeira. It saved €130,000 per year by investing in lighting, optimising its systems and encouraging its employees to make small changes to their behaviour.

Commitment #2

All differentiated hotels will have a credible sustainability certification

2013 PERFORMANCE

58% of our 297 differentiated hotels had a sustainability certification, up from 36% (of 246 hotels) in 2012.

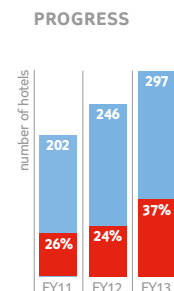


Commitment #3

50% of differentiated hotels will have an environmental management standard

2013 PERFORMANCE

37% of our 297 differentiated hotels had achieved an environmental management standard, up from 24% (of 246 hotels) in 2012.



Commitment #4

Our differentiated hotels will achieve an average 24kWh and 400 litres for energy and water consumption per person per night

2013 PERFORMANCE

Our 297 differentiated hotels achieved an average 24.3kWh energy consumption (compared to 26kWh in 2012) and 470 litres water consumption (compared to 494 litres in 2012) per person per night.



Destinations *Robinson Club Agadir*



Robinson Club Agadir, a popular hotel with TUI Travel's German and Dutch customers, was built with sustainability in mind. It has achieved the environmental certification standard ISO 14001, and TUI Deutschland's own TUI Umwelt Champion ('Environmental Champion') award, every year since 2009. The club also holds a Travelife Award, an internationally recognised sustainability certification. In 2010, as part of Morocco's Year of the Environment, Robinson Club Agadir was named the most environmentally friendly hotel in the country, and in the same year the hotel was given an award for sustainability from the German trade association DRV.

Robinson Club Agadir is home to the first and largest hotel solar plant in Morocco. The solar panels cover an area of 950m² and generate 2,600 kWh of electricity a day, providing up to 70% of the hotel's hot water.

The club's extensive kitchen garden produces organic fruit, vegetables and herbs, including 'exotic' produce such as lemongrass, watercress and rhubarb. Buffet dishes prepared with the hotel's own crop are labelled so that guests can easily identify them.

In 2008, in partnership with the Minister of Education and Labour in Morocco, the club 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 and the others finding employment in Morocco.



Markus Kempen,
General Manager,
Robinson Club Agadir
with the Travelife Award



There are
a total of 23
Robinson Clubs
around the world.
15 Robinson Clubs hold
the internationally
recognised environmental
certification
ISO 14001.



In 2013,
a total of 160
hotels were named
TUI Umwelt Champions
by TUI Deutschland.
21 of these champions
were Robinson
Clubs.



Destinations *projects*



We are involved in hundreds of projects across the world that support communities and reduce the environmental impact of tourism. Here are some examples.

We helped develop the Travel Foundation's new turtle protection tool – a guide for hoteliers, tour operators and excursion providers on how to become more 'turtle friendly' by applying best practice standards.

www.thetravelfoundation.org.uk

We are working with The Nature Conservancy to unite private and public sector stakeholders and help conserve and manage the government-owned Del Este National Park in the Dominican Republic.

www.nature.org

The Lima Tours Foundation supports the Inca community of Huilloc in Peru, to develop 30 homestays for tourists and train artisans to offer good quality, local products to visitors.

www.limatours.com

In Majorca, we have planted 47,998 wild olive and pine trees on a nature reserve and set up a Nordic walking excursion.

www.spreadingsmiles.com

We are supporting farmers in Turkey through the Taste of Fethiye project, which creates links between hotels and local farmers.

www.spreadingsmiles.com

We are working with The Travel Foundation to deliver sustainability training workshops in nine locations for our Club Marmara hotels, including workshops in Tunisia and Morocco.

In Madagascar, the project we support helps combat deforestation and encourages local people to make a living in ways that protect their forests – 15,000 trees have been planted and 300 families helped to make a living.

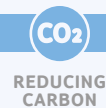
www.spreadingsmiles.com

In partnership with Just a Drop, we are helping to bring safe, clean water and effective sanitation to around 1,250 people in five villages in Uganda.

www.spreadingsmiles.com

The Intrepid Foundation is a not-for-profit fund and has distributed over AU\$3 million to more than 70 non-government organisations since 2002, (matching customer donations dollar for dollar) contributing to health care, education, human rights, child welfare, sustainable development and environmental and wildlife protection.

www.theintrepidfoundation.org



Commitment #5

We will invest in projects which drive environmental and socio-economic improvements in key destinations and replicate them elsewhere

2013 PERFORMANCE

In 2013, 90% of TUI Travel businesses supported environmental or socio-economic projects in destinations*, and helped contribute over €5 million to good causes.

Visit www.spreadingsmiles.com for more details and short films on some of our projects.



Destinations *reducing carbon*



Denson Kajinga now has a job as a supervisor at the hydro station.

Hydro power saving lives in Zambia

Power from the 700kW mini hydro power plant on the Zambezi rapids is replacing diesel generators that are expensive and harmful to the environment. The Zambia Hydro project has provided over a thousand homes, schools, businesses and a hospital with clean, reliable power, many for the first time. It has been financed exclusively by TUI Travel.



Kabamba is a student at Kalene High School, which now receives electricity from the hydro station.



Eight-year-old Anointing can now keep up with her studies

Many of the projects we fund in destinations help to support renewable energy and promote energy efficiency. *For details of carbon reduction in our own operations, see page 25.*

Our investment in clean energy and energy efficiency projects has delivered over 1.2 million tonnes of CO₂ savings since 2008 – the equivalent of taking nearly 500,000 cars off the road for a year. Our partners in these projects have included ClimateCare, The CarbonNeutral Company, Plan Vivo and MyClimate.

Many of these projects are funded exclusively by TUI Travel, and many have been visited by our Directors in order for them to experience clean energy projects first-hand. Most of our projects are accredited to the Voluntary Gold Standard, an independent organisation that verifies the delivery of robust carbon reduction and additional community benefits.



Destinations *reducing carbon*



Earth stoves in India

The Earth Stove project in northern India has improved the lives of local people by helping local food stall owners to replace their traditional stoves with Earth Stoves, which are cleaner burning and cheaper to run. The project has been funded exclusively by TUI Travel.

Energy and education on the Mediterranean coast

Two wind farms in Turkey, funded exclusively by TUI Travel, are bringing renewable energy to the local coastal communities. The Mazi windfarm, close to the resort of Bodrum, consists of 12 wind turbines and produces around 118,500MWh of electricity every year – enough to power 30,000 UK households. The Belen wind farm, situated in southeast Turkey, consists of 20 wind turbines.

Protecting biodiversity in Kenya

In Kenya, the forest project supported by TUI Travel was the first in the world to be issued with Reduced Emissions from Deforestation and Degradation (REDD) credits, offering a financial incentive for the community to preserve its forests and invest in their livelihoods and education. The project has preserved 75,000 acres of forest under threat from deforestation and provided alternative livelihoods for locals in sustainable charcoal making and at an eco-clothing factory.

Stoves in Kenya

Deforestation is a significant issue in Kenya. We are providing families with new, more efficient stoves which reduce firewood consumption by approximately 40-50% and are constructed from local materials. As well as helping the environment, the project support allows locals to be trained as artisans to construct these special stoves. Over 7,200 stoves have been distributed through a community saving and lending scheme.

Reforestation in Mozambique

This project aims to rehabilitate the forest of the Gorongosa National Park, promote biodiversity and support the livelihoods of local people by paying participants per tonne of carbon stored by the trees they plant. Over 2,800 smallholder farmers have engaged with the project and the equivalent of 275 football fields planted with trees.





Destinations *supporting child protection in Brazil*



Tourism can bring many benefits to destination communities, but not all of its effects are positive. TUI Travel is committed to child protection – both those we take on holiday and those in destinations. TUI Travel condemns the exploitation of children as a fundamental abuse of a child's human rights and dignity. TUI Nederland is recognised as a leader in combating child sex tourism. Their journey began in 2002, when they were the first Dutch tour operator to sign the Child Protection Code in collaboration with children's rights organisation ECPAT Nederland.

TUI Nederland has contributed over €100,000 to fighting child exploitation in northeast Brazil. In 2010, realising that child sex tourism was emerging in the region, TUI Nederland began a long-term partnership with Plan Nederland and ECPAT to tackle the problem before it became entrenched.

In Brazil, the project 'A collective no to child sex tourism in Northeast Brazil' focuses on helping young people to find jobs in tourism, making them less vulnerable to prostitution. The vocational training programme has 104 graduates (many of them girls and young women), 39 of whom were employed throughout 2012. In addition, 80 young people aged 14-17 have been trained as 'Youth Mobilisers' for the prevention of sexual exploitation of children and adolescents, reaching over 2,000 people.

In the Netherlands, the project aims to cut the demand for child sex tourism by encouraging travellers to identify possible sex tourists and report them to the authorities. In partnership with the Dutch Ministry of Security and Justice, the border police and the tourism association ANVR, it is now an annual campaign at three major Dutch airports.

Behind the scenes, TUI Nederland trains its employees to identify child abuse, whether amongst the families for whom they provide holidays, or perpetrated by travellers in the destination. This longstanding commitment to combating child sex tourism – alongside the successful project in Brazil – earned TUI Nederland not only the 'Best for Child Protection' award at the 2013 World Responsible Tourism Awards, but also the award for 'Overall winner' across all categories.

Funding has been secured for the vocational training in northeast Brazil to continue until the end of 2014, helping more girls and young women to ensure their future is free from abuse. Elise Allart also spoke about child protection at the World Travel Market in Sao Paulo, 2014.

You can watch a short film here: www.youtube.com



www.tuitravelplc.com

Elise Allart collecting the award at WTM



Destinations *supporting child protection in Brazil*



Street Child World Cup

Street Child World Cup is one of the Specialist & Activity Sector's chosen charities, with a target to raise over £400,000 by 2014. The charity helps vulnerable children living on the streets around the world.

In April 2014, over 230 former street children from 19 countries flew to Rio de Janeiro, Brazil, for a football tournament. Global partners of the event include TUI Travel brands World Challenge and Sportsworld.

The event is organised every four years in advance of the official World Cup by Street Child World Cup, in association with Save the Children.

Taking the crown in the final match were the Tanzanian boys and the Brazilian girls.

Find out more at www.streetchildworldcup.org



Claire Davis from World Challenge was at the event, acting as Team Nicaragua's volunteer coordinator and translator.

"I always knew it was going to be busy but I was so privileged and humbled to be constantly in the company of such inspiring young people and witness at first hand the outpouring of emotion, happiness, solidarity, understanding, hugs, friendship and shared experiences."



Destinations *sustainable destination management*



Stakeholders in destinations have a significant role to play in sustainable tourism management. After all, they are the people best placed to understand the unique sustainability challenges facing their region, and to see the benefits of working with others to protect their local environment and communities. We work closely with communities, local and national governments, non-governmental organisations and trade associations to support the sustainable management of destinations.

Here are some examples:

- 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 Cape Verde, we partnered with The Travel Foundation to set up a destination council to tackle sustainability issues with all the relevant stakeholders.
- TUI Deutschland has partnered with the German development agency GIZ to support a major sustainable tourism project in Tunisia. In year two of the project, seminars took place with hotel managers on sustainability and equal opportunities for women, hotel staff were trained on service quality and customer satisfaction, and linkages were created between local artisans and hotels. www.giz.de
- We have introduced several destinations (Lanzarote, Macchu Picchu and the Riviera Maya) to the Global Sustainable Tourism Council's 'Early Adopters' program whereby the GSTC Destination Criteria are applied to those destinations and direction identified for future improvements.

A decade of collaboration

TUI Travel has been working with The Travel Foundation, a sustainable tourism charity, since it launched in 2003. During this decade of partnership, The Travel Foundation has supported us on our sustainability journey, providing a wide range of resources and expertise, and collaborating with us on strategic projects that have helped us address the sustainability issues facing our industry.

We are the largest industry supporter of The Travel Foundation, which over the last 10 years has trained more than 10,000 local people in skills to boost tourism, reduce environmental impacts and improve customer experience – and also trained 800 hotels to reduce energy, water and waste. We have raised over £4 million for the charity since 2003, and we won the Contribution to the Community Award at the 2013 TTG Travel Awards for our outstanding work with The Travel Foundation. Read their 'Celebrating 10 years' booklet here:

www.thetravelfoundation.org.uk

Commitment #6

TUI Travel will demonstrate responsible leadership by influencing the sustainable management of tourist destinations

2013 PERFORMANCE

Our longstanding relationship with The Travel Foundation allows us to influence the sustainable management of tourist destinations through specific projects in key destinations. We also work with other agencies to support sustainable destination management.

We invest significant time advocating sustainability within the tourism industry. Since we developed our Sustainable Holidays Plan in 2012, TUI Travel executives have presented to international stakeholders at a total of 65 events [see page 6](#).

In 2013, we sponsored a roundtable event at Guardian Sustainable Business that encouraged key members of the tourism industry to discuss how tourists, the industry and destinations can work together to ensure the sustainable management of destinations. Read the article here:

www.theguardian.com





Carbon Better in the air

Reducing carbon emissions

GOAL BY 2015: We will operate Europe's most fuel-efficient airlines and save more than 20,000 tonnes of carbon from our ground operations

Reducing carbon emissions is a key challenge for TUI Travel – and the rest of our industry – and one we're committed to meeting. We want to prepare for a low-carbon future by reducing our environmental impact and encouraging our suppliers and customers to do the same.

- 25 OUR RESPONSIBILITIES
- 26 CARBON REPORTING
- 27 IN THE AIR
- 31 OUR SHOPS AND OFFICES
- 32 AT SEA AND ON THE GROUND





Carbon *our responsibilities*



Driving down carbon dioxide (CO₂) emissions is a key challenge for our industry. Travel and tourism accounts for around 5% of global carbon emissions¹, half of which is attributable to aviation. Since there is no commercially viable alternative to oil-based kerosene (at least in the short to medium term), we expect carbon emissions from aviation to be a significant part of our environmental impact for many years to come.

We are taking action to prepare for a low-carbon future by reducing our impact on the environment. We take this challenge seriously; the carbon efficiency of our airlines is one of TUI Travel's key performance indicators as a business.

Our carbon management strategy covers not only aviation, but also hotels, major premises, retail shops, water transport and ground transport emissions.

Why is this important?

Carbon management is a critical part of our business practices, protecting the environment and saving us money now and into the future. Across TUI Travel, improved management of energy, natural resources and fuel across our operations has saved a total of £28 million in 2012 and 2013².

Our customers trust us with making their holiday experiences special. Predictable weather, personal comfort and beautiful destinations are part of the product we sell – and all of these are threatened by climate change.

We expect that national and international governments will take decisive action on climate change, including putting in place fair and effective regulation around carbon. We've identified climate change-related regulation as a material issue for the Company (see page 44 of our 2013 Annual Report), and monitor upcoming regulation that could have a financial or reputational impact on TUI Travel.

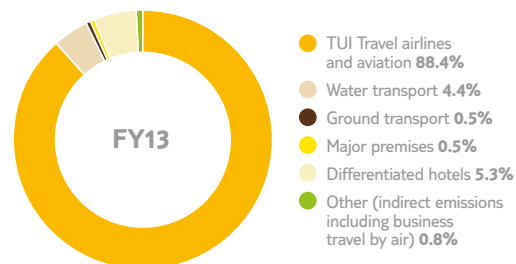
Aviation and climate change

In 2013, TUI Travel airlines' total carbon emissions were 5,101,532 tonnes, a reduction of 2.8% compared to 2012. Emissions from aviation make up over 85% of our Company's carbon footprint.

We aim to operate Europe's most fuel-efficient airlines, invest in cutting-edge aviation technology, and play an active role in advocating smarter carbon legislation. We have a progressive position on aviation and climate change, covering taxation, emissions trading, biofuels and other key issues, and it was developed in partnership with key stakeholders. For more information, see our page on 'Advocating smarter carbon legislation' on the TUI Travel website:

www.tuitravelplc.com

BREAKDOWN OF TUI TRAVEL'S CARBON FOOTPRINT



£28 million

saved through environmental efficiencies in 2012 and 2013²



www.tuitravelplc.com

Johan Lundgren (Deputy Chief Executive and PLC Board sponsor for sustainable development) speaking at the Carbon Panel debate at World Responsible Tourism Day 2013, World Travel Market

www.youtube.com

¹ UN, 2007

² An approximate figure of Group savings that have been tracked, gross of any upfront investments required to achieve those savings in 2012 and 2013. Part of previously identified cost savings.



Carbon carbon reporting



We have been reporting our carbon emissions on a voluntary basis for many years now, and have done so transparently and consistently, using the efficiency metric of grams of CO₂ per Revenue Passenger Kilometre (RPK), and commissioning PricewaterhouseCoopers (PwC) to verify this carbon intensity metric. Some of our industry peers report with the same level of transparency, but many do not. We believe that a standard metric for aviation carbon reporting would create the basis for fair and informative comparisons between airlines, enabling those holidaymakers who monitor their carbon footprint to make an informed choice of carrier. For more details of our view on transparency in carbon reporting, see our Viewpoint film on the TUI Travel website.

www.tuitravelpc.com

TUI Travel has reported on all of the greenhouse gas (GHG) emission sources required under the Companies Act 2006 (Strategic and Directors' Reports Regulations 2013).

For more details on our reporting in line with these regulations, see the Data and Materiality section on [page 49](#).

To improve our reporting capabilities, in 2013 we invested in a web-based sustainability data software solution that has improved the accuracy of our data, reporting on carbon, water and waste. This software will also allow us to increase the frequency of data collection, which we plan to do in 2014.

TUI Travel is the only travel and leisure company to feature in the UK's CDP Climate Disclosure Leadership Index, and the only company in any sector to be part of the index for the sixth year running. TUI Travel's score of 92/100 in 2013 places it amongst the top 10% of the FTSE 350 in its approach to carbon reporting.

www.cdproject.net

In 2013, we were also recognised for our approach to carbon reporting by Carbon Clear, a leading carbon management consultancy, which ranked TUI Travel joint sixth in the FTSE 100. We scored 75% in its detailed annual survey, which covers measurement, reporting, carbon strategy, reduction programmes and engagement.

GLOBAL GHG EMISSIONS DATA FOR PERIOD 1 OCTOBER 2012 – 30 SEPTEMBER 2013 ABSOLUTE FIGURES

Source	CO ₂ [t] (tonnes of carbon dioxide)	CO ₂ e [t] (tonnes of carbon dioxide equivalent)
Total scope 1 emissions	5,936,608	5,999,276
Total scope 2 emissions	303,759	305,230
Other (scope 3) emissions	52,084	52,271
Grand total	6,292,451	6,356,777

Scope 1 covers direct emissions

Scope 2 & 3 covers indirect emissions



TUI Travel was ranked in the top 10% of the FTSE 350 for our approach to carbon disclosure and governance (CDP 2013)

www.cdproject.net



www.tuitravelpc.com

Watch our viewpoints video – Jane Ashton discussing transparency in carbon reporting

www.tuitravelpc.com



Carbon in the air



TUIfly was ranked the most climate-efficient airline worldwide with more than one million passengers per year



In 2013, the independent climate protection organisation atmosfair rated TUIfly the world's most climate-efficient airline with more than one million passengers per year, as part of its annual Airline Index. TUIfly was also named the most climate-efficient charter airline in the world for the second year running.

"We are extremely proud of this top ranking in the 2013 atmosfair Airline Index. Winning this award once again confirms that investing in technology and staff qualifications pays off. Retrofitting our aircraft with even better winglets should safeguard this fantastic result and consolidate our position".

Dr Dieter Nirschl, MD TUIfly



Thomson Airways was ranked, for the second year running, the second most climate-efficient airline for short haul flights.

GOAL BY 2015:

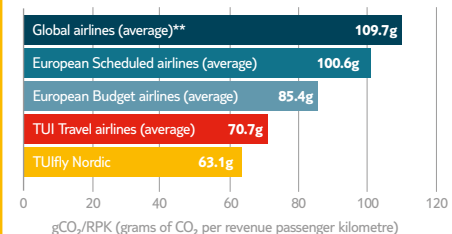
We will operate Europe's most fuel-efficient airlines and save more than 20,000 tonnes of carbon from our ground operations. We will measure this through TUI Travel airlines' average carbon emissions per revenue passenger kilometre (gCO₂/RPK) and CO₂ saved from our major premises, retail outlets, brochure paper production, differentiated hotels and fleets of vehicles (against 2011 baseline).

2013 PERFORMANCE

TUI Travel airlines' carbon emissions were 70.7g per revenue passenger kilometre (gCO₂/RPK) in 2013, making our airlines some of the most fuel-efficient in Europe. TUIfly was independently ranked the world's most climate-efficient airline with more than one million passengers per year in the 2013 atmosfair Airline Index.

We saved 7,290 tonnes of carbon from our ground operations in 2013, largely through reducing emissions from brochure print runs and from ground transport, bringing the total to 15,373 tonnes of CO₂ since 2012. That means we are on track to achieve our 2015 goal.

TUI TRAVEL AIRLINES' CARBON EFFICIENCY VERSUS THE LARGEST AIRLINES IN EUROPE*



*Data from the 4 largest budget and 4 largest scheduled airlines in Europe based on passenger numbers. Latest publicly available data, June 2014.

**Global airlines emissions metrics, taking an average of short & long haul operations (UK Government).



Carbon in the air



Fuel efficiency across our airlines

TUI Travel operates six airlines, flying a total of 138 aircraft. Five years ago, our airlines committed to reduce carbon emissions per revenue passenger kilometre (gCO₂/RPK) by 6% by 2015, against a baseline of 2008.

We met this target two years early, in 2012, and extended our 2015 target to a reduction of 9%.

In 2013, TUI Travel airlines' relative carbon emissions were 70.7g per revenue passenger kilometre (gCO₂/RPK), 9.3% below the 2008 baseline year. That means that our aircraft and our airline colleagues have delivered results which exceeded expectations, meeting our extended carbon reduction target.

In the same period, we have reduced the absolute carbon emissions from our airlines by 15% – a reduction of one million tonnes of CO₂ compared to 2008.

We achieved this reduction through a mixture of fleet renewal, operational efficiencies, fuel conservation activities and capacity amendments. These included:

- Investment in new aircraft e.g. the Boeing 787 Dreamliner
- Fuel-saving winglets now fitted to 94% of our aircraft, reducing fuel burn by up to 5%
- High passenger load factors (that is, ensuring that each flight is as full as possible)
- Operational efficiencies such as single engine taxiing, continuous descent approaches and optimised flight planning
- Reducing weight on our aircraft through lighter catering trolleys, lighter seats and optimising the amount of water and goods we carry on board
- Maintenance efficiencies such as engine wash programmes, lighter paint, and surface sealant applications that reduce drag on the aircraft by stopping dirt and grime adhering to it
- Dedicated resources for environmental management and fuel conservation in each airline, with regular meetings to share best practice
- Three of our airlines have achieved the ISO 14001 environmental management standard
- Implementation of an enhanced fuel monitoring and management system in four airlines



Three of our airlines have now taken delivery of the Boeing 787 Dreamliner



We have achieved our **9%** target

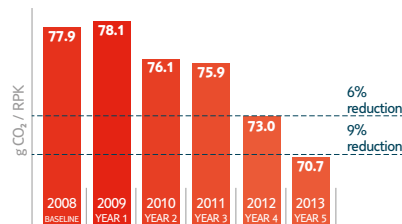
Commitment #7

TUI Travel airlines' per passenger carbon emissions will reduce by 9% (baseline 2008)

2013 PERFORMANCE

In 2013, TUI Travel airlines' per passenger carbon emissions were 70.7g per revenue passenger kilometre (gCO₂/RPK), 9.3% below the 2008 baseline. That means we've achieved our target a year ahead of schedule.

TUI TRAVEL AIRLINES' CARBON EMISSIONS
Measured by average carbon emissions per revenue passenger kilometre (CO₂/RPK), with reductions against the baseline year



AIRLINE GHG EMISSIONS DATA FOR PERIOD 1 OCTOBER 2012 – 30 SEPTEMBER 2013 INTENSITY (RELATIVE) METRIC*

TUI Travel airlines	gCO ₂ /Revenue Passenger Km	gCO ₂ e/Revenue Passenger Km
Arkefly	73.5g	74.3g
Corsair	80.5g	81.4g
Jetairfly	73.9g	74.7g
Thomson Airways	69.5g	70.2g
TUIfly	65.5g	66.2g
TUIfly Nordic	63.1g	63.7g
TUI Travel airlines (average)	70.7g	71.4g

*For full details on the methodology used to calculate our intensity metrics and PwC's Assurance Report please visit

www.tuitravelplc



Carbon in the air



We are making significant investments in cutting-edge aviation technology to drive down our carbon footprint over the next decade.

Investing in next generation aircraft

Thomson Airways was the UK's launch customer for the Boeing 787 Dreamliner aircraft in 2013, which has exceptional environmental performance. Thanks to its composite structure and revolutionary engines, the plane is more fuel-efficient and is forecast to emit around 20% less CO₂ per passenger km than comparable aircraft today. It also produces considerably less noise pollution.

Jetairfly and Arkefly have also taken delivery of this innovative new aircraft, and TUIfly Nordic is scheduled to receive theirs in 2015. In total, 15 Dreamliners will join the TUI Travel fleet by the end of 2016.

We have also made a commitment to purchase 60 Boeing 737 MAX aircraft from 2018 onwards – which is forecast to improve fuel efficiency by 13% per seat compared to the Boeing 737s currently in our fleet.

First aircraft in Europe to fly with the new Split Scimitar Winglets

In May 2014, our airlines were the first in Europe to fly with the new innovative Split Scimitar Winglet systems from Boeing. Currently, the Group operates fuel-saving blended winglets on 94% of aircraft, reducing fuel burn by up to 5%. The new innovative Split Scimitar Winglets will save up to an additional 2%.

www.tuitravelplc.com



Colleagues saw their ideas come to life as Jetairfly introduced electric cars for ground staff at Brussels Airport as a result of our Green Ideas Factory competition. ➔ see page 41



ecoDemonstrator programme

We have partnered with Boeing for the next part of the Boeing ecoDemonstrator programme, which aims to accelerate the creation of sustainable technologies for aircraft, working with the industry and suppliers to champion innovation.

A Boeing 757 has been selected for the programme, and will spend the next year being fitted with a selection of innovative technologies and begin technical validation and operational testing in 2015. The test plane will tour a number of European cities in 2015. Our airline colleagues are developing a portfolio of initiatives via dedicated workshops to test on the plane.

www.tuitravelplc.com



www.tuitravelplc.com

Jetairfly won the Environment Award at the 2014 Brussels Airport Aviation Awards. The award recognised a range of initiatives across the airline, from acquiring the first Belgian Dreamliner to its work around introducing new and quieter landing procedures at Brussels Airport.



Carbon in the air



Sustainable biofuels

There has been dramatic progress over the past few years in developing sustainable biofuels 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 biofuels are not yet competitive with kerosene, the current standard aviation fuel, which is derived from oil.

TUI Nederland's airline Arkefly is partnering with AlgaePARC (part of Wageningen University and Research Centre in the Netherlands) to facilitate the development of sustainable biofuel. In 2014, the team will conduct research into algae-based biofuels for aircraft.

In January 2014, TUI Travel was delighted to accept a seat on the Council for Sustainable Aviation, and contributed to the council's Road-map on sustainable biofuels, due to be published in 2014. TUI Travel is also a member of SAFUG (Sustainable Aviation Fuel Users Group), a coalition of global airlines that account for nearly one third of global aviation fuel use.

To read more on sustainable biofuels, see our page on the TUI Travel website: www.tuitravelplc.com

Recycling waste on board

Our airlines are working to tackle waste produced on board our flights by diverting as much as possible to be recycled. We are focusing on drink cans, paper and plastic bottles with our goal to recycle cabin waste on 50% of our flights by 2015. Tackling waste on board is an operational challenge because of space constraints, international legislation regarding catering waste and, in some cases, lack of recycling infrastructure at destination airports.

In 2013, waste was recycled on 58% of TUI Travel airline flights. TUIfly Nordic leads the way recycling 84% of its on board waste. Their cabin crew uses an innovative digital app to record the amount of waste recycled on their flight, which is now being replicated at some of our other airlines. TUIfly recycled 100% of the plastic bottles used on board its flights in 2013 (approximately 1.2 million bottles), and Thomson Airways recycled the equivalent of 3 million cans between 2011 and 2013.

Environmental management systems

Three of our airlines, TUIfly Nordic, Thomson Airways and TUIfly, are certified to the environmental management standard ISO 14001 (covering 76% of our aircraft).

In 2009, TUIfly Nordic was the first charter airline in the world to achieve ISO 14001 certification for all of its operations – and in 2013, Thomson Airways became the first airline in the UK and TUIfly the first charter airline in Germany to be ISO 14001 certified.

Jetairfly and Arkefly are working towards ISO 14001 certification in 2014. Once they have achieved this standard, all five of our charter airlines will be covered by this internationally recognised certification.

Commitment #8

We will trial sustainable biofuel on flights and explore a long-term sustainable biofuels strategy

2013 PERFORMANCE

TUI Travel airlines are collaborating with a number of stakeholders to drive understanding and action for sustainable biofuels. For example, Arkefly is working with academic partners to investigate the feasibility of algae-based biofuels for aircraft and TUI Travel contributed to Sustainable Aviation's Road-map on sustainable biofuels, due out in 2014. www.sustainableaviation.co.uk

Commitment #9

We will recycle cabin waste generated on board 50% of TUI Travel airline flights (cans, paper and plastic bottles)

2013 PERFORMANCE

Four of our airlines were recycling in 2013 whilst the other two tested protocols on board equating to 58% of all airline flights. We still have work to do to increase the quantity of waste recycled and improve performance monitoring, and have set up a dedicated working group to address the challenges of recycling on board our flights.

Commitment #10

TUI Travel airlines will be ISO 14001 certified (an international environmental management standard)

2013 PERFORMANCE

Three of our airlines are now ISO 14001 certified (covering 76% of our aircraft). TUIfly achieved ISO 14001 certification in May 2013. Thomson Airways extended their ISO 14001 scope from engineering to the whole airline in November 2013 (the first airline in the UK to achieve this scope). TUIfly Nordic remained ISO 14001 certified in 2013.



Carbon *our shops and offices*



Reducing carbon emissions from our shops and offices is important because it engages our head office and retail colleagues in sustainable development management and they can see the results. We focus our carbon reduction efforts on our 50 major premises – which are mainly offices with over 100 people in them – and on our 1,650 retail shops.

Our goal is to reduce CO₂ from our major premises, retail shops and brochure production by 15% and we're pleased to announce that we've met this target a year early, reducing CO₂ by 19% against our baseline. This was largely achieved through brochure reduction and a focus on carbon management across retail.

Cutting carbon in our UK & Ireland shops

TUI UK & Ireland's retail shops have reduced their carbon footprint by a significant 24% since 2010 saving 3,000 tonnes of carbon. Over the past three years, they have invested in micro building management systems, which help to automate heating and lighting, and voltage optimisation equipment at key sites to ensure unnecessary power consumption is minimised.

In 2013, 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 and allowing colleagues to track and manage their consumption.

Reducing carbon emissions from brochure production

The holiday industry is renowned for printing lots of brochures. Reducing the number of brochure pages we print can therefore have a significant impact on our carbon footprint, and reflects TUI Travel's goal to be an online-driven company.

Since 2011, we have reduced carbon emissions from the manufacture of brochures by 37%. TUI Deutschland reduced the number of brochure pages printed by nearly two billion between 2012 and 2013. Over the last three years, TUI UK & Ireland has reduced the number of brochure pages they print by 36% – that's more than 1.3 billion fewer pages.

In the past few years, many of our businesses have taken steps to reduce the amount of paper they use in their communications with

customers. For example, in 2012 TUI Nordic moved away from publishing full holiday brochures in favour of slim magazines for customers, and in 2013 TUIfly was the first charter airline in the world to offer customers the option to receive their boarding pass on their smartphones.

In July 2013, our UK & Ireland brand Thomson became the first tour operator to launch an immersive iPad magazine that is designed to give the user a feel of the unique holiday experience they will enjoy in a Sensatori resort. This technology is now being used for other products. www.thomson.co.uk

TUI UK & Ireland launched a series of technology trials in Cyprus in 2013, including welcome meetings available online, free Wi-Fi on transfer coaches, and digital screens replacing the customer notice boards in resorts. Following the success of the trials, all 3,000 TUI UK & Ireland holiday reps will be given an iPad, starting with 421 colleagues in Winter 2013/14. The technology trials will also be extended to Thomson Airways in 2014, when crew at Luton Airport base will receive iPads. www.travelweekly.co.uk



We have achieved our **15%** target

Commitment #11

We will reduce CO₂ from our major premises, retail shops and brochure production by 15% (baseline 2011)

2013 PERFORMANCE

We reduced CO₂ by 9% compared to 2012 and 19% against our baseline of 2011, exceeding our target. Please note that this target was extended in 2012 from 10% to 15%.

TUI Digital Assistant

In 2013, two of our largest businesses launched mobile apps to help cut paper use. The TUI Digital Assistant (TDA) was launched in the UK in July 2013. The MyThomson app is a 'one stop shop' for everything customers need once they have booked their holiday – from flight information and luggage allowance details to maps showing the best route to the airport. The personalised holiday countdown can also be shared via social networks such as Facebook and Twitter. Within six weeks of its launch in July 2013, the app had been downloaded 86,000 times, and was the most popular free travel app in the UK.

In November 2013, the TDA was launched in Germany as Meine TUI ('My TUI'). In 2014, it was also rolled out in Austria and Switzerland. The app has now been downloaded over 500,000 times.





Carbon at sea and on the ground



Water transport

Our water transport operations make up the second largest area of TUI Travel's carbon footprint, contributing just over 4% of our total carbon emissions.

Thomson Cruises operates five cruise ships in destinations including the Mediterranean, Canaries and Caribbean, and Quark Expeditions operates six ships in the Arctic and Antarctic. We are making environmental improvements to the operations aboard all of our ships.

Thomson Cruises

Thomson Cruises is the UK's third largest cruise line, carrying 250,000 passengers per year. It is already one of the most fuel-efficient cruise operations in Europe, but has plans to improve even further. Over the past three years, Thomson Cruises has been working hard

to make their ships more efficient, including investing in water treatment technology and changing itineraries to save fuel. Between 2012 and 2013, changes to just two of the cruise itineraries saved over 2,600 tonnes of CO₂ and £400,000 in fuel costs. For 2014, Thomson Cruises has its own 10-point sustainability strategy, which includes reducing carbon emissions on like-for-like cruises by 3% and reducing the amount of water bunkered from ashore. Read more www.tuitravelplc.com

Quark Expeditions

Quark Expeditions was a founding member of the International Association of Antarctica Tour Operators (IAATO), and is an active member of the Association of Arctic Expedition Cruise Operators (AECO). Quark adheres to stringent guidelines designed to ensure that the Polar Regions will remain pristine for generations to come.

In addition, Quark's onboard auctions have raised an average of \$150,000 each season for charities dedicated to sustainability and conservation in the places they visit. Read more in their sustainability information booklet: read.uberflip.com

Greening our coach fleet

We operate over 1,000 vehicles in our Accommodation & Destinations and Specialist & Activity Sectors. Our goal is to make measurable environmental improvements to these operations, and we are pleased to have reduced CO₂ emissions by 8% in the last two years.

Ultramar – our largest ground transport company, based in Spain and carrying 10 million passengers per year – reduced its fuel consumption by 2% and its electricity consumption by 5% per passenger over the last two years. To achieve this, the company trained

drivers on more efficient driving techniques, helped all employees to understand how to save electricity, and invested in new, fuel-efficient vehicles. Ultramar also installed satellite navigation in all vehicles to monitor fuel consumption, distances travelled, driver performance and route optimisation.

In the Dominican Republic, Blue Travel Partner Services has installed an eco-car device in 13 of their 45 coaches, which is forecast to reduce fuel consumption by up to 15%. Their remaining coaches will be fitted in 2014.

In 2013, we began a joint transfer trial at some of our busiest destinations, monitoring where customers from different TUI Travel source markets are being taken to the same hotels on different coaches and combining the journey where possible. Trials are underway in the Canaries, Balearics, Greece, Bulgaria and Turkey.

Commitment #12

We will make measurable environmental improvements to our water transport operations

2013 PERFORMANCE

Between 2012 and 2013, changes to Thomson Cruise itineraries saved over 2,600 tonnes of carbon. The company set a 10-point sustainability strategy for 2014.

Commitment #13

We will make measurable environmental improvements to our ground transport operations

YEAR 1 PERFORMANCE

We reduced CO₂ emissions by 5% compared to 2012, and by 8% against our 2011 baseline year. This was largely achieved through more efficient use of the fleet.

Wherever possible, Intrepid uses public transport on its tours to give travellers a taste for living like a local, and to reduce carbon emissions. In 2014, it became the first travel company to offer a 100% public transport-based range of tours along East Coast USA and Canada.



www.tuitravelplc.com

Sunsail achieved certification by the British Standards Institute (BSI) to the sustainable event management (ISO 20121) standard, which recognises organisations that maximise economic, social and environmental opportunities at their events.



GOAL BY 2015: Our colleagues will rate TUI Travel as a leader in sustainability

We want to lead on sustainability within the tourism industry, and that means making changes across the whole of our global business. Our colleagues need to be enthusiastic and knowledgeable about TUI Travel's commitments and the role they play in delivering them... or it simply won't happen.

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Colleagues *living our values*



Like most companies, we want our colleagues to work productively, feel loyalty towards our brands, and gain satisfaction from their roles. This kind of relationship benefits both the employee and employer – and we believe that sustainability has a key role to play in maintaining our good relations with colleagues.

Why is this important?

Today's employees are motivated not only by money and status, but also by the knowledge that their employer's values align with their own. The evidence shows that employees who are engaged in sustainability – who are encouraged to share their experiences with others – are happier and more productive at work¹.

Values matter even more to the leaders of the future. 80% of 13-25 year olds want to work for a company that cares about its impact on society².

This conclusion is supported by TUI Travel's HR department, who often hear from new starters that our respect for the environment and local communities influenced their decision to take up their role with us.

So we want our colleagues across the world to understand that TUI Travel shares their values, and that they can take action in their day-to-day lives – at work and at home. At a Group level, we measure this by asking colleagues how we're doing on sustainability through our global opinion survey, Your Voice. Our goal is for colleagues to consider TUI Travel a leader in this area.

How are we doing it?

We start with TUI Travel's core values, which are fundamental to the way in which we operate, helping us define the way we relate to our customers, shareholders, each other and the world at large. Responsible Leadership is a core value and commits us to making a positive impact on society, celebrating local differences and contributing to a better world – and it is becoming increasingly embedded into how we measure behaviour and performance across the Group.

Our Group employee Code of Conduct sets out clearly the behaviours we expect from all our colleagues. It includes human rights, business ethics and transparency, and commits TUI Travel to upholding the principles of the UN Global Compact.



We're delighted to have been shortlisted for an HR Excellence Award in 2014 for embedding the Sustainable Holidays Plan throughout our Company.

GOAL BY 2015:

Our colleagues will rate TUI Travel as a leader in sustainability

We will measure this through the Your Voice global opinion survey results – aiming to meet High Performing Company scores for responsibility towards the environment and community for all colleagues and senior leaders.

2013 PERFORMANCE

Your Voice was last undertaken in 2012 and is due to be repeated again in 2014. That means our latest results are from 2012, when 74% of colleagues agreed that we act responsibly on environmental matters, 68% agreed that we are socially responsible, and 78% of TUI Travel's senior leaders agreed with both statements. A significant number of colleagues were neutral on this topic, representing an opportunity for us to engage them in our sustainability activities.

In 2013, we held employee focus groups on sustainability in five of our source markets, and in our Group Head Office. Our colleagues were aware of sustainability initiatives within their own business area, but were less aware of the Group-wide Sustainable Holidays Plan.

We were very pleased with the high awareness of sustainability initiatives among our colleagues. But we know we need to strengthen communications in this area, particularly on our Group-wide activities, in order to see a marked improvement in results from the next Your Voice survey in 2014.

www.tuitravelplc.com

¹ Korschun, Daniel, Bhattacharya, CB and Swain, Scott D. 'Corporate Social Responsibility, Customer Orientation, and Job Performance of Frontline Employees' Journal Of Marketing 78.

²  www.forbes.com



Colleagues engagement



If we want our colleagues to take action on sustainability, it's crucial that we keep them up to date on our progress as a company, and what they can do to help.

Motivating our colleagues

We communicate the issues, successes and challenges of sustainable tourism to our colleagues as often as possible. We know that the more our colleagues hear these messages, the more likely they are to consider them a priority.

Our local communications teams use their expertise to choose the best channels for their audience. Across the Group, sustainability information can be found in recruitment materials, intranets, newsletters, inductions, blogs by senior managers, short films and e-learning modules.

Here is a small selection of recent initiatives:

- TUI Deutschland held Green Days for its colleagues in Hannover. In 2013, the theme was biodiversity and included information on species protection in your garden, and responsible fishing.
- SAS's Specialist Holidays Group organised a sustainability week with a different theme for each day, including Go-Green Tuesday and Switch Off Friday.
- TUI Belgium organised a free breakfast for colleagues who cycled to work during their event in March.
- TUI Nederland produces annually an engaging booklet on sustainability to share with colleagues and a dedicated newsletter for their product department.
- TUI Nordic developed a new sustainability training video for their holiday reps at Blue Village hotels.



Since July 2013, TUI Deutschland offers only climate-friendly dishes in their restaurant every Wednesday e.g. no red meat, and all fish served is selected according to WWF guidelines.

www.klimateller.de

Commitment #14

We will deliver sustainability training to new colleagues, customer-facing colleagues and management development programmes

2013 PERFORMANCE

74% of our businesses cover sustainability in inductions* (up from 70% in 2012) and 74% of our businesses offer training on sustainability* for colleagues (up from 67% in 2012)

Sustainability has been embedded into Group management development programmes, including the new 'Perspectives' programme for high-potential candidates.



www.tuitravelplc.com

TUI Belgium organised a free breakfast for colleagues who cycled to work



Colleagues engagement



Building skills for sustainability

The sustainability challenges of the future will require new skills, and we want to make sure that our colleagues have them in abundance. We are embedding sustainability into key parts of the training calendar – for example, inductions for new starters – and also deliver bespoke sustainability training where it's needed. For example, TUI Nederland has developed seven sustainable tourism modules, and TUI Travel's Learning and Development team has been working with City & Guilds to develop a new, innovative qualification that includes two units on sustainability.

Our customer-facing colleagues – those in our retail shops and in destinations – are the interface between TUI Travel and our customers, so it's important that they know how to engage holidaymakers in sustainability.

In 2014, TUI Nordic delivered face-to-face sustainability training for sales colleagues in Stockholm, and all TUI UK & Ireland call centre and staff travel colleagues were trained on the World Care Fund, our customer donation scheme for sustainable tourism. Read more about how we are engaging our retail colleagues in the UK ([page 37](#)).

Sustainability issues are also covered in conferences for overseas managers. The 2013 TUI UK & Ireland conference included a session in which colleagues pledged to make changes in resort, producing an innovative and memorable work of art.

Management programmes

We want our future leaders to be knowledgeable about sustainability, and ready to make strong decisions in favour of a better environment and thriving local communities. To help prepare them for these challenges, our Learning and Development team is building sustainability into our management training programmes.

Our international graduates work on a sustainability challenge during their 18-month placement – for example, developing biodiversity guidelines for hotels – and the business case for sustainability is integrated into 'High Potential' training programmes across TUI Travel.



Commitment #15

We will launch a Group-wide sustainability communications campaign

2013 PERFORMANCE

96% of our businesses communicate with colleagues on sustainable development* (95% in 2012). During 2013, sustainability has been further embedded into Group communication channels including the Group e-magazine, intranet and fortnightly e-newsletters.



The Big Picture

In November 2012, we launched the Big Picture, an innovative engagement programme to help colleagues understand the strategy, vision and plans for growth, and to recognise the role they play in the future success of our business. Our sustainability commitments were integrated into the Big Picture process.

The 2013 TUI UK & Ireland conference produced an innovative and memorable work of art.



Colleagues champion networks



We want everyone in TUI Travel to understand that sustainability is a priority, and to help make changes to the way we do business. So we've set up networks of sustainability champions throughout our Group, made up of people who know how to inspire change in their business area.

The Sustainable Holidays Plan is managed locally by Sustainable Development Coordinators in each of TUI Travel's key markets. In addition, many of our Coordinators manage networks of local champions to drive change. For example, TUI Nordic has a network of ISO-coordinators who helped to implement ISO 14001, TUI Deutschland has Environmental Ambassadors who meet regularly, and TUI Nederland has sustainability champions in each product department.

Retail Sustainability Champions

In 2013, TUI UK & Ireland focused on engaging Retail colleagues in sustainability through a new network of Retail Sustainability Champions. The network is driven by one of the Regional Sales Managers and is supported by senior management within the department.

In each region of the UK and Ireland, one shop manager has taken on the role of champion as an opportunity to further their personal development. The champions are asked to deliver TUI UK & Ireland's sustainability objectives within their region, increasing donations to the World Care Fund (🔗 [page 44 for details](#)) and encouraging Retail colleagues to talk to customers about greener and fairer holidays.

TUI UK & Ireland also developed tailored training and action plans, delivered by the champions' Regional Managers, and sent the Champions to Turkey for a week-long trip to see sustainability in action. To find out what they learned, see this short film on YouTube: 📺 www.youtube.com



Increased engagement

An independent mystery shopping exercise, carried out before the champions went to Turkey and repeated after the training had been rolled out, showed that Retail colleagues' knowledge of greener and fairer holidays, hotel sustainability and tips for customers had improved – and that their confidence had increased. In-store customer donations to the World Care Fund increased by an average of 66% in the last four months of 2013.





Colleagues volunteering



Community volunteering programmes are one of the ways we engage our people in sustainability, enabling them to see projects in action and develop their own skills. Many of our businesses allow colleagues one day per year to volunteer for a charity in their local area.

Recent research in the UK shows that 61% of employees agree that volunteering experience made them perform better in their job, improving their communication, negotiating, team-working and leadership skills¹.

Colleague volunteering has a positive impact not only on the projects, but on our volunteers as well.

For example, 80 colleagues from Bedsonline Asia and Hotelbeds Contracting in South East Asia travelled to San Remigio, in the Philippines, to help rebuild a school devastated by Typhoon Haiyan. The volunteers were pleased to be able to help the school, and reported benefitting personally from the project.

"When we saw the pictures of the devastation, we were very sad, so it's good we are coming together to do something."

Michele Anne Richards, Sales Manager Malaysia, Bedsonline

"We heard about the earthquake and typhoon, so we knew there would be a lot of work to do. Each person's contribution adds up and we can go back knowing we made a difference."

Stephen Leong, Regional Manager SEA, Bedsonline

Here are just a few of the exciting volunteering challenges that our people took on...

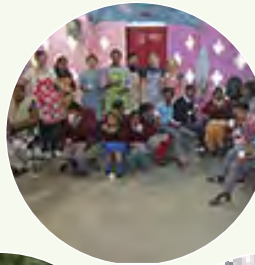
TUI Deutschland colleagues volunteered at a special needs school in Hannover, reading to children.



Accommodation & Destinations colleagues improved the infrastructure of a school in Juanillo, Dominican Republic.



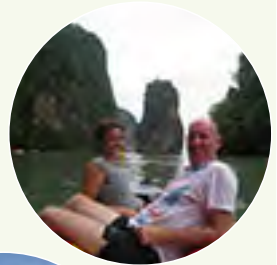
TUI India colleagues helped to paint a school for children with disabilities in Delhi with the Shaping Lives Foundation (set up by one of our businesses, Le Passage to India).



TUI Travel colleagues in many destinations supported The Travel Foundation's Make Holidays Greener month in July. In Greece, we helped organise a high profile beach clean-up in Zante, attended by the British Ambassador.



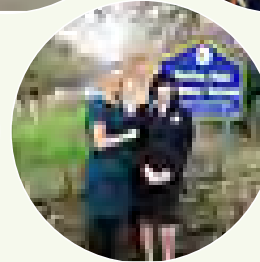
Project Discovery volunteers assessed excursions in Thailand against The Travel Foundation's Greener Excursion Guide.



TUI Nordic colleagues mentored young people in Stockholm, to help them make positive life decisions and stay off drugs and avoid violence.



World Challenge colleagues helped make a difference locally by undertaking their very own 'DIY SOS' project with the Thames Valley Adventure Playground's Sensory Garden.



Retail colleagues in the UK volunteered at a school in the Peak District, delivering a presentation and classroom activities on sustainable tourism.



Nearly 100 Crystal Ski managers supported Disability Ski UK by giving a week of their time to travel to resorts and help disabled skiers and boarders experience a winter sports holiday.



Colleagues volunteering



Commitment #16

Our colleagues will dedicate 100,000 hours to volunteering

2013 PERFORMANCE

We have been able to track 22,000 hours of colleague volunteering since 2012.

It is likely that we will not reach our target of tracking 100,000 hours by the end of 2014. We know that 78% of our businesses support volunteering*, up 4% from 2012, and believe that the real number of hours dedicated to volunteering is much higher than those we have captured in our data.

Project Discovery

Project Discovery is TUI UK & Ireland's overseas volunteering scheme, organised in partnership with The Travel Foundation. Volunteers' skills are matched to a project in one of our destinations, and they spend one to two weeks using those skills as part of sustainable tourism projects. Colleagues have found that their skills in customer care, finance, market research, product development and marketing can all be of service to Travel Foundation projects. To date, 73 colleagues have participated in 27 projects in 15 destinations, giving over 9,344 hours of their time. They returned with a fresh outlook on sustainable tourism and an understanding of the benefits that The Travel Foundation's projects can bring to destination communities.



Colleagues supporting good causes



Our colleagues across the globe support charitable causes close to their hearts. In 2013, our businesses contributed over €3 million to over 140 charities.

The Family Holiday Association

Over the past 25 years, TUI UK & Ireland has supported the Family Holiday Association in its goal to provide thousands of children and their families with a holiday that could change their lives.

Many of the families they help have never left the places they live, because of problems related to disability, mental health, bereavement, domestic violence and poverty. Families are put forward to the charity by professionals in the community, who see first-hand the huge benefits that a holiday away together can bring.

Colleagues and customers at TUI UK & Ireland have raised money for the charity through retail shops, collections on aircraft, and dedicated events. Since 2009 we have raised

£1.9 million. The Family Holiday Association is also the official charity partner of TUI Travel PLC, and last year our CEO Peter Long became its President.

Commenting on his new role with the charity, Peter Long said, *"I feel very strongly about the importance of family. There is a wealth of evidence proving that even just a short break benefits everyone involved. For me this is a key reason why the work that the Family Holiday Association does both in terms of providing breaks for some of the UK's neediest families and raising the awareness of the benefits of social tourism is so valuable. I am delighted to take on the Presidency of the charity and to be able to contribute directly to a cause that makes a real difference to peoples lives."*

For more information on our links with the Family Holiday Association, visit their website to see the special booklet they put together to celebrate 25 years in partnership:

www.issuu.com



Peter Long is photographed with Alison Rice, Chair of the charity's trustees.

Sector wide campaign

Our Accommodation & Destinations Sector launched a toy and food collection initiative for Christmas 2013, with the motto 'no child without a toy'. Colleagues from across the globe including from India, Peru, Costa Rica, the US, Greece and their head office in Majorca got behind the campaign, supporting local organisations. Read more here:

www.issuu.com





Colleagues *innovation*



Commitment #17

We will drive product and process innovations through sustainability

2013 PERFORMANCE

The focus in 2013 was on implementing the ideas generated via the Green Ideas Factory colleague innovation competition launched in 2012. The two winning ideas were: replacing airside cars with electric vehicles at airports (from Jetairfly) and developing a forum for environmental ideas within our airlines (from Arkefly). Both ideas have now been piloted – along with many of the other ideas submitted by our colleagues.

Green Ideas Factory

Green Ideas Factory was launched in 2012 and saw 120 sustainability concepts submitted from colleagues across 18 countries with nearly 1,500 people voting for their favourite ideas. 10 finalists went on to develop their concept with the help of mentors from our business and Forum for the Future.

Competition winners Dieter Bruneel and Dimitri Panneels saw their ideas come to life as Jetairfly introduced electric cars for ground staff at Brussels Airport. The cars offer energy savings of 70% and reduction in maintenance of 30%. The electric vehicles will be used to bring ground support agents and technicians to the aircraft before departure and on arrival. The use of the vehicles airside for short distances

is an ideal application for electric vehicles; with a full battery they have a range of around 100km. Jetairfly has its headquarters and maintenance hangar Jetair port at Brussels Airport with two charging stations for its electric cars. Arkefly, our airline in the Netherlands, is also now using electric vehicles airside, and our other TUI Travel airlines may follow suit.



GOAL BY 2015: Customers will regard TUI Travel as a leader in delivering more sustainable holidays

Our customers are the reason we do what we do – and they're also critical to delivering some of our most important sustainability goals. We need to make sure we're making clear the links between sustainability and the holiday experiences they value, and encouraging them to take action in a way that is engaging and memorable.

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Customers *gaining insights*



TUI Travel's vision is to make travel experiences special. Customers are at the heart of everything we do, and that means we must involve them in order to become a more sustainable business and help drive a more sustainable industry.

Why is this important?

Some of our most ambitious sustainability goals – including improving the local economic impact of tourism, and reducing its environmental impact – rely in part on the actions our customers take on holiday. According to the research we undertook in 2012, which covered 3,000 people in several of TUI Travel's key source markets, customers are willing to help: two in three say they would change their behaviour on holiday in order to help the environment.

It's true that most holidaymakers don't come to us looking for a 'sustainable holiday', a 'fair holiday', or even a 'green holiday'. Sustainability is not a primary driver of consumer preference for mainstream holidays – customers are more interested in price, quality, food, service and unique destinations.

The good news is that these are exactly the aspects of our holidays that sustainability helps to support. Minimising waste in energy and resources helps us deliver value for money. Hotels that treat their people and the local environment with consideration are developing a quality product with friendly staff. And beautiful, unique destinations rely on the tourism industry committing to protect them.

That means our message to customers is simple: we are committed to sustainability because it's the right thing to do, it also creates a better holiday experience for all our customers.

In several of our source markets, customers are already making this link. For example, TUI UK & Ireland customers who rate First Choice and Thomson positively on their approach to sustainability are more likely to be satisfied with their holiday¹. And since over 90% of customers rated these brands' sustainability performance as either 'good' or 'excellent' in 2013, they can see the difference we're making.

But there's still a lot of work to be done. Our 2012 consumer research also found that two in three consumers want their holiday company to be clearer about what they do to make their holidays more sustainable, and that half would be willing to book a more sustainable holiday 'if it were available'. That means there are many customers who do not see the connection between sustainability and their holiday experience – and we need to help them do so.

Our goal is for our brands to be recognised for providing customers with more sustainable holidays. We measure this through our annual brand performance survey in key source markets, carried out by an independent company.

GOAL BY 2015:

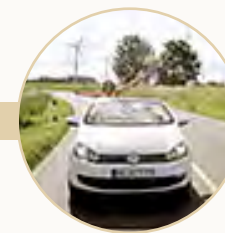
Customers will regard TUI Travel as a leader in delivering more sustainable holidays We will measure this by our performance in consumer research in our key source markets.

2013 PERFORMANCE

Consumers in five of our nine key source markets (Germany, the Netherlands, Finland, Denmark and Sweden) consider our brands to be the leading holiday companies in terms of environmental and social responsibility.



Fritidsresor was ranked most sustainable travel company in Sweden in the 2013 Sustainable Brand Index. Read about our recent awards on [page 08](#)



Our Mainstream businesses in Germany, Austria and Switzerland have partnered with myclimate to offset the carbon emissions from all customer rental cars from April 2013. To date, over 26,000 tonnes of CO₂ has been offset via projects in Turkey and China.

www.tuitravelplc.com

¹ Analysis of TUI UK & Ireland Customer Satisfaction Questionnaires in 2012 and 2013 revealed a statistically significant correlation between good customer ratings on our approach to 'environment and community' and overall holiday satisfaction.



Customers *engaging customers in sustainable tourism*



Wherever possible, we want to help customers to experience sustainable tourism in a way that is engaging and memorable. So we're working to reach holidaymakers through Kids' Club activities, school education initiatives, customer donation schemes and sustainable tourism campaigns across the Group.

We set ourselves a goal of engaging five million holidaymakers in sustainable tourism between 2012 and 2014. At the end of 2013, we had engaged over 4.7 million customers, putting us in an excellent position to achieve our target in 2014.

Here are just a few examples:

- Holiday reps at TUI Nordic's Blue Village hotels point out environmental initiatives – such as solar panels on the roof, herb gardens and recycling stations – to customers during their initial tour of the hotel.

- The TUI 'Collection' is a set of excursions tailored to help customers get a true taste of the destination. Each one has gone through a sustainability checklist to guarantee that it is bringing benefit to local people whilst minimising its impact on the environment.
- Over 1.3 million customers donated to the World Care Fund in 2013. Money raised through the scheme is channelled into projects that help address the environmental impact of tourism, and support communities around the world.
- Intrepid Travel launched a new range of food trips in 2013, focusing on authentic, local food experiences and offering travellers a well-priced alternative to traditional, high-end gourmet food tours. The trips average 4.79 out of 5 from passenger feedback and the range has been expanded for 2014.

Eco-traveller

TUI UK & Ireland is on track to engage one million children in sustainable travel, helping UK schools teach their pupils how to make a difference on holiday.

The Eco-traveller education programme was developed in collaboration with the National Schools Partnership. It's a creative way for pupils to explore holiday destinations in the UK and abroad, igniting a passion for travel and an appreciation of the responsibilities that come with it.

Since its launch in 2011, the programme has engaged 633,546 pupils and their families in 3,486 schools across the UK – and feedback has been extremely positive.

To find out more, watch a short film about the launch of the Eco-traveller programme.

www.thomson.co.uk



Competition winner
Maisy with her
Eco-traveller certificate

www.holidaysforever.co.uk

Commitment #18

We will engage five million holidaymakers in sustainable tourism

2013 PERFORMANCE

Over 2.4 million holidaymakers were engaged in sustainable tourism in 2013, bringing the total to 4.7 million since 2012. We calculate this number by totalling the number of holidaymakers who engaged in initiatives such as 'voluntourism' (volunteer travel), carbon offsetting, sustainability activities in Kids' Clubs, sustainable tourism campaigns, school projects, sustainable excursions and customer donation schemes.



The Eco-traveller game helps students learn about travelling responsibly





Customers *communicating sustainability*



We don't want to miss out on opportunities to talk to our customers about sustainable tourism. The more we link the aspects of a holiday that we know customers value – quality hotels, great food, friendly staff and unique destinations – to sustainability, the more we will build a shared understanding of its benefits.

Most of TUI Travel's businesses (including all of our Mainstream brands) communicate with customers on sustainability. Our challenge in 2013 was to build on the quality of these communications, focusing particularly on integrating messages into day-to-day brand communications. This work will continue in 2014.

Our relationship with customers begins long before they travel. Many people start researching and planning for their holiday months in advance, and that's when we begin to introduce sustainability. Many of our customer-facing websites have dedicated sustainability pages, and we give information about the carbon impact of our flights and holidays. We also include sustainability messages in e-newsletters, and use social media to spread the word about our initiatives.

In 2013, many of our businesses enhanced the sustainability content on their websites:

- TUI Nederland: www.arke.nl
- TUI Nordic: www.fritidsresor.se
- TUI Deutschland: www.tui.com

We want to encourage customers to choose 'greener and fairer' products – that is, to spend their holiday in a hotel that has achieved a credible sustainability certification. Our goal is to deliver 10 million greener and fairer holidays by 2015. That means it has to be easy for customers to identify more sustainable hotels, so our brands include logos on their websites and in brochures to help customers find certified hotels. Some businesses have also begun to include sustainability as part of their online search criteria.

Finally, the holidays themselves provide the perfect opportunity to help customers understand the challenges of sustainability, and to encourage them to take small actions that will increase the positive impact of their stay. Our airlines include articles and features on sustainability in their inflight magazines, and screen short films on relevant topics. Many of our businesses include sustainability information – for example, advice on acting responsibly and with cultural sensitivity – into transfer talks and welcome presentations.



Examples of the labels used across TUI Travel to highlight greener and fairer holidays to customers.

Commitment #19

We will reach all customers with improved sustainability communications

2013 PERFORMANCE

90% of our businesses are communicating with customers on sustainable development issues* (up from 85% in 2012).

In 2013, several of our businesses refreshed their sustainability messages throughout the customer journey. Our focus for 2014 will be to integrate sustainability further into brand messaging.



TUI Nordic's Blue Village hotels hold Environment Days as part of their Kids' Club activities, where children learn to recycle with the help of Skalman the turtle.

Commitment #20

We will promote greener and fairer holidays to customers online

2013 PERFORMANCE

79% of our businesses are identifying greener and fairer holiday products and promoting them to customers* (up from 76% in 2012). These businesses are now focusing on making it easier for customers to identify and search for more sustainable hotels online.

69% of our businesses are promoting greener and fairer holiday products on their website* (up from 68% in 2012).



Customers *future generations*



Although we know that our customers value aspects of their holiday that are connected with sustainability, a 'greener and fairer' holiday is not usually top of their list. We want to raise awareness and understanding – and we believe the best way to do it is to support the next generation's knowledge of sustainable tourism.

TUI Nederland's Board of Children

In early 2013, TUI Nederland appointed a Board of Children in collaboration with the Missing Chapter Foundation. The Board consists of 15 pupils between the ages of 10 and 12 years from the Montessorischool Leidschenveen. TUI Nederland was the first Dutch tour operator to roll out an initiative like this, exploring the ideas of the younger generation around the future of holidays.

The children discussed how to reward sustainable behaviour on holiday, the importance of communications throughout the customer journey, what a sustainable hotel looks like, and sustainability assessments in destinations. They presented their ideas to senior leaders at TUI Nederland.

Participants were impressed with the outcomes of the project.

"The cooperation with TUI Nederland offered a great opportunity to study the behaviour of people on holiday and to consider how you can use this behaviour positively for sustainability. It was amazing how TUI was open to ideas of the children."

Missing Chapter Foundation

"The cooperation with TUI Nederland was a very special experience. What I liked is that the adults listened to us and they were very open to our answers."

One of the pupils



TUI Deutschland supports employees' children

On 25 April, over 80 of TUI Deutschland employees' children came to our offices in Hannover to experience the world of work. As part of the day, TUI Deutschland ran sustainability sessions with the children on species protection, sea turtles and protecting coral – and what they can do on holiday to be more responsible tourists.





Sustainable Holidays Plan 2012-14 progress

PRIORITY AREAS



Destinations



Carbon

OUR THREE YEAR GOALS AND COMMITMENTS

GOAL BY 2015: We will deliver 10 million 'greener and fairer' holidays

- #1 We will feature over 3,000 hotels certified as more sustainable
- #2 All differentiated hotels will have a credible sustainability certification
- #3 50% of differentiated hotels will have an environmental management standard
- #4 Our differentiated hotels will achieve an average 24kWh and 400 litres for energy and water consumption per person per night
- #5 We will invest in projects which drive environmental and socio-economic improvements in key destinations and replicate them elsewhere
- #6 TUI Travel will demonstrate responsible leadership by influencing the sustainable management of tourist destinations

GOAL BY 2015: We will operate Europe's most fuel-efficient airlines and save more than 20,000 tonnes of carbon from our ground operations

- #7 TUI Travel's airlines' per passenger carbon emissions will reduce by 9% (baseline 2008)
- #8 We will trial sustainable biofuel on flights and explore a long-term sustainable biofuels strategy
- #9 We will recycle cabin waste generated on board 50% of TUI Travel airline flights
- #10 TUI Travel airlines will be ISO 14001 certified (an international environmental management standard)
- #11 We will reduce CO₂ from our major premises, retail shops and brochure production by 15%
- #12 We will make measurable environmental improvements to our water transport operations
- #13 We will make measurable environmental improvements to our ground transport operations

HOW WE PERFORMED IN 2013

- We took over 3.8 million customers to hotels with credible sustainability certifications in 2013, making a total of 5.8 million since 2012.
- In Winter 2012/13 and Summer 2013 we featured over 1,200 hotels with sustainability certifications.
- 58% of our 297 differentiated hotels had a sustainability certification, up from 36% (of 246 hotels) in 2012.
- 37% of our 297 differentiated hotels had achieved an environmental management standard, up from 24% (of 246 hotels) in 2012.
- Our 297 differentiated hotels achieved an average 24.3kWh and 470 litres for energy and water consumption per person per night.
- We have invested in many projects covering our 8 key themes. 90% of our businesses supported environmental or socio-economic projects in destinations*.
- We have invested in a number of projects which influence the sustainable management of tourist destinations. Since we developed our Sustainable Holidays Plan in 2012, TUI Travel executives have presented to international stakeholders at a total of 65 events.
- TUI Travel airlines' carbon emissions were 70.7g per revenue passenger kilometre (gCO₂/RPK) in 2013, making our airlines some of the most fuel-efficient in Europe. We saved 7,290 tonnes of carbon from our ground operations, bringing the total to 15,373 tonnes of CO₂ since 2012.
- ACHIEVED – TUI Travel airlines reduced their per passenger carbon emissions by 9.3% (baseline 2008), to 70.7g per revenue passenger kilometre (gCO₂/RPK).
- TUI Travel airlines are collaborating with a number of stakeholders to drive understanding and action for sustainable biofuels.
- Four of our airlines were recycling in 2013 whilst the other two tested protocols on board equating to 58% of all airline flights.
- Thomson Airways and TUIfly Nordic remained ISO 14001 certified in 2013 and TUIfly achieved ISO 14001 certification in 2013 (covering 76% of our aircraft).
- ACHIEVED – We reduced CO₂ by 9% compared to 2012 and 19% against our baseline of 2011, exceeding our target.
- Between 2012 and 2013, changes to Thomson Cruise itineraries saved over 2,600 tonnes of carbon. The company set a ten-point sustainability strategy for 2014.
- We reduced CO₂ emissions by 5% compared to 2012, and by 8% against our 2011 baseline year.

*Sustainable Development Evaluation 2013 (weighted by colleague numbers)



Sustainable Holidays Plan 2012-14 progress continued

PRIORITY AREAS



OUR THREE YEAR GOALS AND COMMITMENTS

GOAL BY 2015: Our colleagues will rate TUI Travel as a leader in sustainability

- #14 We will deliver sustainability training to new colleagues, customer facing colleagues and management development programmes
- #15 We will launch a Group-wide sustainability communications campaign
- #16 Our colleagues will dedicate 100,000 hours to volunteering
- #17 We will drive product and process innovations through sustainability

GOAL BY 2015: Customers will regard TUI Travel as a leader in delivering more sustainable holidays

- #18 We will engage five million holidaymakers in sustainable tourism
- #19 We will reach all customers with improved sustainability communications
- #20 We will promote greener and fairer holidays to customers online

HOW WE PERFORMED IN 2013

- 78% of TUI Travel's senior leaders agree that TUI Travel acts responsibly on environmental matters and is socially responsible. 74% of all colleagues agree that TUI Travel acts responsibly on environmental matters and 68% agree for social responsibility.
- 74% of our businesses cover sustainability in inductions and 74% of our businesses offer training on sustainability for colleagues*. Sustainability has been embedded into Group management development programmes.
- 96% of businesses communicate with colleagues on sustainable development*.
- We have been able to track 22,000 hours of colleague volunteering since 2012.
- Implementation of ideas generated via the Green Ideas Factory colleague innovation competition launched in 2012. Both of the winning ideas have been implemented.
- Consumers in five of our nine key source markets consider TUI Travel brands to be the leading holiday company in terms of environmental and social responsibility.
- Over 2.4 million holidaymakers were engaged in sustainable tourism in 2013, bringing the total to 4.7 million since 2012.
- 90% of our businesses are communicating with customers on sustainable development issues*.
- 79% of our businesses are identifying green/fairer holiday product and identifying them to customers*. 69% of our businesses are promoting green/fairer holiday product on their website*.

*Sustainable Development Evaluation 2013 (weighted by colleague numbers)

● ON TRACK ● ADDITIONAL FOCUS REQUIRED



Data and materiality

Scope

The scope of this report includes data and progress on sustainable development activities from businesses owned by TUI Travel. Data is for the financial year 2012/13 (referred to throughout as 2013 or FY2013), running from 1 October 2012 to 30 September 2013, except where otherwise stated. We have indicated where data refers to joint ventures or Group suppliers.

Materiality

We recognise that we must play our role in sustaining the communities and the environment that we depend on. Our contribution needs to be relevant to the impacts and expertise of our business.

In June 2006, the First Choice Holidays PLC Group Management Board worked with Forum for the Future to articulate the company's business case for sustainable development.

We identified four main drivers for sustainability:

- Aviation and climate change
- Protecting destinations from the impact of climate change
- Protecting destinations from the impact of tourism
- Shifting demographics and consumer trends

Although our understanding of TUI Travel's responsibilities to communities and the environment – and the activities we undertake – have progressed since then, these four drivers have remained constant throughout our sustainable development journey.

In FY2008, we developed our sustainable development strategy in consultation with internal and external stakeholders. This resulted in the four-pillar strategy on which our activities are based: Carbon, Destinations, Colleagues and Customers.

In FY2009, we played an active role in the Tourism 2023 initiative which, through a multi-stakeholder process, identified a long-term sustainability vision and strategy for the outbound leisure industry. This gave us the opportunity to review, in consultation with internal TUI Travel stakeholders, the materiality of our sustainable development reporting.

In FY2010, PricewaterhouseCoopers (PwC) benchmarked our performance against current sustainability leaders and evaluated the Group-wide risks and opportunities presented by sustainable development issues. PwC made a number of recommendations in relation to regulatory preparedness, cost efficiency opportunities and customer opportunities, the majority of which have been acted upon.

In FY2012, we worked with internal and external stakeholders and Forum for the Future to develop a 3 year Group-wide strategy for TUI Travel PLC. We revisited our key sustainable development issues to ensure they were reflected in our new strategy. Our Sustainable Holidays Plan 2012 – 2014 includes 4 ambitious goals in our priority areas of Carbon, Destinations, Colleagues and Customers. These headline goals are underpinned by 20 measurable commitments. Our focus in FY2013 has been to work towards achieving these goals and commitments and to report on the progress made during the second year of our Plan.

www.tuitravelplc.com

This update, published in June 2014, is TUI Travel PLC's sixth Sustainable Development Report. You can find our previous Sustainable Development Reports at:

www.tuitravelplc.com



BREAKDOWN OF TUI TRAVEL'S CARBON FOOTPRINT IN FY2013

Source	CO ₂ [t] Absolute figures (tonnes of carbon dioxide)	CO ₂ [t] Absolute figures (tonnes of carbon dioxide equivalent))
TUI Travel airlines and aviation	5,562,558	5,619,597
Water transport	277,377	282,560
Ground transport	34,093	34,341
Premises	34,538	34,738
Differentiated hotel properties	331,800	333,270
Other (scope 3)	52,084	52,271
	6,292,451	6,356,777

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Data and materiality continued

This report outlines our performance on key sustainable development issues that we consider to be material to TUI Travel. We aim to ensure that the content of our Sustainable Development Report is relevant to our stakeholders, both internal and external. In determining the contents of this update, we took into account feedback from colleagues, investors and other stakeholders on our strategy and previous reports.

Data sources

For this report we gathered data for our performance indicators from two main sources: the 2013 Group Sustainable Development Evaluation and our 2013 annual sustainability data collection process.

Group Sustainable Development Evaluation

The 2013 Group Sustainable Development Evaluation was used to assess and report on performance from our businesses across the Group. The 2013 Evaluation consisted of questions relating to Embedding Sustainable Development, Carbon Management, Destinations, Colleagues and Customers.

In December 2013, the Evaluation was sent to the Managing Directors of TUI Travel businesses, and 99% responded (representing a total of 54,702 colleagues). To ensure the responses reflected the size of the businesses that responded, we weighted them by colleague numbers.

This year's Evaluation reached more businesses than ever, and represents our most complete baseline to date. We have also taken steps this year to increase the quality of the data we receive: our Internal Audit team now includes the Sustainable Development Evaluation among its priorities for business visits.

In September 2013, we sent an amended version of the Group Sustainable Development Evaluation to TUI Travel's hotels and cruise ship operations. We tailored the survey questions to the recipients, focusing on their carbon emissions and environmental management practices. The survey was sent to the environmental managers of our differentiated hotels (e.g. Atlantica Hotels, Sensimar and TUI Travel Hotels) and the operations directors of our cruise businesses (e.g. Thomson Cruises and

Quark Expeditions). The next Group Sustainable Development Evaluation is planned for the end of the 2014 financial year.

Carbon Disclosure Project

In 2013, for the sixth consecutive year, TUI Travel was featured in the Climate Disclosure Leadership Index. TUI Travel is the only tour operator to be featured in this index and our score places us in the top 10% of the FTSE 350 for our approach to carbon disclosure, governance and performance.

www.cdproject.net

TUI Travel's Carbon Disclosure Project submissions from 2008 onwards can be found at:

www.tuitravelplc.com

TUI TRAVEL AIRLINES' ABSOLUTE AND RELATIVE CARBON EMISSIONS SINCE FY2008

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Relative (gCO ₂ /RPK)	77.9	78.1	76.1	75.9	73.0	70.7
Absolute (tonnes of CO ₂)	6,016,083	5,778,712	5,260,500	5,467,814	5,248,262	5,101,532



AIRLINE GHG EMISSIONS DATA FOR PERIOD 1 OCTOBER 2012 – 30 SEPTEMBER 2013 INTENSITY (RELATIVE) METRIC*

	gCO ₂ /Revenue Passenger Km	gCO ₂ e/Revenue Passenger Km
TUI Travel airlines		
Arkefly	73.5g	74.3g
Corsair	80.5g	81.4g
Jetairfly	73.9g	74.7g
Thomson Airways	69.5g	70.2g
TUIfly	65.5g	66.2g
TUIfly Nordic	63.1g	63.7g
TUI Travel airlines (average)	70.7g	71.4g

*For full details on the methodology used to calculate our intensity metrics and PwC's Assurance Report please visit

www.tuitravelplc.com



Data and materiality continued

Third party verified data

TUI Travel's 2013 airline carbon intensity metrics have been externally verified by PwC. PwC also assure our airline EU Emissions Trading Scheme data. Our airline carbon data methodology document and PwC's Assurance Report in full can be found at: www.tuitravelplc.com

TUI Travel also commissioned the environmental consultancy company Arqum in Germany to audit the processes of monitoring emissions, data collection and calculations of environmental KPIs. This audit covered all of TUI Travel's Scope 1 and Scope 2 emissions and included Scope 3 emissions where relevant. www.tuitravelplc.com

Carbon and water footprint

We continue to improve our airlines' carbon emissions per passenger km, replacing older, less efficient aircraft

and driving a programme of fuel conservation across our airlines. This has helped us reduce our carbon emissions per passenger by 9.3% since FY2008.

In FY2013, the efficiency of TUI Travel airlines was 70.7g of CO₂ per revenue passenger kilometre (CO₂/RPK). TUI Travel cruise and expedition ship operations emitted an average of 285g CO₂/RPK in FY2013.

In FY2013 the total water footprint from TUI Travel's differentiated hotel properties was 13.233 million cubic metres of water. In this period, over a third of hotels had their water data verified as part of their ISO 14001 environmental management system standard process.

Sustainability data software solution

During FY2013, TUI Travel implemented a web-based sustainability data software solution. Using multiple methods of data capture, this software has enabled us to improve data accuracy and provide

advanced monitoring and reporting tools. This has allowed us to comply fully with UK mandatory greenhouse gas reporting requirements with robust and auditable data.

This update, published in June 2014, is TUI Travel PLC's sixth Sustainable Development Report. You can find our previous Sustainable Development Reports at: www.tuitravelplc.com

Greenhouse gas emissions

TUI Travel has reported on all of the greenhouse gas (GHG) emission sources required under the Companies Act 2006 (Strategic and Directors' Reports Regulations 2013). The organisational boundary used for its Scope 1 & 2 and, where appropriate, Scope 3 inventory of GHG emissions is operational control and it corresponds to the Company's consolidated financial statements.

For the first time TUI Travel is disclosing carbon dioxide equivalent (CO₂e) data for both its absolute and relative (e.g. airline) emissions, historically we have just disclosed CO₂ emissions. CO₂e refers to CO₂ and the other five Kyoto GHGs: Methane (CH₄); Nitrous oxide (N₂O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); and Sulphur hexafluoride (SF₆).

All material GHG emissions have been included and disclosed following a thorough review of entities and the emissions sources across the Company's UK and international operations. The methodology for the assessment is based on voluntary and mandatory GHG reporting guidance issued by DEFRA (the UK Government's Environment Department). Please see tables below for our absolute and intensity CO₂e and CO₂ data for FY2013.

TUI TRAVEL'S CARBON FOOTPRINT IN FY2008, FY2009, FY2010, FY2011, FY2012 & FY2013
(tonnes of carbon dioxide)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Scope 1 emissions	6,564,026	6,297,794	5,981,254	6,259,723	6,169,809	5,936,608
Scope 2 emissions	53,475	104,408	118,869	168,441	220,058	303,759
Scope 3 emissions	70,597	45,167	38,541	38,478	35,549	52,084
Total	6,688,097	6,447,370	6,138,664	6,466,642	6,425,416	6,292,451

GLOBAL GHG EMISSIONS DATA FOR PERIOD
1 OCTOBER 2012 – 30 SEPTEMBER 2013 ABSOLUTE FIGURES

Source	CO ₂ [t] (tonnes of carbon dioxide)	CO ₂ e [t] (tonnes of carbon dioxide equivalent)
Total scope 1 emissions	5,936,608	5,999,276
Total scope 2 emissions	303,759	305,230
Other (scope 3) emissions	52,084	52,271
Grand total	6,292,451	6,356,777

Scope 1 covers direct emissions
Scope 2 & 3 covers indirect emissions





Global Reporting Initiative (GRI) reporting framework

We have benchmarked this report against the Global Reporting Initiative (GRI) reporting framework. We assess our application of the GRI framework to be at level C.

1 Strategy and analysis

- 1.1 Statement from the most senior decision maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy
[Page 1](#)

- 1.2 Description of key impacts, risks, and opportunities
[Page 7](#)
[TUI Travel PLC website](http://www.tuitravelplc.com)
www.tuitravelplc.com

2 Organisation profile

- 2.1 Name of organisation
[Page 1](#)
- 2.2 Primary brands, products and/or services
[Annual Report & Accounts 2013, pages 12, 13](#)
- 2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures
[Annual Report & Accounts 2013, pages 12, 13](#)
- 2.4 Location of organisation's headquarters
[Annual Report & Accounts 2013, page 1](#)

- 2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report
[Annual Report & Accounts 2013, pages 2, 12, 13, 171, 172](#)

- 2.6 Nature of ownership and legal form
[Annual Report & Accounts 2013, page 112](#)

- 2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)
[Annual Report & Accounts 2013, pages 2, 12, 13, 54-63](#)

- 2.8 Scale of the reporting organisation
[Annual Report & Accounts 2013, pages 1-13](#)

- 2.9 Significant changes during the reporting period regarding size, structure, or ownership
[Annual Report & Accounts 2013, page 123](#)

- 2.10 Awards received in the reporting period
[Page 8](#)

3 Report parameters

- 3.1 Reporting period
[Page 1](#)
- 3.2 Date of most recent previous report
[Page 49](#)
- 3.3 Reporting cycle
[Page 49](#)

- 3.4 Contact point for questions regarding the report or its contents
[Inside cover page](#)

- 3.5 Process for defining report content, including:
 Determining materiality;
 Prioritising topics within the report;
 and identifying stakeholders the organisation expects to use the report
[Pages 4, 6, 7, 12, 25, 34, 43, 49](#)

- 3.6 Boundary of the report
[Pages 49-51](#)

- 3.7 State any specific limitations on the scope or boundary of the report
[Pages 49-51](#)

- 3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations
[Pages 49-51](#)

- 3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report
[Pages 49-51](#)
[Carbon Disclosure Project 2014](#)



Global Reporting Initiative (GRI) reporting framework continued

- | | | | |
|--|--|--|--|
| <p>3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement
<i>Pages 49-51</i></p> <hr/> <p>3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report
<i>Pages 49-51</i></p> <hr/> <p>3.12 Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found
<i>Pages 49-51</i></p> <hr/> <p>3.13 Policy and current practice with regard to seeking external assurance for the report
<i>Page 51</i></p> <hr/> <p>4 Governance</p> <p>4.1 Governance structure of the organisation
<i>Page 2</i>
<i>Annual Report & Accounts 2013 pages 68-72</i></p> <hr/> <p>4.2 Indicate whether the Chair of the highest governance body is also an executive officer
<i>Annual Report & Accounts 2013, page 68</i></p> <hr/> | <p>4.3 For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.
State how the organisation defines 'independent' and 'non-executive'
<i>Annual Report & Accounts 2013, pages 66-72</i></p> <hr/> <p>4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body
<i>Annual Report & Accounts 2013, page 72</i></p> <hr/> <p>4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)
<i>Annual Report & Accounts 2013, pages 79-98</i></p> <hr/> <p>4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided
<i>Annual Report & Accounts 2013, page 70</i></p> <hr/> | <p>4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity
<i>Annual Report & Accounts 2013, pages 34-37 & 68-72</i></p> <hr/> <p>4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation
<i>Pages 15, 34</i></p> <hr/> <p>4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance
<i>Page 7</i></p> <hr/> <p>4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance
<i>Annual Report & Accounts 2012, pages 68-72</i></p> <hr/> | <p>4.12 Externally developed economic, environmental, and social charters to which the organisation subscribes or endorses
<i>Page 8</i></p> <hr/> <p>4.13 Membership in associations
<i>Page 6</i>
<i>TUI Travel PLC website</i>
www.tuitravelplc.com</p> <hr/> <p>4.14 List of stakeholder groups engaged by the organisation
<i>TUI Travel PLC website</i>
<i>Page 6</i>
<i>TUI Travel PLC website</i>
www.tuitravelplc.com</p> <hr/> <p>4.15 Basis for identification and selection of stakeholders with whom to engage
<i>Page 6</i>
<i>TUI Travel PLC website</i>
www.tuitravelplc.com</p> <hr/> <p>4.16 Approaches to stakeholder engagement
<i>Page 6</i>
<i>TUI Travel PLC website</i>
www.tuitravelplc.com</p> <hr/> |
|--|--|--|--|



Global Reporting Initiative (GRI) reporting framework continued

- 4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting

Page 6

[TUI Travel PLC website](#)

www.tuitravelplc.com

5 Economic performance indicators

- EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

Pages 18, 41

[Annual Report & Accounts 2013, page 65](#)

- EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change

Page 25

[Carbon Disclosure Project 2014](#)

- EC3 Coverage of the organisation's defined benefit plan obligations

[Annual Report & Accounts 2013, pages 79-98](#)

6 Environmental performance indicators

- EN3 Direct energy consumption by primary energy source

Pages 25, 26, 49, 50, 51

[Carbon Disclosure Project 2014](#)

- EN5 [Energy saved due to conservation and efficiency improvements]

Page 25

[Carbon Disclosure Project 2014](#)

- EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

Pages 25-32

[Carbon Disclosure Project 2014](#)

- EN7 Initiatives to reduce indirect energy consumption and reductions achieved

Pages 25-32

[Carbon Disclosure Project 2014](#)

- EN16 Total direct and indirect greenhouse gas emissions by weight

Pages 25, 26, 49, 50, 51

[Carbon Disclosure Project 2014](#)

- EN17 Other relevant indirect greenhouse gas emissions by weight

Pages 25, 26, 49, 50, 51

[Carbon Disclosure Project 2014](#)

- EN18 [Initiatives to reduce greenhouse gas emissions and reductions achieved]

Pages 25-32

[Carbon Disclosure Project 2014](#)

- EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

Pages 13-17, 25-32

[Carbon Disclosure Project 2014](#)

7 Labour practices and decent work performance indicators

- LA1 Total workforce by employment type, employment contract, and region, broken down by gender

[Annual Report & Accounts 2013, pages 29, 34-37](#)

8 Human rights performance indicators

- HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening

Page 14

9 Society performance indicators

- SO5 Public policy positions and participation in public policy development and lobbying

[TUI Travel PLC website](#)

www.tuitravelplc.com

[Carbon Disclosure Project 2014](#)

10 Product responsibility performance indicators

- PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement

[Annual Report & Accounts 2013, pages 52-53](#)

- PR5 [Practices related to customer satisfaction, including results of surveys measuring customer satisfaction]

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For more information about sustainability
at TUI Travel visit:

www.tuitravelplc.com/sustainability

Contact

Jane Ashton
Director of Group Sustainable Development

TUI Travel PLC
TUI Travel House
Crawley Business Quarter
Fleming Way
Crawley
West Sussex
RH10 9QL

Telephone: +44 (0)1293 645 700
sustainabledevelopment@tuitravel.com

www.tuitravelplc.com

