Sustainable Holidays Report 2012

Spreading smiles
Welcome to the TUI Travel PLC Sustainable Holidays Report 2012.
This interactive PDF allows you to access information easily, search for a specific item or go directly to another page, section or website.

Guide to buttons

- Go to front cover page
- Search this PDF
- Link to www.tuitravelplc.com/sustainability
- Go to preceding page
- Go to next page

Links in this PDF

These icons are dynamic links – clicking on them will take you to further information within the document, or to a web or video link.

- Link within this document
- Website link
- Video link

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 latest Sustainable Holidays Report, which follows the launch of our ambitious three-year Sustainable Holidays Plan in 2012. The Plan comprises 20 challenging and measurable commitments, underpinning four stretching goals – to operate Europe’s most fuel-efficient airlines and reduce carbon on the ground by 20,000 tonnes of CO₂, to take 10 million customers on ‘greener and fairer’ holidays, and to be considered a leader in sustainable holidays by colleagues and customers (page 13).

In this report, we reflect on our successes and challenges so far and share performance data for the 2012 financial year* (1st October 2011 to 30 September 2012).

The Sustainable Holidays Plan is integral to TUI Travel’s vision of making travel experiences special designed for customers’ ever-changing needs. Customers increasingly trust us to live up to our sustainability ambitions of minimising environmental impact, respecting culture and people, and bringing economic benefit to communities. In doing so, we improve the quality of their holidays, and help preserve the destinations we all love to visit.

Over the past year, my management team integrated performance towards sustainability into the annual strategy development process, and approved significant investment in cutting-edge aviation technology to ensure we continue to drive down our carbon footprint over the next decade.

As market leader, it is incumbent on us to pioneer sustainability change in our sector – a challenge we embrace, in the knowledge that success is critical to the future health of our business and of the industry."

Peter Long, Chief Executive

*Data for the 2012 financial year is referred to throughout this report as 2012 or FY2012.
TUI Travel PLC (referred to in this report as ‘TUI Travel’ and ‘the Group’) is one of the world’s leading leisure travel companies, with over 240 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 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 54,000 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
Over view
Our strategy
Destinations
Carbon
Colleagues
Customers
Data & GRI

Highlights from 2012

£16m
amount saved through environment efficiencies in 2012*

CO₂

73.0g
of CO₂ emissions per revenue passenger kilometre (RPK) across TUI Travel airlines – making our airlines some of the most fuel efficient in Europe

2.3m
Holidaymakers engaged in sustainable tourism

89%
of TUI Travel’s aircraft are now fitted with fuel-saving winglets

2m
Customers stayed in hotels with sustainability certifications

We featured over
850
hotels which had sustainability certifications in brochures and on websites

600
Participants attended our supplier sustainability workshops since the launch of our Plan

Our businesses helped contribute over
€5m
to good causes

78%
of TUI Travel senior leaders agreed that TUI Travel acts responsibly on environmental matters and is socially responsible

120
Ideas generated by colleagues as part of our sustainability innovation competition

*An approximate figure of Group savings that have been tracked, gross of any upfront investments required to achieve those savings in 2012. Part of previously identified cost savings.
Our sustainability strategy

“During the life of our Sustainable Holidays Plan, TUI Travel has continued to shape its business to become more contemporary and online driven, delivering holidays that take care of all our customers’ needs.

Our customer research tells us that the needs of the modern Mainstream customer – who accounts for around 80% of the Group’s business – include the reassurance of knowing that their holiday’s impact on the environment and destination communities is being actively managed by us, their tour operator. We strive to do so in a way that involves our customers, reinforcing their expectations of a high commitment to sustainability from our brands.

We are building the management of sustainability issues into the agendas of our Mainstream strategic workstreams – addressing airline management, purchasing, destination services, customers and brands, product development and distribution. The first year of the Sustainable Holidays Plan has seen some significant milestones – for example, the achievement of our airline carbon reduction target two years ahead of schedule – but we are aware that there is still much to be done.

I, along with my colleagues on the Board, am resolved to address these challenges, convinced that creating more sustainable holidays is an integral component of a modern, efficient, forward-thinking travel company.”

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

― In this report we outline TUI Travel’s first year of progress against the 2012-14 Sustainable Holidays Plan – a strategy developed with due consideration of the sustainability issues affecting our business now and in the future, in consultation with internal and external stakeholders (page 51).

Businesses across our Group are feeding into delivery of the Plan which has served to align and focus our collective efforts to become a more sustainable organisation. Many of our targets are on track, but some are proving challenging, and in those instances we will re-double our efforts to make further progress by 2015.

Meanwhile the global sustainability challenges remain as pressing as ever – for example, the impacts of eco-system degradation and climate change on the environment and communities in our holiday destinations, and on the holiday experience. We welcome feedback on TUI Travel’s response to these challenges. @sustainabledevelopment@tuitravel.com”

Jane Ashton, Director of Group Sustainable Development
Our strategic framework

TUI Travel’s strategic framework underpins everything we do and comprises of 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 regularly engages 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 27.

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, Association of British Travel Agents (ABTA), GIZ, The Overseas Development Institute, The Travel Foundation, The Tour Operators Initiative and Born Free. Read more here: page 14.

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

Senior managers are advocates for sustainable tourism
During the first 18 months of our Sustainable Holidays Plan, TUI Travel senior managers publically advocated sustainable tourism at 50 events with a wide range of international stakeholders.

Twelve of the most high profile examples include:
- Sustainable Tourism Management Conference in Istanbul, 2011
- London Ski Show, 2011
- International Conference on Climate Change & Tourism in Bournemouth, 2012
- Global Sustainable Tourism Council AGM in Washington DC, 2012
- Harvard University Business School in Boston, 2012
- Spanish National Congress for the Environment - European Campaign for Business & Biodiversity in Madrid, 2012
- Fitur in Madrid, 2012 & 2013
- Responsible Business Summit in London, 2012 & 2013
- ITB (International Tourism Bourse) CSR day in Berlin, 2012 & 2013

Jane Ashton, Director of Group Sustainable Development presenting at the International Conference on Climate Change & Tourism in Bournemouth, UK, in 2012.

Harald Zeiss, Head of Sustainability at TUI Deutschland, presenting at ITB CSR Day in Berlin, 2013.

Arantxa Garcia, Head of Sustainable Development for the Accommodation & Destinations Sector, meeting the Spanish Prince of Asturias at a sustainability event in Madrid, 2012.
Managing sustainable development

Governance
Commitment at the most senior level is vital for us to achieve our goal of leading the leisure travel sector in sustainable development. Johan Lundgren, Deputy Chief Executive, is responsible for reporting on sustainable development to the TUI Travel PLC Board 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 and the Group Management Board acts as the Steering Committee, setting the strategic direction and long-term objectives for sustainable development. The Group Management Board debated the Sustainable Holidays Plan strategy in 2012 and again in 2013.
The Group sustainable development department’s role is to drive change towards a more sustainable business and to forge Sector leadership.

The Group sustainable development department works closely with other Group departments and a network of 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.tuitravelplc.com

Risk management
Policy and mitigation for Group-wide risks relating to sustainability are facilitated by the Group risk management and sustainable development departments, with responsibility for managing such risks also shared by the businesses themselves. Increasing legislative and societal demands on a company like ours requires that we act responsibly and identify and manage our risks effectively.

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

www.tuitravelplc.com

Jacky Simmonds, Group HR Director, is responsible for reporting on sustainable development to the Group Management Board.

Key areas of risk identified are:

- Legislative and societal demands in relation to size and management of TUI Travel PLC’s carbon footprint
- Colleague actions need to uphold TUI Travel’s sustainable development policy
- Supplier actions need to uphold TUI Travel’s environmental and social supplier standards
- 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 27), Colleagues (page 39) and Customers (page 45). We have also identified sustainability risks within the Principal risk section of our 2012 Annual Report (p27).

Codes of Conduct
We have a Group employee Code of Conduct which covers a wide range of sustainability issues, including human rights, business ethics and transparency and commits TUI Travel to upholding the principles of the UN Global Compact.

In 2013, TUI Travel launched a new Supplier Code of Conduct which 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.

To read our Codes of Conduct, visit:

www.tuitravelplc.com
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. We have won a number of notable awards this year. We also continue to be well positioned on sustainable development indices.

Indices and awards

Indices

Carbon Disclosure Project – In 2012, for the fifth consecutive year, TUI Travel was featured in the Carbon 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 and governance.

Forest Footprint Disclosure Project – TUI Travel completed its third submission to the Forest Footprint Disclosure Project in 2012 and was one of seven companies listed in the Travel and Leisure Sector.

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 – TUI Travel was featured in the 2011 and 2012 SAM Sustainability Yearbook which features the best performing 15% of companies who submit data to the Dow Jones Sustainability index (the largest 2,500 companies globally). In 2012, TUI Travel received a Silver Class distinction and Sector Mover status for its outstanding achievements in the area of corporate sustainability.

Awards

Atmosfair’s 2012 Airline Index – TUIfly was ranked the most climate-efficient charter airline worldwide. Thomson Airways was ranked the second most efficient airline for short haul flights.

Carbon Reduction Commitment – TUI Travel was ranked 45th out of 2,097 companies in the 2012 UK Carbon Reduction Commitment Performance League Table.

Conde Nast World Savers Award – Intrepid Travel won the Preservation category in 2012.

Green Lifestyle Awards – Intrepid Travel won the Travel category award in 2012.

Moroccan Government Responsible Travel Awards – Intrepid Travel received the 2012 award for the Environment/International category.

Sailors of the Sea Clean Regattas certification – The Moorings achieved the Sailors of the Sea Clean Regattas certification for its 31st Interline Regatta in the British Virgin Islands.

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

Travel Magazine Travel Awards – Jetair and Jetairfly received the sustainable tourism award in 2012.

World Responsible Tourism Awards – Sawadee received the Best Carbon Reduction Initiative award in 2012.

For details of previous awards, visit: www.tuitravelplc.com
**Forum for the Future**

Forum for the Future is a non-profit organisation working globally with businesses and governments to create a sustainable future. They have 15 years’ experience inspiring new thinking, building creative partnerships and developing practical innovations to change our world. We’ve been working with Forum since 2002 to help set our strategy and put it into action (initially as First Choice Holidays PLC, subsequently as TUI Travel PLC). Forum selects a handful of companies as Pioneer partners, leading organisations at the cutting edge of sustainability. TUI Travel has been selected as one of these partners.

“TUI Travel continues to raise standards to make sustainability an integral part of their business. Bringing up minimum standards through their supplier code of conduct and driving projects that address local sustainability impacts in destinations, improves livelihoods, enhances holiday experiences, reduces risk and drives customer loyalty. The brilliant Green Ideas Factory involves colleagues in creating more sustainable business opportunities and innovating new approaches.

By working across the travel sector through organisations such as the Global Sustainable Tourism Council and with other leading businesses through Forum for the Future’s Sustainable Business Models Group, TUI Travel is helping to shape the context that it operates in to make better sustainability performance possible. Most importantly, by embedding sustainability into its differentiated hotels, such as Sensatori, it is helping to make sustainable business the norm in the travel and tourism sector.

TUI Travel knows that this is a long term journey and reaching its targets won’t be easy, but by reaching out to destinations, customers, colleagues, suppliers and others outside the sector it can begin to bring sustainable holidays to the mainstream”.

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

www.forumforthefuture.org
Our sustainable holiday journey

We are working to embed sustainability throughout the holiday journey.

- Promoting greener and fairer holidays online
- Training customer facing colleagues on sustainability
- Greening our coach fleet
- Engaging customers in sustainable tourism
- Flying more fuel-efficient aircraft
- Sustainability awareness raising in destinations
- Driving best practice sustainability performance with suppliers

PROTECTING BIODIVERSITY
INVESTING IN TRAINING
REDUCING CARBON
SUPPORTING COMMUNITIES
SAVING WATER
REDUCING WASTE
ANIMAL WELFARE
PROTECTING CHILDREN
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...

1. **Destinations Better on the ground**
   - 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.

2. **Carbon Better in the air**
   - 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 (CO2/RPK) and CO2 saved from our major premises, retail outlets, brochure paper production, differentiated hotels and fleets of vehicles (against 2011 baseline).

3. **Colleagues take action**
   - 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.

4. **Customers who care**
   - 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.

For an overview of our progress in 2012, see page 51
GOAL BY 2015: We will deliver 10 million ‘greener and fairer’ holidays

We want our holidays to benefit local livelihoods and protect the environment, and in doing so maintain the quality, viability and desirability of our products for years to come.
Destinations our responsibilities

Travel and tourism accounts for 9% of the world’s GDP and 6% of its exports*. Tourism also accounts for 1 in 11 jobs globally* and is the main source of foreign exchange in one-third of developing countries**.

The leisure travel industry can have both positive and negative impacts on communities and the natural environment – the challenge is how to manage these impacts for the greatest good.

Our business case

We want our holidays to benefit local livelihoods and protect the environment, and in doing so maintain the quality, viability and desirability of our products for years to come. We’re working with stakeholders in destinations around the world to make this a reality.

TUI Travel has a global supply chain, and our suppliers are the driving force for improving our sustainability performance in our destinations. Each of them plays a significant role in managing our impacts on the local community, economy and environment.

We are committed to influencing more hotels to achieve credible sustainability certifications, so as to be assured that our suppliers are making continual sustainability improvements. This not only improves our sustainability performance, but also benefits our suppliers.

Depending on the region, energy costs account for between 5% and 15% of a hotel’s turnover*, so reducing energy use can have a significant impact on the bottom line. We’re already helping many of our hotels by training them on eco-efficiencies, which ultimately delivers better value for money for our customers.

Engaging in sustainability can also help hotels differentiate their product, meet growing customer demand, and protect their destinations. There is also evidence that our most sustainably-managed hotels are also those which are delivering higher quality and customer satisfaction.

Our aim is to extend the reach of our influence on sustainability to all suppliers and to monitor their progress. This is a big challenge, and we aim to work together with suppliers to ensure that it is realised in a way that benefits everyone involved: the customer, supplier, TUI Travel, the environment, and local people.

*WTTC 2012
**UNEP 2011

“The Global Sustainable Tourism Council (GSTC) is pleased to acknowledge and applaud TUI Travel for their commitment to deliver 10 million ‘greener and fairer’ holidays – and in communicating the work they are doing for the industry. As one of the first companies to commit to working with the GSTC recognised standards we are encouraged to see TUI Travel documenting their sustainability efforts, as well as driving the demand for verified sustainable tourism products. TUI Travel is action-oriented and delivers on their commitment to sustainability and the endless possibilities for our future.”

Dr. Kelly Bricker, Chair, Global Sustainable Tourism Council
TUI Travel businesses are actively engaging with suppliers to implement credible sustainability certification schemes, which must meet best practice standards and drive continuous improvements.

Our goal is to deliver 10 million ‘greener and fairer’ holidays by 2015, through taking 10 million customers to hotels with credible sustainability certifications from 2012 – 2014. We also aim to feature 3,000 hotels with sustainability certifications by 2015.

In 2012, we took 2,056,700 customers to hotels certified as more sustainable, and featured over 850 hotels with sustainability certifications. We still have a long way to go to meet our commitment.

One challenge is the slower than anticipated pace of hotels achieving sustainability certifications. Our priority is to support hotels by increasing their awareness and skills necessary for them to achieve credible sustainability certifications – such as those recognised by the Global Sustainable Tourism Council – and environmental management systems.

**Global Sustainable Tourism Council**

We are a member of the Global Sustainable Tourism Council (GSTC) and our Director of Group Sustainable Development sits on the board. The GSTC is a global initiative dedicated to promoting sustainable tourism practices around the world. At the core of their efforts are the Global Sustainable Tourism Criteria, a set of voluntary principles that provide a framework for the sustainability of tourism businesses across the globe. The criteria cover all aspects of sustainability: environmental, social and economic.

There are currently over 140 tourism supply chain sustainability certification schemes, which can be confusing for our holidaymakers, our businesses and our hotels. To simplify matters we are focusing on those certifications which have achieved GSTC recognition, meaning that their standards align with the Global Sustainable Tourism Criteria. Currently 15 standards have achieved this recognition, including Travelife.

In March 2013 TUI hosted a conference in Hannover for certification schemes to learn more about achieving GSTC recognition and to encourage more certifications to align their standards to GSTC.

---

**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.

**YEAR 1 PERFORMANCE**

We took 2,056,700 customers to hotels with credible sustainability certifications (2011: 1,207,700 customers).

**Commitment #1**

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

**YEAR 1 PERFORMANCE**

In Winter 2011/12 and Summer 2012 we featured over 850 hotels with sustainability certifications (2011: 700 hotels).
Destinations sustainability certification

“TUI Travel has demonstrated an outstanding commitment to sustainability in recent years. They understand that by improving the sustainability of their product they will be creating better holidays for their customers and helping to maintain the quality of the destinations visited. The Group has shown how sustainability can be designed into the day-to-day management and operation of their businesses, and has been an early adopter of many new sustainability tools, such as Travelife and the ABTA Global Animal Welfare guidelines.”

Mark Tanzer, CEO, ABTA

“TUI Travel is proud to have supported ABTA throughout the development and implementation of Travelife. With 1,000 hotels now subscribed to Travelife and working to improve their environmental and social impacts, Travelife has initiated sustainability change at scale. TUI Travel brands around the world look forward to continuing to promote Travelife as it goes from strength to strength.”

Garry Wilson, Managing Director, Mainstream Purchasing, TUI Travel

Travelife
Since 2005 we have worked with ABTA (Association of British Travel Agents) and industry peers to develop Travelife, used by the majority of businesses across TUI Travel. Travelife recognises hotels which care for the environment, their employees and the local community. In May 2013, Travelife reached their 1,000th subscribed hotel across 45 countries. In 2007, our First Choice brand was the first tour operator to market hotels with Travelife certifications, and TUI Travel continues to be the largest supporter of the Travelife system, with over 700 hotels signed up to the system in June 2013.

TUI Travel businesses were the first tour operators to make Travelife membership part of supplier contracts, and we offer support for hotels to help them reach award level, through workshops, hotel guidelines and best practice sharing. page 18. TUI Travel plays an active role on the Travelife Board Steering Committee and in the Travelife criteria review process, to further strengthen their standards in alignment with GSTC. Garry Wilson, Managing Director of Mainstream Purchasing at TUI Travel is a Director on the Travelife Board.

www.travelife.org
Destinations working with suppliers

The sustainability performance of our hotel suppliers is a critical factor in TUI Travel’s sustainability performance. We work in partnership with our suppliers to help them improve their energy and water management, achieve sustainability certification, and share best practice.

Setting clear minimum standards
The majority of TUI Travel businesses have incorporated environmental and social minimum standards into their contracts for accommodation suppliers. These minimum standards require each hotelier to initiate (or continue to develop) a sustainability programme, managing and improving their impacts on the environment, their employees and the local community.

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. For more information, please visit: www.tuitravelplc.com

Communicating the benefits
One of the most effective roles we can play is simply to communicate the benefits of hotels addressing their social and environmental impacts.

Our ‘Guidelines for Environmental Sustainability in Hotels’ aim to help our suppliers achieve best practice sustainability performance, and highlight case studies where eco-efficiencies have saved suppliers significant amounts of money.

TUI Nederland was the first major travel company in the Netherlands to develop a Fair Trade Tourism holiday package in 2013. All accommodations and activities during this holiday are Fair Trade Tourism certified by Fair Trade in Tourism South Africa (FTTSA). This means fair wages and good working conditions for owners and employees.

“The new TUI Travel Supplier Code of Conduct is a great way to focus our businesses, our suppliers and partners on shared values of integrity and social responsibility. As a global leader in the leisure travel industry, our customers expect us to deliver excellent value for money travel experiences, in partnership with suppliers, who follow the same high ethical standards that cause those customers to trust us.”

Peter Long, Chief Executive of TUI Travel
Destinations working with suppliers

Providing training and skills
For a number of years we have been facilitating supplier training on sustainability around the world. In the last two years, we have organised over 20 supplier workshops attended by 600 hoteliers and other stakeholders, in locations such as Germany, Kos, Rhodes, Turkey, Sweden, Mallorca, Madeira and the Dutch Antilles in the Caribbean.

Rewarding progress
Several of our businesses give awards for top-performing hotels on sustainability to encourage and celebrate best practice.

TUI Deutschland awards its most environmentally responsible hotels with the TUI Umwelt Champion (‘Environmental Champion’) award. The award system uses Travelife as part of the assessment criteria. 138 hotels achieved the award in 2012, and the top hotel was Hotel Tigaiga in Tenerife, due to its strong commitment to environmental protection, including being an early adopter of solar energy some 20 years ago.

TUI UK & Ireland awards its top-performing hotels on sustainability at an annual supplier event at the World Travel Market in London. In 2012, the winner was El Dorado Seaside Suites in Mexico for wholly integrating sustainability into their management philosophy and customer experience.

El Dorado Seaside Suites in Mexico won TUI UK & Ireland’s top hotelier sustainability award in 2012. This hotel supports our Jungle Jams project. page 22

In 2012 TUI Nederland organised supplier conferences on sustainability in the Caribbean islands of Bonaire, Curacao and Aruba in partnership with Travelife and the environmental consultancy blueContec.

Hotel Tigaiga staff in Tenerife – celebrating their top TUI Deutschland Environmental Champion award in 2012. They were early adopters of solar panels. www.tui.com
We believe that more sustainable holidays go hand-in-hand with higher quality holidays and we are building our business around ‘differentiated’ hotels and holiday experiences that provide a seamless experience for customers.

For the purposes of our Sustainable Holidays Plan, we define 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 2011 baseline consisted of 202 hotels. During 2012, we defined 44 additional hotels as ‘differentiated’, so the scope of our efforts has been expanded to 246 hotels in total. We expect this number to increase further in future years as we consolidate our mainstream business around differentiated holiday experiences.

It is a priority for us to drive best practice sustainability performance in our differentiated hotels. We are currently supporting many of them through investment in expert advice.

Working in partnership with suppliers
TUI UK & Ireland is working with blueContec and Responsible Hospitality Partnership to provide 55 of their differentiated hotels with dedicated environmental consultancy from 2012 to early 2014. These hotels include Sensatori (page 19), Holiday Villages and Couples hotels – some of our most popular holidays.

The goal is for these hotels to achieve Travelife awards and work towards ISO 14001, to collectively reduce their carbon emissions by a total of 8,000 tonnes, and save up to an average of £50,000 per hotel per year. For example, Tropicana Beach Hotel in Egypt has reduced its energy use by 40% and its water use by 33%, which should lead to savings of £150,000 in the first year alone.

TUI Nordic has been working for many years to make its Blue Village hotels more sustainable (page 21). In 2012, the business launched Project Starlight, providing dedicated environmental consultancy to TUI Nordic’s 43 Blue Star hotels. The project’s aim is ISO 14001 certification for all Blue Star hotels by 2014, through sustainability workshops, individual on-site visits and an online energy management system.

We have also incorporated challenging water and energy benchmarks into differentiated hotel specification contracts across the Mainstream Sector.

Meeting new challenges
We designed our Sustainable Holidays Plan commitments to be ambitious, and know that a number of them will require changes to our current processes.

One of our challenges is gathering accurate energy and water data from the hotels we work with in order to target improvements. This year, we are investing in a web-based sustainability data software solution to improve the collection and aggregation of our carbon, water and waste data from hotels. (page 55)
Destinations Sensatori

Sensatori resorts showcase their ‘greener and fairer’ initiatives

Our five-star Sensatori resorts are only available through Thomson, one of TUI UK & Ireland’s brands. As exclusive hotels, we want the Sensatori brand to lead the way in sustainability.

All Sensatori properties held Travelife Gold Awards in 2012. They are also part of our environmental consultancy project in partnership with blueContec and Responsible Hospitality Partnership, which sets clear targets for energy and water reduction per hotel (page 20).

We want to ensure that our hotels support the livelihoods of local people. All Sensatori resorts have local procurement practices, so that food and other products are bought from the local area where practical. The majority hold ‘market evenings’, where local suppliers are invited to sell their products, and customers are also encouraged to take walking tours using local guides.

For more information on Sensatori, please visit:

www.thomson.co.uk

You can watch a short film on our Sensatori resorts here:

www.youtube.com

“We work closely with TUI UK & Ireland on sustainability across all Atlantica hotels. We recognise that by continually improving our performance in this area, we also help drive improvements in cost management, staff engagement and the quality of the customer experience. Sustainability is not only the right thing to do, but it simply makes good business sense, and will remain central to how we manage our operations.”

Constantinos Victoras, Area Operations Manager
(Crete, Corfu & Egypt), Atlantica Hotels & Resorts
Destinations Sensatori

Since 2009, Sensatori Mexico has been supporting our Jungle Jams project, run in conjunction with the Travel Foundation, which is preserving traditional skills. Mayan women from the remote community of Chumpon are earning an income selling jam to this hotel (and others in the area), giving visitors a taste of the real Mexico. The jams are available on the breakfast buffet, incorporated into the hotel’s gourmet recipes, and can be purchased at reception and in the hotel gift shop.

www.thetravelfoundation.org.uk

Sensatori Tenerife focuses on minimising water, energy and chemicals from towel and linen changes. The hotel now offers an innovative ‘Green Stay’ option in which customers can opt out of housekeeping service, receiving a credit against their extras bill. The majority of food is sourced locally, even from their organic kitchen garden on site. In 2012 we developed a film to show at welcome meetings, encouraging customers to experience the real Tenerife, buying local handicrafts and eating at local restaurants. Watch the film here:

www.youtube.com

Sensatori Sharm El Sheikh is supporting a number of local community initiatives, and customers can taste local beverages and buy local handicrafts from the Bedouin tent, managed by members of the local community, on the hotel’s beach.

www.thomson.co.uk

Our new Sensatori Resort Turkey opened in Summer 2013. The hotel used our ‘Guidelines for Sustainability in Hotels’ to incorporate several elements of sustainability best practice, such as solar panels to power all external lighting, a greywater management system, and local vegetation for landscaping.

www.tuitravelplc.com

Sensatori Crete offers Cretan Delights market evenings, where local businesses pitch stalls at the hotel to sell traditional Cretan products such as olive oil, preserves, linens, woodcrafts and herbal teas. The hotel also offers free village walking tours to customers to encourage local spending and provides irrigation to local farmers’ crops from excess greywater (from basins, showers and baths) from the hotel. Watch the film here:

www.youtube.com

www.holidaysjustgotbetter.thomson.co.uk
Destinations **Blue Villages**

**Blue Villages most popular and most sustainable**

Our Blue Village hotels are only available through TUI Nordic. As exclusive, differentiated properties, it’s important that they lead the way in sustainability. Fritidsresor, our brand in Sweden, has had an environmental code of conduct for its hotels since the 1990s, and began seeking sustainability certification for its Blue Village hotels in 2008. All 15 hotels are now certified.

TUI Nordic supports these key hotels to reach best practice sustainability performance. They offer all Blue Village hotels an initial energy assessment free of charge, and also finance their ISO 14001 audit. To help them achieve certification, Blue Village hotels also receive additional environmental consultancy and are invited to annual supplier conferences on sustainability, hosted by TUI Nordic.

Together, the 15 Blue Village hotels have saved hundreds of thousands of Euros by using energy and water more efficiently. Their efforts benefit TUI Nordic as well: the Blue Village Aegean Park in Rhodes, designed to be carbon neutral, was the most profitable hotel and had the highest customer satisfaction in the Nordic region.

The **Blue Village Aegean Park** in Rhodes is a tailor-made, high-end family hotel designed to be carbon neutral. This ambitious plan challenged previous knowledge in building resorts in Rhodes, and was a key message in the marketing campaign when the hotel was opened. Energy consumption is extremely low because roofs, walls and windows are all double insulated and the air-conditioning units are cooled by cold water from the bedrock.

In Spring 2012, **Blue Village Caldera Beach** and **Blue Village Creta Paradise** in Crete were equipped with 800 m² of solar panels to heat water. This project saved energy and carbon, and now acts as the benchmark for other Blue Village Hotels.

**Blue Village Pascha Bay** in Turkey is using high-tech solar panels on its roof to power the hotel, and ground cooling to help keep the swimming pool cool. Used cooking oil from the kitchen runs the tractor which helps tend to the herbs and plants in the garden.

You can see a short film on the sustainability initiatives of Blue Village Pascha Bay here:

[www.spreadingsmiles.com](http://www.spreadingsmiles.com)

Blue Village hotels operate to high sustainability standards. On average, they use 15kWh of energy and 300 litres of water per guest night. Since 2008, they have reduced their energy use by an average of 20%.
**Destinations economic contribution**

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

Monitoring and improving the local economic contribution of a hotel is challenging – but despite these challenges, we are committed to making our holidays more sustainable in terms of local economic impact.

**All-inclusive holidays**

We are experiencing strong and growing demand for all-inclusive holidays.

We are mindful that this type of holiday evokes strong opinions. In our view, the key issue is whether a hotel is being operated responsibly, whatever its board basis, which includes seeking to improve its local economic contribution.

Our experience is that all-inclusive hotels generally employ greater numbers of staff and purchase more food, beverage and services, than other types of hotel. Our all-inclusive customers also take up to 20% more excursions whilst on holiday.

We support the Travelife sustainability certification, under which hotels must demonstrate local purchasing, fair wages and working conditions, and advice for holidaymakers on local customs and attractions. For more details, see page 17.

Our Sensatori resorts have local procurement policies, hold ‘market evenings’ with local suppliers, and encourage customers to take walking tours using local guides. For more details, see page 21.

**Destination impacts of all-inclusive holidays**

We recognise that a high concentration of all-inclusive hotels in a resort can impact on the ambience and character of holiday destinations.

In 2012, we worked with the Overseas Development Institute (ODI) on an in-depth study of local economic impact at three of our Holiday Village resort hotels, in Turkey, Greece and Tunisia. The research found that employment, procurement and customer discretionary spend are the biggest drivers of local economic impact, and that these could be improved.

Since then, we have initiated projects in Rhodes, Tunisia and Turkey that address a number of the recommendations.

We will continue to look for ways to measure the local economic impact of holidays, and share the findings with the industry.

Read more on economic contributions:

www.tuitravelplc.com

---

Tourism makes a real difference to livelihoods of people across the world, accounting for 9% of global GDP*.

*World Travel and Tourism Council’s World Economic Impact Report 2012

Between 2007 and 2010, the market share of all-inclusive doubled from 17% to 34% in the UK, driven in part by difficult economic conditions**.

**GfK Ascent 2010
We are involved in hundreds of projects that support communities and reduce environmental impacts. Where we can, we focus on the destinations where we send the most customers and where we believe we can make the greatest difference. In 2012 this included Greece, Spain, Cyprus, Tunisia, Egypt, Turkey, Thailand, Mexico, Brazil, Dominican Republic, Cape Verde and Kenya.

Our projects cover eight themes which address key material issues for TUI Travel:

### Supporting communities
We support several sustainable tourism community projects with partners across the globe, and we are engaging with experts to increase the economic benefits our holidays bring to local communities. For example, in partnership with The Travel Foundation, TUI UK & Ireland is supporting farmers in Turkey through the Taste of Fethiye project, which creates links between hotels and local farmers. In the first season of this project, 22 farmers in five villages supplied 100 tonnes of fresh fruit and vegetables to nearby hotels.

[www.spreadingsmiles.com](http://www.spreadingsmiles.com)

### Saving water
Tourism is a thirsty industry and can often put pressure on local water supplies. As well as working with our hotels to reduce water consumption, we support clean water projects around the world. For example, through water charities Just a Drop and Pump Aid, we support clean water projects in Kenya, Bolivia, Uganda, Zimbabwe, Malawi and Liberia. In Uganda, we’re working with Just a Drop and the Kituntu Women’s Association to bring safe, clean water and effective sanitation to around 1,250 people in five villages near the capital of Kampala.

[www.justadrop.org](http://www.justadrop.org)

### Reducing waste
Waste management is an important issue for hotels and destinations and is a growing priority for TUI Travel on the ground. Our project in Rhodes, in partnership with Atlantica Hotels & Resorts and The Travel Foundation, aims to demonstrate to hotels on the island they can reduce the amount of waste they produce and increase their recycling rates. We helped five hotels in Rhodes to reduce the amount of waste going to landfill by an estimated 38% during the 2012 Summer season.

[www.thetdrawlfoundation.org.uk](http://www.thetdrawlfoundation.org.uk)

### Protecting biodiversity
Many tourism destinations are special because of their biodiversity, and protecting them is a priority for TUI Travel. Our activities range from supporting sea turtle protection projects in Turkey, Greece and Mexico, to reforestation projects in Majorca and Madagascar. In Kenya, the forest project we support was the first in the world to be issued with Reduced Emissions from Deforestation & Degradation (REDD) credits, offering a financial incentive for the community to preserve its forests and invest in their livelihoods and education.

[www.carbonneutral.com](http://www.carbonneutral.com)

### Animal welfare
Many of our customers want to visit attractions on holiday that involve animals. The welfare of animals in captivity is a concern for both our customers and our business, and we continue to audit our suppliers against animal welfare standards. We were actively involved in the development of the industry’s first ever Global Welfare Guidance for Animals in Tourism, produced by ABTA and launched in June 2013. Read about our policy and standards here:

[www.tuitravelplc.com](http://www.tuitravelplc.com)

### Protecting children
We are committed to child protection, both for the children we take on holiday and those in the destinations we serve. For example, we support a child protection project in Northeast Brazil and in November 2012, we formed a three year partnership with the German Government Development agency GIZ, The Code and other industry partners to combat child sex tourism in Thailand. TUI Travel’s Mainstream businesses are signed up to the Child Protection Code.

Our policy: [www.tuitravelplc.com](http://www.tuitravelplc.com) [www.thecode.org](http://www.thecode.org)

### Investing in training
We invest in training for suppliers and other stakeholders to give them the skills they need to deliver more sustainable holidays. TUI Travel is the largest industry supporter and donor to The Travel Foundation, who over the last 10 years have 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.

[www.thettravelfoundation.org.uk](http://www.thettravelfoundation.org.uk)

### Reducing carbon
As well as our strategy to reduce carbon emissions across our operations, we contribute to carbon emissions reduction projects around the globe. Our investments in clean energy and energy efficiency projects in key destinations are set to deliver a million tonnes of CO2 savings by 2014, including exclusively funding two wind farms in Turkey which bring renewable energy to the local coastal communities.

[www.spreadingsmiles.com](http://www.spreadingsmiles.com)
Here are some examples from the hundreds of projects we support:

- **Destinations projects**

  - **We are working with Karisma Hotels to help conserve sea turtles along the Riviera Maya in Mexico**
    - www.thetravelfoundation.org.uk

  - **In partnership with Just a Drop, we are providing 90 families with clean drinking water in Bolivia**
    - www.spreadingsmiles.com

  - **The Specialist & Activity Sector supports the Street Child World Cup – a charity that helps vulnerable children living on the streets around the world**
    - www.streetchildworldcup.org

  - **To date we have planted 25,858 wild olive and pine trees in a nature reserve in Majorca, Spain and set up a Nordic walking excursion**
    - www.spreadingsmiles.com

  - **We are working with farmers in Turkey to help them provide local produce for our hotels**
    - www.spreadingsmiles.com

  - **We are working with HEPCA, a charity set up to protect the marine ecology of the Red Sea, to install waste bins for tourists in Hurghada, Egypt**
    - www.tuiarefoundation.nl

  - **We co-sponsored an energy efficiency cookstove project in Kenya. 7,200 stoves have now been installed**
    - www.spreadingsmiles.com

  - **The Intrepid Foundation is a not-for-profit fund that supports NGO’s in the places Intrepid visits. In 2012, $427,000 AUS was raised for projects supporting health care, education, human rights, child welfare, sustainable development and the environment.**
    - www.theintrepidfoundation.org

  - **Over 600 hoteliers and other stakeholders have attended our supplier sustainability workshops in the last couple of years**
    - www.tuiarefoundation.nl

**Commitment #5**

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

**YEAR 1 PERFORMANCE**

In 2012, 88% of TUI Travel businesses supported environmental or socio-economic projects in destinations*, and helped contribute over £5 million to good causes.

*Sustainable Development Evaluation 2012 (weighted by colleagues numbers)
Destinations have a significant role to play in managing tourism sustainably. We work collaboratively with communities, local and national governments, NGOs and trade associations to support the sustainable management of destinations.

Here are some examples:

**Sustainability at the heart of Cyprus’ tourism industry**
The Travel Foundation entered into a ground-breaking five-year partnership with the Cyprus Tourism Organisation (CTO) and the Cyprus Sustainable Tourism Initiative (CSTI) in 2010. The aim of the partnership is to see Cyprus become a leader in sustainable tourism, help local people benefit from tourism, preserve local culture and protect and enhance the natural environment of the island.

Several projects have already begun, including integrating sustainability into the island’s national hotel quality rating, improving hotels’ waste management, and cleaning beaches. TUI Travel supports the partnership via The Travel Foundation, supplier relationships and our volunteering scheme, where colleagues have used their specialised skills to work on specific projects.

[www.thetravelfoundation.org.uk](http://www.thetravelfoundation.org.uk)

**Setting up a Destination Council in Sal, Cape Verde**
In 2011 and 2012 we worked with Sustainable Travel International and INTASAVE to understand the long-term sustainability issues in three important destinations to TUI Travel: Turkey, Cape Verde and Tunisia. Destination stakeholder workshops took place and we are now implementing our operational response.

In Sal, Cape Verde the key recommendation was to set up a Destination Council through which action plans could be developed. The Destination Council is being initially funded by The Travel Foundation and overseen by a local Cape Verdean coordinator. The Destination Council will be looking at best practice in environment and conservation, supply chain linkages, and excursion and event development.

**The Travel Foundation**
The Travel Foundation is an independent charity that works with the travel and tourism industry towards a sustainable future, both for the industry and holiday destinations. The Foundation enables travel companies to protect the environment and create opportunities for local people in tourism destinations both of which improve the well-being of the destination and enhance the holiday experience of visitors. One of TUI UK & Ireland’s Board directors serves as a Trustee of The Travel Foundation, and many of our businesses work closely with the charity on destination projects. We are the largest supporter of The Travel Foundation, donating over £3.7 million since 2003.

[www.thetravelfoundation.org.uk](http://www.thetravelfoundation.org.uk)

"TUI Travel continues to set an example to the rest of the travel industry. Sustainability is now embedded in the very ethos of the company and the Travel Foundation is proud to be a partner supporting TUI Travel in continuing this journey."

Noel Josephides, Chairman of The Travel Foundation
Supporting tourism in Tunisia
Tourism plays an essential role in the Tunisian economy. In 2012, TUI Deutschland partnered with the German Government Development agency GIZ to support a five-year project in Tunisia to foster and develop tourism in a socially sustainable manner. The project focuses on the economic integration of women in the regions of Hammamet, Sousse and Port el Kantaoui. Hotel managers are being trained on how to improve the working environment, training quality is being improved in hotel colleges, and the project also supports traditional Tunisian arts and crafts.

Protecting biodiversity in the Dominican Republic
Increased visitation in the Del Este National Park in the Dominican Republic is causing a decline in the quality of coral reefs, beaches, the mangroves and sea grass ecosystems. TUI Travel is working with an NGO Nature Conservancy to unite private and public sector stakeholders and help conserve and manage the government-owned park. As well as meeting the Tourism Minister to influence the sustainable management of the area, we are working with our excursion suppliers to ensure they are using cleaner engines, avoiding reef damage and managing the waste from tourism. www.nature.org

Developing criteria for sustainable destination management
The Global Sustainable Tourism Council (GSTC) is developing a set of criteria designed to improve the sustainable management of tourist destinations. The final version will be available at the end of 2013. TUI Travel has played an active role in the GSTC and several destinations we operate to were part of the ‘early adopter’ scheme to pilot the criteria, including Lanzarote, an island which aims to lead the way in sustainable destination management. We look forward to working with the GSTC and the UN World Tourism Organisation to develop the impact of this work. www.gstcouncil.org

Commitment #6
TUI Travel will demonstrate responsible leadership by influencing the sustainable management of tourist destinations

YEAR 1 PERFORMANCE
Our longstanding relationship with The Travel Foundation allows us to positively influence the sustainable management of tourist destinations through specific projects in key destinations. We also work with other agencies such as GIZ and the Nature Conservancy to take a practical role in supporting 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 50 events, including the Global Sustainable Tourism Council in Washington DC, the World Travel Market in London, ITB in Berlin, Fitur in Madrid and the European Parliament in Brussels.

TUI Travel was the lead sponsor of the Taking Responsibility for Tourism conference held at South Africa House, London, in June 2012. The conference reflected on the progress made in responsible tourism since 2002 and agreed priorities for the next 10 years. TUI Travel Directors presented at the event and took part in panel discussions.
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

As a leading leisure travel company, our challenge is to prepare for a low carbon future by reducing our environmental impacts and helping those in our value chain (our suppliers and customers) to do the same.
Travel and tourism are responsible for around 5% of global CO₂ emissions*. As a leading leisure travel company, our challenge is to prepare for a low carbon future by further reducing our environmental impacts and helping those in our value chain do the same. Carbon management is a priority for TUI Travel: our airlines’ carbon efficiency is one of the company’s key performance indicators (see commitment 7, page 31).

www.tuitravelplc.com

Our carbon management strategy covers aviation, hotels, major premises, retail shops, water transport and ground transport emissions.

Our business case
It makes sense both from a business and from an environmental perspective for us to embed carbon management into our key business practices.

* carbon footprint covers
Scope 1 (direct emissions) and Scope 2 & 3 (indirect emissions).

AVIATION AND CLIMATE CHANGE
We aim to operate Europe’s most fuel-efficient airlines, and to continue to invest in cutting edge aviation technology. In FY2012, TUI Travel airlines’ total carbon emissions were 5,248,262 tonnes. Emissions from aviation make up over 90% of our company’s carbon footprint.

We have developed our position on aviation and climate change in partnership with key stakeholders, whose insight and guidance has helped us to identify how we can play a leading role in campaigning for smarter carbon legislation. Read our ‘Campaigning for smarter carbon legislation’ article here:

www.tuitravelplc.com

£16 million
saved through environmental efficiencies in 2012**

** An approximate figure of Group savings that have been tracked, gross of any upfront investments required to achieve these savings in 2012. Part of previously identified cost savings.
TUIfly rated the most climate-efficient charter airline worldwide

TUIfly was ranked the most climate-efficient charter airline worldwide in the 2012 Airline Index, published by the German environmental NGO atmosfair. The award recognises TUIfly’s investment in modern, more fuel-efficient aircraft, and its efforts to reduce fuel use. Thomson Airways was ranked the second most efficient airline for short haul flights.

2012 atmosfair report: www.atmosfair.de/en

“We’re extremely proud to be awarded this ranking by atmosfair. Achieving first place in the Airline Index 2012 has rewarded years of effort on our part with regard to the way we plan our flight routes, load our aircraft, and invest in new technology.”

Dr Dieter Nirschl, CEO TUIfly

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).

YEAR 1 PERFORMANCE
TUI Travel airlines’ carbon emissions were 73.9g per revenue passenger kilometre (gCO2/RPK) in FY2012, making our airlines some of the most fuel-efficient in Europe. We saved 8,132 tonnes of carbon from our ground operations, largely through brochure paper reductions and energy savings from our retail shops.
Carbon in the air

In 2013 Jetairfly introduced two Embraer 190 aircraft into its fleet – making it the first leisure airline in the world to introduce the ‘E-Jet’. These aircraft are more fuel-efficient, have a low noise level and offer maximum comfort to passengers, with their spacious 2x2 seat configuration and the opportunity to offer more direct flights.

<table>
<thead>
<tr>
<th>TUI TRAVEL AIRLINES CARBON EFFICIENCY FY2012 (MEASURED BY gCO₂ PER RPK)*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ArkeFly (Dutch airline)</td>
<td>75.2g</td>
</tr>
<tr>
<td>Corsair** (French airline)</td>
<td>90.8g</td>
</tr>
<tr>
<td>Jetairfly (Belgium airline)</td>
<td>75.2g</td>
</tr>
<tr>
<td>Thomson Airways (UK airline)</td>
<td>70.6g</td>
</tr>
<tr>
<td>TUIfly (German airline)</td>
<td>66.5g</td>
</tr>
<tr>
<td>TUIfly Nordic (Nordic airline)</td>
<td>65.4g</td>
</tr>
<tr>
<td>TUI Travel airlines (average)</td>
<td>73.0g</td>
</tr>
</tbody>
</table>

*Carbon efficiency, measured through TUI Travel airlines’ average carbon emissions per revenue passenger kilometre (gCO₂ per RPK).

**In 2012, Corsair operated aircraft which were older than our average fleet. They have a fleet replacement plan in place for 2013, which to date has seen the delivery of two more fuel-efficient aircraft.
Fuel efficiency across our airlines
TUI Travel operates six airlines, flying a total of 141 aircraft. Four years ago TUI Travel airlines committed to reduce carbon emissions per revenue passenger kilometre (gCO₂/RPK) by 6% by 2015, against a baseline of 2008. In FY2012 TUI Travel airlines’ relative carbon emissions were 73.0g per revenue passenger kilometre (gCO₂/RPK), 6.3% below the 2008 baseline year. We are pleased to announce that we have therefore achieved our commitment two years ahead of schedule.

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

* Fleet renewal and investment in new aircraft
* Fuel-saving winglets now fitted to 89% 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 optimizing 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 resource 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

We have achieved our 6% target

Commitment #7
TUI Travel’s airlines’ per passenger carbon emissions will reduce by 6% (baseline 2008)

YEAR 1 PERFORMANCE
In FY2012, TUI Travel airlines’ per passenger carbon emissions were 73.0g per revenue passenger kilometre (gCO₂/RPK), 6.3% below the 2008 baseline. Our new commitment is to reduce TUI Travel’s airlines’ per passenger carbon emissions by 9% by 2015 (baseline 2008).

Implementation of an enhanced fuel monitoring and management system in four airlines
Following the early achievement of our 2015 commitment, we have now set a more stretching target of reducing TUI Travel’s airlines’ per passenger carbon emissions by 9% by 2015 (baseline 2008).

Thomson Airways have been trialling an enhanced engine wash programme – cleaner air turbine blades reduce drag and maximise air flow, reducing fuel burn and CO₂.

ArkeFly uses A-glaze, a surface sealant, on their planes which helps aerodynamics and reduces kerosene use.
**Investing in next generation aircraft**

Thomson Airways was the UK’s launch customer for the Boeing 787 aircraft, 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 than comparable aircraft today. It also produces considerably less noise pollution.

Thomson Airways will be taking delivery of eight Dreamliners in total and started commercial flights on 8 July 2013. The Dreamliner will fly from Manchester, East Midlands, Glasgow and Gatwick to Sanford, Florida and Cancun, Mexico. A further five aircraft will join the TUI Travel fleet with airlines TUIfly Nordic, ArkeFly and Jetairfly also taking delivery of this innovative new aircraft. You can watch a video of the Dreamliner landing here: [www.thomson.co.uk](http://www.thomson.co.uk)

“Thomson Airways is immensely proud to be the first UK airline to take delivery of the 787 Dreamliner. The aircraft showcases the latest in aviation environmental technology, reducing fuel burn and carbon emissions per seat, it creates a smaller noise footprint than the aircraft it replaces and has been manufactured in the USA to international environmental management standards”.

Chris Browne, Managing Director, Thomson Airways

---

**Carbon in the air**

TUI Travel airlines will be the first in Europe to fly the new innovative Split Scimitar Winglet Systems from Aviation Partners Boeing. The Split Scimitar Winglets replace the Blended Winglets currently installed on the Boeing Next-Generation 737-800 aircraft, operated across ArkeFly, Jetairfly, Thomson Airways, TUIfly and TUIfly Nordic.

TUI Travel has committed to purchasing 60 Boeing 737 MAX aircraft, with improved fuel-efficiency compared to the current Boeing 737

“**A major part of TUI Travel’s strategy is to provide our customers with unique holiday experiences. This multi-billion pound investment in the B737 MAX – representing the future generation of more fuel-efficient aircraft for our short and medium-haul programmes – will be a further driver in delivering this**”.

Peter Long, Chief Executive of TUI Travel PLC

[www.tuitravelplc.com](http://www.tuitravelplc.com)
Sustainable biofuels

Sustainable biofuels – that is, fuels derived from independently-certified sustainable biomass, waste streams or other renewable or sustainable sources – could play a role in reducing carbon emissions from aviation in the future.

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 oil-derived kerosene, the current standard aviation fuel.

The UK Government and its European partners are in the process of developing a sustainable biofuels strategy. We believe that this strategy should reflect the accelerated pace of biofuel development, and devise mechanisms to incentivise investment and build a sustainable aviation biofuel infrastructure.

TUI Travel is a founding member of the UK aviation industry’s Sustainable Aviation group, which aims to bring together governments and the aviation industry to work towards halving global CO₂ emissions by 2050, compared to 2005 levels. www.sustainableaviation.co.uk

TUI Travel is also a member of SAFUG (Sustainable Aviation Fuel Users Group), a coalition of global airlines aiming to accelerate the commercialisation and usage of sustainable aviation fuels. www.safug.org

Our largest airline, Thomson Airways, became the first UK airline to fly customers on sustainable biofuel (a 50:50 blend of used cooking oil and kerosene) in October 2011. Whilst this project delivered on its ‘proof of concept’ objective, it also highlighted the complexities of bringing a new, sustainable alternative to jet fuel into the aviation market. Complexities include ensuring true sustainability at a large scale, consumer confidence in the sustainability criteria of the biofuel and achieving economic viability, all within the framework of a global industry.

In Germany, TUIfly co-project manages the Fuel Utilization Working Group of the Aviation Initiative for Renewable Energy (AIREG). The Working Group aims to provide a comprehensive review of the practicalities of using sustainable aviation fuels, for aircraft engines and airport infrastructure. www.aireg.de

TUI Nederland is partnering with AlgaePARC (which is part of Wageningen University in the Netherlands) to facilitate the research for the development of sustainable biofuel. One of the leading research themes is specifically focusing on algae as a sustainable aviation biofuel feedstock.

Read our ‘Campaigning for smarter carbon legislation’ article here:
www.tuitravelplc.com

Commitment #8
We will trial sustainable biofuel on flights and explore a long-term sustainable biofuels strategy

YEAR 1 PERFORMANCE
Thomson Airways became the first UK airline to fly customers on sustainable biofuel on 6 October 2011 and TUI Travel airlines are collaborating with a number of stakeholders to drive understanding and action.
Recycling waste on-board
TUI Travel airlines take their environmental responsibility seriously, on the ground and in the air. Tackling waste on-board is an operational challenge because of space constraints, international legislation regarding catering waste and, in some cases, the slow progress made by destination airports to develop the infrastructure for recycling.

Our airlines are working to reduce waste on-board, with a focus on cans, paper and plastic bottles.

Key achievements include:

- TUIfly Nordic recycled 74% of waste on-board in 2012. Cabin crew use an innovative digital app to record the amount of waste recycled on their flight.
- TUIfly recycled 1.2 million plastic bottles in 2012, which equated to 60% of beverage containers.
- Thomson Airways recycled the equivalent of 1.4 million cans in 2012.

Environmental management systems
Three of our airlines, TUIfly Nordic, Thomson Airways and TUIfly in Germany are certified to the international environmental management standard, ISO 14001.

In 2009, TUIfly Nordic was the first charter airline in the world to achieve ISO 14001 certification for all of its operations. The airline has a focused approach to fuel-saving through minimising weight onboard aircraft, optimising flying routes and employing fuel-saving operational procedures which helped them achieve a 20% reduction in fuel consumption between 2011 and 2012.

In 2011, Thomson Airways was the first airline in the UK to roll out the ISO 14001 standard across its engineering operations. Changes to Thomson Airways’ engineering operations on board its aircraft have resulted in a saving of approximately 40,000 tonnes of CO2, the equivalent of a 6.7% improvement in relative carbon efficiency since 2008.

TUIfly was the first holiday airline in Germany to achieve full ISO 14001 certification in May 2013. TUIfly’s environmental management system has 23 targets, including reducing weight on the aircraft and the amount of waste generated.

Commitment #9
We will recycle cabin waste generated on-board 50% of TUI Travel airline flights (cans, paper and plastic bottles)

YEAR 1 PERFORMANCE
Three of our airlines recycled cabin waste generated on-board (equating to over 50% of TUI Travel airline flights). We still have work to do to increase the quantity of waste recycled and improve performance monitoring, as well as to develop recycling programmes with our other three airlines.

Commitment #10
TUI Travel airlines will be ISO 14001 certified (an international environmental management standard)

YEAR 1 PERFORMANCE
Thomson Airways and TUIfly Nordic remained ISO 14001 certified in 2012 (covering 46% of our aircraft). TUIfly achieved ISO 14001 certification in 2013.

ArkeFly has worked in partnership with Wageningen University and Foodcase in the Netherlands to develop an innovative solution to airline catering on-board – meals that can be cooked in advance and then stored at ambient temperature before serving on-board, reducing refrigeration requirements and reducing waste by extending the products shelf life.
We monitor and report the carbon emissions from approximately 50 major premises (typically offices with over 100 people) and approximately 1,800 retail shops.

Last year, we set a target to reduce CO₂ from our major premises and retail shops, and brochure production by 10% (baseline 2011).

We’re pleased to announce that we’ve met this target two years ahead of schedule. We are therefore setting a more stretching target to reduce CO₂ emissions from our major premises, retail shops and brochure production by 15% against 2011.

**Leading the way on carbon reduction**

TUI Travel has been ranked 45th out of 2,097 companies in the 2012 UK Carbon Reduction Commitment Performance League Table. We improved our ranking by nearly 300 places from 2011, taking us into the top 2% overall. We were the highest placed of the travel and tourism businesses and airlines listed.

We reduced carbon emissions by 7.7% year-on-year across the TUI UK retail estate. In the last 2 years, TUI UK has saved 1,300 tonnes of carbon, saving the business more than £200,000.

This saving is thanks to our retail colleagues in the UK, who reduced the amount of energy they use throughout the estate. They were supported through automatic meter readers, new energy management systems and greater scrutiny of energy usage.

**Greening our offices**

Intrepid Travel in Melbourne, Australia implemented a number of emission reduction initiatives in their head office in 2012. They went from operating out of several smaller offices to moving into one central office space, which resulted in less energy consumption per full time employee. The head office also switched to using 100% Green Power, implemented a new waste management system and ran a number of colleague education pieces on more sustainable practices within the workplace.

These initiatives resulted in a 21% reduction in their business emissions, a 31% increase in the amount of paper they recycled and the waste management system that was implemented has doubled the amount of food waste they compost and save from going to landfill.

**Commitment #11**

We will reduce CO₂ from our major premises, retail shops and brochure production by 10% (baseline 2011)

**YEAR 1 PERFORMANCE**

We reduced CO₂ by 10.7% against our baseline, largely through brochure paper reduction and energy savings from our retail estate. We have now extended our commitment to reduce CO₂ from our major premises, retail shops and brochure production by 15% (baseline 2011).
Reducing carbon emissions from brochure production
One of TUI Travel’s strategic priorities is to be online driven. Across the Group our businesses are working to reduce brochures (achieving an overall 20% reduction between FY2011 and FY2012) and to use digital platforms throughout the customer journey.
Examples include:
- TUI Deutschland reduced the number of brochure pages printed by over 1.2 billion pages between 2011 and 2012
- TUI UK & Ireland have printed nearly 1 billion fewer brochure pages in the past two years and halved the number of ticket booklets
- Adventure Tours Australia Group (ATAG) has reduced brochure pages by 35%, to save $21,414 AUD
- TUI Nordic has moved away from publishing full holiday brochures in favour of slim magazines for customers
- Businesses within the Specialist & Activity Sector have developed brochure apps for customers e.g. Sunsail, The Moorings and Le Boat
  www.itunes.apple.com
- In 2013, TUIfly was the first charter airline in the world to offer customers the option to receive their boarding pass on their smartphones
- TUI UK & Ireland has 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
- Thomson has launched a MyThomson app, allowing users to look up and book excursions on their smartphones, as well as find out about local events in their resort

The MyThomson iPhone App was officially launched in June 2013 and shot to the top of the free travel apps chart. Within 6 weeks, 86,000 Thomson customers had downloaded the App which acts as a customer’s personal holiday assistant. The App stores all of their holiday details in one place: weather, flight information, hotel and resort information, directions to the airport, and details about excursions.

www.tui_travelplc.com
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 such as the Mediterranean, Baltic and Caribbean, and Quark Expeditions operates five ships in the Arctic and Antarctic. We are working to make environmental improvements to all of these ships’ operations.

**Carbon at sea and on the ground**

In 2012 Thomson Dream decreased the amount of waste it sent to landfill in the Caribbean by 40%. We are now implementing similar practices across the fleet, and addressing other issues such as working with destination ports to increase recycling, and using chemicals that are less harmful to the marine environment. Four of the five Thomson Cruise ships now have an Environmental Officer on-board.

In 2012, 97% of our cruise customers rated us ‘good’ or ‘excellent’ for our respect for the environment and local people.
Passion for the Polar Regions
Quark Expeditions was a founding member of the International Association of Antarctica Tour Operators (IAATO), and 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.
Quark has committed to minimising the impact on the areas they visit, via initiatives such as:
- Vessels burning Marine Gas Oil – a cleaner burning fuel with lower sulphur emissions
- Conforming to all international regulations/policies governing disposal of waste at sea
- Being the first operator to offer inclusive CarbonNeutral® voyages on the Ocean Diamond ship
- Using only phosphate-free soaps and laundry detergent on-board

http://www.quarkexpeditions.com

Greening our coach fleet
We operate over 1,000 coaches or vehicles in our Accommodation & Destinations and Specialist & Activity Sectors. We are working to make environmental improvements to these operations.
This year, we reduced CO₂ emissions by 3.1% against the baseline year.
Ultramar, our largest ground transport company, has 212 coaches in Spain and has set a target to reduce its fuel use (litres of fuel per 100km) by 2% by the end of Summer 2013. In the first year, they are well on track to achieve this target, via the following initiatives:
- A continuous fleet renewal programme where the average age of the fleet is approx. 3.5 years
- A third of the coach fleet has been fitted with the latest EURO V and EEV engine technology, reducing fuel burn compared to older coaches
- Satellite navigation has been installed in vehicles to monitor consumption, distances travelled, driver performance and route optimisation
- Environmental training has been included in driver inductions and annual training plans for all colleagues
- Sustainability champions have been appointed in each office to help drive Ultramar’s targets

Quark Expeditions offset the emissions of the Ocean Diamond, its newest ship, thereby offering the first CarbonNeutral voyage in polar travel history.

Commitment #13
We will make measurable environmental improvements to our ground transport operations

YEAR 1 PERFORMANCE
We reduced CO₂ emissions by 3.1% against our 2011 baseline year.

TUI Deutschland provides all air package holiday customers with a rail ticket for travel to and from airports in Germany that includes the use of all public transport in twelve major German public transport associations.
GOAL BY 2015: Our colleagues will rate TUI Travel as a leader in sustainability

Our colleagues are crucial to delivering our commitments on sustainability. We want them to be engaged, knowledgeable and enthusiastic about sustainability, and we believe that this will drive recruitment and loyalty to TUI Travel.
Our colleagues tell us our commitment to sustainability is important and it helps us attract new talent. We want to make sustainable development a real priority for each and every colleague within our business.

**Our business case**

Research shows that a company’s reputation is increasingly important to today’s employees, who seek synergy between their own and their employer’s values. Our HR colleagues regularly hear from new starters that TUI Travel’s sustainability performance influenced their choice of TUI Travel as a prospective employer.

One of TUI Travel’s core values is Responsible Leadership, which is increasingly embedded into how we measure behaviour and performance. Research carried out by the non-profit organisation Net Impact in 2012 shows employees who have the opportunity to make a direct social and environmental impact through their job report higher satisfaction levels than those who don’t, by 2:1.

[www.netimpact.org](http://www.netimpact.org)

Our goal is for colleagues to rate us as a leader in sustainability. Our core value of Responsible Leadership is being built into behaviour and performance measures. In our global colleague opinion survey, Your Voice, we have developed a number of core questions relating to Responsible Leadership and sustainable development.

We also have a Group Employee Code of Conduct which covers a wide range of sustainability issues, including human rights, business ethics and transparency, and commits TUI Travel to upholding the principles of the UN Global Compact. [www.tuitravelplc.com](http://www.tuitravelplc.com)

**Bringing sustainability to life**

We communicate regularly about the progress we’re making on securing a sustainable future for our industry. A key challenge is to make our Sustainable Holidays Plan accessible and practical for all colleagues. To this end we embed sustainability in recruitment material, our intranets, newsletters, inductions, blogs by senior managers, dedicated films and e-learning modules, as well as many other communication channels.

In 2012 many sustainability awareness-raising events took place. For example:

- TUI Deutschland organised a Green Day for their 1,800 colleagues in Hannover, themed ‘Treasures of the Earth’
- TUI UK & Ireland colleagues supported the Travel Foundation’s ‘Make Holidays Greener’ month in June
- TUI Deutschland has been organising colleague Green Days for 8 years. The theme in 2012 was ‘Treasures of the Earth – waste management’ featuring an exhibition called ‘Plastics on the Ocean Waves’ by artist Guido Scharfenberg – who creates art from plastic recovered from the ocean.
Colleagues Your Voice

"I love the energy of the company and that it’s a driver in sustainability. A company with vision is a great place to work”

"The fact that we are forward thinking in terms of ensuring our industry is visible in the long term and benefits the places we travel to”

"That I can feel proud to say I work for a company that actively tries to care and provide for the communities it impacts”

"The vision. I like the fact the company is succeeding with performance and sustainability together”

Notes on measurement:
• The Group-wide Your Voice survey was undertaken for the first time in 2012, in over 30 countries and across 16 languages. Our survey partner provides annual benchmarks for High Performing Companies, which we use to judge our performance. Please note that the benchmark is updated annually. There is currently no data available for Global Senior Managers High Performing norm for the environment question.
• Our senior leaders score relates to the 250 most senior colleagues across TUI Travel.

<table>
<thead>
<tr>
<th>2012 YOUR VOICE SURVEY RESULTS – SENIOR LEADERS</th>
<th>2012 YOUR VOICE SURVEY RESULTS – ALL COLLEAGUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company acts responsibly on ENVIRONMENTAL matters</td>
<td>78%</td>
</tr>
<tr>
<td>Our company is SOCIALLY RESPONSIBLE (it brings benefits to the communities in which it operates)</td>
<td>78%</td>
</tr>
<tr>
<td>*GSMN – Global Senior Managers norm</td>
<td>**GSMHPN – Global Senior Managers High Performing norm</td>
</tr>
<tr>
<td>Our company acts responsibly on ENVIRONMENTAL matters</td>
<td>66%</td>
</tr>
<tr>
<td>Our company is SOCIALLY RESPONSIBLE (it brings benefits to the communities in which it operates)</td>
<td>66%</td>
</tr>
<tr>
<td>*GN – Global norm</td>
<td>**GHPN – Global High Performing norm</td>
</tr>
</tbody>
</table>

www.tuitravelplc.com
Colleagues development programmes

Building sustainability into development programmes
Our Learning and Development team works to integrate sustainability into our graduate programmes, high potential programmes and the Group Responsible Leadership programme. Our aim is to make sustainable development real for our colleagues.

International Graduate Leadership programme
As well as sustainability workshops as part of the assessment centre and induction process, our international graduates work on a Group sustainability challenge during their 18-month placement. Examples include a Groupwide competition to drive innovation through sustainability, analysing long-term sustainability risks in key destinations, and developing biodiversity guidelines for hotels.

High Potential programmes
Learning about and debating the business case for sustainability is integrated into the High Potential training programmes across TUI Travel. We hold sustainability workshops with the emerging leaders in the business as part of their formal management development. These are the young and dynamic future leaders of our organisation, who form an influential network across our multi-national organisation.

Global Responsible Leadership Programme
TUI Travel’s Global Responsible Leadership Programme has been in place since 2008. The aim is for leaders to gain insight into their personal leadership styles, have greater cultural appreciation and work together with colleagues from other parts of the business. It is also an opportunity to make a contribution to the programme’s host community by providing business advice and construction assistance. To date over 100 senior leaders have taken part in the programme.

Commitment #14
We will deliver sustainability training to new colleagues, customer facing colleagues and management development programmes

YEAR 1 PERFORMANCE
70% of our businesses cover sustainability in inductions* and 67% of our businesses offer training on sustainability for colleagues*. Sustainability has been embedded into Group management development programmes.

Commitment #15
We will launch a Group-wide sustainability communications campaign

YEAR 1 PERFORMANCE
95% of our businesses communicated with colleagues on sustainable development*. Spreading smiles – a platform to bring our sustainability initiatives to life – was developed in 2012, however the launch was delayed from the end of 2012 to 2013 due to technical issues. We have launched Spreading smiles alongside this report. For more details page 50.

www.spreadingsmiles.com

‘I feel highly motivated that we have invested in a destination community project.’
Brendan Jones, Managing Director, North American Education Division

‘I’m proud to have been part of this project, it’s quite humbling actually, and it’s given me faith that we can make a difference.’
Mark German, Head of Aircraft Management, TUI Travel

www.tuitravelplc.com

*I feel highly motivated that we have invested in a destination community project.’
Brendan Jones, Managing Director, North American Education Division

‘I’m proud to have been part of this project, it’s quite humbling actually, and it’s given me faith that we can make a difference.’
Mark German, Head of Aircraft Management, TUI Travel

*Sustainable Development Evaluation 2012 (weighted by colleague numbers).
Community volunteering programmes are developing across the Group, with great feedback from colleagues and communities. Our 2015 target is for colleagues to dedicate 100,000 hours to volunteering, and we’re doing so in several different ways.

Charity days
Many of our businesses have a policy of allowing colleagues one day per year to volunteer for charity. Our Specialist & Activity Sector was the first to offer this scheme to colleagues and 434 colleagues participated in 2012. TUI UK & Ireland has also launched a similar programme, Project Discovery UK, and 245 colleagues took part in 2012.

Our Accommodation & Destinations Sector is also very active in employee volunteering and will launch a formal scheme in 2013. In 2012, over 150 Accommodation & Destinations colleagues in Palma, Mallorca volunteered at their charity rock concert, which supported Caritas Mallorca and attracted over 4,500 people.

Project Discovery Overseas
Project Discovery is TUI UK & Ireland’s overseas volunteering scheme, open to all UK based colleagues. It is organised in partnership with The Travel Foundation, the world’s first sustainable tourism charity supported by the World Care Fund, our customer donation scheme. Volunteers’ skills are matched to a Travel Foundation project overseas and they then spend one to two weeks using those skills to benefit sustainable tourism projects. Colleagues have put to good use skills as diverse as customer care, finance, market research, product development and marketing.

By 2013, nearly 100 colleagues had participated and returned with a fresh outlook on sustainable tourism and an understanding of the benefits the Travel Foundation’s projects can bring to destination communities. Recent examples of projects include keeping Cyprus’ beaches clean, customer research in Majorca on sustainable excursions, helping Kenya’s beach operators earn a fair living and protecting turtles in Mexico.

Volunteering challenges
Our colleagues have responded very positively to our strategy of formalising their volunteering hours, which means this time can be dedicated to helping the charities they care about. Our biggest challenge, however, is to measure how many hours have been volunteered. We currently gather this data through our annual Sustainable Development Evaluation, but found in 2012 that many businesses did not have a formal process to record this. We are working on ways to improve this data collection process.

Commitment #16
Our colleagues will dedicate 100,000 hours to volunteering

YEAR 1 PERFORMANCE
Colleagues dedicated over 12,000 hours to volunteering.

Hotelbeds 10 Years 10 causes
As part of its 10-year anniversary celebrations, Hotelbeds launched the ‘10 years ‘10 causes’ campaign. This initiative engaged over 6,000 Hotelbeds’ colleagues from around the world to propose and participate in local initiatives related to different causes – Health; Integration; Education; Sustainable Tourism; Youth; Sharing; Giving Back; Biodiversity; Cultural Diversity and Children. The initiatives and activities that took place can be found at www.10causes.com

‘Project Discovery allows you to discover sustainable tourism on the front line, where it matters the most. All the brochures and pictures in the world could never evoke the emotion that experiencing something first hand can offer and seeing the difference we can make.’

Mark Densham, Cabin Crew Performance Manager, Thomson Airways – Beach Operators Project, Kenya 2012
Commitment #17
We will drive product and process innovations through sustainability

YEAR 1 PERFORMANCE
The Green Ideas Factory colleague innovation competition generated over 120 ideas. Read about the ideas that have been implemented here: www.tuitravelplc.com

Green Ideas Factory
In 2012 we launched the Green Ideas Factory competition, giving colleagues the chance to get creative about sustainability and submit their ideas on how we can be ‘greener’ whilst improving our business. We received 120 ideas from 18 countries and nearly 1,500 colleagues voted for their favourites. 10 finalists developed their ideas with the help of senior managers from TUI Travel and Forum for the Future, a sustainable development think tank. The winning ideas focused on replacing airside cars with electric vehicles at airports (from colleagues in Jetairfly) and developing a forum for environmental ideas within our airlines (from colleagues in ArkeFly) and are both in the process of being implemented.

Incentives for customers to pack lighter

Going digital for customer communications before departure and in resort

A system to reduce point of sale material in retail stores

Labelling holidays on their sustainability credentials

Offering eco-friendly sunscreen to customers

Dedicated green days across TUI Travel

Loyalty programme for customers who choose more sustainable holiday products

Going digital for customer communications before departure and in resort

Labelling holidays on their sustainability credentials

A system to reduce point of sale material in retail stores

Offering eco-friendly sunscreen to customers

Dedicated green days across TUI Travel

Loyalty programme for customers who choose more sustainable holiday products

Going digital for customer communications before departure and in resort

Labelling holidays on their sustainability credentials

A system to reduce point of sale material in retail stores

Offering eco-friendly sunscreen to customers

Dedicated green days across TUI Travel

Loyalty programme for customers who choose more sustainable holiday products
GOAL BY 2015: Customers will regard TUI Travel as a leader in delivering more sustainable holidays

Engaging customers is key to delivering more sustainable holidays. We need to encourage customers to choose more sustainable options at the point of purchase, and act responsibly – for the benefit of the environment and local communities – while they are on holiday.
Customers gaining insights

Through the purchases they make and the actions they take on holiday, our customers play a vital part in achieving TUI Travel’s sustainable development goals. That’s why we are working to influence choice and develop new products to encourage customers to choose ‘greener and fairer’ holidays and act responsibly when they are on holiday.

Our business case
There is a growing awareness among our customers about sustainability, such as the impact of carbon emissions from flying and the need to ensure that local people get a fair deal from tourism. Although these issues are not the major deciding factor for most people when they choose a holiday, it is in the interest of our destinations and the environment that it becomes a strong influencing factor. The exponential growth in fair trade and locally-sourced goods in recent years is proof that consumers will purchase more sustainably when the option to do so is easy, affordable and well communicated.

We will therefore continue to engage with customers and aim for our brands to become leaders in delivering more sustainable holidays. We measure this through our annual brand performance survey in our key source markets, carried out by an independent company. In 2012, our brands were considered number one for environmental and social responsibility in five of our top nine source markets.

In several of our key source markets we have found a positive correlation between more sustainable holidays and customer satisfaction. For example, TUI UK & Ireland’s Summer 2010 Customer Satisfaction Questionnaires revealed a statistically significant correlation between good customer ratings on our approach to ‘environment and community’ and overall holiday satisfaction.

Customer feedback
TUI Travel businesses request feedback from their customers, and some offer the opportunity to comment on the environmentally and socially responsible aspects of their holiday. In 2012, 62% of businesses collected customer satisfaction data on sustainable development issues*. For example, TUI UK & Ireland asks customers to rate Thomson and First Choice’s approach to the environment and the communities in which they operate via customer service questionnaires. Over 90% of customers rated these brands’ performance as either ‘good’ or ‘excellent’ last year.

*Sustainable Development Evaluation 2012

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

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.

YEAR 1 PERFORMANCE
Consumers in five of our nine key source markets (Germany, Netherlands, France, Denmark and Sweden) consider our brands to be the leading holiday company in terms of environmental and social responsibility. In our other key source markets (Norway, Finland, the UK and Belgium), we were ranked either second or third. Separately, Fritidsresor was ranked most sustainable travel company in Sweden in the 2013 Sustainable Brand Index.

www.tuitravelplc.com
Customers gaining insights

Consumer research
In 2010, we commissioned international consumer research into holidaymakers’ perceptions of sustainability to inform our work programme. The research covered 4,000 holidaymakers in eight key source markets.

We found that:

• 1 in 2 consumers would be willing to book a more sustainable holiday if available
• 2 in 3 consumers want their holiday company to be clear about what they do to make their holidays more sustainable
• 2 in 3 consumers would change their behaviour on holiday to help the environment

You can view the full research here. www.tuitravelplc.com

At the end of 2012 we repeated the research with 6,000 holidaymakers in six source markets, and the findings were very similar. We also found that modern mainstream consumers had a greater engagement with sustainability compared to traditional mainstream consumers. You can view the full research here:

www.tuitravelplc.com
Customers engaging in sustainable tourism

Engaging customers
We’re encouraging holidaymakers to engage in sustainable tourism through our kids’ club activities, school education initiatives, customer donation schemes and sustainable tourism campaigns.

We set ourselves a target to engage five million holidaymakers in sustainable tourism between 2012 and 2014. We are on track to deliver this commitment, engaging over 2.3 million in the first year.

• TUI Hellas took over 5,000 customers on their Privileged excursions in Greece, which incorporate The Travel Foundation’s principles for greener excursions. www.thetravelfoundation.org.uk
• Over 11,000 UK students participated in Travelbound’s ‘Geography and Sustainability’ tours and JCA’s sustainability programmes. www.jca-adventure.co.uk www.travelbound.co.uk
• Many of our kids clubs activities include sustainability issues – for example, biodiversity activities at First Choice’s Holiday Village resorts and environment days at TUI Nordic’s Blue Village hotels.
• Over 250,000 people have visited our Holidays Forever website, which gives customers information on TUI UK & Ireland’s sustainable tourism activities. www.holidaysforever.co.uk
• Sawadee, in the Netherlands, won the Green Feather sustainable tourism award for their inventive campaign promoting the use of tap water and reduction of plastic waste by giving all travellers a free reusable plastic bottle for refill during their trip. www.prezi.com
• Over 450 TUI Deutschland customers chose to purchase a tree for the TUI Forest in Majorca, Spain. www.spreadingsmiles.com
• Intrepid Travel provides travellers in many locations with a cloth bag, which they encourage travellers to use and ‘say no to plastic bags’ when they shop. www.intrepidtravel.com

5+5
TUI Nordic’s 5+5 programme gives customers the opportunity to donate 5 Swedish Krona to carbon and water projects via Plan Vivo and Water Aid. They match every donation that customers make into the programme, and over €1.5m has been raised. For example, one of the projects that TUI Nordic supports is in Mozambique, where local farmers receive payments for taking care of the trees and protecting forests on their own land. This means that they can earn a living without ‘slashing and burning’ the forest for crops, whilst protecting the biodiversity of the beautiful Gorongosa National Park. www.spreadingsmiles.com

Eco-traveller
Over 680,000 UK schoolchildren have been engaged in sustainable tourism through the Eco-traveller education programme since it started in 2011. The programme, developed by TUI UK & Ireland in collaboration with the National Schools Partnership, teaches children how they can make a difference on holiday. www.thomson.co.uk

Commitment #18
We will engage five million holidaymakers in sustainable tourism

YEAR 1 PERFORMANCE
Over 2.3 million holidaymakers were engaged in sustainable tourism. We calculate this number by totalling the number of holidaymakers who engaged in initiatives such as voluntourism, carbon offsetting, sustainability activities in kids clubs, sustainable tourism campaigns, school education initiatives, sustainable excursions and customer donation schemes.
Customers engaging in sustainable tourism

The World Care Fund

TUI UK & Ireland and Specialist Holidays Group customers in the UK support the World Care Fund, where donations are channeled into projects that help address the environmental impact of tourism, and support communities around the world. This is facilitated by our two partners, The Travel Foundation and The CarbonNeutral Company. By 2013, more than £11 million has been raised and the average customer uptake is 30%.

This year, The Travel Foundation celebrated 10 years since its launch. Since then, it has developed projects in 18 tourism destinations, helped local communities to generate over £850,000 in income, and trained 8,000 hotel staff to implement water and energy saving measures. Much of this success was supported by TUI Travel customers’ donations to the World Care Fund. www.holidaysforever.co.uk
Customers communicating sustainability

Our businesses communicate with customers on sustainable development issues throughout the customer journey. Examples include:
- Customer facing websites with dedicated sections on sustainability
- Sustainability articles included in our inflight magazines
- Carbon footprint information about our flights and holidays
- Including sustainability messages in e-newsletters
- Sustainability stories via our social media channels
- Advice on acting responsibly and with cultural sensitivity incorporated into transfer talks and welcome presentations in destinations
- Short sustainability films available on our flights and in the destination

www.holidaysjustgotbetter.thomson.co.uk

One key area of focus is highlighting greener and fairer products to customers. This includes hotels which have achieved credible sustainability certifications. Our brands include logos on their websites and in brochures to identify these products. We have a goal to deliver 10 million greener and fairer holidays by 2015.  page 12

Spreading smiles

We have developed an online platform called Spreading smiles to bring our sustainability initiatives to life, engaging customers and colleagues through real-life stories on the ground. Users of the website can find out how our sustainability and charity projects are spreading smiles around the world, and they can ‘give a smile’ to their favourite projects.

www.spreadingsmiles.com

Commitment #19
We will reach all customers with improved sustainability communications

YEAR 1 PERFORMANCE
85% of our businesses are communicating with customers on sustainable development issues*. Spreading smiles – a platform to bring our sustainability initiatives to life – was developed in 2012; however the launch was delayed from the end of 2012 to 2013 due to technical issues. We have launched Spreading smiles alongside this report.

Commitment #20
We will promote greener and fairer holidays to customers online

YEAR 1 PERFORMANCE
76% of our businesses are identifying greener/fairer holiday products and promoting them to customers*. 68% of our businesses are promoting greener/fairer holiday products on their website*.

* Sustainable Development Evaluation 2012
Sustainable Holidays Plan 2012-14 progress

OUR 3 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 6% (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 10%
#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 2012

- We took 2,056,700 customers to hotels with credible sustainability certifications.
- In Winter 2011/12 and Summer 2012 we featured over 850 hotels with sustainability certifications.
- 36% of our 246 differentiated hotels had a sustainability certification (our 2011 baseline consisted of 202 hotels).
- 24% of our 246 differentiated hotels had an environmental management standard (our 2011 baseline consisted of 202 hotels).
- Our 246 differentiated hotels achieved an average 26kWh and 494 litres for energy and water consumption per person per night (our 2011 baseline consisted of 202 hotels).
- We have invested in many projects covering our 8 key themes. 88% of our businesses supported environmental or socio-economic projects in destinations*, and helped contribute over €5 million to good causes.
- 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 50 events.
- TUI Travel airlines’ carbon emissions were 73.0g per revenue passenger kilometre (CO₂/RPK) in FY2012, making our airlines some of the most fuel-efficient in Europe. We saved 8,132 tonnes of carbon from our ground operations.
- TUI Travel airlines reduced their per passenger carbon emissions by 6.3%. Our new commitment is #7 TUI Travel’s airlines’ per passenger carbon emissions will reduce by 9% by 2015 (baseline 2008).
- Thomson Airways became the first UK airline to fly customers on sustainable biofuel on 6 October 2011 and TUI Travel airlines are collaborating with a number of stakeholders to drive understanding and action.
- Three of our airlines recycled cabin waste generated on-board (equating to over 50% of TUI Travel airline flights). We still have work to do to increase the quantity of waste recycled and improve performance monitoring, as well as to develop recycling programmes with our other three airlines.
- Thomson Airways and TUIfly Nordic remained ISO 14001 certified in 2012 (covering 46% of our aircraft). TUIfly achieved ISO 14001 certification in 2013.
- We reduced CO₂ emissions by 3.1% against our 2011 baseline year.

*Sustainable Development Evaluation 2012 (weighted by colleague numbers)
### Sustainable Holidays Plan 2012-14 progress continued

<table>
<thead>
<tr>
<th>PRIORITY AREAS</th>
<th>OUR 3 YEAR GOALS AND COMMITMENTS</th>
<th>HOW WE PERFORMED IN 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Colleagues</strong></td>
<td><strong>GOAL BY 2015: Our colleagues will rate TUI Travel as a leader in sustainability</strong></td>
<td><strong>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.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>#14 We will deliver sustainability training to new colleagues, customer facing colleagues and management development programmes</strong></td>
<td><em><em>70% of our businesses cover sustainability in inductions</em> and 67% of our businesses offer training on sustainability for colleagues</em>. Sustainability has been embedded into Group management development programmes.**</td>
</tr>
<tr>
<td></td>
<td><strong>#15 We will launch a Group-wide sustainability communications campaign</strong></td>
<td><em><em>95% of our businesses communicated with colleagues on sustainable development</em>. Our Spreading smiles platform was developed in 2012 and launched alongside this report.</em>*</td>
</tr>
<tr>
<td></td>
<td><strong>#16 Our colleagues will dedicate 100,000 hours to volunteering</strong></td>
<td><strong>Colleagues dedicated over 12,000 hours to volunteering.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>#17 We will drive product and process innovations through sustainability</strong></td>
<td><strong>The Green Ideas Factory colleague innovation competition generated over 120 ideas.</strong></td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td><strong>GOAL BY 2015: Customers will regard TUI Travel as a leader in delivering more sustainable holidays</strong></td>
<td><strong>Consumers in five of our nine key source markets consider our brands to be the leading holiday company in terms of environmental and social responsibility.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>#18 We will engage five million holidaymakers in sustainable tourism</strong></td>
<td><strong>Over 2.3 million holidaymakers were engaged in sustainable tourism.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>#19 We will reach all customers with improved sustainability communications</strong></td>
<td><em><em>85% of our businesses are communicating with customers on sustainable development issues</em>. Our Spreading smiles platform was developed in 2012 and launched alongside this report.</em>*</td>
</tr>
<tr>
<td></td>
<td><strong>#20 We will promote greener and fairer holidays to customers online</strong></td>
<td><em><em>76% of our businesses are identifying greener/fairer holiday products and promoting them to customers</em>. 68% of our businesses are promoting greener/fairer holiday products on their website</em>.**</td>
</tr>
</tbody>
</table>

* Sustainable Development Evaluation 2012 (weighted by colleague numbers)
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 2011/12 (referred to throughout as 2012 or FY2012), running from 1 October 2011 to 30 September 2012, 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 FY2012 has been to work towards achieving these goals and commitments and to report on the progress made during the first year.

This update, published in August 2013, is TUI Travel PLC’s fifth Sustainable Development Report. You can find our previous Sustainable Development Reports at:

www.tuitravelplc.com

<table>
<thead>
<tr>
<th>Source</th>
<th>CO₂ [t] Absolute Figures (tonnes of carbon dioxide)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TUI Travel airlines and aviation</td>
<td>5,815,186</td>
</tr>
<tr>
<td>Water transport</td>
<td>260,756</td>
</tr>
<tr>
<td>Differentiated hotel properties</td>
<td>231,105</td>
</tr>
<tr>
<td>Ground transport</td>
<td>44,185</td>
</tr>
<tr>
<td>Major premises</td>
<td>38,635</td>
</tr>
<tr>
<td>Other (scope 3)</td>
<td>35,549</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,425,416</strong></td>
</tr>
</tbody>
</table>
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 2012 Group Sustainable Development Evaluation and our 2013 submission to the Carbon Disclosure Project.

**Group Sustainable Development Evaluation**
The 2012 Group Sustainable Development Evaluation was used to assess and report on performance from our businesses across the Group. The 2012 Evaluation consisted of questions relating to Embedding Sustainable Development, Carbon Management, Destinations, Colleagues and Customers.

In October and November 2012, the Evaluation was sent to the Managing Directors of TUI Travel businesses, and 99% responded (representing a total of 53,635 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 October 2012, 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, Quark Expeditions and TUI Deutschland River Cruises).

The next Group Sustainable Development Evaluation is planned for the end of the 2013 financial year.

**Carbon Disclosure Project**
In 2012, for the fifth consecutive year, TUI Travel was featured in the Carbon 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](http://www.cdproject.net)

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

[www.tuitravelplc.com](http://www.tuitravelplc.com)
Data and materiality continued

Third party verified data
TUI Travel’s 2012 airline data, which accounts for more than 82% of our Scope 1 and Scope 2 carbon emissions, has been externally verified by PwC as part of the EU ETS regulations.
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 6.3% since FY2008.

In FY2012, the efficiency of TUI Travel airlines was 73.0g of CO₂ per revenue passenger kilometre (CO₂/RPK). TUI Travel cruise and expedition ship operations emitted an average of 302g CO₂/RPK in FY2012.

In FY2012 the total water footprint from TUI Travel’s differentiated hotel properties was 11.606 million cubic metres of water. In this period, over a quarter 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 will implement a web-based sustainability data software solution. Using multiple methods of data capture, this software will enable us to increase data collection frequency, improve data accuracy and provide advanced monitoring and reporting tools. This will allow us to comply fully with UK mandatory greenhouse gas reporting requirements with robust and auditable data.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 emissions</td>
<td>6,564,026</td>
<td>6,297,794</td>
<td>5,981,254</td>
<td>6,259,723</td>
<td>6,169,809</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>53,475</td>
<td>104,408</td>
<td>118,869</td>
<td>168,441</td>
<td>220,058</td>
</tr>
<tr>
<td>Scope 3 emissions</td>
<td>70,597</td>
<td>45,167</td>
<td>38,541</td>
<td>38,478</td>
<td>35,549</td>
</tr>
<tr>
<td>Total</td>
<td>6,688,097</td>
<td>6,447,370</td>
<td>6,138,664</td>
<td>6,466,642</td>
<td>6,425,416</td>
</tr>
</tbody>
</table>

www.tuitravelplc.com
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 2
1.2 Description of key impacts, risks, and opportunities
Pages 7, 13, 28, 40, 46
TUI Travel PLC website
www.tuitravelplc.com

2 Organisation profile
2.1 Name of organisation
Page 1
2.2 Primary brands, products and/or services
2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures
2.4 Location of organisation’s headquarters
Annual Report & Accounts 2012, page 84

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 2012, pages 3, 13, 143, 144
2.6 Nature of ownership and legal form
Annual Report & Accounts 2012, page 84
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)
2.8 Scale of the reporting organisation
Annual Report & Accounts 2012, pages 2, 3, 100, 143, 144
2.9 Significant changes during the reporting period regarding size, structure, or ownership
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 53
3.3 Reporting cycle
Page 53
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, 13, 28, 40, 46, 53
3.6 Boundary of the report
Pages 53-55
3.7 State any specific limitations on the scope or boundary of the report
Pages 53-55
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 53-55
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 53-55
Carbon Disclosure Project 2013
Global Reporting Initiative (GRI) reporting framework continued

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement

Pages 53-55

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report

Pages 53-55

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

Pages 53-55

3.13 Policy and current practice with regard to seeking external assurance for the report

Page 55

4 Governance

4.1 Governance structure of the organisation

Page 3

4.2 Indicate whether the Chair of the highest governance body is also an executive officer

Annual Report & Accounts 2012, page 56

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’
Annual Report & Accounts 2012, page 56

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body

Annual Report & Accounts 2012, page 60

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)


4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided

Annual Report & Accounts 2012, page 57

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

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

Pages 5, 7, 11, 51, 52

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

Page 7

4.10 Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance

Annual Report & Accounts 2012, page 57

4.12 Externally developed economic, environmental, and social charters to which the organisation subscribes or endorses

Page 8

4.13 Membership in associations

Page 6
TUI Travel PLC website
www.tuitravelplc.com

4.14 List of stakeholder groups engaged by the organisation

TUI Travel PLC website
Page 6

TUI Travel PLC website
www.tuitravelplc.com

4.15 Basis for identification and selection of stakeholders with whom to engage

Page 6
TUI Travel PLC website
www.tuitravelplc.com

4.16 Approaches to stakeholder engagement

Page 6
TUI Travel PLC website
www.tuitravelplc.com
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
Page 24

EC2 Financial implications and other risks and opportunities for the organisation’s activities due to climate change
Page 28
Carbon Disclosure Project 2013

EC3 Coverage of the organisation’s defined benefit plan obligations
Annual Report & Accounts 2012, pages 66-77

6 Environmental performance indicators
EN3 Direct energy consumption by primary energy source
Pages 28, 55
Carbon Disclosure Project 2013

EN5 [Energy saved due to conservation and efficiency improvements]
Page 28
Carbon Disclosure Project 2013

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 27-38
Carbon Disclosure Project 2013

EN7 Initiatives to reduce indirect energy consumption and reductions achieved
Pages 27-38
Carbon Disclosure Project 2013

EN16 Total direct and indirect greenhouse gas emissions by weight
Pages 28, 55
Carbon Disclosure Project 2013

EN17 Other relevant indirect greenhouse gas emissions by weight
Pages 28, 55
Carbon Disclosure Project 2013

EN18 [Initiatives to reduce greenhouse gas emissions and reductions achieved]
Pages 27-38
Carbon Disclosure Project 2013

EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation
Pages 13-21, 27-38
Carbon Disclosure Project 2013

7 Labour practices and decent work performance indicators
LA1 Total workforce by employment type, employment contract, and region, broken down by gender

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
Pages 7, 12-26

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 2013

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 2012, pages 30-31

PR5 [Practices related to customer satisfaction, including results of surveys measuring customer satisfaction]
Pages 46-47

Global Reporting Initiative (GRI) reporting framework continued
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