



TUI Sustainability Overview & Requirements

Mallorca April 2017



TUI Group Sustainability Strategy

Better Holidays, Better World



Better Holidays, Better World Strategic Framework

step
lightly



Reducing the environmental impact of holidays **through our own operations**

make
a difference



Creating positive change for people and communities **through our value chain and customers**

lead
the way



Pioneering sustainable tourism **influencing the wider industry and beyond**

betterholidays betterworld



step lightly

Reducing the environmental
impact of holidays

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

Drive environmental improvements across our...

1. **Airline** operations
2. **Cruise** operations
3. **Ground** operations



make a difference

Creating positive change for
people and communities

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

4. **All hotels** in our portfolio to subscribe to sustainability certifications
5. **Our hotels and concept partner hotels** to reach world class sustainability standards
6. Help **colleagues and customers** to create positive change



lead the way

Pioneering sustainable
tourism around the world

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

7. We will **innovate** for a more sustainable future for tourism
8. We will invest in **youth, tourism skills and education**
9. We will collaborate with destinations on the **sustainable management** of tourism



Customer Expectations - Sustainability

Research carried out in 2016 with over 3800 holidaymakers in 6 of TUI's European markets* found.....

66% of customers believe brands have a **greater responsibility** to make sustainable decisions

67% of customers like to buy from **companies which make a positive change** to the world

55% of customers would book more **environmentally sustainable holidays** if they were more readily available

84% of customers believe it is important that everyone does their bit to **reduce their carbon footprint**

* - Belgium, France, Germany, Netherlands, Sweden, UK



Greener & Fairer Holidays

Sustainability is a **key part** of TUI's holiday concepts and product offerings

*Greener
& Fairer*

In order to be recognised as 'Greener & Fairer', our hotels need a sustainability **certification recognised or approved** by the Global Sustainable Tourism Council (**GSTC**).



Travelife is a certification scheme recognised by GSTC and is TUI's **largest and closest partner** working with our contracted hotels.



Travelife certifications support TUI's '**make a difference**' strategy for destinations and accommodations

Requirements of Accommodation Suppliers

1

Sustainability Certification

- The need for a sustainability certification is included in TUI's accommodation contracts
- A Travelife certification fulfils these contractual expectations

2

Sustainability Requirements

- TUI's contracted accommodations are expected to reach the highest standards of sustainable tourism
 - Environmental Protection & Animal Welfare
 - Human Rights & Working Conditions

Sustainability Standards

Hotels & Destinations



Minimum Sustainability Standards

Previous TUI Standards



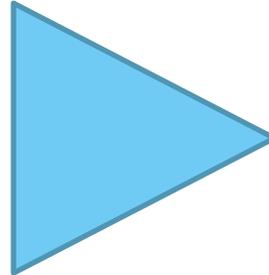
Current TUI Standards



Simplify and align sustainability standards across TUI source markets

Focus on **social & financial** standards, as well as **environmental**

ISO14001: Progress towards Travelife



ISO14001 is a good environmental standard but **does not include elements of social sustainability** and business improvement

Travelife ensures that hotels achieve **highest social, financial & environmental standards**

TUI has worked closely with Travelife to develop solutions to help hotels that already have ISO14001 to **progress to Travelife standard** (contact Travelife for further details)

Benefits of Sustainability Certification

Operational Cost Savings

- **Optimised energy management and business processes** in hotels generate operational cost savings
- A review of TUI's owned hotels in 2014/2015 showed **significant cost savings for hotels with certification** compared to those hotels without certification

Customer Satisfaction Scores

- Recent analysis of customer satisfaction scores across TUI's European source markets shows that hotels with a Travelife certification achieved **higher accommodation overall scores** from our customers

TUI Umwelt Champion



TUI Germany Award

REQUIREMENTS:

- Valid sustainability certification recognised/approved by GSTC – e.g. Travelife
- Guest satisfaction score minimum 8 / 10 for sustainability question

Future of TUI Umwelt Champion

- Currently only valid for TUI Germany
- Research project underway for all source markets for future awards and recognition

For further information and to apply for TUI Umwelt Champion 2017, please contact **Andreas Vermöhlen** (Andreas.Vermoehlen@tui.com)

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