

# Modern Slavery Statement 2022

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015. It sets out the steps TUI Group has taken to prevent acts of modern slavery and human trafficking from occurring in its business and supply chain, up to and during the 2022 financial year (1st October 2021 to 30 September 2022).

## INTRODUCTION

The travel and tourism market is a significant contributor to the global economy<sup>1</sup>, growing above global GDP levels pre-pandemic<sup>2</sup>. Demand for tourism is driven by strong fundamental trends – people living longer, healthier lives; the growth of middle classes across the globe, which increases disposable income; and the desire for experiences, of which travel plays a significant part. Therefore, we expect leisure tourism to continue to be an attractive growth market over the long-term.

In the shorter term, the industry has withstood unprecedented disruption as a result of COVID-19. Despite this, the underlying strong desire of people to travel is clear, as demonstrated the resurgence of bookings as restrictions were relaxed.<sup>3</sup> At TUI, we experienced a strong uplift in bookings for our destinations on the easing of government travel restrictions, and in Summer 2022, Markets & Airlines customer numbers rebounded to around 90% of pre-pandemic levels, coupled with a strong 18% increase in average selling price.

As the pandemic subsides, the global geopolitical and economic environment remains challenging for the industry, in particular the impact this has on cost inflation, foreign exchange rates and consumer sentiment. In this context customers value brands which they can depend on, and which deliver choice and flexibility in configuring the right product for them. Building on this development, TUI will focus on delivering quality services to our customers while increasing choice and flexibility, both in terms of our product offer, and in the right-sizing of the proportion of risk capacity for flights and hotels. This will be supported by our strategy of growing our dynamic packaging and components business, through increasingly flexible supply of flights and hotels.

We want to set the standard for sustainability in the market and live up to our commitment. We believe that the sustainable transformation should not be viewed as a cost factor, but that sustainability pays off – for society, for the environment and for business. Our strategy is therefore underpinned by clear, evidence-based goals and targets on sustainability. Our new Sustainability Agenda Tourism: A Force For Good, was launched, and consists of three building blocks – People, Planet and Progress. For more information, please visit our TUI Group website [here](#).

1. Based on WTTC Economic Impact Research – Travel & Tourism sector contributed 10.3% to global GDP in 2019; this decreased to 5.3% in 2020 and 6.1% in 2021, due to government restrictions on mobility.
2. Based on UNWTO international travel arrivals CAGR versus global GDP CAGR for 2015 to 2019.
3. E. g. UNWTO World Tourism Barometer July 2022 – nearly 250 million international trips were recorded worldwide between January and May 2022, compared with 77 million in the comparative period in 2021

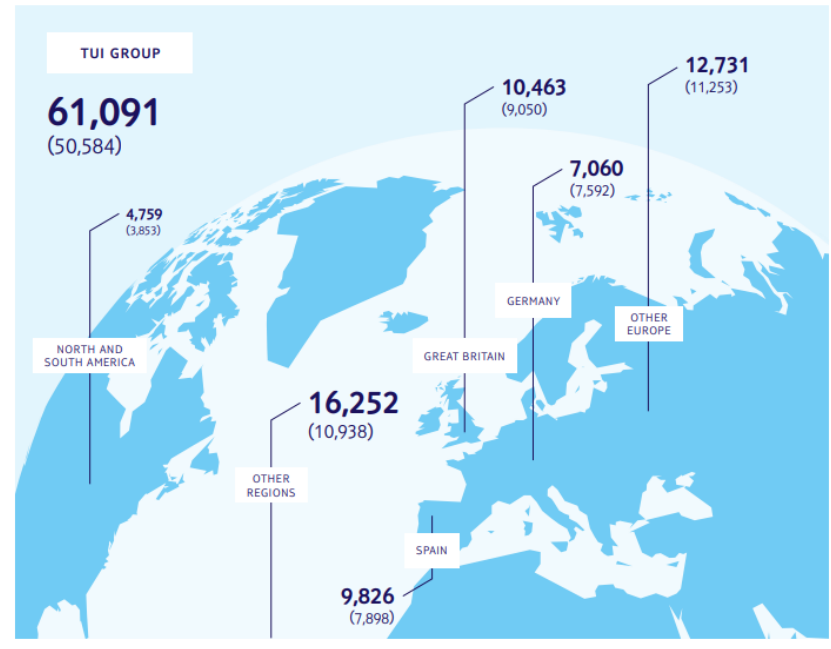
## ABOUT TUI GROUP AND OUR SUPPLY CHAIN

TUI is a global tourism group covering the entire holiday journey, serving millions of customers, operating 134 aircraft, 418 hotels and 16 cruise ships, as well as a digital platform for tours and activities with a strong portfolio. The group is structured into two divisions – Holiday Experiences and Markets & Airlines.

**Holiday Experiences** delivers differentiated content in hotels, cruises and tours and activities:

- Our hotel portfolio consists of own and differentiated leisure brands such as Robinson, TUI Magic Life, TUI Blue and TUI Suneo, complemented by JV hotel brands such as Riu, Atlantica, Blue Diamond and Grupotel. The portfolio is well-diversified in terms of product offer, destination mix and ownership models, and benefits from multi-channel and multi-source market distribution.
- Our three cruise brands (Mein Schiff, Hapag-Lloyd Cruises, Marella) cover the cruises sector from premium all-inclusive to luxury to expeditions, with leading positions in the German-speaking and UK markets.
- TUI Musement is one of the largest digital providers in the online intermediary market for tours, activities and experiences, connecting our own and third party product portfolio in destinations with our customers, as well as providing transfers and support to our customers at the destination.

**Markets & Airlines** distributes and fulfills holidays to a large customer base in 13 source markets. By covering the whole customer journey, TUI holds multiple digital and physical touchpoints with its customers, and therefore delivers a strong blend of digital and human interaction.



\* By domicile of company.  
In brackets: previous year

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

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

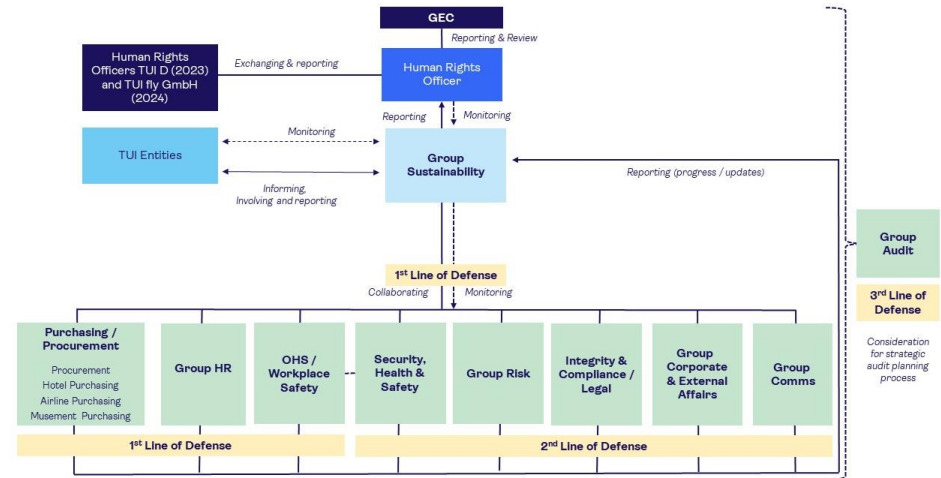
## ENGAGING WITH OUR STAKEHOLDERS

TUI Group recognises the importance of collaborating with others to address human rights and modern slavery in our industry. In 2022 we engaged with a wide range of organisations as demonstrated through the following activities and initiatives:

- To support industry-wide progress we continued to sit on the boards of the Global Sustainable Tourism Council (GSTC) and Travelife, both of which are addressing these issues through sustainability certification standards for hotels.
- The German Supply Chain Act (GSCA), which comes into force in January 1st 2023, applies to TUI Group as we are headquartered in Germany and have more than 3,000 employees. All TUI businesses need to comply with this law. A GSCA Steering Group has been established with Thomas Ellerbeck as official Human Rights Officer. The focus is on the development and implementation of risk analysis, training, preventative and corrective measures and policies. This builds on the work TUI already does to protect human rights and the environment and helps prepare for the upcoming EU Due Diligence Directive
- Supplier workshops were conducted in TUI holiday destinations and we launched an external website aimed at suppliers (TUIPartners.com) with Human Rights and Child Protection guidelines and best practices available in different languages

## POLICY AND MANAGEMENT FRAMEWORK

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



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

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

In 2022, we continued to operate our Group-wide whistleblower system - the SpeakUp Line - to ensure a confidential reporting channel is available for all our employees to report any infringement of our policies and applicable laws. The whistleblowing system is currently available in 53 countries. In 2022, a total of 43 reports (in 2021, 29 reports) were received through the SpeakUp Line, none of which related to modern slavery. The whistleblower system is being adjusted to ensure that it meets the requirements of the Supply Chain Due Diligence Act and the EU Whistleblowing Directive. This includes, in particular, opening up the system for third parties outside TUI Group

More information is available in the 2022 Annual Report on pg. 131.

INTERNAL	EXTERNAL
<ul style="list-style-type: none"> <li>→ Integrity Passport</li> </ul>	<ul style="list-style-type: none"> <li>→ Supplier Code of Conduct</li> <li>→ Sustainability Requirements for Accommodation Suppliers</li> </ul>
<ul style="list-style-type: none"> <li>→ Global Employment Statement</li> </ul>	

## RISK ASSESSMENT AND DUE DILIGENCE

Performing a risk analysis is a core element of our Compliance Management System. The Compliance Officers in charge compared the existing information from past surveys with information from current data sources and from individual communications with the business owners

There is a risk of active and passive corruption because we operate in countries with a high corruption index. Moreover, the risk of TUI business partners being subject to trade sanctions or similar listings cannot be ruled out. In the completed financial year, business partner screening focused on business partners linked to Russia / Belarus due to the conflict between Russia and Ukraine. Business partners were checked against international sanctions, terrorist and wanted persons lists via the Internet data base provider. In the event of a red flag, further measures were launched, in the severest cases terminating the business relationship.

## ACCOMMODATION SUPPLIERS

TUI is driving up social and environmental standards through certification. Our hotels and hotel partners are expected to achieve a sustainability certification from an independent organisation. This process involves a third-party assessment to certify that the hotel complies with the Global Sustainable Tourism Council (GSTC) Criteria, demonstrating social and environmental good practice. The GSTC Criteria is the established global standard for sustainable tourism and is organised around four main themes: effective sustainability planning, maximising social and economic benefits for the local community, enhancing cultural heritage, and reducing negative impacts to the environment. In financial year 2022 we had 7.9m customers staying in a hotel certified to a GSTC-recognised label standard, compared to 2.8m in 2021. The number of contracted certified hotels has increased year-on-year by 78.7% to 1,126 hotels. This increase was due to many of our key hotel partners finally being able to act on their longstanding commitment to sustainability certification.

We have incorporated environmental and social requirements into contracts for our accommodation suppliers as well as other areas of procurement.

## NON-ACCOMMODATION SUPPLIERS

In 2022, delivering on our commitment to continuously improve, we undertook a comprehensive review and refresh of our Corporate and Social Responsibility Questionnaire (including the modern slavery questions).

The key focus for us was to further develop our commitment to Diverse, Sustainable and Ethical Procurement to ensure we are procuring the right things to meet our needs, from the right sources, using the right open and unbiased selection factors, putting People, Planet and Progress at the heart of our businesses. This is now fully launched as part of our eTendering system, making it accessible to all procurement colleagues across TUI Group. This drives our approach in awarding business to non-accommodation suppliers that demonstrate highest standards.

In addition to the launch of our DSE Questionnaire we have also undertaken a review and refresh of our Modern Slavery Risk Assessment Tool, this will be relaunched in October of 2022.

TUI Musement continued to embed sustainability standards into its experiences portfolio. In financial year 2022 we applied the Criteria of the Global Sustainable Tourism Council (GSTC) to individual tours and activities in order to assess their sustainability performance, being the first tourism company in the world to do so. 180 TUI Collection experiences have gone through this comprehensive process to meet global sustainability standards in destinations such as mainland Spain, Mallorca, the Canaries, Turkey and the Dominican Republic.

The scope of the system and the certification include human rights topics related to child protection, exploitation of vulnerable groups and decent work, as well as ensuring diligence mechanisms are in place.

## TRAINING AND AWARENESS

Raising awareness of human rights and modern slavery across our business continues to be a key focus area for TUI Group. To do so, we run a bi-annual mandatory training programme on child protection and modern slavery were completed at TUI Musement. As part of this training programme, 2,143 trainings in Child Protection and 2,037 trainings in Human Rights were conducted in 2022. The e-learning sessions have been integrated into TUI People, a global internal HR and learning platform, which is a more efficient and better tool to track completion.

Airline crews in the UK, Nordics and Germany receive Vulnerable Children & Trafficking Training during their inductions, where they learn about how to spot trafficking and what to do.

To mark the third anniversary of the Integrity Passport – TUI’s Code of Conduct – a communication campaign was rolled out across the Group. The goal of this campaign was to kindle interest and focus employees’ attention on compliance. Apart from articles on the intranet and screen savers, the campaign included a quiz to raise our employees’ awareness of compliance topics in a playful manner. For Policy Management, an interview was recorded and published on the intranet to familiarize our employees with the key principles. Online Integrity Passport training sessions and the Fair Competition training (for selected employees) were carried out and in-person training programs for the induction of new employees were resumed.

Our internal Child Protection Guidelines also include information for our colleagues on “voluntourism” and visits to orphanages and schools, what activities are currently being offered on the market, the issues surrounding it and what TUI is doing to this respect, including:

- Prohibiting any type of visits to orphanages during TUI activities
- No interaction between local children and TUI guests during any activities
- Visits to schools only outside of school hours or without interrupting classes
- Partnering with The Code on working against child sex tourism

Travelife, our key hotel sustainability certification partner, has created a sustainability e-learning for all its members, where the TUI Modern Slavery Training Video can be found in both the Human Rights and Fair Labour Practices modules to raise awareness about modern slavery practices such as bonded labour and exploitation.

## DESTINATION STAKEHOLDER INITIATIVES

An important aspect of protecting young children and adolescents at risk of trafficking, commercial sexual exploitation and/or exploitative labour practices is giving them the tools and support they need to help prevent and identify exploitation before it happens. In addition to policy, auditing and training, through our corporate foundation, the TUI Care Foundation, we invest in prevention by taking proactive steps to support young people.

## ABOUT THE TUI CARE FOUNDATION

Building on the positive impact of tourism, the TUI Care Foundation leads the way in protecting the natural environment and empowering lives in travel destinations.

## TUI ACADEMY

Offering vocational training for disadvantaged young people to access high quality education, work experience, life skills coaching and a brighter future.

The programme offers vocational education and sustainable career opportunities to young people from vulnerable communities. With a combination of theoretical education and life skills coaching, the programme focusses on the potential of tourism as an established driver of global job creation and growth. Each destination programme is unique and offers various qualifications. At the moment the TUI Care Foundation supports TUI Academies in the Dominican Republic, Sri Lanka and Greece amongst others.



e-Academy student in Sri Lanka



## PERFORMANCE MEASUREMENT IN MODERN SLAVERY PREVENTION

	PERFORMANCE MEASURE	PROGRESS IN 2022	FOCUS FOR 2023
<b>A</b>	<b>Number of customers staying in hotels certified to a GSTC-recognised certification</b>	7,9 million customers staying in 1,126 certified hotels, compared with 2.8 million in 2021  This means an increase of 78% vs 2021	We will continue working to increase the number of hotels offered with sustainability certification.
<b>B</b>	<b>Number of colleagues trained on human rights in tourism</b>	Over 4,180 colleagues trained on human rights in tourism, as part of annual mandatory e-learning process.	We will continue expanding our training to more colleagues in offices and destinations and across our hotels and airlines.
<b>C</b>	<b>Actions taken to strengthen our policies</b>	We continued to communicate our policies around our business and supply chain. The whistleblowing system is currently available in 53 countries.	In 2023, we expect to make our whistleblower hotline (Speak Up) available for third-parties in accordance with the requirements under the EU Whistleblower Directive.
<b>D</b>	<b>Steps taken to initiate and strengthen supply chain management</b>	We started to prepare to comply with the new German Supply Chain Act., with heavy focus on Human Rights. Policies, procedures and contract clauses are being revised to that effect.	In 2023, we will work to implement all the requirements of the German Supply Chain Act across all TUI Group businesses worldwide
<b>E</b>	<b>Number of modern slavery cases reported and actions taken in response</b>	In 2021, a total of 43 reports were received through the Speak Up line, none of which were related to Modern Slavery	We will continue to raise awareness of reporting mechanisms, address stakeholder concerns and take appropriate actions.
<b>F</b>	<b>Projects and partnerships in place to uphold human rights in our destinations</b>	TUI Academy, as part of the TUI Care Foundation programmes, offers vocational education and sustainable career opportunities to young people from vulnerable communities	TUI Care Foundation will continue to work on and expand projects, with a focus on youth empowerment to help prevent exploitation in the first place.