

What TUI Travel PLC is doing to become a more sustainable business

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Bournemouth University - Oct '13

Outline of the Presentation

- TUI Travel PLC at a glance
- What does sustainable development mean to TUI Travel PLC?
- What's the scale of the challenge?
- How are we responding?
 - *Destinations*
 - *Carbon*
 - *Customers*
 - *Colleagues*
- Further resources

TUI Travel - at a glance – “The Boiler Plate”

- **One of the world’s leading international leisure travel groups**
- **Revenues of £14.5 billion**
- **Underlying operating profit of £490 million**
- **Market capitalisation circa £3 billion**

- **30 million customers from 31 source markets**
- **Over 240 trusted brands**
- **141 aircraft and 1,800 retail shops in Europe**
- **54,000 colleagues**

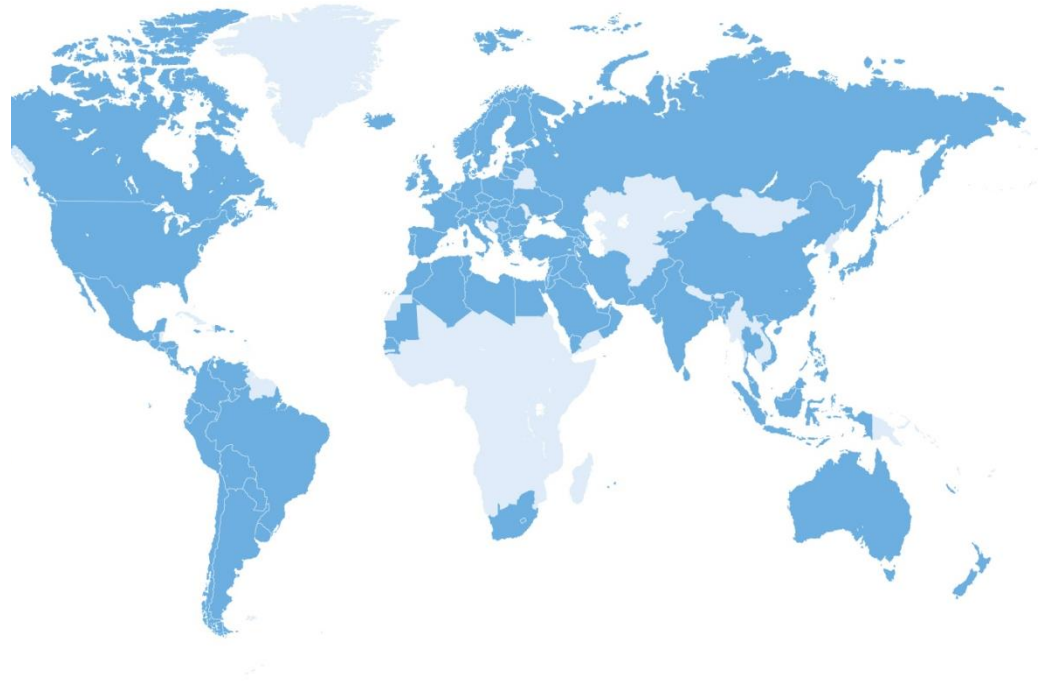


At a glance – Our source markets

TUI Travel is a global business operating across 31 key source markets in 180 countries worldwide

Our 31 key source markets:

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



At a glance – a selection of our brands

Sun & beach



Activity & adventure



Luxury



Inbound services



Accommodation



Oceans & rivers



Responsible travel



To make travel experiences special....

by providing holidays that cause minimal environmental impact, respect the culture and people of destinations and offer real economic benefit to local communities.

...and with this size comes a responsibility




The challenge of sustainable development


a sustainable
business model ...



Holiday footprint – the challenges

 The 'carbon footprint' of a return flight to Mexico on-board Thomson Airways (from the UK) is equivalent to ? of a person's annual carbon footprint in the UK

 Tourism contributes around ? of global carbon dioxide emissions (UN World Tourism Organisation)

 A tourist in Spain can use up to ? litres of water a day if they visit a hotel with a swimming pool and golf course, compared to 250 litres a day for a Spanish city dweller

 In 2012, there were ? international tourist arrivals (UNWTO 2012)



Holiday footprint – the good news



Tourism contributes around 10% of global GDP, and is the main source of foreign exchange in 15% of developing countries



The creation of jobs – 10% of all jobs globally in travel & tourism



Improving facilities in destinations



Preservation of environment, culture and heritage



“Tourism can play a major role in helping people lift themselves out of poverty. It can thus make a significant contribution to global efforts to achieve the Millennium Development Goals”



Sustainable Holidays Plan - launched S12

Sustainable Holidays. Spreading Smiles.

Sustainable Holidays Plan: 2012 – 2014

Our three-year Sustainable Holidays Plan

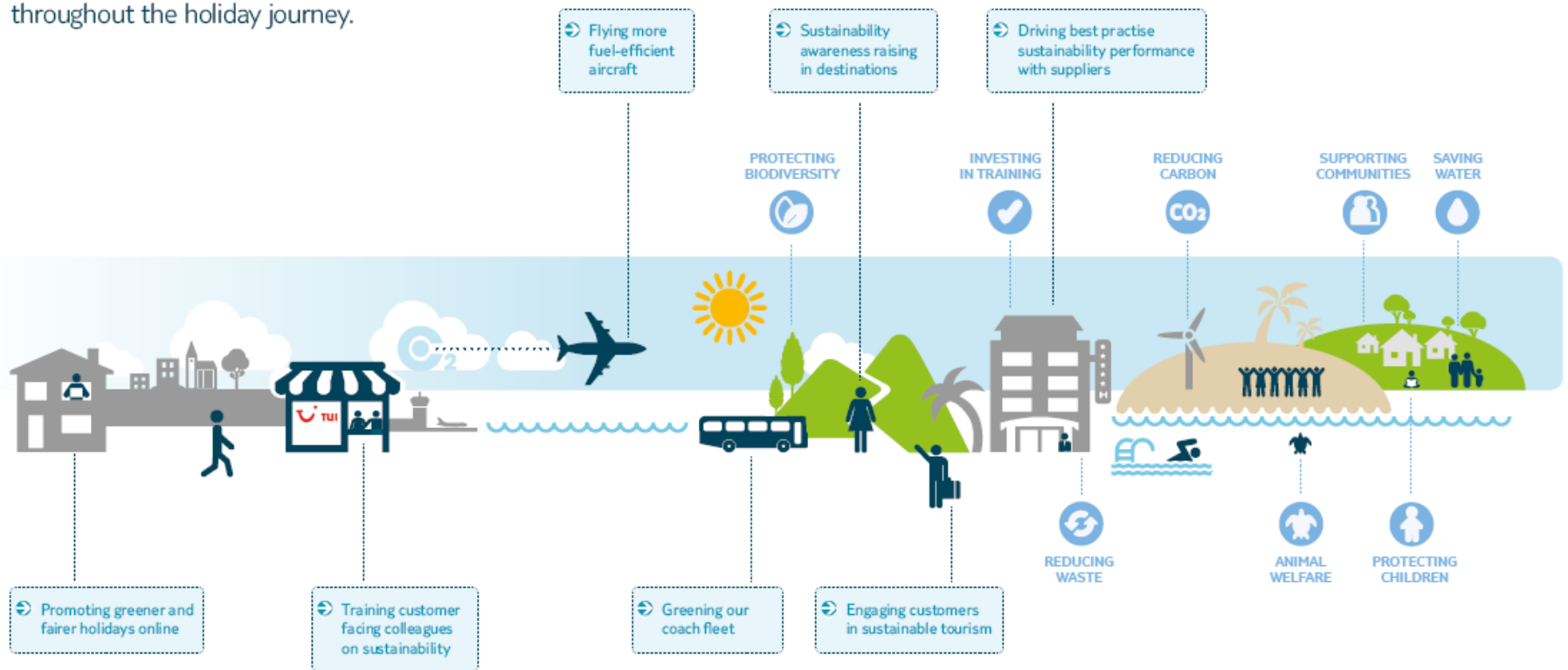
Our vision is to make travel experiences special with a firm commitment to sustainability.

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

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

We are working to embed sustainability throughout the holiday journey.



Destinations

Sustainable Holidays Plan 2012-14

We will deliver 10 million 'greener and fairer' holidays

We are working with our hotel suppliers to drive environmental and social best practice, increasing the number of customers we take to hotels with sustainability certifications.

600
hoteliers
and other stakeholders
have attended our
supplier sustainability
workshops
since 2011



In 2012,
2 million
customers
stayed in the 850+
hotels we featured
with sustainability
certifications



www.spreadingsmiles.com



Supply chain tools



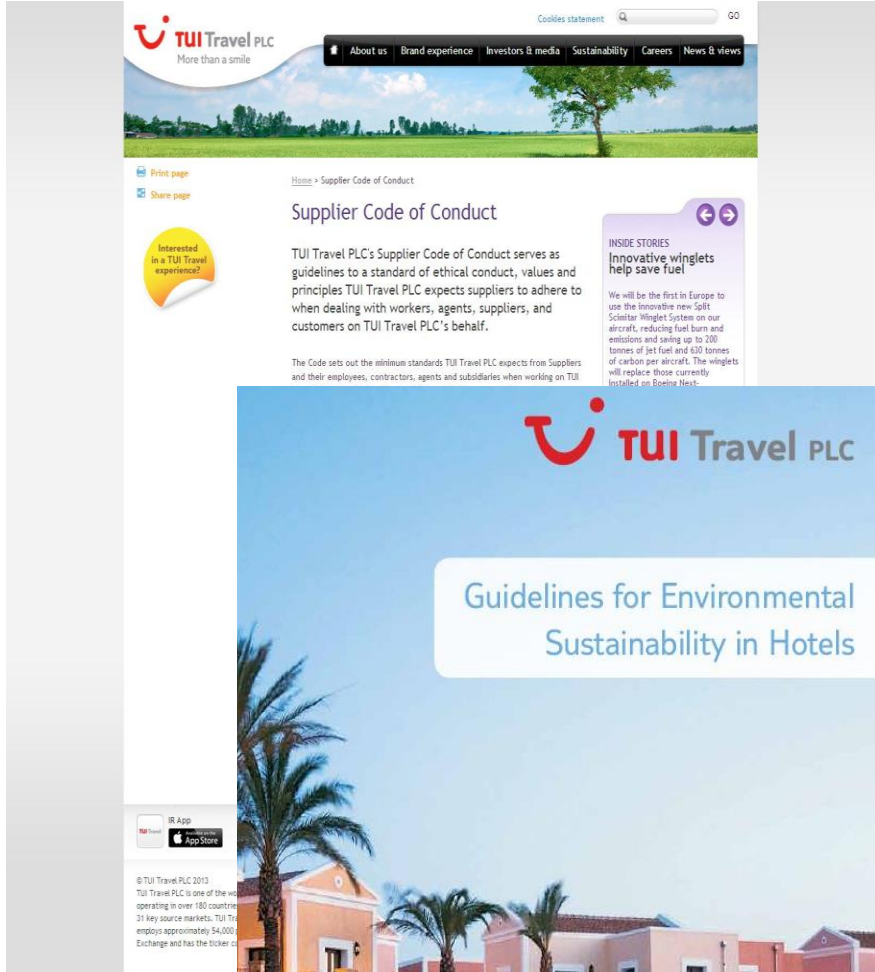
ABTA ANIMAL WELFARE GUIDELINES



 **Global Welfare Guidance for Animals in Tourism**

Welcome to the online version of this Best Practice Handbook. Use the interactive navigation to guide your way through the manual.

 ©2013 ABTA [ENTER NOW](#) 



TUI Travel PLC
More than a smile

Home > Supplier Code of Conduct



Supplier Code of Conduct

TUI Travel PLC's Supplier Code of Conduct serves as guidelines to a standard of ethical conduct, values and principles TUI Travel PLC expects suppliers to adhere to when dealing with workers, agents, suppliers, and customers on TUI Travel PLC's behalf.

The Code sets out the minimum standards TUI Travel PLC expects from Suppliers and their employees, contractors, agents and subsidiaries when working on TUI.

INSIDE STORIES
Innovative winglets help save fuel

We will be the first in Europe to use the innovative new Split Scimitar Winglet System on our aircraft, reducing fuel burn and emissions and saving up to 200 tonnes of jet fuel and 630 tonnes of carbon per aircraft. The winglets will replace those currently installed on Boeing Next.

 **IR App**
 **App Store**

© TUI Travel PLC 2013
TUI Travel PLC is one of the world's leading travel companies, operating in over 180 countries and 31 key source markets. TUI Travel PLC employs approximately 54,000 people and has the ticker symbol TUI on the Frankfurt Stock Exchange.



Destinations Projects



- OVERVIEW
- OUR STRATEGY
- DESTINATIONS
- CARBON
- COLLEAGUES
- CUSTOMERS
- DATA & GRI



Destinations projects

Here are some examples from the hundreds of projects we support:

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.tuicorefoundation.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.tuitravelpic



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

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

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.

Sustainability focus on our differentiated hotel concepts



Sensatori Crete – a Travelife ‘Gold’ hotel

- Hotel employs 2/3 of local community
- Regular walking tours of the village
- Weekly market place for local entrepreneurs
- *A la carte* menu 100% locally sourced
- Grey water from hotel used by village
- Hotel sources fruit & vegetables locally
- Numerous local community initiatives



Business Case for Hotel:

- Hotel experiences exceptional customer satisfaction, staff retention, repeat business
- Hotel saved **€200k in 2 years through** better management of energy & water

Business Case for Tour Operator:

- 2012 CSQ analysis ~**correlation between Travelife-awarded hotels & holiday satisfaction**
Utility costs (energy & water) = **5%-15%** of a hotel's operating costs

Carbon

Sustainable Holidays Plan 2012-14

We will operate Europe's most fuel-efficient airlines by 2015

Our airlines are some of the most fuel-efficient in Europe. We've set a more stretching carbon efficiency target this year because we've achieved our 6% reduction target two years ahead of schedule!



We are investing in cutting-edge aviation technology such as the new Boeing 787 aircraft and Split Scimitar Winglets



We're committed to reducing our airlines' per passenger carbon emissions by 9% by 2015 (compared to 2008)



www.spreadingsmiles.com



TUI Airlines – carbon reduction through technology today



Boeing 787 Dreamliner



Winglets



Electric vehicles airside

TUI Airlines – carbon reduction through technology tomorrow



Scimitar winglets

Surface sealant to reduce drag

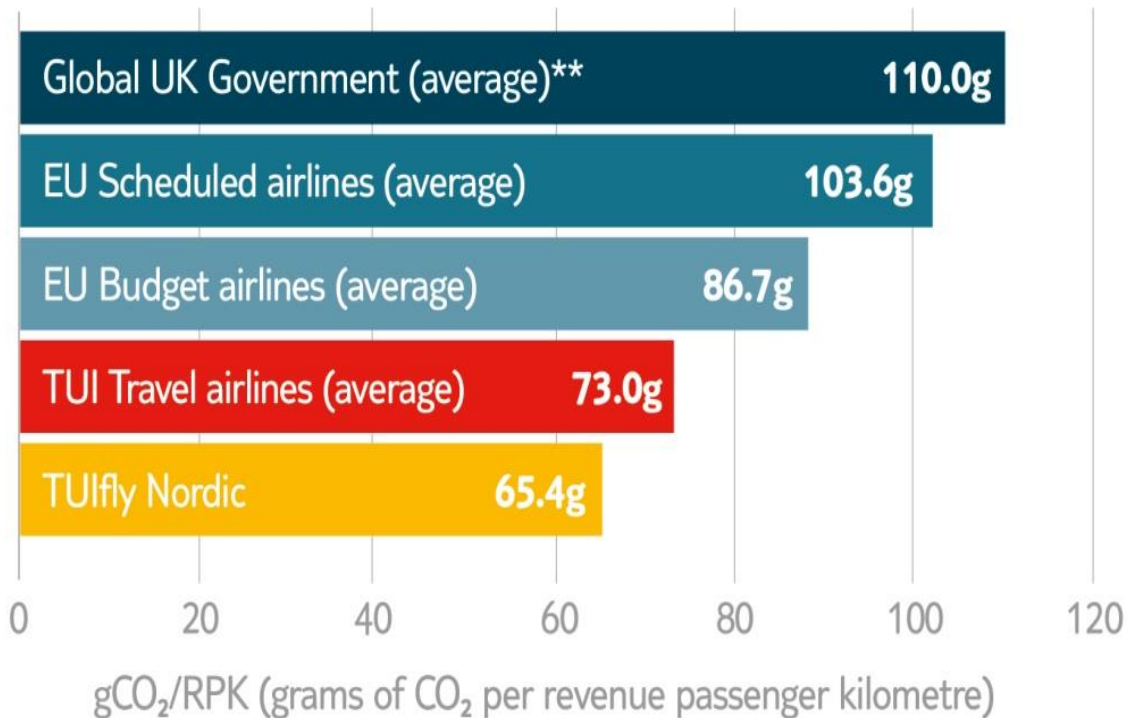


Sustainable biofuels



Ambition: Operate Europe's most fuel-efficient airlines (2012 data)

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



*Data from the 4 largest budget and 4 largest scheduled airlines in Europe based on passenger numbers

**UK Government-DEFRA global aviation efficiency, taking an average of short & long haul operations

Driving carbon down in our operations



TUI NL BREeam Excellent



UK travel agencies saved 8% energy yoy



Improved fuel efficiency 3% yoy



TOM Cruises - 10% yoy fuel saving

Digital drives down paper – and carbon



20% brochure reduction yoy



Immersive i-Pad magazine



Holiday info via MyThomson
i-Phone app

Customers

Sustainable Holidays Plan 2012-14

We will engage 5 million holidaymakers in sustainable tourism by 2015

We're encouraging holidaymakers to get involved in sustainable tourism through our kids clubs activities, school education initiatives and customer donation schemes. The more people we inspire, the bigger difference we can make.

Since 2012,
we've engaged
2.3 million
holidaymakers
in sustainable
tourism

 Eco-traveller

680,000

UK schoolchildren
have participated in our
Eco-traveller programme,
learning how to make
a difference
on holiday

 Spreading
smiles

www.spreadingsmiles.com



 **TUI Travel PLC**
More than a smile

www.tuitravelplc.com/sustainability

Customer research – 4000 holidaymakers, 8 markets

- Key sustainability issues for customers:
preserving habitats; saving natural resources; fair working conditions
- Key barriers to booking more sustainable holidays:
sustainability not 1st priority; perceived price; lack of availability
- Who do they hold responsible?
Governments, airlines & holiday companies



1 in 2 would book a sustainable holiday if available

2 in 3 would change behaviour on holiday to help environment

2 in 3 want holiday company to make holidays more sustainable

Spreading smiles Menu

Search Category English


The world of spreading smiles Hide ▲


"What sunshine is to flowers, smiles are to humanity."
- Joseph Addison

Smiles bring out the best in us, turning good holidays into great ones. Our vision is to provide exceptional travel experiences where everyone benefits: our customers, the communities that host our holidays, and the environment. Our ambition is to spread as many smiles as possible. By [interacting](#) with the site and sharing your thoughts and stories, you can help and spread your own smiles too.

- Biodiversity
- Waste
- Community
- Water
- Children
- CO₂ Carbon
- Training
- Animals

Latest projects Hide ▲

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 [VIEW PROJECT](#)

Taste of Fethiye X
You can't get much fresher than Durali's prize cucumbers
[VIEW PROJECT](#)

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World of TUI

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000167
SMILE-O-METER

Eco-traveller



380,994 UK pupils
engaged with the Eco-
traveller programme in
2013.

**680,000 over past 3
years**

Colleagues 2012-2014



Colleagues

Our colleagues will rate TUI Travel as a leader in sustainability

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

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 #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

Colleagues 2012-2014

Colleagues *innovation*



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.



Highlights from 2012

£16m

amount saved through environment efficiencies in 2012*



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



TUI Travel airlines' achieved their

6%

carbon efficiency target two years early



We featured over

850

hotels which had sustainability certifications in brochures and on websites



78%

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

600

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



Our businesses helped contribute over

€5m

to good causes

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.

Sustainability – investment & reputation

- **Companies with a strategic focus on climate change provided double the return of the Global 500 from January 2005 to May 2011**
(Carbon Disclosure Project, 2011)
- **Performance on Socially Responsible Investment indices important:**
 - FTSE4Good Index (listed since 2005)
 - Carbon Disclosure Leadership Index – every year > 2008
 - Dow Jones Sustainability Index Yearbook (listed since 2011)
- **Mandatory Carbon Reporting for listed companies:**
France (since 2010), UK (from Oct 2013), Germany (on the horizon)
- **Company reputation is the top driver for 60% of employees**
Towers Watson 2010 Global Survey



FTSE4Good

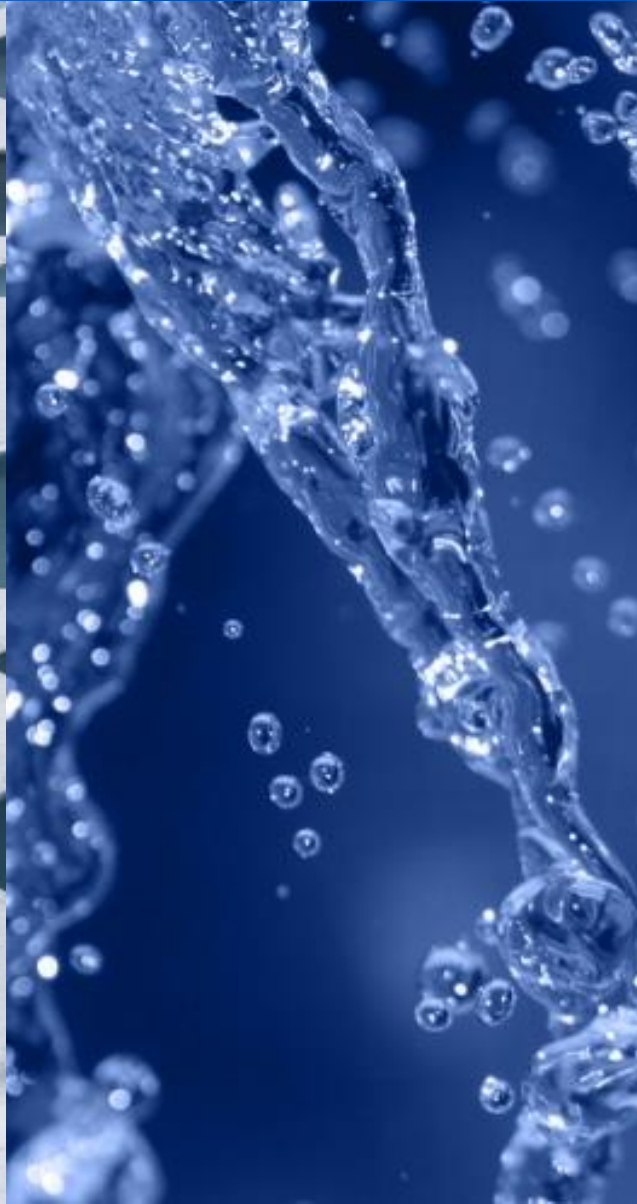


We can make a real difference



10% of all jobs throughout the world are in tourism. In developing countries, tourism can play an important role in helping fight poverty.

Sustainability challenges facing us – climate, water, food



Thank you

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For Further Info...check out



<http://www.tuitravelplc.com/sustainability>