

Sustainability is Culture

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*“..nearly one in every
200 children globally
is now a refugee”*

Unicef report Sept 2016

*“Nurses fear
hospitals are no
longer safe places to
work”*

In-Cyprus.com Sept 2016

The world is a complex place

*“Embassy official in
Nicosia ‘tried to
abduct child’”*

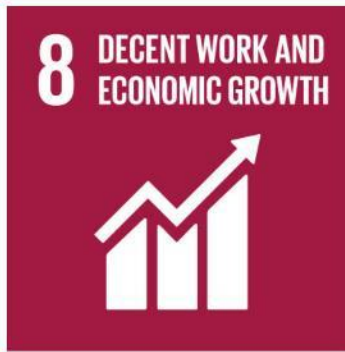
Cyprus News Sept 2016

*“Syrian government
launches Aleppo
ground attack”*

Cyprus Mail Sept 2016

*“52% of women have
been harassed at
work”*

TUC survey Aug 2016



“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”



Sustainable Development is even more than that...

- **It's a responsibility for all of us.... at all levels**
- **It's a cultural issue & needs to be culturally embedded**
 - ✓ **Education: school, university, etc...**
 - ✓ **Governments: policies, regulations**
 - ✓ **Companies: part of the company culture & values, company reporting**
 - ✓ **Industry: Standards, certifications, guidance and regulation**
 - ✓ **Communication**
- **But there are still “grey” areas related to cultural acceptance, which is a real challenge...**

Our approach at TUI

What are key issues for us?

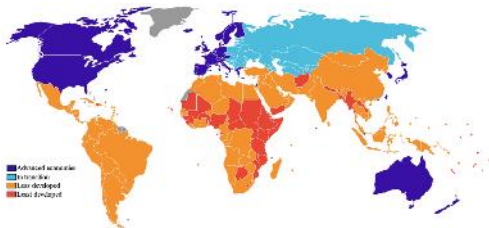
Tourism employs 10% of people globally, with proven benefits such as low barriers to entry, high % of women, so we need to monitor labour rights and prevent exploitation of vulnerable groups



We operate in high impact sectors (cruise and aviation)



Some of our destinations are lower income countries with challenges of infrastructure, skills and education



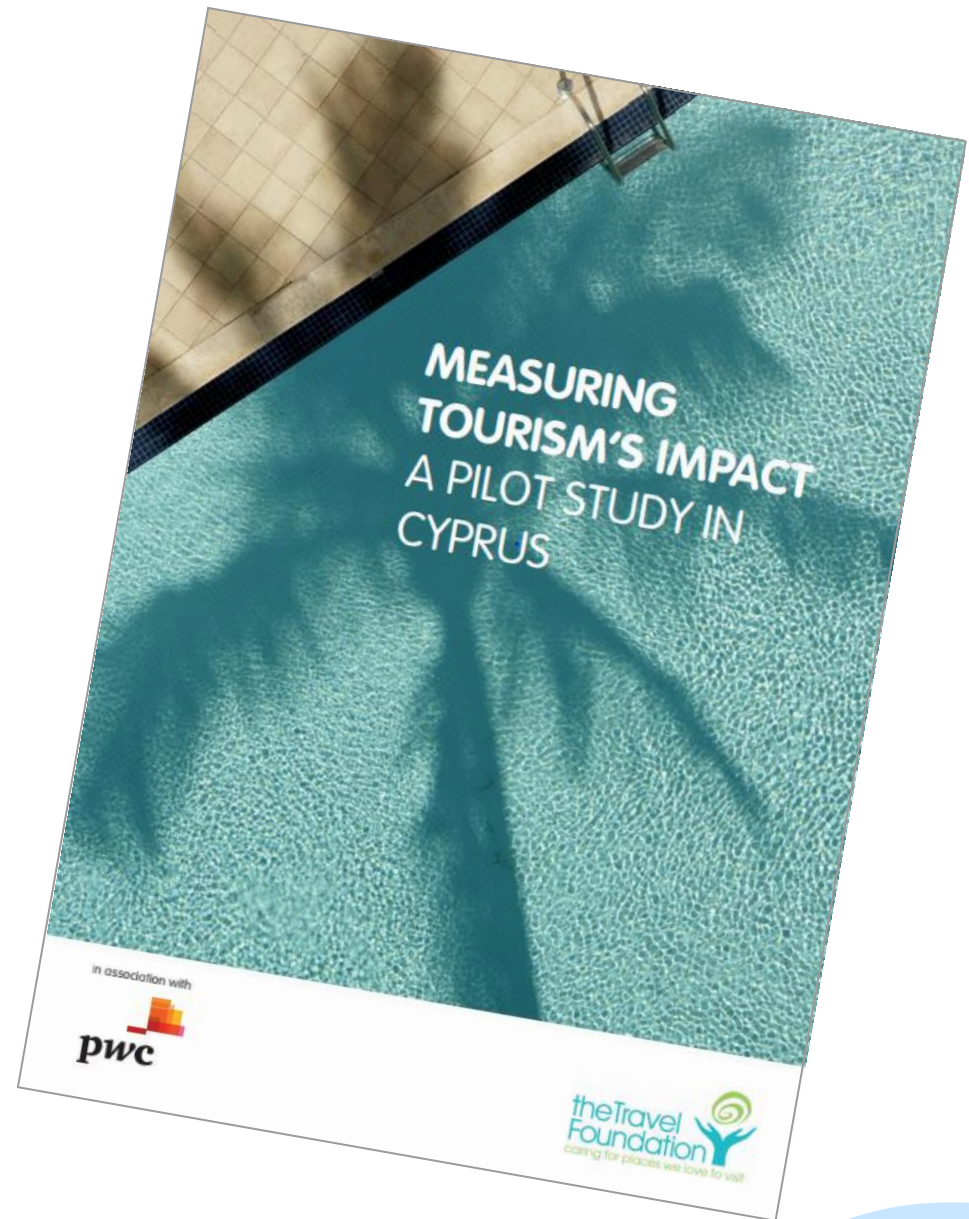
Tourism can help prevent natural environments but is also perceived as detrimental to the natural environment



Measuring our impact

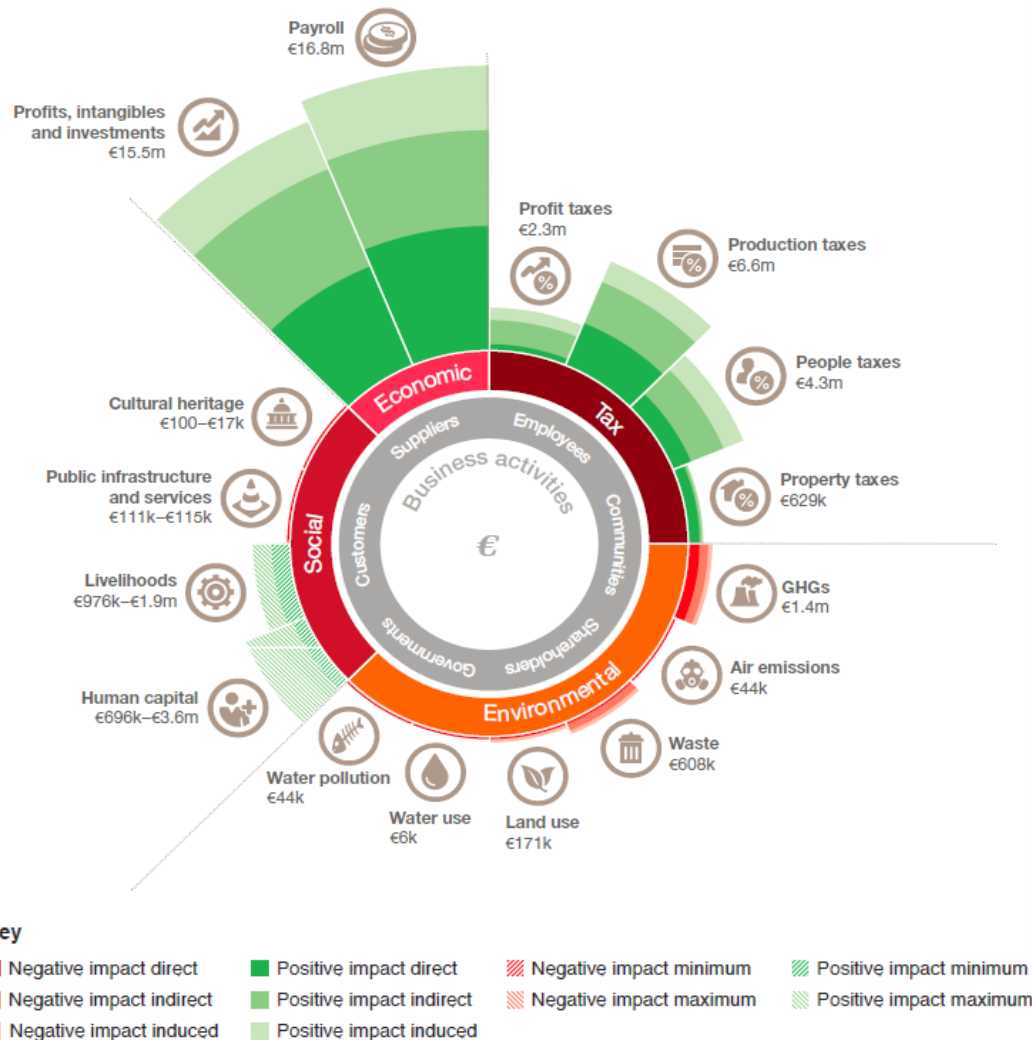
For us, it is very important to have real evidence rather than just anecdotal feedback.

For that reason, we conducted, together with the Travel Foundation and PWC, the TIMM's project in Cyprus



Outcomes from the TIMM's project

Results:



Key findings:

- Positive economic/tax benefits have the greatest impact - €84 per guest night.
- Increased local F&B procurement & customer discretionary spend would further improve economic/tax benefits .
- Greenhouse gases are the most significant part of the environmental costs – which averaged €4 per guest night.
- Most significant social benefit is 'on the job' experience.

Our response to TIMMs

The findings have informed development of our Better Holidays, Better World strategy...

- Major step in understanding the complex impacts of our industry.
- Potential to shape the way we and other businesses operate in the future.
- The results will certainly influence future TUI major projects and collaborations, helping us focus on the most impactful areas.

... and highlighted areas for TUI to optimise its destination impacts:

- Support skills development and training for hotel workers.
- Continue to focus on GHG efficiency throughout operations
- Increase local sourcing and facilitate greater access to our customers for local businesses

Our Strategy: Commitments we'll achieve by 2020



step
lightly

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



make
a difference

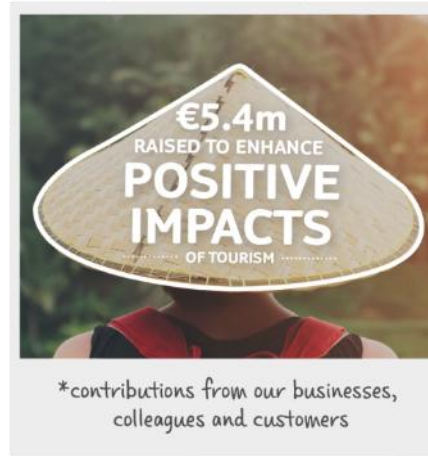
We will deliver **10 million** greener and fairer holidays per year by 2020, enabling more local people to share in the benefits of tourism



lead
the way

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

Our progress to date



But this is just the beginning!

By 2020:

1. Sustainable certification of hotels will be the default
2. An increasing number of companies will practice triple bottom line reporting (Environmental, Financial, Social data)
3. Water will rival energy in environmental impact pecking order
4. Human Rights are on the agenda for the EU & UK
5. Consumers aspire to great and sustainable products...

Thank you

