

Module: Introduction**Page: Introduction**

CC0.1**Introduction**

Please give a general description and introduction to your organization.

TUI Travel PLC is one of the world's leading international leisure travel groups operating in approximately 180 countries worldwide. It serves more than 30 million customers in over 31 source markets. Headquartered in the UK, the Group employs approximately 55,000 people and operates a pan-European airline group consisting of 138 aircraft. The Company is organised and managed through three principal business Sectors: Mainstream, Specialist & Activity and Accommodation & Destinations. In the financial year ended 30 September 2013 TUI Travel had revenues of £15.1bn and an underlying operating profit of £589m. TUI Travel is listed on the London Stock Exchange as a member of the FTSE 100 and FTSE4Good Indices.

TUI Travel's majority shareholder is TUI AG and at the end of the FY13 (Sept 2013) owned 54% of the shares. The Relationship Agreement between TUI AG and TUI Travel, dated 29 June 2007, includes the principle that TUI Travel will operate independently of TUI AG and records the understanding between TUI AG and TUI Travel regarding the relationship between them and the governance of TUI Travel. The Relationship Agreement will remain in force until either the shares in TUI Travel are no longer admitted to trading on the London Stock Exchange, or TUI AG has less than 10% of the rights to vote at general meetings.

CC0.2**Reporting Year**

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been

offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Mon 01 Oct 2012 - Mon 30 Sep 2013

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

GBP(£)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

Johan Lundgren, Deputy Chief Executive Officer, 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.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Director on board	Monetary reward	A TUI Travel Mainstream board member has climate change related incentives to meet energy reduction targets, specifically relating to climate change via our Sustainable Holidays Plan targets. The overarching target to achieve '10m greener and fairer holidays' which includes energy reduction targets.
Executive officer	Monetary reward	An executive officer receives a financial bonus only if a number of targets are met including SD/carbon management related targets
Management group	Monetary reward	TUI UK operates a discretionary bonus scheme at three levels in TUI UK & Ireland; Group Reward Population (yellow band), blue band (heads of departments) and orange band (management). Our bonus scheme is a key element of our total reward package. It is designed to reward employees in line with our financial performance and their personal contribution to delivering successfully against our strategy.
Environment/Sustainability managers	Monetary reward	Linked to personal targets - all relating to sustainable development. (TUI Nordic)
Environment/Sustainability managers	Monetary reward	Financial reward only received if emission reduction targets are met (TUI A&D)
Other: Destination managers	Monetary reward	No bonus unless a minimum of one sustainable development initiative is achieved per season (TUI Nordic)
Other: Environment/Sustainability executives	Monetary reward	Financial reward only received if emission reduction targets are met (TUI A&D)
All employees	Recognition (non-monetary)	In 2013, TUI UK & Ireland added a category for sustainability to its annual recognition awards. This was something championed by the HR director and executed by the reward team. Recognition awards at TUI UK & Ireland vary from quick thank you cards through to formal annual awards. The sustainability award goes to individuals who "embody the company value of responsible leadership by playing their part in delivering our sustainability strategy, by celebrating local culture, enhancing livelihoods, making our operations lighter on the environment". The shortlist for the latter attend a high profile event with the TUI UK & I Board, normally held in July.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	TUI Travel is a truly worldwide organisation and is committed to operating our business in a sustainable manner. Industries in which the Group operates are highly regulated, particularly in relation to aviation and the environment. TUI Travel manages an effective system of internal control to ensure we operate in compliance with all legal and regulatory requirements. TUI Travel is fully committed to being a good corporate citizen in all of the countries in which we operate.	3 to 6 years	On a quarterly basis, line management closest to the risks identify the gross risks relevant to the pursuit of strategy within their business area in the context of; longer-term strategic and emerging threats, medium-term challenges associated with business change programmes, shorter-term risks triggered by changes in the external and regulatory environment, and shorter-term risks in relation to internal operations and control. The Director of Group Audit Services & Risk provides an update to the Audit Committee and the Board on how risk is being managed across the organisation (risk process) and the Executive Directors provide an update to the Board twice a year on the key risks under consideration (risk content).

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Company Level

Whilst ultimate responsibility for risk management rests with the Board, effective day-to-day management of risk sits within the business. Management is responsible for establishing a culture where employees are expected to be risk aware, control minded and to 'do the right thing'.

The Group Risk Management Committee (GRMC) is tasked with the identification, assessment and management of principal risks to the Group strategy. Individual members of the GRMC are accountable for specific Principal risks and for the quality of Risk & Control Summaries. These risks, controls and targets are reviewed and approved at the GRMC and then communicated to the wider business to ensure risks are managed within these levels through the organisation.

The Group Risk function supports the risk management process by providing guidance, support and challenge to management whilst acting as the central point for co-ordinating, monitoring and reporting on risk across the Group.

Asset Level

It is the responsibility of Sector and Source Market Boards across the Group (and senior management teams beneath them) to review and agree the risk profile for their area of responsibility, including signing off on the effectiveness of controls and the progression of action plans.

The Group Risk function consolidates the Sector/Source Market risk registers and reports this 'bottom-up' to the GRMC for review alongside the Group's Principal risks. New significant risks are added to the Group Risk Profile so that the ongoing status and the progression of action plans can be managed in line with the Group's targets and expectations.

TUI Travel has implemented a fully flexible web-based Risk & Control solution that fully supports the Group's Risk & Control objectives and the needs of a large, complex, geographically disperse and diverse organisation. This software control reinforces clarity of language, visibility of risks, controls & actions, and accountability of ownership.

CC2.1c

How do you prioritize the risks and opportunities identified?

On a quarterly basis, line management closest to the risks identify the gross risks relevant to the pursuit of strategy within their business area in the context of:

- Longer-term strategic and emerging threats
- Medium-term challenges associated with business change programmes
- Shorter-term risks triggered by changes in the external and regulatory environment
- Shorter-term risks in relation to internal operations and control

The nature of the risk is articulated, including possible causal factors that may give rise to the risk materialising. This allows the Sectors/Source Markets and the Group to assess the interaction of risks and potential triggering events and/or aggregated impacts before developing appropriate mitigation strategies to target causes and/or consequences.

Risks are assessed in relation to potential impact and likelihood as measured against predefined financial and non-financial criteria relevant to the business area. The current (net) risk position which takes into account existing controls is then considered in relation to the risk target. Where the overall current risk profile is considered too high, relative to the aggregated appetite of the Group, management identify mitigating actions to achieve the target (planned) risk position.

Climate change risks and opportunities are prioritised within TTP's web-based Risk & Control solution. This enables the business to understand the potential impact and likelihood of a risk or opportunity materialising after taking into consideration any controls, policies, procedures, counter-measures or management actions in place. Each risk or opportunity is assigned an impact rating (gross & current), likelihood rating (gross & current) and an overall score (1-5), based on impact and likelihood rationale and financial impact.

The information within the Risk & Control solution is monitored by the Group Risk dept to ensure sufficient detail is captured to enable an accurate prioritisation process.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i How the business strategy has been influenced

Sustainability, including climate change, is a serious business issue across TTP, where it is an integral part of business processes, supplier operating standards and performance metrics. We experience a range of business benefits including cost efficiencies, quality improvements and enhanced engagement of customers, colleagues and suppliers.

Each year, key sustainability information is requested from all source markets and businesses via the strategic planning process. Businesses fill out a template so standardised information is captured, giving clarity to the status of sustainable development and climate change related initiatives across the group. This data capture provides the basis for the 5 year strategy plan and 3 year budget approval process at Board level. TTP's Group Strategy Department drives this process.

ii. What climate change aspects have influenced the strategy

TTP's Sustainable Holidays Plan (SHP) 2012-2014 aligns with our corporate strategy, which includes reducing carbon emissions as one of our 4 priority areas. It makes sense, both from a business and from an environmental perspective, for us to embed carbon management into our key business practices.

Aspects of climate change that have influenced TTP's strategy include:

Physical Aspects - e.g., climate change mitigation & adaptation outlined in the TTP Guidelines for Hotel Environmental Sustainability leading to the setting of 3 year reduction targets.

Regulatory Aspects - e.g., our response to EU ETS has been to ensure TUI Travel Airlines are operated as efficiently as possible to reduce the number of permits that need to be purchased.

Reputational Aspects - e.g., TTP has published a SHP goal to take 10M customers on greener holidays with environment issues and carbon reduction in mind by end FY14.

iii. The most important components of the short term strategy that have been influenced by climate change

- Developed collaborative partnerships with many stakeholders whose insight and guidance continue to help us develop our position on aviation and climate change. Examples include: Aviation Initiative for Renewable Energy in Germany (AIREG), Forum for the Future, Sustainable Aviation Fuel Users Group (SAFUG) and Sustainable Aviation in the UK
- Commitment to improve the fuel-efficiency of the TUI Travel Airline fleet
- Implemented a web-based sustainability data software solution to further improve data accuracy and identify further efficiency opportunities from across our operations
- Providing differentiated product hotels with dedicated environmental consultancy
- Commitment that all differentiated hotels will achieve a credible sustainability certification by 2014
- Investment in carbon offset projects that have offset 1m tonnes of carbon

iv. The most important components of the long term strategy that have been influenced by climate change;

TTP's business works on a rolling 5 year planning cycle and this is the time horizon that applies to TTP's SHP. This is a rolling period, i.e. not a static process. The SHP 4 headline goals are:

Destinations: We will deliver 10m 'greener and fairer' holidays

Carbon: We will operate Europe's most efficient airlines and save more than 20,000 tonnes of carbon from our ground operations

Colleagues: Our colleagues will rate TUI Travel as a leader in sustainability

Customers: Customers will regard TUI Travel as a leader in delivering more sustainable holidays

Specific examples:

- Fleet replacement decisions, e.g. the purchase of 60 Boeing 737 MAX aircraft, where fuel efficiency and low carbon/environmental impacts aircraft features formed part of the tender review
- TUI NL/Arkefly has a corporate partnership with AlgaePARC part of Wageningen University on the development of a roadmap to develop next generation sustainable aviation fuel from algae production as part of our commitment to explore a long term strategy for next generation sustainable aviation fuel
- TTP has taken a seat on the Sustainable Aviation board, with a view to developing a roadmap for aviation CO2 emissions and next generation sustainable aviation fuels
- Investment in low carbon premises, e.g. TUI NL's new HQ (BREEAM Excellent standard)

v. How this is gaining you strategic advantage over your competitors;

Saving money

In May 2013, TTP took delivery of its 1st Boeing 787 Dreamliner which is forecast to be c. 20% more fuel efficient than the aircraft it replaces. The introduction of this aircraft will save money through its improved fuel efficiency. In 2013 TUI Travel identified cost savings of circa £12m through sustainability initiatives across the business.

Better value for customers

Training our hotels on eco-efficiencies, which ultimately delivers better value for money for our customers. In 2012/13, 1.4m customer CSQs showed higher average scores for sustainability, value for money and overall rating for those hotels that had achieved a Travelife sustainability certification. TTP's 3 year strategy states that 'all differentiated hotels will have a credible sustainability certification' by FYE 2014.

Enhanced reputation

We already have more sustainable holiday options than competitors, and with TTP's commitment that all differentiated hotels will achieve a credible sustainability certification by 2014 and 50% will achieve an environment management standard, we will have clear marketing and product quality advantage over competitors in this area.

Colleagues

More engaged colleagues through local and Group-wide SD initiatives and communications.

vi. What have been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy

- Invested significantly in cutting edge aviation technology including the Boeing 787 Dreamliner aircraft, which are forecast to emit 20% less CO2 per passenger than

comparable aircraft today

- Committed to purchasing 60 Boeing 737 MAX aircraft, with improved fuel-efficiency. Boeing reports that the 737 MAX plane will burn 14% less fuel than other 737 models per seat boosting an already efficient operation of the earlier models
- TTP's airlines will be the first in Europe to use the new innovative Split Scimitar Winglets, reducing fuel burn by an additional 2%
- TTP has partnered with Boeing for the 'eco-Demonstrator' programme, which aims to accelerate creation and production of sustainable technologies for aircraft, working with the industry and suppliers to champion innovation in aviation
- Our largest ground transport company Ultramar has installed satellite navigation in all vehicles to monitor fuel consumption, kms, driver performance and route optimisation.
- Implemented a Group-wide web-based sustainability data software solution to further improve data accuracy, increase collection frequency and provide reporting that supports advanced monitoring and targeting of further efficiency opportunities

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	<p>From 1 October 2013, as part of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, all companies listed on the London Stock Exchange main market are obliged to report direct and indirect greenhouse gas emissions from their global operations as well as an intensity metric – the obvious one for TUI Travel PLC being grams of carbon emissions per revenue passenger kilometre which we already use as one of the business's headline KPIs as part of our Annual Report & Accounts. We have always supported the move towards mandatory greenhouse gas reporting by UK-listed companies for greater transparency. In May 2012, along with more than 50 other organisations, we signed The Aldersgate Group's letter to the Deputy Prime Minister urging the UK Government to introduce mandatory greenhouse gas reporting legislation.</p>	<p>TUI Travel welcomes this development in UK legislation, which will help ensure that Boards, investors and other stakeholders have the information they need to address their company's carbon footprint. Ahead of this new obligation, TTP purchased a web-based sustainability data software solution to improve the collection and aggregation of our carbon data.</p>
Mandatory carbon reporting	Support	<p>TUI Travel PLC is calling for an industry standard on reporting fuel and carbon efficiency for UK airlines. The call for a set of common metrics to report carbon emissions will ensure greater transparency so customers can make informed decisions about which airlines to choose. The Civil Aviation Authority (CAA) had been given new duties in the Civil Aviation Act 2012 to ensure that airlines set out the environmental impact of aviation, and publish information that helps consumers compare the emissions of different airlines.</p>	<p>TUI Travel supports the CAA's proposal to develop a standardised methodology for accounting for and publishing airline carbon emissions. We report our airlines' carbon emissions per revenue passenger kilometre in grams (gCO2/RPK), a common standard, but not yet "the standard" unit of measurement used by airlines to communicate their efficiency. TUI Travel airlines are among the most fuel-efficient in Europe, with emissions of 70.7g CO2/RPK in FY13 (audited by PwC). We communicate this to customers through our customer-facing websites and Annual Report and Accounts, in addition to our Sustainable Holidays Report.</p>
Cap and trade	Support	<p>TUI Travel supports the inclusion of aviation emissions in the EU ETS, which has the potential to be a cost-effective and affordable instrument for reducing the environmental impact of aviation. TUI Travel has participated in the EU ETS since January 2012. In spring 2013 enforcement of the ETS has been temporarily suspended in order to allow the UN's aviation body, the International Civil Aviation Organization (ICAO), to report on its efforts to develop a global emissions trading solution.</p>	<p>We believe that a well-designed emissions trading scheme should deliver tangible environmental gains, minimise the administrative burden on participating companies, and avoid distortions to competition. Ideally, such a scheme would be global, taking account of the international nature of aviation. At present, however, the EU ETS does not fulfil these criteria, and has sustained strong challenges from airlines based in the United States and China, among many others. We also believe that a proportion of the revenue raised from the sales of emission permits should be ring-fenced by Member State governments for research and development that will help to reduce the industry's carbon footprint.</p>
Energy	Support	<p>The UK Government and its European partners are in the</p>	<p>TUI Travel supports SAFUG's view that decision makers need to</p>

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
efficiency		<p>process of developing a next generation sustainable aviation fuel strategy. We believe that this strategy should reflect the accelerated pace of aviation fuel development, and devise mechanisms to incentivise investment and build a next generation sustainable aviation fuel infrastructure. Next generation sustainable aviation fuel – fuels derived from independently-certified sustainable biomass, waste streams or other renewable or sustainable sources – could play a significant role in reducing carbon emissions from aviation in the UK and beyond. There has been dramatic progress over the past few years in developing sustainable fuels 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 these sustainable fuels are not yet competitive with oil-derived kerosene, the current standard aviation fuel. TUI Travel is a member of SAFUG (Sustainable Aviation Fuel Users Group), a coalition of global airlines that account for approximately 32% of global aviation fuel use. TUI Nederland is partnering with AlgaePARC (which is part of Wageningen University in the Netherlands) to facilitate the research for the development of next generation sustainable aviation fuel. One of the leading research themes is specifically focusing on algae as a next generation sustainable aviation fuel feedstock. TTP has taken a seat on the Sustainable Aviation board, with a view to developing a roadmap for aviation CO2 emissions and next generation sustainable aviation fuels.</p>	<p>recognize the critical importance of catalysing the development of safe, sustainable and commercially viable fuels for aviation. Renewable aviation fuels are being developed to address key issues with existing petroleum fuels, including greenhouse gas emissions and energy security.</p>
Carbon tax	Oppose	<p>The UK Government's Air Passenger Duty (APD) was one of the first attempts to use taxation to reduce carbon emissions from aviation. In FY 2012/13, our UK airline, Thomson Airways, paid more than £130m in Air Passenger Duty. The UK Government has stopped claiming that APD is an environmental tax – it is a revenue-raising tax measure and does not incentivise airlines to improve their carbon efficiency. Because it is a UK national tax, APD does not take into account the aviation taxation regimes of other countries. For example, in 2012, the German Government introduced a departure tax for its country's aircraft operators, regardless of whether an emissions tax has already been paid for that same flight under another scheme i.e. the EU ETS arrangements. That means TUI Travel effectively pays</p>	<p>TUI Travel supports the UK-led campaign 'A Fair Tax on Flying', which calls on the UK Government to make aviation tax fairer. More than 30 leading travel organisations support the campaign, and over 200,000 people wrote to their local MP in 2012 calling for an economic impact assessment of APD.</p>

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		emissions taxes twice in its two biggest source markets, Germany and the UK, as well as its liabilities under the EU ETS.	

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Global Sustainable Tourism Council (GSTC)	Consistent	The GSTC works to: 1) promote a universal set of principles that define sustainable tourism; 2) expand understanding; 3) increase sustainable tourism best practices; and 4) generate new markets for sustainable holidays. 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.	We are a member of the GSTC and our Director of Group Sustainable Development (Jane Ashton) sits on the board. The Global Sustainable Tourism Council (GSTC) is a global initiative dedicated to promoting sustainable tourism practices around the world, incorporating climate change.
Association of British Travel Agents (ABTA)	Consistent	ABTA is the UK's leading travel association. ABTA's aims include: - Sharing the benefits of tourism to ensure destinations thrive - Managing the issues of finite resources and environmental impact - Making a fair tax contribution both at home and in the destinations - that the industry takes the lead in managing natural resources responsibly and in mitigating impacts throughout the supply chain. ABTA developed and pioneered the	We are a member of ABTA and participate on its Sustainable Tourism Committee and Travelife committee. TUI UK's Customer Operations Director (Fraser Ellacott) joined the ABTA board in 2013 and Garry Wilson (MD Mainstream Purchasing) is a Travelife Board member.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		Travelife Supplier Sustainability System which has grown to be one of the world's leading hotel sustainability management and certifications.	
Sustainable Aviation	Consistent	Sustainable Aviation, a UK aviation industry initiative to which TUI UK's Airline (Thomson Airways) is a partner and signatory, has made a number of carbon commitments. Sustainable Aviation believes that the aviation industry should aim to reduce its actual carbon emissions through (a) technology; (b) sustainable alternative fuels; (c) operational improvements including air traffic management with additional policy measures to further incentivise these developments only if necessary.	TUI Travel has been given a seat on the Council for Sustainable Aviation following the businesses ongoing commitment to sustainability. Jane Ashton, Group Director of Sustainable Development and Eddie Redfern, Head of Regulatory Affairs (Aviation), will jointly represent TUI Travel, the only Tour Operator on the Council.
ANVR (Dutch Association of Travel Agents and Tour Operators)	Consistent	Main goal 2025 vision: The Dutch travel industry tries its upmost best to reduce the CO2-emissions, related to the travel trade.	Former CEO Steven van der Heijden's position as chairperson for ANVR stopped 31/12/2012. Elise Allart (TUI NL Sustainable Development Coordinator) is in a frontrunners committee. Both helped formulate a vision for the future 2025 on sustainable development, including climate change.
DRV (Deutscher Reiseverband)	Consistent	DRV represents the interests of small, mid-sized and large companies in the travel industry vis-a-vis service providers from inside and outside Germany and vis-a-vis German, European and international policy makers.	Working in partnership with DRV via membership discussions and participate in its commissions of sustainability which incorporates climate change issues. Dr. Harald Zeiss (Head of Sustainable Development – TUI Deutschland) is Deputy Chairman of the Sustainability Committee.
Futouris (Sustainability Association)	Consistent	Implementation of projects to reduce climate change impacts.	Financial support through membership fee, and participation in climate change impact discussions.

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

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:

The Travel Foundation

TUI Travel has been working with the Travel Foundation, a sustainable tourism charity, since it launched in 2003. During this decade of partnership, the Travel Foundation has supported us on our sustainability journey, providing a wide range of resources and expertise and collaborating with the business on strategic projects that have helped it address the sustainability issues facing the travel and tourism sector. We are the largest industry supporter and donor to The Travel Foundation, which over the last 10 years has 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. We have raised over £4 million since 2003 and we won the Contribution to the Community Award at the 2013 TTG Travel Awards for our outstanding work with the Travel Foundation.

AlgaePARC

TUI NL/Arkefly has a corporate partnership with AlgaePARC part of Wageningen University on the development of a roadmap to come to develop next generation sustainable aviation fuel derived from algae production. The research undertaken by the university is public and has supplementary climate change benefits. This research is part of the TUI NL and TTP strategy to develop a long term strategy on next generation sustainable aviation fuel for the airline industry.

Sustainable Aviation

TUI Travel has been given a seat on the Council for Sustainable Aviation following the businesses ongoing commitment to sustainability. Jane Ashton, Group Director of Sustainable Development and Eddie Redfern, Head of Regulatory Affairs (Aviation), will jointly represent TUI Travel, the only Tour Operator on the Council. This position will allow TUI Travel to develop our own roadmap regarding CO2 emissions and advanced aviation fuels.

Sustainable Aviation Fuel Users Group (SAFUG)

TUI Travel has collaborated with SAFUG for the last 4 years. SAFUG's mission is to accelerate the commercialisation of sustainable biofuels for aviation. This is very much in line with one of TUI Travel's Sustainable Holidays Plan commitments. #8 - "We will trial sustainable biofuel on flights and explore a long term sustainable biofuels strategy".

AIREG - Aviation Initiative for Renewable Energy in Germany

TUIfly has been an active member of AIREG for the last few years. TUIfly co-project manages working group #3 - Fuel Utilization. This WG deals with the utilisation

phase for alternative fuels in aircraft, in engines and in airport infrastructures with the aim of providing a comprehensive overview of the practicability and efficiency of alternative fuels as well as their emissions.

Forum for the Future

In 2002, First Choice Holidays PLC began working with Forum for the Future (a sustainable development think-tank) and TUI Travel PLC continues to do so – developing and implementing our sustainable development vision and policy. TUI Travel is among a handful of companies designated as a Pioneer Partner by Forum – as one of a small group of organisations who are recognised as leaders in sustainability in their respective industry sectors.

CC2.3g

Please provide details of the other engagement activities that you undertake

World Travel Market – World Responsible Tourism Day

Method of engagement: Round table debate - TUI Travel representative: Johan Lundgren (Deputy CEO)

Topic of engagement: Carbon emissions tax

Nature of engagement: Discussions regarding travel and tourism and carbon pollution.

Actions advocated as part of engagement: The need for a common framework to report aviation CO2 emissions, particularly using metrics assessable to customers, and the requirement for international MBM to manage aviation emissions.

UNEP Global Partnership for Sustainable Tourism (GPST) Annual Conference

Method of engagement: Panel discussions – TUI Travel representative: Jane Ashton (Director of Group Sustainable Development)

Topic of engagement: Advancing Sustainable Tourism - leadership and competitiveness through performance and delivery

Nature of engagement: Panel discussions on how the private sector is quantifying and reporting on the business value of their company's sustainability initiatives, sustainability strategy and measures of success, performance efficiency and cost savings.

Actions advocated as part of engagement: The UN has allocated finance and resource driven by UNEP, under the 10 year Framework for Sustainable Consumption & Production where Tourism was designated as one of 5 sectors of focus by the UN following Rio+20 in Jun 2012, which is very much in alignment with TUI Travel's objectives – to mainstream sustainable tourism, encourage a more systematic approach to tourism planning and development by governments in particular, and to improve the sector's overall sustainability performance.

Guardian Sustainable Business Roundtable

Method of engagement: Round table debate - TUI Travel representative: Johan Lundgren (Deputy CEO) & Jane Ashton (Director of Group Sustainable Development)

Topic of engagement: Sustainable tourism and carbon emissions tax

Nature of engagement: Discussions regarding growth in aviation and associated emissions, EU ETS (aviation), and the lack of globally recognised tools to measure impact in destinations.

Actions advocated as part of engagement: Social, economic and environmental impacts should be assessed. What is needed are tools that assess the impact of tourism at destination management level.

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Group Sustainable Development Department's role is to drive change towards a more sustainable company and to forge Sector leadership. Our Group-wide work streams meet regularly to tackle issues and develop programmes of work. Each Sector or key source market within the Group has a sustainable development coordinator or team with a remit to develop and implement sustainable development strategy, supported by a network of champions. This results in a common approach across TUI Travel to climate change engagement and sustainable strategies.

To review performance and to measure progress, we have incorporated sustainable development questions into regular employee surveys at Sector and Group level and we conduct an annual Sustainable Development Evaluation of TUI Travel tour operating businesses, as well as specific surveys of airlines, hotels and water transport operations.

The Group Management Board acts as TUI Travel's Sustainable Development Steering Committee and sets the Group's strategic direction and long-term objectives for sustainable development.

Each year, key sustainable development information is requested from the mainstream source markets via the Managing for Value process to develop a factbase on their operations. This is TUI Travel's Group Strategy department's business planning approach. These requests are sent care of the source market MDs whereby a forecast of headline future climate change and other SD KPIs are addressed. This forms part of the 5 year evaluation plan and approvals process at Board level. TTP's Group Strategy Department drives this process. Any risks that could impact on TTP's strategy delivery are closely monitored & managed.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute and intensity targets

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1	85.06%	6%	2008	6016083	2014	In 2009, TUI Travel airlines set a target to reduce carbon emissions by 6% by 2014, against a baseline of 2007/08, on a total (absolute) basis.
Abs2	Scope 1	0.69%	10%	2011	41745	2014	Achieve a 10% absolute reduction of fuel (gasoline and diesel) consumption across TUI Travel's ground transport fleet.
Abs3	Scope 1+2+3	0.80%	15%	2011	51481	2014	In 2012, TUI Travel set a target to reduce absolute carbon emissions from its major premises (Scope 1 & 2), retail premises (Scope 1 & 2) and brochure production (Scope 3) by 10% by 2014, against a baseline of 2010/11. This target was successfully met after the first year of the 3 year target (2011/12) and so the emissions reduction target was increased from 10% to 15% for the remaining 2 years.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int1	Scope 1	85.06%	9%	grams CO2 per kilometer	2008	77.9	2014	In 2009, TUI Travel airlines set a target to reduce carbon emissions by 6% by 2014, against a baseline of 2007/08, on a relative (intensity) basis. The intensity target of 6% was achieved

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
								in 2011/12 (2 years ahead of schedule) and so in 2012/13 this target was extended to 9%.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	15	No change	0	The TUI Travel airline intensity target has resulted in a decrease of absolute emissions by 15%. In the baseline year (2008) total emissions were 6,016,083 tonnes CO2 and emissions during the last reporting year (2013) were 5,101,532 tonnes CO2 – a reduction of 15.2%

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment

ID	% complete (time)	% complete (emissions)	Comment
Abs1	83%	100%	The absolute emissions from TUI Travel's airlines decreased from 6,016,083 tonnes CO2 in 2008 to 5,101,532 tonnes CO2 in 2013. Since the original reduction target was 6%, and the actual emissions reductions were 15.2% this represents a 254% completion of the stated target, 5 years into the original 6 year target.
Abs2	66%	80%	In FY12 (year 1 of target) TUI Travel's absolute ground transport emissions were reduced by 5% from the baseline year. In FY13 (year 2 of target) absolute emissions were reduced by a further 3%, totalling an 8% reduction towards the 10% target. Therefore TUI Travel has achieved 80% of its emissions reduction with 1 year of the 3 year target remaining.
Abs3	66%	100%	In FY12 (year 1 of target), TUI Travel's emissions from our major premises, retail shops and brochures were reduced by 11% from the baseline year, achieving the target in the first year. Therefore the target was increased from 10% to 15% for the remaining 2 years. In FY13 (year 2 of target), emissions were reduced by a further 9%, resulting in an overall 19% reduction from the baseline year, again meeting the extended target.
Int1	83%	100%	In 2009, TUI Travel airlines set a target to reduce carbon emissions by 6% by 2013/14, against a baseline of 2007/08, on a relative basis. In 2011/12 TUI Travel airlines' relative carbon emissions were 73.0g per revenue passenger kilometre (CO2/RPK), i.e. 6.3% less than 2007/08. In 2012/13 this target was extended to 9%. In 2012/13 TUI Travel airlines' relative carbon emissions were 70.7g per revenue passenger kilometre (CO2/RPK), i.e. 9.3% less than 2007/08.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

TUI Travel has an extensive supply chain operating across the world. These businesses are the gatekeepers to TUI Travel's sustainability performance in destinations i.e. carbon management. By focusing on sustainability, our suppliers are able to achieve cost efficiency savings which ultimately give customers better value for money. The opportunity and value of these energy efficiencies is significant, with energy typically accounting for 5-15% of a hotel's operating cost. Our challenge is to extend the reach of influence to all suppliers and to monitor their progress. A specific example of related initiatives would be our hotel supply chain.

i) Scope of emissions avoided

Energy use across our differentiated product hotels consists of Scope 1 emissions (heating oil, heating gas, LPG, etc.) as well as Scope 2 emissions (electricity).

ii) How the emissions were avoided

TUI Travel PLC launched its 'Guidelines for Environmental Sustainability in Hotels' in November 2010 (updated March 2011) – the guidelines aim to help our hotel suppliers achieve best practice sustainability performance and highlight case studies where eco-efficiencies have saved suppliers significant sums – specifying energy-efficient plant during the construction phase and operating as efficiently as possible during the operational phase saves carbon and costs at the same time, all this without impacting on guest experience. Coupled with this is the work across TUI Travel Mainstream (the Sector responsible for 79% of TUI Travel's revenue in 2013) to require hotel partners to adopt environmental and social contractual minimum standards for the provision of accommodation for our Mainstream tour operating businesses and subscribe to a robust hotel sustainability certification scheme.

During FY13, TUI UK & Ireland worked with blueContec and Responsible Hospitality Partnership to provide over 40 differentiated hotels with dedicated environmental consultancy to improve energy efficiency – participating hotels saved on ave. 5% annual energy costs within 12 months.

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, including the environmental impacts of the hotelier.

In 2012, TUI Travel launched its Sustainable Holidays Plan, comprising 20 specific sustainability commitments to achieve by 2014. Those that directly contribute to TUI Travel customers avoiding emissions by staying in a TUI Travel Hotel are:

- We will feature over 3,000 hotels certified as more sustainable
- All differentiated hotels will have a credible sustainability certification
- 50% of differentiated hotels will have an environmental management standard
- Our differentiated hotels [unique] will achieve an average 24kWh and 400 litres for energy and water usage per person per night (reducing our relative energy consumption by 10% and relative water usage by 20%)

iii) An estimate of the amount of emissions that are/were avoided

An estimate of the amount of emissions that were avoided can be calculated by comparing the total CO2 emissions from TUI Travel's Differentiated Product Hotels in 2010/11 (baseline year for Sustainable Holidays Plan) with those of 2012/13 (after 2 years of progress). A like for like comparison shows a reduction in total CO2 from all hotels included in scope of 2,416 tonnes of CO2 (1,362 tonnes in FY12 and 1,054 tonnes in FY13). To illustrate how this relates to savings by a 3rd party, this equates to an average saving of approximately 100g CO2 per guest per night.

iv) The methodology and assumptions

CO2 emissions factors from the International Energy Agency (electricity) and DEFRA (fossil fuels) are applied to energy use information supplied by the hotels. By comparing each hotel's CO2 footprint year on year we can calculate the absolute savings, and by using guest/night data we can calculate the average CO2 saving per guest per night that stays in a TUI Travel hotel.

v) Generating CERs or ERUs

A number of the TUI Travel Airlines generated CERs to assist with the compliance of the EU ETS in Year 1 (CY12) and Year 2 (CY13) – as our largest airline Thomson Airways in the UK made the greatest use of CERs to help achieve its required compliance. A number of TUI Travel brands offer customers the option to offset emissions from their flight and/or accommodation via VER carbon offset providers. In addition some parts of the business, such as TUI Nederland, factor in carbon offset costs into a selection of their holiday package price.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	0
To be implemented*	2	720
Implementation commenced*	2	8000
Implemented*	4	22575
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Transportation: fleet	Scope 1 - Voluntary Fuel Reduction Programme across the TUI Travel Airlines related to on-going efficiency planning. Absolute reductions achieved through no specific investment. Our airlines continually seek to improve and adjust onboard operations, routings and associated maintenance activities.	8700	1700000	0	<1 year	This is an on-going initiative, reviewed on an annual basis	
Transportation: fleet	Scope 1 - Voluntary Fuel Reduction Programme across cruise operations related to on-going streamlining of itineraries. Absolute reductions achieved through no specific investment. Our cruise businesses continually seek to improve and adjust itineraries based on customer feedback, good practice and new destinations.	10775	1300000	0	<1 year	This is an on-going initiative, reviewed on an annual basis	
Transportation: fleet	Scope 1 - Voluntary Ultramar, our largest ground transport company, has installed satellite navigation in all vehicles to monitor fuel consumption, distances travelled, driver performance and route optimisation.	600	150000	50000	1-3 years	3 years	
Process emissions reductions	Scope 3 – Voluntary TUI Travel-wide brochure pagination reduction. TUI Travel is embracing an online driven future and therefore seeking to reduce brochure print runs each year to maximise customer experience and minimise printing and distribution based emissions associated with brochure production. The CO2 savings are associated with cutting paper use (brochure print runs), printing, storage & distribution.	2500	0	0	<1 year	3 years	

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Optimization of finances are essential, especially for TUI Travel Airlines when it comes to day-to-day running of the airlines and with regard to the EU ETS. Cost indices are developed to see where and which routes operated by which aircraft are optimal.
Dedicated budget for other emissions reduction activities	The environmental / sustainability managers across TUI Travel continuously work towards driving carbon out of the business in a shift to a low-carbon operation – this makes environmental as much as financial sense. Finances are made available for emissions reduction activities through business as usual. With five major sources of carbon emissions to tackle (aviation, cruise, hotels, major premises & ground transportation) targets and initiatives across the board are necessary.
Employee engagement	TUI Travel has 'Colleagues' as one of the key strategic sustainability pillars for the business. Thus, achievement of behavioural change through employee engagement is a key initiative for TUI Travel.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	Pages 26-33	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC4.1/TUI Travel PLC ARA 2013.pdf
In voluntary communications (complete)	Whole document	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC4.1/TUI Travel PLC Sustainable Holidays Report 2013.pdf
In voluntary communications (complete)	Whole document	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC4.1/TUI Travel Sustainable Holidays Plan 2012-2014.pdf
In voluntary communications (complete)	Whole document	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC4.1/TUI Nederland Sustainable Tourism Report 2013.pdf
In voluntary communications (complete)	Whole document	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC4.1/TUI Nederland Sustainable Tourism Plan 2012-2015.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation

Risks driven by changes in physical climate parameters

Risks driven by changes in other climate-related developments

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	<p>Description of Risk Since 2012 the EU ETS scheme has included aviation: all (EU & non-EU) airlines within, arriving & departing the EU must participate. Airline emission allowances will be capped at 97% of 2004-06 average emissions level, reducing to 95% > 2013. How Risk affects TUI Travel Whilst in a 'stop the clock' phase during 2012/13, the EU ETS would switch back to full scope from 2017 onwards after the 2016 ICAO Assembly if there is no agreement on a global market-based measure for international aviation</p>	Increased operational cost	Up to 1 year	Direct	Virtually certain	Low	<p>The financial impact is estimated to be £1m to £5m per calendar year, based on the current framework for the EU ETS and cost of permits.</p>	<p>All TUI Travel Airlines continue to operate as efficiently as possible - it makes good business sense and reduces emissions. The TUI Travel airlines continue to submit the necessary reports to the appropriate competent authority in each of the countries the Airline is based, e.g. The Environment Agency in the UK. The strategy is to ensure the cost of ETS to TUI Travel is kept as low as possible by buying as few extra emission permits (over and above those given for free as part of the free allocation). The ETS exposure has been fully hedged, in line with good</p>	<p>The cost to participate in the EU ETS (excluding the permits) is incorporated in the day to day cost of running our business. Expenditure has been made to PWC to audit our airlines' emissions each calendar year - verification is a legal requirement for airlines captured under EU ETS. The cost of this verification to TUI Travel is £25,000 to £50,000 per annum. TUI Travel invested and implemented a new Risk & Control solution during 2012, with operating costs of approx. £20k per annum.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	emissions. The EU ETS will certainly add to the cost-base of aviation carriers, some more than others. TUI Travel currently operates 6 airlines that must comply with the EU ETS.							practice and TUI Travel's hedging policy, using Over The Counter (OTC) derivatives as well as making use of the permitted amount of Certified Emissions Reduction (CERs) products. TUI Travel will continue to challenge itself to reduce its carbon emissions from the airlines with on-going fuel efficient flying techniques, challenging the airspace management bodies to improve air transport movements to reduce on-route delays (e.g. SESAR Joint Undertaking) and where feasible, continue to invest in more fuel-efficient aircraft – e.g. the £4bn (list price) order for the 60 Boeing 737 MAX. Audit services (required by the	

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Directive) have been procured from PWC to ensure appropriate and timely reporting has been made and TUI Travel colleagues have collaborated to ensure a risk management approach has been taken.	
Fuel/energy taxes and regulations	Description of Risk The CRC Energy Efficiency Scheme is central to the UK Government's strategy for improving energy efficiency and reducing CO2 emissions from large private and public organisations (from Apr 10). The scheme had a simplification review reducing the administrative and reporting burden of the participants. The majority of which	Increased operational cost	Up to 1 year	Direct	Virtually certain	Low-medium	All participants must pay a registration fee of £950, and there are financial implications if no action were taken including fines for not participating when legally obliged to do so - up to £40,000 for late registration. TUI will need to purchase the allowances at £12 per tonne of carbon dioxide for the remaining year of Phase 1. Plus, the opportunity cost	TUI UK is working in partnership with a specialist energy consultancy to devise a strategy to use this legislation as a lever to reduce energy demand. Actions include deploying Automatic Meter Readers across TUI UK's Retail Estate (95%), driving behavioural change as well as achieving the Carbon Trust Standard. TUI Travel PLC came 45th place [out of 2,100 companies] in the UK Government's	Approximately £100k has been spent on consultancy and deployment of Automatic Meter Readers for the UK Shops, circa 700, as well as installing Voltage Optimisation equipment (140 sites) and micro-Building Management Systems in the larger stores (78 sites). TUI Travel has also invested in a new dashboard tool to enable 95% of our shops view their

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	will be implemented in Phase 2, some changes will take effect for the last two years of Phase 1 (2012-13 & 2013-14). How Risk affects TUI Travel CRC participant organisations (including TUI Travel) have purchased the CRC allowances under the scheme from last year, costing £12 per tonne of carbon dioxide – TUI will need to purchase the allowances at £12 per tonne of carbon dioxide for the remainder of Phase 1 (2013-14). TUI will need to budget accordingly for 2014 to ensure that they are covered for the potential double sale of allowances for the					for not properly addressing the savings available in terms of fewer kWh to pay for and therefore fewer CRC CO2 permits to purchase.	Performance League Table [PLT] placing it in the top 2% for Carbon Reduction in 2012 [the last PLT to be issued], a rise of nearly 300 places from 2011. TUI UK continues to take the lead on CRC preparation for TTP in the UK to meet the requirements of the legislation to ensure TTP's UK sites are well prepared. TUI UK has rolled out Voltage Optimisation (140 sites) & Micro-Building Management Systems (78 sites) across its Estate [shops, offices & aircraft Hangar] where there is the greatest energy demand with both initiatives saving more than 500,000 kWh since implementation. A TTP CRC Steering	energy consumption and progress against energy targets.	

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	1st year of Phase 2 beginning April 2014. The cost of allowances will rise to £16 in 2014-15.						Ctte was set up in advance of the legislation entering into force bringing inter-disciplinary expertise together to maintain progress and expedite an action plan to mitigate the financial risk from this legislation and to leverage the opportunities at the same time. TUI Travel has also implemented a new dashboard tool to enable 95% of our shops view their energy consumption and progress against energy targets. All these management methods are overseen by TUI UK's facilities contracts team.		

CC5.1b

Please describe your risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Tropical cyclones (hurricanes and typhoons)	<p>Description of Risk</p> <p>Extreme weather events such as hurricanes, typhoons or flash floods and their consequences can affect TUI Travel's ability to do business in regions around the world. The unpredictability of these events also increases the challenge to cope with them. How Risk affects TUI Travel The effects of such extreme weather events could lead to changes in TUI Travel's operations. The infrastructure of affected regions might be impaired more heavily within the coming years. This can result in damage to or reduction in quality and/or reputation of some of our key destination and hotels. As a</p>	Inability to do business	1 to 3 years	Direct	About as likely as not	Low-medium	<p>The financial impact is estimated to be between £1m to £10m per major event, based on customer repatriation, damage to assets and resuming normal service in our destinations for customers.</p>	<p>TUI Travel implemented an effective crisis management plan several years ago and deployed this during the volcanic eruption in Iceland in 2010 and built on the experience and impact to our business from hurricane Wilma in Mexico in 2005. As our business continues to work towards creating One Mainstream whereby we will operate more consistently in destinations across our mainstream source markets, sharing knowledge and developing joint programmes to address business interruption from natural disasters. These programmes help</p>	<p>The estimated financial cost would only be spent in the event of a natural disaster affecting our customers in destination. TUI Travel makes financial provision in the event of such a disaster. The cost of management is determined on a case by case basis. TUI Travel invested and implemented a new Risk & Control solution during 2012, with operating costs of approx. £20k per annum.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	consequence, this might have an impact on the attractiveness of the region and consequently on our ability to send guests to these regions.							to reduce the magnitude of the impact as the business is more prepared, both financially and in terms of reacting in the event of a natural disaster.	
Change in precipitation extremes and droughts	Description of Risk Significant water scarcity due to lower and less frequent rainfall is to be expected at certain destinations that TUI Travel feature, for example in the Caribbean and North African regions. How Risk affects TUI Travel Scarcity as well as changing rainfall patterns is already having an impact on the infrastructure of destinations. Destinations such as Cyprus and Spain have experienced water shortages in recent years and were	Increased operational cost	1 to 3 years	Direct	Likely	Medium	TTP has identified there will be increased operational costs from changing (e.g. less precipitation), extremes in temperatures and droughts and associated rises in cost for water in destinations. For example, if a hotel located in the Mediterranean paid circa £1.50 for one cubic metre of water on an estimated consumption of 50,000 m ³ per annum, an increase of 10% due to rising water costs as a result of scarcity would	TUI Travel has a 3-year Sustainable Holidays Plan. A specific commitment relates to reducing water use in destinations where we have hotel operations. We have challenged our hotel partners to achieve an average of 400 litres of water consumption per person per night – this would equate to reducing our relative water consumption by 20% between FY12 and FY14.	In FY13 TUI UK & Ireland worked with blueContec and Responsible Hospitality Partnership to provide their differentiated hotels with dedicated environmental consultancy that included measures to improve water efficiency at a cost of approximately £5,000 per hotel, totalling approximately £200,000. Of the circa 40 hotels who participated, reductions in energy and water consumption have

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>required to tanker in water during high season. Water scarcity will increasingly have a negative impact on the quality of our product and affect the destination communities with whom we have a responsibility to.</p>						be an additional £7,500 per hotel per year.	<p>Progress to date is encouraging, and at the end of year 2 of 3 a 10% reduction in water use per guest night has been achieved. With utility costs typically making up 5-15% of a hotels' operating costs, there is a win-win outcome by taking action. TUI Travel is engaged in supporting hotel partners and projects worldwide improving the local environment in line with our SD commitment to operate responsibly in destinations. TUI Travel works in partnership with NGOs and other partners e.g. The Travel Foundation, to help contribute to reducing water and other natural</p>	already generated cost savings of nearly £1.6m to date.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								resource use in destinations overseas. It is in TUI Travel's, our customers and our destination partners' interest that water is used responsibly now and in the future. Therefore the actions that TUI Travel is taking is directly contributing to reducing the likelihood of water shortages in destination communities, and the magnitude of those that may occur.	

CC5.1c

Please describe your risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
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Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Uncertainty in market signals	<p>Description of Risk Due to a variety of factors including rising demand, scarcity, volatility and the impact of climate change, the price of natural resources (including fossil fuels) and other energy sources are expected to rise. How Risk affects TUI Travel</p> <p>TUI Travel requires energy sources (fossils fuels) to operate its primary business functions - aviation, water transport and ground transport. There is an on-going risk to TUI Travel's cost base if oil prices rise significantly. Consequently, investments have to be made in order to operate more efficiently and mitigate</p>	Increased operational cost	1 to 3 years	Direct	More likely than not	Medium-high	<p>Any financial implications of fuel prices increases would be relative to the percentage increase of the fuel. If there were to be a 10% increase in the price per tonne of jet fuel used by the TUI Travel airlines the approximate financial impact is estimated to be in the region of 0.5% of the Group's total revenue.</p>	<p>TUI Travel is very focussed on reducing its use of fossil fuels and improving the efficiency across its portfolio of operations from airlines, cruise ships, ground transport, major premises and unique hotels. The cost of aviation fuel is a significant part of the Group's operations. Therefore there is a fuel conservation working group with representation from each TTP airline that focusses on maximising fuel efficiency and minimise carbon emissions. Furthermore, TTP's Group treasury department ensures that our business minimises the</p>	<p>The cost to conserve fuel, hedge fuel and improve fuel efficiency is incorporated in the day to day cost of running our business. At current list prices, the value of 60 Boeing 737 MAX aircraft that TUI Travel is committed to purchase is \$6.09 billion (GBP £4 billion). TUI Travel has secured a significant discount to the list price of each aircraft through various concessions, allowances and support from Boeing.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	rising fuel costs.						price that the business pays for aviation fuel via a trading and hedging strategy, commensurate with large organisations. In addition, TUI Travel has made in-roads to incorporating next generation sustainable aviation fuel within its Sustainable Holidays Plan strategy to address its use of fossil fuels within its airlines and we have a public commitment as part of the SHP, i.e. #8 outlines "Trialling sustainable biofuels and create a long-term strategy". In late May 2013, TUI Travel took delivery of its first Boeing 787 Dreamliner - an aircraft that will change our		

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
							customers on-board experience and is forecast to be c. 20% more fuel-efficient than the aircraft it replaces [Boeing 767]. TUI Travel has agreed to buy 60 Boeing 737 MAX aircraft, with an option to buy a further 90 of the same model. Boeing reports that the 737 MAX plane will burn 14% less fuel than other 737 models boosting an already efficient operation of the earlier models.		
Reputation	Description of Risk Carbon emissions from TUI Travel, if not properly addressed can have a negative impact upon our reputation and impact upon brand value. There has been evidence to	Reduced demand for goods/services	1 to 3 years	Direct	About as likely as not	Low-medium	Numerous publications and surveys indicate consumers' rising concern about the sustainability impact of their lifestyle, and there is evidence to suggest that consumers will	TUI Travel has been listed on CDP's Carbon Disclosure Leadership Index for the previous 6 years. For the third consecutive year TUI Travel was featured in the RobecoSAM Sustainability Yearbook which	The only cost to complete CDP Climate Change, DJSI & FTSE4Good indices is the required management time. Based on this, the cost to TUI Travel would be in the region of £5k to £10k.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	suggest that consumers will boycott brands with poor reputations in this area, and favour brands with a good reputation. How Risk affects TUI Travel There is a potential on-going risk to TUI Travel's reputation if stakeholders do not positively respond to the changes, process improvements and emission reductions (current and planned) TUI Travel is focussing on. Inadequate carbon management could lead to a reduction of perceived and actual brand value and possible exclusion from sustainability indices in the						boycott brands with poor reputations in this area. Given the many factors involved in a brand's reputation and various drivers influencing consumers the financial impact cannot be stated.	highlights the best performing 15% of companies who submit data to the Dow Jones Sustainability Index (the largest 2,500 companies globally). First Choice Holidays PLC was included in the FTSE4Good index for the first time in 2004 - when TUI Travel PLC was formed in Sept 2007, it took on the listing and maintains it to this day. Inclusion in these indices goes a long way to ensure customers, stakeholders and other interested parties that TUI Travel is taking a responsible approach to addressing its environmental, specifically carbon management impacts. TUI Travel has a 3-year Sustainable	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	future, e.g. FTSE4Good, thereby lowering TUI Travel's attractiveness for investors, customers and other stakeholders.						Holidays Plan with 20 commitments to address our specific impacts and challenges. TUI Travel publicly communicates its performance each year care of a dedicated section within the Annual Report & Accounts and our standalone SD Report. One of the TUI Travel SD Strategic Priorities is "Customers" (in addition to Carbon Management) with the headline goal that "Customers will regard TUI Travel as a leader in delivering more sustainable holidays".		

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	<p>Description of Opportunity</p> <p>Inclusion of aviation in the EU ETS from 2012 presents opportunities for travel companies such as TUI Travel which are operating very efficiently.</p> <p>How Opportunity affects TUI Travel</p> <p>Increased ability to derive competitive advantage and a leadership position in the industry due to our efficient aircraft fleet operation and sustainable flying operational practices. The efficiency of our</p>	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low-medium	<p>All TUI Travel Airlines continue to operate as efficiently as possible - it makes good business sense and reduces emissions. The TUI Travel airlines continue to submit the necessary reports to the appropriate competent authority in each of the countries the Airline is based, e.g. The Environment Agency in the UK. The strategy is to ensure the cost of ETS to TUI Travel is kept as low as possible by buying as few extra emission permits (over and above those</p> <p>The financial impact is estimated to be £1m to £5m per calendar year, based on the current framework for the EU ETS and cost of permits.</p>	<p>The cost to participate in the EU ETS (excluding the permits) is incorporated in the day to day cost of running our business. Expenditure has been made to PWC to audit our airlines' emissions each calendar year - verification is a legal requirement for airlines captured under EU ETS. The cost of this verification to TUI Travel is £25,000 to £50,000 per annum. TUI Travel invested and implemented a new Risk & Control solution during 2012,</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	airlines delivers substantial financial savings - both in terms of EU ETS permits and fuel procurement.						given for free as part of the free allocation). The ETS exposure has been fully hedged, in line with good practice and TUI Travel's hedging policy, using Over The Counter (OTC) derivatives as well as making use of the permitted amount of Certified Emissions Reduction (CERs) products. TUI Travel will continue to challenge itself to reduce its carbon emissions from the airlines with on-going fuel efficient flying techniques, challenging the airspace management bodies to improve air		with operating costs of approx. £20k per annum.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							transport movements to reduce on-route delays (e.g. SESAR Joint Undertaking) and where feasible, continue to invest in more fuel-efficient aircraft – e.g. the £4bn (list price) order for the 60 Boeing 737 MAX. Audit services (required by the Directive) have been procured from PWC to ensure appropriate and timely reporting has been made and TUI Travel colleagues have collaborated to ensure a risk management approach has been taken.		
Fuel/energy taxes and regulations	Description of Opportunity TUI Travel in the UK is	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low-medium	The UK retail business has used the legislation to	TUI UK (on behalf of the PLC's property portfolio in the	There is an intangible benefit of achieving this

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>participating in the CRC Energy Efficiency Scheme: The UK's mandatory climate change and energy saving scheme. How Opportunity affects TUI Travel The CRC has created the required focus by TUI Travel's management team in the UK on energy. Investment decisions have been prioritised where there is a key payback and business case - providing a win-win in terms of future operating costs as well as reputational benefits.</p>					<p>focus on continued energy efficiency improvements and have identified and implemented projects that make sound carbon and commercial sense – e.g. installing voltage optimisation (140 sites) and micro Building Management Systems (78 sites) which were identified high energy locations. These measures have been helping TUI UK to achieve its own public commitment of 15% energy saving by Sept 2013 delivering more than £200k of energy savings.</p>	<p>UK) continues to work with a specialist consultancy. Automatic Meter Readers have been deployed across c. 95% of TUI UK's Retail Estate of shops & Superstores driving behavioural change. The achievement of the Carbon Trust Standard has helped to provide a strategic framework for energy reduction and further investment (carbon & cash saving measures) have been identified. TUI Travel in the UK is working in partnership with a specialist energy consultancy. TUI Travel PLC came 45th place in the UK</p>		<p>success. However, whilst £100k has been spent on consultancy and deployment of Automatic Meter Readers, installing Voltage Optimisation equipment and micro-Building Management Systems in the larger stores, the ROI is impressive and driving greater buy-in across the UK Retail business. TUI Travel has also invested in a new dashboard tool to enable 95% of our shops view their energy consumption and progress against energy targets.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							Government's Performance League Table [PLT] placing us in the top 2% of the 2100 companies required to participate on account of our Carbon Reduction performance in 2012 [the last PLT to be issued]. A TTP CRC Steering Ctte was set up in advance the legislation entering into force [it still meets regularly] bringing interdisciplinary expertise together to maintain progress towards an action plan to mitigate the financial risk from this legislation and to leverage the opportunities at		

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the same time. TUI Travel has also implemented a new dashboard tool to enable 95% of our shops view their energy consumption and progress against energy targets. All these management methods are overseen by TUI UK's facilities contracts team.	

CC6.1b

Please describe the opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Description of Opportunity Due to changing precipitation patterns	Increased demand for existing products/services	1 to 3 years	Direct	About as likely as not	Low-medium	The financial impact is estimated to be £1m to	TUI Travel tour operating businesses have product	Costs based on the management time of all the

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>and the change of temperature extremes certain destinations might become more attractive, e.g. because the summer seasons extends to the shoulder months as well as destinations that are popular in the winter, e.g. the Canary Islands extend their passengers numbers during autumn and spring. How Opportunity affects TUI Travel The holiday season of certain destinations might become more attractive in the shoulder months, i.e. the main summer season for Mediterranean destinations for major tour operators is May-October with the peak being June, July and August. The shoulder months typically May & September/October could become increasingly popular</p>					<p>£10m. As an example, £10m increase would be a 0.1% increase on the current Mainstream revenues of £10bn.</p>	<p>management functions for various destinations in order to manage and assess the ongoing profitability and customer satisfaction of those destinations. Furthermore our tour operating businesses also have product development functions to continually research and develop new ideas in both existing and potential destinations. For example, the Alps are becoming more and more popular not only for skiing during winter time but also for hiking in</p>	<p>FTE (full-time equivalents) working on sustainability and carbon management throughout TUI Travel would be £250k to £500k. Please note, this cost is purely based on an estimate of employee salaries working specifically on climate change already accounted for, and is not an additional cost to the business.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>and help TUI Travel to achieve higher passenger demand which translates into a more positive load factor in these months which typically would be less busy. In addition, due to the changes of customer behaviour and preferences, tourism companies have the opportunity to identify new destinations. TUI Travel is therefore presented with the opportunity to extend its selling period for destinations effected by changes in weather conditions. In addition, customers might be attracted by new destinations during these extended periods.</p>							<p>spring and autumn. TUI Travel is working on identifying and further developing the destinations which fit to the demands of our customers.</p>	

CC6.1c

Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	<p>Description of Opportunity An increased focus providing services and products to our customers in an efficient way i.e. with a climate protection and mitigation lens, will create carbon and therefore cost efficiencies.</p> <p>How Opportunity affects TUI Travel There is a clear link between carbon-efficiency translating through to cost-efficiency. By introducing new products and services TUI Travel can differentiate itself from its competitors (i.e. gaining competitive advantage) and increase its</p>	<p>Other: Increased efficiency of goods & services / attracting new customers</p>	1 to 3 years	Direct	Very likely	Medium	<p>In FY13, TUI Travel identified circa £12m of cost savings as a result of carbon-related efficiencies across the business.</p>	<p>TUI Travel's proactive approach is to ensure that wherever possible the cost of carbon is factored into the way we do business – to drive efficiency. Carbon management is one of our core issues. The business is serious about driving carbon and cost out of the business with its flexible business model. Furthermore, fuel and energy conservation is an on-going priority for TUI Travel across its operations, including TUI Travel airlines, cruise operations, differentiated hotel and our ground transport fleet.</p>	<p>The capital outlay (investment) costs have, in most cases, been minimal for very positive returns in terms of carbon and cash savings. Costs based on the management time of all the FTE (full-time equivalents) working on sustainability and carbon management throughout TUI Travel would be £250k to £500k. Please note, this cost is purely based on an estimate of employee salaries working specifically on climate change already accounted for, and is not an additional cost to the business.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	<p>market share.</p> <p>Description of Opportunity To maintain and enhance its reputation, a company needs to communicate internally and externally its sustainability and climate protection measures. This is a key responsibility of a public quoted company like TUI Travel.</p> <p>How Opportunity affects TUI Travel Working to achieve change – whether behavioural or with the aim of reducing emissions – the strategic direction to address carbon emissions can and will enhance the</p>	<p>Increased demand for existing products/services</p>	<p>1 to 3 years</p>	<p>Direct</p>	<p>Very likely</p>	<p>Medium</p>	<p>When it comes to measuring reputational benefit, this tends to be a rather intangible commodity to measure. A large percentage of the value of listed companies is based on intangibles, i.e. reputation and not possible to value in monetary terms. A nominal estimate value is currently placed at £1M-£10M. This is anticipated to rise in line with customer expectations.</p>	<p>TUI Travel has been listed on CDP's Carbon Disclosure Leadership Index for the previous 6 years. For the third consecutive year TUI Travel was featured in the RobecoSAM Sustainability Yearbook which highlights the best performing 15% of companies who submit data to the Dow Jones Sustainability Index (the largest 2,500 companies globally). First Choice Holidays PLC was included in the FTSE4Good index for the first time in 2004 - when TUI Travel PLC was formed in Sept 2007, it took on the listing and maintains it to this day.</p>	<p>The only cost to complete CDP Climate Change, DJSI & FTSE4Good indices is the required management time. Based on this, the cost to TUI Travel would £5k to £10k.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>internal and external reputation. In addition, due to the increasing threat of climate change, relevant measures become more important for companies and their key stakeholders. Embedding mitigation and/or adaptation measures into corporate strategy is crucial. Responsible business practices and the prudent use of natural resources is enlightened self interest for a publicly quoted company. In addition, it presents an opportunity in terms of increased</p>							<p>Inclusion in these indices goes a long way to ensure customers, stakeholders and other interested parties that TUI Travel is taking a responsible approach to addressing its environmental, specifically carbon management impacts. TUI Travel has a 3-year Sustainable Holidays Plan with 20 commitments to address our specific impacts and challenges. TUI Travel publicly communicates its performance each year care of a dedicated section within the Annual Report & Accounts and our standalone SD Report. One of the TUI Travel</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	customer demand and loyalty and that drives turnover.						SD Strategic Priorities is “Customers” (in addition to Carbon Management) with the headline goal that “Customers will regard TUI Travel as a leader in delivering more sustainable holidays”.		

CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Mon 01 Oct 2007 - Tue 30 Sep 2008	6564026	53475

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

Defra Voluntary Reporting Guidelines

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Other

Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Other 1 - Global Reporting Initiative - G3 Framework & Guidelines

The Sustainability Reporting Framework provides guidance on how organizations can disclose their sustainability performance. It consists of the Sustainability Reporting Guidelines, Sector Supplements and the Technical Protocol. The Framework is applicable to organizations of any size or type, from any sector or geographic region, and has been used by thousands of organizations worldwide as the basis for producing their sustainability reports.

Other 2 - IEA - Electricity CO2 factors

Reference was made to The International Energy Agency [IEA]'s 2013 Edition of "CO2 Emissions from Fuel Combustion" to obtain the electricity emission factors [kg CO2/kWh] for TUI Travel PLC's operations around the world. This is a more accurate method to use to reflect the regional differences in the grid electricity mix and therefore carbon impact of electricity used. The International Energy Agency (IEA), an autonomous agency, was established in November 1974. Its mandate is twofold: to promote energy security amongst its member countries through collective response to physical disruptions in oil supply and to advise member countries on sound energy policy.

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	Other: DEFRA GHG Reporting 2013

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	0.26712	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Jet kerosene	0.24804	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Kerosene	0.21692	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Liquefied petroleum gas (LPG)	0.20174	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Motor gasoline	0.19747	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Natural gas	0.18404	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Heat	0.21643	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0
Other: Fuel oil	0.25196	metric tonnes CO2e per MWh	Defra Greenhouse Gas Conversion Factor Repository: June 2013 v1.0

Further Information

Fossil fuel emission factors supplied in CC7.4 table. Electricity emissions factors supplied in attached Excel file.

Attachments

<https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/QCC7.4 TUI Travel electricity emissions factors 2013.xlsx>

Page: CC8. Emissions Data - (1 Oct 2012 - 30 Sep 2013)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

5936608

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

303759

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Emissions from very small businesses within the Group.	Emissions are not relevant	Emissions are not relevant	TUI Travel has some businesses which are non-carbon intensive. The amount of carbon emitted is insignificantly low in comparison to the carbon intensive parts of the business, e.g. Airlines. The effort to monitor these business units would be disproportionately high compared to the carbon emissions they produce. Therefore, a little uncertainty range has been stated in question 8.5.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
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Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
Less than or equal to 2%	Data Gaps	TUI Travel comprises a diverse range of companies and activities. It has some businesses which are not directly assigned to one of the carbon intensive sectors. The amount of produced carbon is insignificantly low in comparison to the carbon intensive sectors. Moreover the effort to monitor these business units would be disproportionately high.	Less than or equal to 2%	Data Gaps	TUI Travel comprises a diverse range of companies and activities. It has some businesses which are not directly assigned to one of the carbon intensive sectors. The amount of produced carbon is insignificantly low in comparison to the carbon intensive sectors. Moreover the effort to monitor these business units would be disproportionately high.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/TTP PWC Airline Group Certificate EU ETS CY13.pdf	Whole document	European Union Emissions Trading System (EU ETS)	55
Reasonable assurance	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/TTP Arqum Verification Statement FY13.pdf	Whole document	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/TPP Arqum Verification Statement FY13.pdf	Whole document	ISO14064-3	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
Progress against emission reduction target	TUI Travel engaged PwC to verify the gCO2/Revenue Passenger Km and gCO2e/Revenue Passenger Km for each of its 6 airlines (as per TUI Travel's intensity target). These verified emissions are published in TUI Travel's 2013 Annual Report & Accounts.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Oct 2012 - 30 Sep 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Australia	1809
Austria	95
Belgium	226
Bulgaria	403
Cambodia	3
Cape Verde	198
Caribbean	206
Cyprus	2016
Dominican Republic	3228
Egypt	11036
France	948
Germany	171
Greece	6645
Guadeloupe	36

Country/Region	Scope 1 metric tonnes CO2e
India	1
Italy	1697
Jamaica	65
Martinique	1
Mauritius	42
Mexico	3612
Morocco	5492
Netherlands	330
Portugal	349
Senegal	4
Spain	19700
Switzerland	152
Thailand	583
Tunisia	3198
Turkey	16453
United Kingdom	1519
United States of America	2480
Rest of world	13975
International Air Space	5562558
International Waters	277377

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Airlines & Aviation	5562558
Properties (Hotels, Major Premises, Retail)	61770
Water Transport	277377
Ground Transport	34903

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Oct 2012 - 30 Sep 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Australia	566	670	0
Austria	971	4771	0
Belgium	623	2829	0
Bulgaria	2645	5068	19
Canada	20	111	0
Cape Verde	3104	6303	0
Caribbean	754	2992	0
China	202	262	0
Cyprus	18164	25925	152
Denmark	49	136	0
Dominican Republic	15099	25444	0
Egypt	40969	90900	0
Finland	24	108	0
France	755	9511	0
Germany	9834	27691	0
Greece	44826	124763	62686
Guadeloupe	506	2006	0
India	43	48	0
Italy	3013	8783	300
Jamaica	209	324	0
Martinique	204	811	0
Mauritius	691	1447	0
Mexico	11889	26179	99
Morocco	1996	2772	10
Netherlands	1864	4476	0
Norway	62	697	0
Poland	588	795	0
Portugal	1278	4961	0
Russia	696	1086	0
Senegal	824	1288	0
Singapore	53	106	0
Spain	28973	122193	1533

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Sweden	17	599	0
Switzerland	121	1058	0
Thailand	874	1699	0
Tunisia	10079	21790	49
Turkey	44955	100541	1219
United Kingdom	14546	32653	0
United States of America	293	563	0
Rest of world	41380	172726	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
Differentiated Hotels	271681
Major Premises	16748
Retail Estate	15330

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	24153350
Electricity	645124
Heat	19234
Steam	0
Cooling	0

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Jet kerosene	22654107
Kerosene	59404
Diesel/Gas oil	323492
Liquefied petroleum gas (LPG)	88697
Natural gas	103151
Other: Fuel oil (Marine fuel)	872594

Fuels	MWh
Other: Heating oil	30548
Motor gasoline	21357

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Supplier specific, not backed by instruments	29733	Green electricity purchased by TUI Travel's differentiated product hotels.
Supplier specific, not backed by instruments	8250	Green electricity purchased for retail premises in Germany.
Tracking instruments, Guarantees of Origin	4952	Green electricity purchased for major premises and shops in the Netherlands.
Supplier specific, not backed by instruments	1997	TUI UK's Retail Estate - 11% of total electricity used by retail estate from green energy
Supplier specific, backed by instruments	735	Green energy purchased in the head offices in the Nordics – Sweden, Denmark & Finland.
Supplier specific, not backed by instruments	143	100 % Green energy purchased at the head office in Switzerland - 95 % Hydro Power and least 5 % EcoPower.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	3.92	Decrease	TUI Travel has experienced a combined Scope 1 and Scope 2 absolute emissions reduction of 2.34% in FY13 (the reporting year) compared to FY12. This is attributable to a number of emissions reductions activities associated with TUI Travel's Sustainable Holiday's plan: • TUI Travel airline's fuel reduction programme, fleet replacement (introduction of Boeing 787 Dreamliner) & fitting of fuel-saving winglets on 94% of the fleet • Fuel reduction programme and route optimization for cruise operations • Fleet replacement and satellite navigation & monitoring technology installation in ground transport fleet • Absolute reductions made in TUI Travel's major premises and retail estate through energy efficiency programme and behavioural change
Divestment	0	No change	
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	0	No change	
Change in methodology	0	No change	
Change in boundary	1.58	Increase	This increase in emissions for Scope 1 & Scope 2 is attributed to additional hotels that were included in the differentiated hotel product portfolio for the first time during the reporting period. The number of hotels in scope increased from 246 in FY12 to 297 in FY13.
Change in physical operating conditions	0	No change	
Unidentified	0	No change	

Reason	Emissions value (percentage)	Direction of change	Comment
Other	0	No change	

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.00041461	metric tonnes CO2e	unit total revenue	6.17	Decrease	TUI Travel's intensity metric (emissions per unit of revenue) decreased from 0.00044190 in FY12 to 0.00041461 in FY13 (6.17%). This decrease has been achieved through a combination of an increase in the Group's revenue (up to £15,051m in FY13 from £14,460m in FY12 - an increase of 4%) and the reduction of the Group's absolute Scope 1 and Scope 2 emissions as a result of TUI Travel's emissions reduction activities.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
112.63	metric tonnes CO2e	FTE employee	4.66	Decrease	TUI Travel's intensity figure (emissions per FTE employee) decreased from 118.13 in FY12 to 112.63 in FY13 (4.66%). This decrease has been achieved through a combination of an increase in the Group's number of FTE's (up to 55,406 in FY13 from 54,090 in FY12 - an increase of 2.5%) and the reduction of the Group's absolute Scope 1 and Scope 2 emissions as a result of TUI Travel's emissions reduction activities.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.00707	metric tonnes CO2e	passenger kilometer	3.2	Decrease	This intensity figure/specific KPI represents the relative CO2 emissions of all TUI Travel Airlines in the financial year 2012/2013. The unit is "tonnes CO2 per 100 passenger kilometres". The 3.2% decrease (0.00730 in FY12 to 0.00707 in FY13) has been achieved through a variety of airline emissions reduction activities. These include improved fuel conservation and fuel saving flying techniques, on-going fleet replacement, fitting of winglets to existing aircraft, improvements in airspace management during the flight operation phase and maintaining very high passenger load factors.

Further Information

CC13.1

Do you participate in any emissions trading schemes?

Yes

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
European Union ETS	Tue 01 Jan 2013 - Tue 31 Dec 2013	4860308	34000	3272369	Facilities we operate but do not own

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

The strategy is to ensure the cost of ETS to TUI Travel is kept as low as possible by buying as few extra emission permits (over and above those given for free as part of the free allocation).

The ETS exposure has been fully hedged, in line with good practice and TUI Travel's hedging policy, using Over The Counter (OTC) derivatives as well as making use of the permitted amount of Certified Emissions Reduction (CERs) products. TUI Travel will continue to challenge itself to reduce its carbon emissions from the airlines with on-going fuel efficient flying techniques, challenging the airspace management bodies to improve air transport movements to reduce on-route delays and where feasible, continue to invest in more fuel-efficient aircraft – e.g. the multi-billion £ order for the Boeing 737 MAX.

In the Calendar Year 13 of the EU ETS Aviation scheme, the cost spent on permits was minimal and therefore had no material impact on the financial results of TTP.

The precise details of prices paid for carbon permits are commercially confidential.

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Wind	Theni Wind Power Located in the state of Tamil Nadu, India, this 24.75 MW wind power project delivers zero-emissions renewable electricity to the Southern regional grid. The project is validated and verified to the Verified Carbon Standard (VCS) (and also registered with the CDM).	VCS (Voluntary Carbon Standard)	37046	37046	Yes	Voluntary Offsetting
Credit Purchase	Forests	Meru & Nanyuki Community Reforestation Integrating reforestation to sequester carbon with community development activities, the Meru and Nanyuki Community Reforestation Project in Kenya, combines hundreds of individual tree planting activities and enables local communities to improve access to food and create additional sources of income beyond subsistence farming.	VCS (Voluntary Carbon Standard)	36269	36269	Yes	Voluntary Offsetting
Credit Purchase	Forests	Kasigau Corridor REDD This pioneering programme in Kenya is the first Reduced Emissions from Deforestation and Degradation	VCS (Voluntary	32750	32750	Yes	Voluntary Offsetting

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
		(REDD+) project to gain Verified Carbon Standard (VCS) validation. The project is located in one of Conservation International's Global Hotspots – areas holding especially high numbers of endemic species, yet facing extreme and immediate threats.	Carbon Standard)				
Credit Purchase	Wind	Soma Wind Power This Gold Standard wind power project, based in the Western Anatolia region of Turkey, consists of 119 turbines supplying zero emissions renewable energy to the national grid.	Gold Standard	18937	18937	Yes	Voluntary Offsetting
Credit Purchase	Wind	Jogmatti Wind Power Located in southwest India, this Verified Carbon Standard project generates electricity using wind power from 52 wind turbines spread across 10 local villages. The project has a total installed capacity of 73.6MW and, during the VCS crediting period of 1 July 2008 to 30 June 2010, delivered 269,311 tonnes of emissions reductions. The project also provides local employment and an enhanced road network between the villages, as well as collaborating with local government in primary school construction and health initiatives.	VCS (Voluntary Carbon Standard)	14358	14358	Yes	Voluntary Offsetting
Credit Purchase	Wind	Tekirdag Wind Power Located in the coastal Tekirdag Province, west of Istanbul in the European portion of Turkey, this wind power project consists of 15 turbines with a total capacity of 28.8 MW to supply approximately 95,000 MWh of zero-emissions renewable electricity to the national grid annually. The project is validated and verified to the Gold Standard (GS) and is aiding Turkey in an essential switch to renewable energy to meet a rapidly increasing energy demand.	Gold Standard	9711	9711	Yes	Voluntary Offsetting
Credit Purchase	Forests	Sofala Community Carbon, Mozambique An innovative sustainable development project working with forest communities in the buffer zone of the Gorongosa National Park, Sofala Province, Mozambique, to design and implement forestry and agroforestry activities that enhance sustainable livelihoods, rehabilitate severely degraded forest environments, promote	Other: Plan Vivo	5949	5949	No	Voluntary Offsetting

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
		biodiversity and sequester carbon.					
Credit Purchase	Forests	ArBolivia, Bolivia ArBolivia engages smallholders in multiple Bolivian provinces located at the foot of the Andes and on the edge of the Amazon Basin. Smallholders plant high quality indigenous tropical hardwood tree species on their land. Technical assistance is provided to the farmers so that they can derive a better income from their land as a whole and can also manage this in a more ecologically sustainable manner.	Other: Plan Vivo	4507	4507	Yes	Voluntary Offsetting
Credit Purchase	Forests	Khasi Hills REDD+ Project, India The Khasi Hills REDD+ Project is situated in the East Khasi Hills District of Meghalaya, India. The project covers 27,139 hectares comprised of approximately 9,270 hectares of dense forests, 5,947 hectares of open forests in 2010. The project engages ten indigenous Khasi governments (hima) with approximately 62 villages and small hamlets.	Other: Plan Vivo	2463	2463	Yes	Voluntary Offsetting
Credit Purchase	Forests	CommuniTree Carbon Program, Nicaragua The aim of the project is to improve livelihoods of subsistence farmers in the Platanares watershed in the municipality of Sun Juan de Limay, Nicaragua. The project will increase and diversify small farmers' income through payments for ecosystem services (PES) and income from timber and sustainable forest products. It will also reduce forest degradation by easing pressure on surrounding natural forest.	Other: Plan Vivo	1982	1982	Yes	Voluntary Offsetting
Credit Purchase	Forests	Scolel'Te, Mexico A community-based sustainable land use project. The project participants are small-scale farmers, forest dwellers and other land users with recognised land tenure or user rights. They participate in projects through community structures or groups such as cooperatives, organisations, and associations.	Other: Plan Vivo	1727	1727	No	Voluntary Offsetting
Credit Purchase	Wind	Andipatti Wind Power Located in the state of Tamil Nadu, India, this 49.5 MW wind power project delivers zero-emissions renewable electricity to the Southern regional grid. The project is validated and verified to the Verified Carbon Standard (VCS) (and	VCS (Voluntary Carbon Standard)	740	740	Yes	Voluntary Offsetting

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
		also registered with the CDM).					

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	6992	IT Data Centres Total electricity kWh for the reporting period is provided for each of the data centre sites used by TUI Travel located around the globe. This data is collected & reported by TUI Travel's IT Audit Department. To calculate the emissions, the relevant International Energy Agency [IEA] CO2 factor is applied [October 2013 statistics]. Office Copier Paper data is	13.42%	Electricity use from TUI Travel's global IT Data Centres (6528 tonnes CO2 - 12.53%) and emissions associated with the manufacture and distribution of copier paper used in TUI Travel's offices (464 tonnes CO2 - 0.89%). TUI Travel acknowledges that this is not an exhaustive list of all purchased goods and services, but currently includes all available data.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			provided by the 'Sustainable Development Champion' in each applicable business. For each different size of paper, the SD Champion reports the number of reams and environmental features. To calculate emissions, the number of reams are aggregated to A4 size and converted in weight (kg). Emissions factor: DEFRA - CO2 kg 954.5 per tonne of paper (primary production)		
Capital goods	Relevant, not yet calculated				The end to end emissions associated with the manufacture of an individual aircraft (used to transport customers from home market to destination) is not yet possible.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	14828	Scope 3 Electricity Total electricity kWh from all relevant sources for the reporting period is provided by colleagues from around the Group. To calculate emissions, the UK and overseas DEFRA emissions factors were applied. Emissions factors: DEFRA CO2 UK Scope 3 Electricity T&D per kWh - 0.03783 DEFRA CO2 EU Average Scope 3 Electricity T&D per kWh - 0.025	28.47%	As per DEFRA reporting guidelines, emissions associated with the transmission and distribution of electricity use is now considered Scope 3.
Upstream transportation and distribution	Relevant, not yet calculated				A specific example of this category relates to brochure distribution from the printer/warehouse to our shops. This is something we anticipate reporting on in due course.
Waste generated in operations	Relevant, calculated	13929	Water data is gathered from TUI Travel's Differentiated Product hotels via the web-based data collection tool. This data is provided by the hotel general manager or facilities manager. Emissions factor: DEFRA CO2 Water Supply: 0.3441kg per m3 & Water Treatment: 0.7085kg per m3 [Total = 1.0526kg CO2e per m3]	26.74%	The energy and subsequent emissions associated with the supply and treatment [e.g. sewage treatment works] for water used by TUI Travel's Differentiated Product Hotels.
Business travel	Relevant, calculated	7125	Business Travel By Air data is provided by the 'Sustainable Development Champion' in each	13.68%	TUI Travel's business travel by air on 3rd party airlines.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			applicable business. For each sector (flight) that is taken the SD Champion reports the number of colleagues on board the flight, departure airport, destination airport and airline. The total distance flown per sector is calculated using the Rockwell Collins Flight Manager. To calculate emissions, the following factors are applied, according to the total distance of the sector. Emissions factors: DEFRA - CO2 kg per Km: Domestic: 0.1709532 / Short Haul: 0.100764 / Long Haul: 0.1186056		
Employee commuting	Relevant, calculated	156	Colleague commuting data is collected from 3 locations (Crawley & Luton in the UK and Palma, Majorca). The data is provided by the 3rd party coach companies contracted to supply these services. Data is supplied in either litres or gallons of diesel/gasoline for the reporting period. Emissions factors: 2.6502 [DEFRA-Fuel-Diesel-litre CO2 2013] 2.3018 [DEFRA-Fuel-Petrol-litre CO2 2013]	0.30%	Colleague commuting - shuttle runs to major premises in the UK & Majorca.
Upstream leased assets	Not relevant, explanation provided				For the purposes of this submission, TUI Travel has selected 'operational control' as the most appropriate data collection methodology. Therefore, whilst we lease aircraft and effectively lease hotel beds we then account for these as Scope 1 & Scope 2. Therefore this category is not relevant.
Downstream transportation and distribution	Relevant, calculated	9052	Brochure data is provided by the 'Sustainable Development Champion' in each applicable business. For each print run the SD Champion reports; the total number of brochures, number of pages per brochure, weight of 1 brochure (in grams), paper brand and paper environmental features. To calculate emissions, TUI Travel applies a factor of 443 CO2kg per tonne of	17.38%	Emissions associated with the manufacture of TUI Travel's brochures.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			paper. This figure was provided by the Environmental Manager of TUI UK's paper supplier, and reflects the average emissions associated with the manufacture of 15 different 'grades' or quality of paper, as used by TUI UK.		
Processing of sold products	Not relevant, explanation provided				TUI Travel's primary business is selling travel experiences which makes us inherently "asset light" as a business. Therefore this category is not relevant.
Use of sold products	Not relevant, explanation provided				TUI Travel's primary business is selling travel experiences which makes us inherently "asset light" as a business. Therefore this category is not relevant.
End of life treatment of sold products	Not relevant, explanation provided				TUI Travel's primary business is selling travel experiences which makes us inherently "asset light" as a business. Therefore this category is not relevant.
Downstream leased assets	Not relevant, explanation provided				TUI Travel does not own any assets that are leased other entities.
Franchises	Not relevant, explanation provided				TUI Travel has a small number of franchised retail shops which are not currently included in our Scope 3 data collection, though the emissions from these sites are not material in comparison to the size of our business. Therefore this category is not relevant.
Investments	Not relevant, explanation provided				TUI Travel's primary business is selling travel experiences. Rather than investments, TUI Travel makes regular acquisitions of business and brands that it wishes to bring under the TUI Travel banner. Emissions from these businesses would therefore be considered Scope 1 and Scope 2. Therefore this category is

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Other (upstream)					not relevant.
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Third party verification/assurance underway	https://www.cdp.net/sites/2014/84/19584/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/TPP Arqum Verification Statement FY13.pdf	Whole document	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Downstream transportation and distribution	Emissions reduction activities	20.39	Decrease	TUI Travel achieved a 20% reduction for emissions associated with its brochure manufacturing in FY13 compared to FY12. One of the Group's Sustainable Holidays Plan targets (2012-2014) is to reduce emissions associated with brochures by 15%. TUI Travel has exceeded this target as a result of moving content from printed brochures to online, in line with the Group strategy.
Purchased goods & services	Emissions reduction activities	34.12	Decrease	TUI Travel achieved a 34% reduction for emissions associated with its data centres in FY13 compared to FY12. This was achieved through targets to reduce emissions associated with IT operations around the Group, for example, TUI UK set the target to reduce the annual carbon emissions from our IT operations by 30% within three years.
Employee commuting	Emissions reduction activities	0.36	Decrease	The 0.36% decrease in emissions associated with colleague commuting were achieved as a result of fleet replacement, with newer, more fuel-efficient vehicles in operation.
Purchased goods & services	Other: Improved data collection	50.76	Increase	An improvement in the data collection processes has enabled TUI Travel to collect a wider scope of data than in previous years. Despite the increase, the emissions are negligible in comparison to the Group's total carbon footprint.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Waste generated in operations	Change in methodology	284.67	Increase	The large increase in emissions associated with waste water were a result of a review of the methodology compared to FY12, which saw the emissions factor increase significantly to include both water supply and water treatment – previously only emissions associated with water treatment were included. In addition, the number of differentiated hotels that supplied data increased from 246 in FY12 to 297 in FY13.
Business travel	Other: Improved data collection	40.31	Increase	An improvement in the data collection processes has enabled TUI Travel to collect a wider scope of data than in previous years. Despite the increase, the emissions are negligible in comparison to the Group's total carbon footprint.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

i) Methods of engagement

Suppliers

TUI Travel maintains close contact with its suppliers (i.e. hotels) throughout the year. This is primarily done through email & telephone correspondence as well as via TUI Travel's bespoke web-based data collection tool for hoteliers. As well as collecting primary data, the tool also allows hotels to report on various environmental and sustainability targets, initiatives, projects, etc. that have taken place during the reporting period. At the end of the reporting year, each Differentiated Hotel chain is provided with an environmental performance report which includes key information on energy use, CO2 emissions, water consumption and waste. In FY13, TUI Travel organised many supplier sustainability workshops, for example in the Costa del Sol, Italy, Kos, Madeira, Mallorca and Rhodes. These were attended by 370

hoteliers and related stakeholders.

In 2013, TUI Travel launched a new Supplier Code of Conduct which covers the following areas: anti-corruption, working conditions, health and safety, environment (reducing overall environmental impact and reduction of air emissions, energy and water consumption), the community and information security. This was communicated to our suppliers via hard copy and an online location.

TUI Travel provided dedicated environmental consultancy to suppliers (hotels) in FY13. blueContec and Responsible Hospitality Partnership worked with circa 40 hotels to reduce their energy and water consumption.

Customers

At the end of 2012, TUI Travel conducted international sustainability consumer research with 6,000 holiday makers in 6 source markets. This research was done via an online questionnaire.

We are encouraging holidaymakers to engage in sustainable tourism through our kids' club activities, school education initiatives, customer donation schemes and sustainable tourism campaigns.

We have developed an online platform called Spreading smiles to bring our sustainability initiatives to life for our customers.

Thomson launched the award-winning MyThomson app, allowing users to look up and book excursions on their smart phones, as well as find out about local events in their resort.

ii) Strategy for prioritizing engagements

Suppliers

Supplier engagement falls in line with TUI Travel's 3 year Sustainable Holidays Plan. Specifically with reference to the following commitments:

SHP # 2: All differentiated hotels will have a credible sustainability certification

SHP # 3: 50% of differentiated hotels will have an environmental management standard, e.g. ISO 14001

SHP # 4: Our differentiated hotels will achieve an average 24kWh and 400 litres for energy and water consumption per person per night (reducing our relative energy consumption by 10% and relative water consumption by 20%)

Customers

Customer engagement falls in line with TUI Travel's 3 year Sustainable Holidays Plan. Our headline Customer Goal is Customers will regard TUI Travel as a leader in delivering more sustainable holidays. To help achieve many of our goals we need our customers' support, through the purchases they make and the personal actions they take. Our research shows that customers value our approach to the environment and communities – we are working to increase their awareness in this respect and to promote and increase demand for responsible holiday choices.

iii) Measures of success

Suppliers

During the reporting period (Sustainable Holidays Plan Y2 results) TUI Travel reported a relative improvement in energy consumption of 7.3% (26.2 kWh per guest/night in FY12 to 24.3 kWh per guest/night in FY13) and a relative improvement in water consumption of 4.9% (494 litres per guest/night in FY12 to 470 litres per guest/night in FY13) for our 297 differentiated product hotels.

Of the circa 40 hotels that participated in a dedicated environmental consultancy project, reductions in energy and water consumption have already generated cost savings of nearly €2m to date - 5% energy cost savings per hotel.

In FY13 TUI Travel featured over 1,200 hotels with sustainability certifications and took 3.8 million customers to hotels with credible sustainability certifications.

Customers

After launching the MyThomson app, TUI UK reduced the number of brochure pages printed (and associated emissions) by 14%. The app significantly reduced printed customer communication materials.

380,000 UK school children participated in our eco-traveller campaign – up from 250,000 in FY12. The programme, developed in collaboration with the National Schools Partnership, teaches children how they could make a difference on holiday. TUI UK & Ireland won a Silver award in the Interactive category of the IVCA Clarion awards 2013. This award recognises best practice in the communication of sustainability.

Fritidsresor, our brand in Sweden, was ranked most sustainable travel company in Sweden in the 2013 Sustainable Brand Index.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
24	25%	TUI Travel regularly engages with all 24 of its Differentiated Product hotel brands, which covers 297 physical hotels. These hotels are located all around the world, although the majority are in Europe. Specific engagement relates to our Differentiated Hotels requirement to achieve a few key Sustainable Holidays Plan commitments, e.g. #4 "Our differentiated hotels [unique] will achieve an average 24kWh and 400 litres for energy and water usage per person per night (reducing our relative energy consumption by 10% and relative water usage by 20%)". NB: TUI Travel currently has 24 differentiated products brands, though the number of individual suppliers is significantly greater than this.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	TUI Travel regularly engages with all 24 of its Differentiated Product hotel brands, which in FY13 consisted of 297 physical hotels. Each hotel is required to supply as a minimum, energy, water and waste data via a bespoke online data collection tool. This data allows TUI Travel to not only track total emissions, but calculate performance KPIs based on the number of guests that stay at the hotels, i.e. kWh per guest per night, litres of water per guest/night and kg of waste per guest/night. One of TUI Travel's Sustainable Holidays Plan targets is to achieve averages of 24kWh and 400 litres for energy and water usage per person per night (reducing our relative energy consumption by 10% and relative water usage by 20%). Furthermore, sustainability performance reports are then generated and sent to key contacts within each of the suppliers. These reports highlight current energy, water and waste performance as well as year on year trends. This information is used by TUI Travel for strategic purposes; helping to set long term reduction targets for its suppliers.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category

Name	Job title	Corresponding job category
James Whittingham	Group Environment Manager	Environment/Sustainability manager

Further Information

[CDP 2014 Investor CDP 2014 Information Request](#)