

Modern Slavery Statement 2021

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015. It sets out the steps TUI Group has taken to prevent acts of modern slavery and human trafficking from occurring in its business and supply chain, up to and during the 2021 financial year (1st October 2020 to 30 September 2021).

INTRODUCTION

The 2021 year continued to be marked by the COVID-19 pandemic, with lock-downs and travel restrictions throughout the year. However, the emergence of vaccines in early 2021 brought hope and many destinations opened up again in Summer 2021

“Global tourism experienced a 4% upturn in 2021, compared to 2020 (415 million versus 400 million). However, international tourist arrivals (overnight visitors) were still 72% below the pre-pandemic year of 2019”¹

While travel restrictions still impacted our commercial operations, we were able to act quickly and with flexibility when destinations re-opened due to our integrated business model.

“2021 has been a year of learning and adapting for tourism. It has proven that only by working together can the sector overcome challenges and embrace opportunities.”²

The COVID-19 pandemic has not changed market demand. Holidays are extremely important for people. Our customers’ desire to travel remained unbroken. As soon as destinations were able to reopen, bookings increased by leaps and bounds, despite testing obligations and strict hygiene measures.

Even during these difficult times, it is a central priority for TUI to ensure that internationally proclaimed human rights – as laid out in the International Bill of Human Rights – are respected across our business, including by our suppliers and business partners, in accordance with applicable laws, conventions and regulations.

TUI has been a signatory of the UN Global Compact’s ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption since 2014 and to the UN World Tourism Organisation’s (UNWTO) Global Code of Ethics since 2012. In accordance with the UN Guiding Principles on Business and Human Rights, TUI has adopted several policies and initiatives to help prevent negative impacts on human rights, including taking remedial action where necessary.

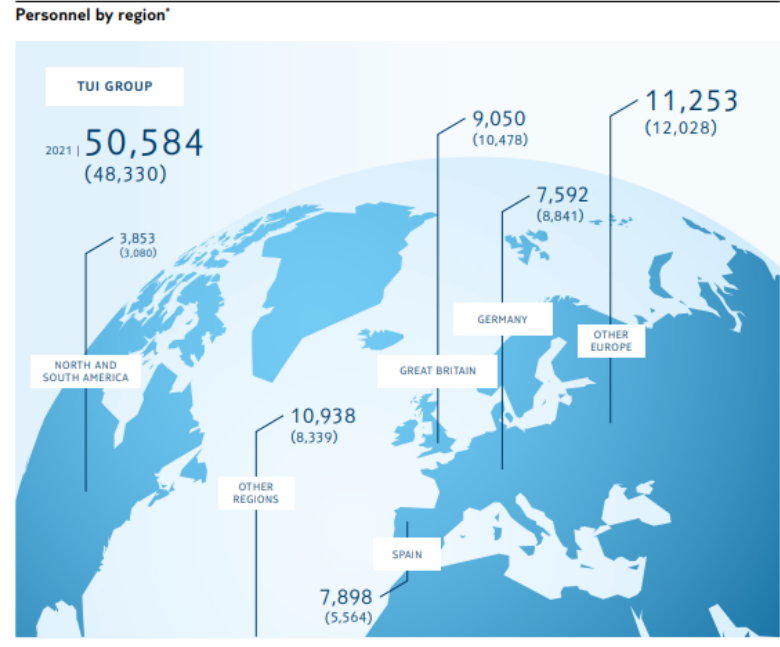
With our operations being disrupted again in 2021, many of our colleagues were on short-time work arrangements or furloughed and the company continued to restructure.

Hence we weren't able to deliver all of our commitments from 2020, including those related to progress in regards to modern slavery. For details about all our work during normal operations please refer to [the previous Modern Slavery Statements](#). However, in this sixth modern slavery statement we are providing the most important highlights and developments that happened in 2021.

ABOUT TUI GROUP AND OUR SUPPLY CHAIN

TUI is an integrated tourism group organised in two business divisions, Holiday Experiences and Markets & Airlines, offering synergies and scale. TUI serves millions of customers and operates 137 aircraft, 414 hotels¹, 16 cruise ships² and a digital platform for tours and activities with a strong portfolio of over 215 k offers². While our Holiday Experience division benefits from our Markets & Airlines distribution capabilities, it supports our distribution division by offering own and differentiated products.

The organisation took a variety of actions due to COVID-19 to become faster, leaner and more efficient. We have used the time to accelerate our transformation into a platform company and become more digital, which will improve the cost position and make TUI more sustainable financially. As shown in the graph, we employ people from all around the world. In addition to our direct employees, our diverse business encompasses an extensive supply chain, with thousands of suppliers in more than 90 countries –



* By domicile of company
In brackets: previous year

from manufacturers of aircraft and cruise ships to hotel laundry services and tourist guides and other destination services used by our customers. Our biggest supplier category is comprised of hotel partners, representing over half of our direct operating costs. Accommodation suppliers therefore continued to be a central focus of our due diligence.

Further information on our business and performance in the 2021 financial year can be found in our [Annual Report 2021](#).

1 As at 30 Sept. 2021, including third party hotels
2 As at 30 Sept. 2021

ENGAGING WITH OUR STAKEHOLDERS

TUI Group recognises the importance of collaborating with others to address human rights and modern slavery in our industry. In the financial year 2021, we still did not manage to engage with as many stakeholders as originally intended, due to COVID 19, but engaged with a wide range of organisations as demonstrated through the following activities and initiatives:

- To support industry-wide progress we continued to sit on the boards of the Global Sustainable Tourism Council (GSTC) and Travelife, both of which are addressing these issues through sustainability certification standards for hotels.
- The German Supply Chain Act, which comes into effect in 2023, will also affect TUI Group. Being headquartered in Germany and with more than 3,000 employees, all TUI businesses need to comply with this law. A Steering Group on German Supply Chain Act was created with Thomas Ellerbeck as official Human Rights Officer, and 20 members from across the Business, to work on this project together. The work we are doing to comply with the Act builds on all the current policies, processes and initiatives that we already have in place to protect human rights.
- Supplier workshops were conducted in TUI holiday destinations and we launched an external website aimed at suppliers (TUIPartners.com) with Human Rights and Child Protection guidelines and best practices available in different languages

POLICY AND MANAGEMENT FRAMEWORK

Due to upcoming Supply Chain Act, it was decided to put the meetings of the Modern Slavery Working Group on hold until a combined governance structure was defined to encompass both commitments in one single framework.



TUI has a number of policies in place that set out how we and our partners respect human rights. As described in our previous [Modern Slavery statements](#), topics addressed include responsible recruitment, discrimination, forced labour, child labour, salaries and benefits, freedom of association and collective bargaining, health and safety, diversity as well as people development and a feedback culture.

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

In 2020, we continued to operate our SpeakUp Line to ensure a confidential reporting channel is available for all our employees and to raise awareness through various communication means to encourage our colleagues to report any infringement of our policies and applicable laws. The whistleblowing system is currently available in 53 countries. In 2021, a total of 29 reports (in 2020, 50 reports) were received through the SpeakUp Line, none of which related to modern slavery. More information is available in [the 2021 Annual Report on pg. 120](#) . We are working on making the SpeakUp line available for third parties in accordance with the requirements under the EU Whistleblower Directive.



RISK ASSESSMENT AND DUE DILIGENCE

In 2021, due to COVID-19 we did not expand to new destinations and reduced our existing operations significantly. As a result, we didn't initiate new due diligence processes, but continued in the assessments initiated in the previous years. The company is currently going through a transformation, which in turn will be reflected in our modern slavery due diligence processes.

ACCOMMODATION SUPPLIERS

One of our key areas of focus continues to be hotels – the largest component of the holiday experience. Our hotel partners are expected to commit to social and environmental good practice and implement credible third-party GSTC-recognised sustainability certifications, such as Travelife. While in the financial year 2019 we were able to increase the number of customers staying in a hotel which is certified to a GSTC-recognised standard to 10.3 million (exceeding our 2020 target), in 2020 due to the stop of operations caused by COVID-19 we were not able to report further growth. 3.8 million customers stayed in 1,069 certified hotels and in 2021 only 2.8 million customers stayed in 630 certified hotels. This means a decrease of 41% vs 2020.

NON-ACCOMMODATION SUPPLIERS

We continue to use our enhanced due diligence tools and processes in procurement that were developed and pilot tested in 2019. This tool allows us to undertake comprehensive risk assessment of various suppliers and their operations, including via an enhanced Modern Slavery questionnaire.

In 2022, delivering on our commitment to continuously improve, we undertook a comprehensive review and refresh of our Corporate and Social Responsibility Questionnaire (including the modern slavery questions). The key focus for us was to further develop our commitment to Diverse, Sustainable and Ethical Procurement to ensure we are procuring the right things to meet our needs, from the right sources, using the right open and unbiased selection factors, putting People, Planet and Progress at the heart of our businesses. This is now fully launched as part of our eTendering system, making it accessible to all procurement colleagues across TUI Group. This drives our approach in awarding business to non-accommodation suppliers that demonstrate highest standards.

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

TUI Musement, formerly known as “TUI Destination Experiences”, continued to expand processes to safeguard human rights, including risk assessment and training in new areas of business, such as Destination Management, Intercruises and the Musement platform. TUI Musement has developed a Sustainability Standard applicable to Destination Management Companies, in compliance with the [GSTC Tour Operator Criteria](#), and certified by an accredited Certification Body, [Control Union](#). Additionally, an internal Sustainability Management System (SMS) was created, based on the same standard, which has also been certified by Control Union. The scope of the system and the certification include human rights topics related to child protection, exploitation of vulnerable groups and decent work, as well as ensuring diligence mechanisms are in place. The SMS acts as a repository of all the activities and operations currently being done within TUI Musement, in the different departments, as well as a tracking and verification tool for activities and excursions. We also include questionnaires that our activity providers and suppliers need to complete, therefore also including our wider supply chain into the system. In these checks we include questions around fair wages in destinations, working hours, child protection and employing locals.

Integrity & Compliance performs software based screenings of selected suppliers against international sanctions, terrorists and wanted persons lists upon request and on occasion.

Since the start of the Ukraine war and the resulting tightening of various sanctions regimes since February 2022 TUI has even intensified its third party due diligence checks. Within the Group communication campaigns were started to inform employees about the most recent developments and suppliers with ties to Russia have been reported to the Integrity & Compliance Team which in consequence conducted third party due diligence screenings via a web based tool. In critical cases, the business organisations cooperating with the business partners in question were briefed about the results of the review, enabling them to implement further precautionary measures. Business relationships have been suspended/terminated wherever needed.

TRAINING AND AWARENESS

Raising awareness of human rights and modern slavery across our business continues to be a key focus area for TUI Group. To do so, we run a bi-annual mandatory training programme on child protection and modern slavery were completed at TUI Musement. As part of this training programme in 2020, 5,577 trainings were conducted, and during the year of 2021 an additional 2,461 were conducted. The e-learning sessions have been integrated into TUI People, a global internal HR and learning platform, which is a more efficient and better tool to track completion.

Airline crews in the UK, Nordics and Germany receive Vulnerable Children & Trafficking Training, where they learn about how to spot trafficking and what to do. In 2021, 1,211 colleagues received a respective training.

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

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

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

DESTINATION STAKEHOLDER INITIATIVES

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

ABOUT THE TUI CARE FOUNDATION

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

TUI ACADEMY

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

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



PERFORMANCE MEASUREMENT IN MODERN SLAVERY PREVENTION

	PERFORMANCE MEASURE	PROGRESS IN 2021	FOCUS FOR 2022
A	Number of customers staying in hotels certified to a GSTC-recognised certification	Only 2.8 million customers staying in 630 certified hotels. This means a decrease of 41% vs 2020 due to COVID-19 pandemic.	We will continue working to increase the number of hotels offered with sustainability certification.
B	Number of colleagues trained on human rights in tourism	Over 9,200 colleagues trained on human rights in tourism, as part of bi-annual mandatory e-learning process.	We will continue expanding our training to more colleagues in offices and destinations and across our hotels and airlines.
C	Actions taken to strengthen our policies	We continued to communicate our policies around our business and supply chain. The whistleblowing system is currently available in 53 countries.	In 2022, we expect to make our whistleblower hotline (Speak Up) available for third-parties in accordance with the requirements under the EU Whistleblower Directive.
D	Steps taken to initiate and strengthen supply chain management	We worked to bolster our risk assessment and due diligence approach to identify and address potential modern slavery issues across our Group Procurement departments.	In 2022, we will work to comply with the new German Supply Chain Act with heavy focus on Human Rights.
E	Number of modern slavery cases reported and actions taken in response	In 2021, a total of 29 reports were received through the Speak Up line, none of which were related to Modern Slavery	We will continue to raise awareness of reporting mechanisms, address stakeholder concerns and take appropriate actions.
F	Projects and partnerships in place to uphold human rights in our destinations	TUI Academy, as part of the TUI Care Foundation programmes, offers vocational education and sustainable career opportunities to young people from vulnerable communities	TUI Care Foundation will continue to work on and expand projects, with a focus on youth empowerment to help prevent exploitation in the first place.

THIS STATEMENT WAS APPROVED BY
THE TUI EXECUTIVE BOARD AND
THE TUI GROUP EXECUTIVE COMMITTEE



Friedrich Joussem

Friedrich Joussem
CEO, TUI Group
August 2021



Thomas Ellerbeck

Thomas Ellerbeck
Chief Sustainability Officer, TUI
Group
Chairman of the Board of Trustees,
TUI Care Foundation
August 2021

Appendix – specific list of UK companies covered with this statement

TUI Airways Limited

TUI Group Fleet Finance Limited

TUI Travel Aviation Finance Limited

TUI Travel Group Solutions Limited

TUI UK Limited

TUI UK Retail Limited

TUI UK Transport Limited

First Choice Holidays Finance Limited

To find out more about our business and Group structure, please click [here](#).