

Corporate Governance Report*

The actions of TUI AG's management and oversight bodies are determined by the principles of good and responsible corporate governance.

The Executive Board and the Supervisory Board discussed Corporate Governance issues in financial year 2023. In this chapter, the Executive Board provides – also for the Supervisory Board – the report on Corporate Governance in the Company pursuant to Principle 23 of the German Corporate Governance Code in the version dated 28 April 2022 (GCGC) and section 289a of the German Commercial Code (HGB) as well as Disclosure and Transparency Rule (DTR) 7.2 and Listing Rule (LR) 9.8.7R.

Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG)

As a stock corporation company under German law, TUI AG's Executive Board and Supervisory Board are obliged to submit a declaration of compliance with the GCGC pursuant to section 161 of the German Stock Corporation Act.

[+ https://www.dcgk.de/en/code//foreword.html](https://www.dcgk.de/en/code//foreword.html)

WORDING OF THE DECLARATION OF COMPLIANCE FOR 2023

'In accordance with section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board hereby declare:

Since the last declaration of compliance was submitted in August 2023, the recommendations of the German Corporate Governance Code in its applicable version have been and will be fully observed.'

Place of publication:

[→ www.tuigroup.com/en-en/investors/corporate-governance](http://www.tuigroup.com/en-en/investors/corporate-governance)

Declaration of Compliance pursuant to DTR 7.2 and LR 9.8.7R

As an overseas company with a premium listing on the London Stock Exchange, TUI AG's Executive Board and Supervisory Board are obliged pursuant to No. 7.2 DTR and LR 9.8.7R to make a statement on the application of the UK Corporate Governance Code (UK CGC). Since the German Corporate Governance Code also applies to TUI AG as a stock corporation under German law, TUI AG had announced at the time of its merger with TUI Travel PLC that it would also comply with the UK CGC to the extent practicable.

[+ https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2018.pdf](https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2018.pdf)

In many respects, the requirements of the GCGC and the UK CGC are similar and have continued to converge in recent years. However, there are certain aspects that are not compatible, which are explained below. Therefore, some deviations from Code requirements and best practice in the UK have been necessary.

Under the German Stock Corporation Act, the legislation applicable to TUI AG, a two-tier board system is mandatory, according to which the Executive Board of the company manages the business under its own responsibility and the Supervisory Board, as independent body, supervises the management of the company (see below section 'Functioning of the Executive and Supervisory Board' on page 124). The two-tier board structure is different to the UK unitary board structure on which the UK CGC is based. Some of the principles of composition and operation of the boards of a German stock corporation also differ from those of a UK company (for example, the function of a Company Secretary does not exist in the GCGC). For this reason, the Executive Board and the Supervisory Board have set out below in which areas the UK CGC is not complied with and explained the reasons for the deviations. In addition, the Executive Board and the Supervisory Board have also explained those instances where they consider TUI AG not to be compliant with the UK CGC in the literal sense but where it lives up to the spirit and meaning of the respective regulation.

Sub-headings refer to sections of the UK CGC for ease of reference for investors.

WORDING OF THE UK CORPORATE GOVERNANCE STATEMENT 2023

'Executive Board and Supervisory Board declare pursuant to DTR 7.2 and LR 9.8.7R:

Throughout the reporting period, TUI AG has complied with the provisions of the UK Corporate Governance Code in the version of July 2018, including its main principles, except as set out and explained below. Further information on compliance with the UK Corporate Governance Code can be found in various parts of the Annual Report.'

Place of publication:

[→ www.tuigroup.com/en-en/investors/corporate-governance](https://www.tuigroup.com/en-en/investors/corporate-governance)

DIALOGUE WITH SHAREHOLDERS (PROVISION 3)

It is still not widespread practice in German companies for Supervisory Board committee chairs to make themselves available for meetings with shareholders. The German Corporate Governance Code stipulates in the Suggestion A.3 that the Chairman of the Supervisory Board should be available – within reasonable limits – to discuss Supervisory Board-related issues with investors.

The table below provides an overview of all appointments of the Executive Board with shareholders, in some of which also employees of Investor Relations participated.

Dialogue with shareholders

Date	Meeting	Participants
December 2022	FY22 Results Presentation, London	SE, MK
	Roadshow UK, virtual	SE, MK
January 2023	Commerzbank & ODDO BHF German Investment Seminar, New York City	MK
	UniCredit/Kepler Cheuvreux 22nd German Corporate Conference, Frankfurt	MK
February 2023	FY23 Q1 Results Presentation, virtual	SE, MK
	Annual General Meeting, virtual	SE, MK
March 2023	Capital Raise Roadshow, virtual	SE, MK
May 2023	FY23 Q2/H1 Results Presentation, London	SE, MK
	Roadshow UK, London	SE, MK
	Roadshow Frankfurt, virtual	SE, MK
	Roadshow Zurich, virtual	MK
June 2023	dbAccess German Corporate Conference, Frankfurt	MK
	Roadshow Paris, virtual	MK
August 2023	FY23 Q3/9M Results Presentation, virtual	SE, MK
	Stifel 7th Transportation, Business Services & Leisure Conference, virtual	MK
September 2023	Morgan Stanley CFO Fireside Chat, virtual	MK
	Berenberg & Goldman Sachs Twelfth German Corporate Conference, Munich	MK
	Bernstein's 20th Pan European Annual Strategic Decisions Conference, London	SE

Key: Sebastian Ebel (SE), Mathias Kiep (MK)

The Supervisory Board receives feedback from the Chairman and Executive Board members following meetings with major shareholders or investors. Additionally, a monthly Investor Relations Report and event-driven assessments of brokers are forwarded to the Executive Board and the Supervisory Board. They contain updates on the share price development, analyses of the shareholder structure as well as purchases and sales of shares and feedback and assessments from investors. The Executive Board and the Supervisory Board consider that TUI AG lives up to the spirit and meaning of the UK CGC.

INDEPENDENCE OF SUPERVISORY BOARD MEMBERS (PROVISION 10)

Under the UK CGC, the Board must identify in the annual report each non-executive director it considers to be 'independent' for the purposes of the UK CGC. Based on the responsibilities assigned to the Supervisory Board by the German Stock Corporation Act, the members of the Supervisory Board are considered to be non-executive directors for the purposes of the UK CGC. Under the UK CGC, persons are 'independent' if they are independent in character and judgement and if there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. TUI AG does not, however, extend its independence disclosures to its 10 employee representatives on the Supervisory Board. Due to the number of employees, the Supervisory Board of TUI AG is subject to the German Co-Determination Act. Accordingly, the Supervisory Board of TUI AG consists of ten members who are elected by shareholders at the Annual General Meeting (the 'Shareholder Representatives') and ten members who represent the employees of TUI AG (the 'Employee Representatives'). This differs from UK practice where only those board members representing major shareholders are typically referred to as 'Shareholder Representatives' and are not considered as independent under the UK CGC because of their link to a significant shareholder.

ASSESSMENT OF THE INDEPENDENCE OF THE SHAREHOLDER REPRESENTATIVES

The Supervisory Board has determined that seven of its nine shareholder representatives (the Chairman is not taken into account according to the UK CGC) are independent for the purposes of the UK CGC. The shareholder representatives considered to be independent are: Ms Ingrid-Helen Arnold, Mr Christian Baier, Prof. Dr Edgar Ernst, Ms María Garaña Corces, Ms Janina Kugel, Ms Coline McConville and Ms Helena Murano. Additionally, the Chairman, Dr Dieter Zetsche, was independent on his re-election in 2019 and is still considered independent (Dr Dieter Zetsche also was independent when he was elected to the Supervisory Board in February 2018).

In its assessment, the Supervisory Board considered in particular the aspects set out below:

Prof. Dr Ernst has been a member of the Supervisory Board of TUI AG since 9 February 2011. According to the UK CGC, it is an indication of a lack of independence if a member has been on the Supervisory Board for more than nine years. According to the GCGC, it is an indication of a lack of independence from the Executive Board and the Company if a member has been on the Supervisory Board for more than twelve years. In view of this, the shareholder representatives on the Supervisory Board have taken a close look at how they assess Prof. Dr Ernst's independence. In particular in view of Prof. Dr Ernst's professional career, the shareholder representatives have come to the conclusion that Prof. Dr Ernst – also taking into account his membership on the Supervisory Board of TUI AG of over twelve years – provides as before the necessary critical distance from the Executive Board and the Company and therefore consider him to be independent. In addition, due to the personnel changes on TUI AG's Executive Board, particularly on the position of the CFO, in recent years, Prof. Dr Ernst's independence from the Executive Board is strengthened. Prof. Dr Ernst also ensures continuity in the proper performance of the tasks of the Audit Committee, which has also seen personnel changes in recent years. Prof. Dr Ernst has continually exhibited his critical distance from the Executive Board and the Company in the past, especially in his position as Chairman of the Audit Committee. Against this background, the Annual General Meeting 2021 has re-elected Prof. Dr Ernst with a large majority.

As of the balance sheet date, according to the UK CGC (and also the GCGC), Dr Jutta Dönges is qualified as non-independent. However, Dr Dönges will be assessed as independent by the Supervisory Board from 1 November 2023.

On 31 October 2022, Dr Jutta Dönges ceased her position as Managing Director of the Finance Agency of the Federal Republic of Germany (Finanzagentur GmbH der Bundesrepublik Deutschland). On 4 January 2021, TUI AG entered into a Framework Agreement with the Economic Stabilisation Fund (WSF) represented by Finance Agency GmbH regarding a silent participation of the WSF and further measures under the stabilisation package. Dr Dönges was nominated by the WSF for membership of the Supervisory Board of TUI AG and elected to the Supervisory Board by the shareholders with effect from the Annual General Meeting (AGM) 2021. On 27 April 2023, TUI AG repaid the WSF financial aid in full. In view of the above information, the Supervisory Board has come to the conclusion that the factors previously indicating the dependence of Dr Dönges no longer apply. However, as the Supervisory Board has decided to apply a one-year cooling-off period according to recommendation C.7 (paragraph 2, indent 2) of the GCGC in this case, Dr Dönges will only be assessed as independent from the Company and its Executive Board from 1 November 2023, i.e. after one year from the termination of her position as Managing Director of the Finance Agency of the Federal Republic of Germany. The Supervisory Board considers the shorter cooling-off period compared to the UK CGC (1 year according to the GCGC, 3 years according to the UK CGC) to be appropriate.

At TUI AG, Mr Joan Trían Riu (Riu Hotels S.A., approx. 1.1 % of the voting rights as of 30 September 2023) is linked to a major shareholder. In this context, he is considered a non-independent under the UK CGC.

ASSESSMENT OF THE INDEPENDENCE OF EMPLOYEE REPRESENTATIVES

Seven of the ten employee representatives of the Supervisory Board are elected by the employees of TUI Group entitled to vote. Three employee representatives are nominated by a German trade union.

Under the UK CGC, directors who are or have been employees of the Group in the last five years or who participate in the Group's pension arrangements would generally not be considered independent. In the UK, directors with an employment relationship are normally current or former executives. By contrast, under German law, employee representatives of the Supervisory Board must be employees of the Group, and must be elected by the employees without any involvement of the Executive or Supervisory Boards. Furthermore, the employment contract of employee representatives may only be terminated in exceptional cases.

The employee representatives may also participate in Group pension schemes as is normal for employees and in their capacity as employees.

Trade union representatives are nominated and employed by the trade union but are still classified as employee representatives. They can only be removed from the Supervisory Board by their respective union and neither the Executive nor the Supervisory Board has any role in their appointment or removal.

HALF THE BOARD SHOULD BE INDEPENDENT NON-EXECUTIVE DIRECTORS (PROVISION 11)

As mentioned above, TUI AG's Supervisory Board consists of ten employee and ten shareholder representatives. As the employee representatives are not considered independent under the UK CGC, TUI AG's Supervisory Board comprises seven (excluding the Chairman of the Supervisory Board) independent shareholder representatives.

IDENTIFICATION OF SENIOR INDEPENDENT DIRECTOR (PROVISION 12)

Under German law and the GCGC, there is no concept of a 'Senior Independent Director'. Instead, shareholders may raise any issues at the AGM. In this forum, the Executive Board and the Chairman of the Supervisory Board are available to address any issues and are legally obliged to provide adequate responses.

Outside the AGM, shareholders may approach the Executive Board, in particular the CEO or the CFO, or, for topics relating to Supervisory Board matters, the Chairman of the Supervisory Board or his Deputy. Mr Frank Jakobi, as employee representative, is Deputy Chairman of the Supervisory Board in accordance with the German Co-Determination Act.

DIVISION OF RESPONSIBILITIES – CHAIRMAN & CHIEF EXECUTIVE (PROVISION 14)

The separation of the roles of the Chairman of the Supervisory Board (Dr Dieter Zetsche) and the CEO (Mr Sebastian Ebel) is clearly defined under German law as part of the two-tier board structure. Therefore, no further division of their responsibilities as well as responsibilities of the Executive Board and the Supervisory Board is required or even possible. In addition, the division of responsibilities within the Executive Board and the Supervisory Board as well as its committees also results directly from legislation and the respective terms of reference. Therefore, the Executive Board and the Supervisory Board consider that TUI AG lives up to the spirit and meaning of the UK CGC.

ADVICE AND SERVICE OF THE COMPANY SECRETARY (PROVISION 16)

There is no specific role of Company Secretary in German companies. However, Executive and Supervisory Board members have access to the Board Office of TUI AG if they need any advice on all governance matters or other services. The Board Office acts as an interface in corporate matters for the Executive and Supervisory Board members and is responsible for ensuring that the requisite processes and procedures are in place governing all Executive and Supervisory Board meetings (i.e. preparation of agendas, minuting of meetings and ensuring compliance with German and UK law, as appropriate, and with recommendations for corporate governance). The Board Office also supports the Chairman of the Supervisory Board, the CEO, the CFO and the Chairmen of the Audit and the Strategy Committees. Executive and Supervisory Board members also have access to legal advice via the Group Director Legal, Compliance & Board Office and via the Board Office. The Supervisory Board can also approach the Executive Board directly for specific advice on any matters. Accordingly, the Executive Board and the Supervisory Board consider that TUI AG lives up to the spirit and meaning of the UK CGC.

NOMINATION COMMITTEE – COMPOSITION AND RESPONSIBILITIES (PROVISION 17)

The role of the Nomination Committee in a typical UK company is fulfilled in TUI AG by two Committees of the Supervisory Board:

Under the Terms of Reference for the Supervisory Board and its Committees (which are equivalent to the Terms of Reference of a British corporation) the Nomination Committee considers and proposes suitable candidates as shareholder representatives to the Supervisory Board for its election proposals to the AGM. The Presiding Committee determines the requirements and remuneration for any new appointments to the Executive Board and recommends suitable candidates to the Supervisory Board. On that basis, the Supervisory Board appoints Executive Board members. This approach is different from the UK where all director appointments are approved by shareholders at the AGM. Succession planning for management levels below Executive Board is carried out by the Executive Board.

However, as is common practice in Germany, at each AGM shareholders are asked to decide whether they approve the actions of the Executive Board and Supervisory Board members during the past financial year. Since the AGM 2015, in the light of UK practice, TUI AG has changed its procedure to allow a separate vote on each individual Executive Board and Supervisory Board member, as it is customary in the UK.

TUI AG intends to continue this practice. Accordingly, the Supervisory Board considers that TUI AG lives up to the spirit and meaning of the UK CGC to the extent practicable.

In addition to Prof. Dr Ernst, the Nomination Committee also consists of Dr Zetsche as Committee Chairman and Dr Dönges, who is considered non-independent until 30 October 2023. In this context, the majority of the members of the Nomination Committee are assessed by the Supervisory Board to be independent.

ANNUAL RE-ELECTION BY SHAREHOLDERS AT THE AGM (PROVISION 18)

None of the Executive or Supervisory Board members is re-elected annually. However, as noted above, in light of the UK CGC and UK best practice, TUI AG voluntarily puts individual resolutions approving the actions of each Executive and Supervisory Board member to the AGM resolving on the annual financial statements for the previous year. TUI AG intends to continue this practice.

The end of appointment periods for Supervisory Board members are disclosed in the table from page 115.

⊕ *Current curricula vitae of all Executive and Supervisory Board members are published at www.tuigroup.com/en-en/investors/corporate-governance.*

BOARD PERFORMANCE EVALUATION (PRINCIPLE L AND PROVISION 21)

The performance of each individual Executive Board member is evaluated annually by the Supervisory Board for the annual performance-based remuneration. In this context, the Supervisory Board also reviews the individual member's overall performance as part of the Executive Board. However, no external performance evaluation is done for the Executive Board.

The efficiency of the Supervisory Board is reviewed regularly, but not annually. Each Supervisory Board member can give feedback to the Chairman, the Deputy Chairman or the Supervisory Board as a whole as and when appropriate or required.

The last self-assessment was conducted internally at the end of September 2020. For this purpose, a questionnaire was distributed to all members, in which they could give their assessment of the effectiveness of the working methods of the Supervisory Board and its committees. The Presiding Committee and the Supervisory Board have subsequently dealt with the results and derived measures from them. These primarily concerned the work of the Supervisory Board, the organisation of the meetings and the main topics that the Supervisory Board dealt with in more detail. The next self-assessment is planned for the beginning of 2024 and is accompanied externally by the consulting company ECBE (European Center for Board Effectiveness GmbH) since September 2023. The Company is not aware of any other relationships between ECBE and the Company or its directors.

NOMINATION COMMITTEE – SECTION IN THE ANNUAL REPORT (PROVISION 23)

For the activities of the Nomination Committee, see page 16 which is part of the Supervisory Board Chairman's letter to shareholders. The succession planning approach is outlined on page 131. The policy on diversity and inclusion can be found on page 132. For evaluation of the performance of the Board, see above.

COMPOSITION OF THE AUDIT COMMITTEE (PROVISION 24)

Neither German law nor the German Corporate Governance Code stipulates that the Chairman of the Supervisory Board should not be a member of the Audit Committee and that the Audit Committee may only consist of independent members. The Audit Committee consists of Dr Zetsche as Chairman of the Supervisory Board and Dr Dönges, who is not considered to be independent until 30 October 2023. TUI AG therefore does not fully meet the requirements of the UK CGC, but is of the opinion that the current composition of the Audit Committee ensures reliable work based on experience.

FAIR, BALANCED AND UNDERSTANDABLE ANNUAL REPORT & ACCOUNTS (PROVISION 27)

In a German stock corporation the Executive Board is responsible for drafting the Annual Report & Accounts (ARA). According to section 243 (2) of the German Commercial Act (HGB) the ARA must be clearly arranged and should present a realistic picture of the Company's economic situation. This is equivalent to the UK Code requirement for the ARA to be fair, balanced and understandable. Although this assessment has not been delegated to the Audit Committee, the Executive Board is convinced that this ARA satisfies both requirements.

ESTABLISHED AND OPERATION OF REMUNERATION COMMITTEE (PROVISION 32, 34 AND 41)

In the German governance structure there is no separate Remuneration Committee. The remuneration of the Executive Board is under involvement of the employee representatives monitored and agreed by the Supervisory Board based on recommendations from the Presiding Committee, which is governed by the Supervisory Board Terms of Reference.

The remuneration of the members of the Supervisory Board and the members of the Supervisory Board Committees is governed by the Articles of Association as resolved on by the shareholders at the AGM.

See the Directors' Remuneration Report from page 157 for full details on Executive and Supervisory Board member's remuneration.

POLICY FOR POST-EMPLOYMENT SHAREHOLDING REQUIREMENTS (PROVISION 36)

Neither German law nor the German Corporate Governance Code requires the company to implement a policy for post-employment shareholding requirements. According to the remuneration system approved by the Annual General Meeting in 2021, no policy is provided for post-employment shareholding requirements.

NOTICE PERIODS FOR EXECUTIVE DIRECTORS (PROVISION 39)

In accordance with the customary practice in Germany members of the Executive Board are generally appointed for a term of three to five years. This is not yet fully in line with the UK CGC recommendation that notice periods or contract terms should be set at one year or less. However, the contracts include maximum limits on the amounts payable on termination.

[→ See Remuneration Report from page 157.](#)

Further information on Corporate Governance

FUNCTIONING OF THE EXECUTIVE AND SUPERVISORY BOARDS

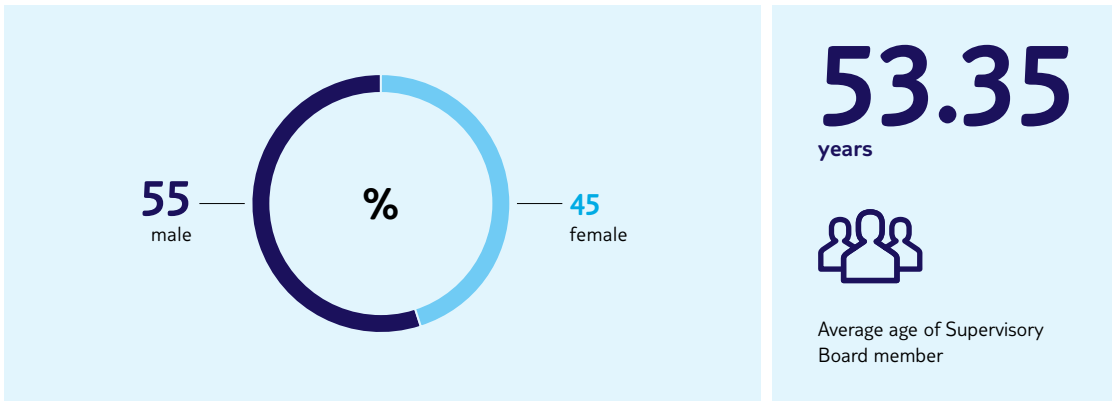
TUI AG is a company under German law. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Executive Board in charge of managing the company and the Supervisory Board in charge of monitoring the management of the company. TUI AG’s Executive Board and Supervisory Board cooperate closely and in a spirit of trust, with strict separation between the two bodies in terms of their membership and competences. Both bodies are obliged to ensure the continued existence of the Company and sustainable creation of added value in harmony with the principles of the social market economy.

TUI AG’s Executive Board comprised five members as at the closing date 30 September 2023. The Executive Board is responsible for managing the Company’s business operations in the interests of the Company. The Executive Board works on the basis of terms of reference issued by the Supervisory Board. The allocation of functions and responsibilities to individual Board members is presented in a separate section.

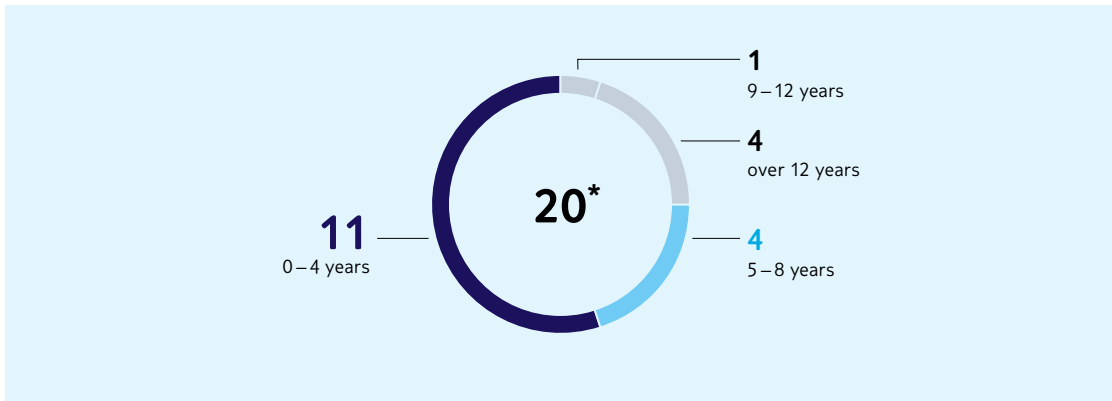
→ For functions, see tables ‘Supervisory Board and Executive Board’ on page 115 et seq.

In accordance with the law and the Articles of Association, the Supervisory Board had 20 members at the balance sheet date, i. e. 30 September 2023. As the oversight body, the Supervisory Board provided on-going advice and supervision for the Executive Board in managing the Company in financial year 2023, as required by the law, the Articles of Association and its own Terms of Reference. The Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company. When the Executive Board takes decisions on major transactions, such as the annual budget, major acquisitions or divestments, it is required by its terms of reference to seek the approval of the Supervisory Board. The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and represents the concerns of the body externally. The Supervisory Board and the Audit Committee have adopted terms of reference for their own work. The Terms of Reference of the Supervisory Board are available on the company’s website.

Gender quote and average age of Supervisory Board members of TUI AG (30 SEP 2023) in %



Duration of appointment of TUI AG (30 SEP 2023) Number of members



* Total number of Supervisory Board members of TUI AG.

For further details, please refer to the Report of the Supervisory Board on page 11.

TUI AG has taken out a D&O insurance policy for all members of the Executive Board and Supervisory Board, providing for a deductible for Executive Board members in accordance with the statutory requirements of the German Stock Corporation Act. The deductible amounts to 10 % of the loss up to the amount of one and a half times the fixed annual compensation.

COMPETENCE PROFILE AND THE QUALIFICATION MATRIX OF THE SUPERVISORY BOARD

TUI AG falls within the scope of the German Industrial Co-Determination Act (MitbestG). The Supervisory Board is therefore composed of an equal number of shareholder representatives and employee representatives. Employee representatives within the meaning of the Act include a senior manager (section 5 (3) of the German Works Constitution Act) and three trade union representatives. In financial year 2022, the Supervisory Board updated its competence profile for the composition of the entire body.

⊕ *The competence profile of the Supervisory Board is published at https://www.tuigroup.com/damfiles/default/tuigroup-15/de/ueber-uns/management/Kompetenzprofil/Kompetenzprofil_V03-13-12-2022_EN-FINAL.pdf-473db0556f8dff912a59b-1b37696a1df.pdf.*

QUALIFICATION MATRIX OF THE SUPERVISORY BOARD

The following individualized qualification matrix is based on the targets for the composition of the Supervisory Board. The competences shown are based on a self-assessment by the Supervisory Board members. Competence is deemed to exist if at least basic knowledge is available and thus the ability to understand the relevant facts well and to make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the context of the activity as a supervisory board member, or the further training measures regularly attended by all Supervisory Board members.

Individualised qualification matrix of the Supervisory Board of TUI AG (as of 30 September 2023)

	Dr Dieter Zetsche	Frank Jakobi	Ingrid-Helen Arnold	Sonja Austermühle	Christian Baier	Andreas Barczewski	Peter Bremme	Dr Jutta Dönges	Prof. Dr Edgar Ernst	Wolfgang Flintermann
Membership										
First appointment	2018	2007	2020	2022	2022	2006	2014	2021	2011	2016
Current appointment until	2027	2026	2024	2026	2027	2026	2026	2025	2025	2026
Duration of membership (in years, as of 30.9.2023)	5	16	3	1	1	17	9	2	12	7
Position	Chairman	Deputy Chairman	SHR	ER	SHR	ER	ER	SHR	SHR	ER
Committee membership:										
Presiding Committee	yes	yes					yes	yes	yes	
Audit Committee	yes	yes			yes			yes	yes	
Nomination Committee	yes							yes	yes	
Diversity										
Gender	m	m	f	f	m	m	m	f	m	m
Birth year	5.5.1953	18.2.1962	5.10.1968	27.2.1978	6.11.1976	15.8.1967	15.3.1960	9.5.1973	10.1.1952	4.12.1969
Age (on 30.9.2023)	70	61	54	45	46	56	63	50	71	53
Nationality	German	German	German	German	German	German	German	German	German	German
International experience	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Personal qualification										
Independence ¹	yes/yes	N/A	yes/yes	N/A	yes/yes	N/A	N/A	no/no ³	yes/yes	N/A
No overboarding ²	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Integrity, commitment, engagement	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Professional qualification										
1. Tourism	√	√	√			√	√	√		√
2. Strategy, innovation	√	√	√	√	√	√	√	√	√	
3. IT, digitalisation	√	√	√	√	√		√	√		√
4. Accounting, auditing, sustainability reporting		√			√	√		√	√	√
5. Auditing		√			√	√		√	√	√
6. Sustainability		√	√	√	√		√	√	√	√
7. Capital market	√	√			√			√	√	√
8. Risk management	√	√			√	√	√	√	√	√
9. Internal control system		√			√			√	√	√
10. Compliance	√	√		√	√		√	√	√	√
11. Human resources		√		√		√	√	√		√
12. Sustainability	√	√	√	√	√	√	√	√		√

¹ In accordance with the GCGC and the UK Code, based on the assessment of the shareholder representatives on TUI AG's Supervisory Board

² Within the meaning of Recommendation C.4 and C.5 of the GCGC

³ Will be assessed as independent as from 1 November 2023

Individualised qualification matrix of the Supervisory Board of TUI AG (as of 30 September 2023)

	María Garaña Corces	Stefan Heinemann	Janina Kugel	Coline McConville	Helena Murano	Mark Muratovic	Anette Strempel	Joan Trián Riu	Tanja Viehl	Stefan Weinhofer
Membership										
First appointment	2020	2020	2021	2014	2022	2021	2009	2019	2021	2016
Current appointment until	2024	2026	2025	2024	2027	2026	2026	2024	2026	2026
Duration of membership (in years, as of 30.9.2023)	3	3	2	8	1	2	14	4	2	7
Position	SHR	ER	SHR	SHR	SHR	ER	ER	SHR	ER	ER
Committee membership:										
Presiding Committee							yes			
Audit Committee		yes				yes				yes
Nomination Committee										
Diversity										
Gender	f	m	f	f	f	m	f	m	f	m
Birth year	4.3.1970	14.4.1979	12.1.1970	21.7.1964	12.7.1966	29.6.1973	28.11.1966	10.7.1983	24.3.1986	31.8.1974
Age (on 30.9.2023)	53	44	53	59	57	50	56	40	37	49
Nationality	Spanish	German	German	Australian	Spanish	German	German	Spanish	German	Austrian
International experience	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Personal qualification										
Independence ¹	yes/yes	N/A	yes/yes	yes/yes	yes/yes	N/A	N/A	no/no	N/A	N/A
No overboarding ²	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Integrity, commitment, engagement	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Professional qualification										
1. Tourism	√	√	√	√	√	√	√	√	√	√
2. Strategy, innovation	√	√	√	√	√	√	√	√	√	√
3. IT, digitalisation	√	√	√	√	√	√	√	√	√	√
4. Accounting, auditing, sustainability reporting	√	√	√	√	√	√	√	√	√	√
5. Auditing	√	√	√	√	√	√	√	√	√	√
6. Sustainability	√	√	√	√	√	√	√	√	√	√
7. Capital market	√	√	√	√	√	√	√	√	√	√
8. Risk management	√	√	√	√	√	√	√	√	√	√
9. Internal control system	√	√	√	√	√	√	√	√	√	√
10. Compliance	√	√	√	√	√	√	√	√	√	√
11. Human resources	√	√	√	√	√	√	√	√	√	√
12. Sustainability	√	√	√	√	√	√	√	√	√	√

¹ In accordance with the GCGC and the UK Code, based on the assessment of the shareholder representatives on TUI AG's Supervisory Board

² Within the meaning of Recommendation C.4 and C.5 of the GCGC

³ Will be assessed as independent as from 1 November 2023

INDEPENDENCE OF THE SUPERVISORY BOARD MEMBERS

As of the balance sheet date, the Supervisory Board on the shareholder side has eight independent members according to their assessment. The names of these members are listed in the qualification matrix. Further information on the aspects taken into account in the assessment of independence can be found on page 121.

The company has no controlling shareholder.

MEMBERS OF TUI AG'S AUDIT COMMITTEE WITH EXPERTISE IN ACCOUNTING AND AUDITING (RECOMMENDATION D.3 OF THE GCGC)

Prof. Dr Edgar Ernst has, among other things, expertise in the field of accounting and in the field of auditing due to his activities as Chief Financial Officer of Deutsche Post AG, as President of the German Financial Reporting Enforcement Panel and due to his memberships in domestic supervisory boards. Further information, in particular on his activities in these areas, can be found in his curriculum vitae on the Company's website (https://www.tuigroup.com/damfiles/default/tuigroup-15/de/ueber-uns/management/lebenslaeufe-de0/lebenslaufe-de-neu/aufsichtsrat-de-neu/Ernst_Edgar-Lebenslauf-de_en/Ernst_SB_Curriculum-Vitae_04.10.2023.pdf-af2cddb09cda997cc2549359db92a68f.pdf).

His expertise in the field of accounting also includes, in particular, knowledge and experience in the application of accounting principles and internal control and risk management systems. His expertise in the field of auditing also includes, in particular, knowledge and experience in auditing of financial statements. Accounting and auditing also include sustainability reporting and its auditing.

With regard to the Chairman of the Audit Committee, Prof. Dr Edgar Ernst, the Supervisory Board is of the opinion that he is independent from the Company and the Executive Board (for the independence of the other members of the Audit Committee, see page 121).

Mr Christian Baier has expertise in the field of accounting and in the field of auditing due to his professional career and in particular due to his function as Chief Financial Officer of Metro AG (until July 2023). Further information, in particular on his activities in these areas, can be found in his curriculum vitae on the Company's website (https://www.tuigroup.com/damfiles/default/tuigroup-15/en/about-us/management/lebenslaeufe-en/aufsichtsrat-en/Baier_SB_Curriculum-Vitae_31.05.2022.pdf-e56d4eedf2399c6c8f58ca8cb0854609.pdf).

His expertise in the field of accounting also includes, in particular, knowledge and experience in the application of accounting principles and internal control and risk management systems. His expertise in the field of auditing also includes, in particular, knowledge and experience in the auditing of financial statements.

Since Metro AG has also been publishing a non-financial statement for several years, which is prepared taking into account the Global Reporting Initiative (GRI) standards on sustainability reporting and the UN Global Compact, his expertise in the field of auditing also includes sustainability reporting and its audit.

Dr Jutta Dönges has expertise in the field of accounting and in the field of auditing due to her professional career and in particular because of her function as CFO at Uniper SE as well as managing director of the Federal Republic of Germany – Finance Agency GmbH (until 31 October 2022) as well as due to her several years of membership in domestic supervisory boards. Further information, in particular on her activities in these areas, can be found in her curriculum vitae on the Company's website (https://www.tuigroup.com/damfiles/default/tuigroup-15/en/about-us/management/lebenslaufe-en-neu/aufsichtsrat-en-neu/Do-nges_SB_Curriculum-Vitae_05.12.2022.pdf-70e9299c9ba0a333f8c6452cb23ad30d.pdf).

Her expertise in the field of accounting also includes, in particular, knowledge and experience in the application of accounting principles and internal control and risk management systems. Her expertise in the field of auditing includes, in particular, knowledge and experience in the auditing of financial statements. This includes sustainability reporting and its audit, whereby this is oriented, among other things, to the standards of the Global Reporting Initiative (GRI).

TRAINING AND PROFESSIONAL DEVELOPMENT MEASURES

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties, for example on issues of corporate governance or changes in the legal framework and they receive support in this respect from the company. The company regularly informs its members about current changes in the legislation as well as about relevant topics relating to the company. New members of the Supervisory Board are given the opportunity to be introduced in detail to key issues of the Supervisory Board as part of the onboarding programme. In addition, they have meetings with members of the Executive Board in order to receive further information on their respective areas of responsibility.

CONFLICTS OF INTEREST

Executive and Supervisory Board members are bound to observe the TUI AG's best interests. In addition, Executive Board members are subject to comprehensive non-compete clauses throughout the duration of their appointment. In the completed financial year 2023, there were no conflicts of interest requiring disclosure to the Chairman of the Supervisory Board or the Executive Board. None of the Executive Board or Supervisory Board members have a board role or a consultancy contract with one of TUI's competitors.

As a precautionary measure, Mr Joan Trían Riu abstained from the vote of the Supervisory Board in its meeting of 4 July 2023 on the resolution to establish a joint venture with the Riu Family.

Moreover, no current member of the Executive Board has been appointed and no member of the Supervisory Board has been elected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others. There are no family relationships between any current members of the Executive Board or Supervisory Board.

SPECIFICATIONS PURSUANT TO SECTIONS 76 (3A) AND (4), 96 (2), 111 (5) OF THE GERMAN STOCK CORPORATION ACT

45% of the Supervisory Board members were women and 55% were men at the balance sheet date. The Supervisory Board was therefore compliant with section 96 (2) sentence 1 of the German Stock Corporation Act. Neither the shareholder nor the employee representatives of the Supervisory Board have objected with regard to overall compliance in accordance with section 96 (2) sentence 2 of the German Stock Corporation Act.

In August 2021, the Second Management Positions Act – FÜPoG II – came into force. According to this law, at least one woman and at least one man must be a member of the Executive Board of a listed company with equal co-determination and with more than three members on the Executive Board. The company has already complied with this requirement in the reporting period with the membership of Ms Sybille Reiss.

The Executive Board resolved, in line with section 76 (4) of the German Stock Corporation Act, that women should account for 25% of executives at the level immediately below the Executive Board and 30% at the second level below the Executive Board. The cut-off date for both was 30 September 2023. For this reason, TUI AG has implemented various measures aimed at increasing the proportion of women on a long-term and sustainable basis over the past years. This includes, among other things, the promotion of women in talent programmes and specifically addressing them in the recruitment process. In addition, at least one female should be on the shortlist in the recruitment process for positions in the Senior Leadership Team. Despite all the measures taken, the suitability and qualification of candidates for filling vacant positions are still of primary importance. With a 30% proportion of women in the second management level, these measures are already having an effect and have led to the target for FY23 being met. The target of 25% in the first management level below the Executive Board was not achieved at 14%. As a new target for the period up to 30 September 2026, the Executive Board has decided that the proportion of women in the first management level below the Executive Board should now be 30% instead of the previous 25% and that the proportion of women in the second management level below the Executive Board should remain at 30%.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

TUI AG shareholders exercise their co-determination and monitoring rights at the AGM, which takes place at least once a year. The AGM takes decisions on all statutory matters, and these are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Shareholders who are not able to attend the AGM in person are entitled to have their voting rights exercised by a shareholder association, one of the representatives provided by TUI AG and acting on the shareholders' behalf in accordance with their instructions, or some other proxy of their own choosing. Shareholders also have the opportunity of authorising the representative provided by TUI AG via the web or by postal vote in the run-up to the AGM. Shareholders can, moreover, register for electronic dispatch of the AGM documents.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on TUI AG's website. During the AGM, the presentations by the Chairman of the Supervisory Board and the Executive Board members can be followed live over the Internet.

STATEMENT PURSUANT TO PROVISION 4 UK CGC

At the AGM of TUI AG on 14 February 2023, no resolution received 20% or more against votes.

RISK MANAGEMENT

Good corporate governance entails the responsible handling of commercial risks. The Executive Board of TUI AG and the management of the TUI Group have comprehensive general and company-specific reporting and monitoring systems available to identify, assess and manage these risks. These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Executive Board regularly informs the Supervisory Board about existing risks and changes to these risks. The Audit Committee deals in particular with monitoring the accounting process, including reporting, the effectiveness of the internal control and risk management systems and the internal auditing system, compliance and audit of the annual financial statements. The chairman of the Audit Committee reports to the Supervisory Board on the work of the committee at the next Supervisory Board meeting at the latest.

More detailed information about risk management in the TUI Group is presented in the Risk Report. It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Commercial Code (sections 289 (5), 315 (2) no. 5 HGB).

[→ Risk Report see page 35.](#)

TRANSPARENCY

TUI provides immediate, regular and up-to-date information about the Group's economic situation and new developments to capital market participants and the interested public. The Annual Report and the Interim Reports are published within the applicable timeframes. The Company publishes press releases and ad hoc announcements, if required, on topical events and any new developments. Moreover, the company website at www.tuigroup.com provides comprehensive information on TUI Group and the TUI share.

The scheduled dates for the principal regular events and publications – such as the AGM, Annual Report and Interim Reports – are set out in a financial calendar. The calendar is published well in advance and made permanently accessible to the public on TUI AG's website.

DIRECTORS' DEALINGS

The Company was informed by Mr Andreas Barczewski, Mr David Burling, Mr Sebastian Ebel, Mr Wolfgang Flintermann, Mr Stefan Heinemann, Mr Frank Jakobi, Mr Mathias Kiep, Mr Peter Krueger, Ms Sybille Reiss, Ms Anette Stempel und Dr Dieter Zetsche of notifiable purchase and sale transactions of TUI AG shares or related financial instruments by directors (directors' dealings or managers' transactions) concerning financial year 2023. Details are provided on the Company's website. It should be noted that there are different thresholds for reporting requirements in Germany and the UK of 20,000 € (Germany) and 5,000 € (UK).

Purchase and sales transactions by members of the boards are governed by the Group Manual Share Dealings by Restricted Persons, approved by the Executive Board and the Supervisory Board, alongside corresponding statutory provisions. The Group Manual Share Dealings by Restricted Persons stipulates above all an obligation to receive a clearance to deal for transactions with TUI AG's financial instruments.

ACCOUNTING AND AUDITING

TUI AG prepares its consolidated financial statements and consolidated interim financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The statutory annual financial statements of TUI AG, which form the basis for the dividend payment, are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared by the Executive Board, audited by the auditors and approved by the Supervisory Board. The interim report is discussed between the Audit Committee and the Executive Board prior to publication. The consolidated financial statements and the financial statements of TUI AG were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, the auditors elected by the 2023 Annual General Meeting. The audit was based on German auditing rules, taking account of the generally accepted auditing standards issued by the German Auditors' Institute as well as the International Standards on Auditing. It also covered the risk detection system. A review pursuant to Listing Rule 9.8.10 R (1) and (2) was carried out.

[→ See audit opinion by the auditors on page 288.](#)

The condensed consolidated interim financial statement and management report as of 31 March 2023 was reviewed by the auditors. In addition, a contractual agreement was concluded with the auditors to the effect that the auditors will immediately inform the Supervisory Board or the Audit Committee about all findings and issues of importance for its tasks which come to the knowledge of the auditors during the performance of the audit. Furthermore, it was agreed with the auditors that they inform the Supervisory Board or the Audit Committee and note in the audit report if during the performance of the audit, any facts were identified that indicate an inaccuracy in the Declaration of Compliance regarding the recommendations of the GCGC issued by the Executive Board and Supervisory Board. There were no grounds to provide such information in the framework of the audit of financial year 2023.

ENGAGEMENT WITH OUR STAKEHOLDERS

Under the UK CGC, TUI AG is required to provide information on how it complies with the requirements of section 172 of the Companies Act 2006, including how it takes into account the interests of key stakeholders in discussions and decisions.

The Company considers key stakeholders to be customers, employees, shareholders and other financial stakeholders, suppliers and Non-governmental organisations.

Further details on how the company engages with particular stakeholders can be found on the following pages of this Annual Report:

- Customers – see page 98
- Employees – see page 91
- Shareholders and other financial stakeholders – see pages 113 and 188
- Suppliers – see page 84
- Non-governmental organisations – see page 90

Diversity concepts for the composition of the Executive Board and Supervisory Boards

DIVERSITY CONCEPT FOR THE COMPOSITION OF THE EXECUTIVE BOARD

The diversity concept for the composition of the Executive Board takes into account the following diversity aspects:

(a) Age:

As a rule, the employment contracts of members of the Executive Board end once the standard retirement age for statutory retirement insurance has been reached (currently 67).

(b) Gender:

The Executive Board should include one woman.

(c) Educational/professional background:

The necessity for a variety of educational and professional backgrounds already arises from the obligation to manage the company in accordance with the law, the company's articles of association and its terms of reference. In addition, the Executive Board as a whole, through its individual members, should possess the following essential background qualities:

- management experience, some of which ideally has been acquired abroad, and intercultural competence for successful management and motivation of global teams;
- in-depth practical experience in stakeholder dialogue (i.e. with managers and employees, including their representative bodies, with shareholders and the public);
- experience in IT management and an understanding of digitalisation of vertically integrated value chains;
- profound experience in value-driven, KPI-based strategy development and implementation and corporate governance;

- profound knowledge of the intricacies and requirements of the capital market (shareholder management);
- knowledge of accounting and financial management (controlling, financing);
- in-depth understanding of and experience with change management.

GOALS OF THE DIVERSITY CONCEPT FOR THE COMPOSITION OF THE EXECUTIVE BOARD

The standard retirement age on the one hand enables incumbent members of the Executive Board to contribute their professional and life experience for the good of the company for as long a time as possible. On the other hand, adherence to the standard retirement age is intended to promote regular rejuvenation of the board.

Inclusion of both genders in Executive Board work is on the one hand an expression of the conviction of the Supervisory Board that mixed-gender teams lead to the same or better outcomes as teams with representation from only one gender. But it is also the logical continuation of the gender diversity measures implemented by the Executive Board within the wider company, which aim to increase the proportion of women in leadership roles. These measures are only to be applied and implemented in a credible manner if the Executive Board does not consist solely of male members ('proof of concept').

A variety of professional and educational backgrounds is necessary on the one hand to properly address the tasks and obligations of the law, the company's articles of association and its terms of reference. In addition, it is the view of the Supervisory Board that they are a guarantee of ensuring diverse perspectives on the challenges and associated approaches to overcoming them that are faced in the day-to-day work of the company. International management experience is of particular importance. Without such skill and experience with integrating, leading and motivating global teams, it is impossible to take into consideration the different cultural backgrounds of managerial staff and the workforce as a whole.

LONG-TERM SUCCESSION PLANNING FOR THE EXECUTIVE BOARD

A key aspect of applying the diversity concept to the composition of the Executive Board is inclusion of the Supervisory Board within the corporate organisation, as is prescribed by law, the company's articles of association and its terms of reference. This ensures the Supervisory Board is familiar with the strategic, economic and actual situation of the company.

In its role as supervisor of the management of the Executive Board, the Supervisory Board of TUI AG makes decisions on the allocation of business responsibilities within the Executive Board, appointments to the Executive Board and thus also workforce and succession planning within the Executive Board in line with recommendation B.2 of the GCGC. As part of that workforce and succession planning, the Presiding Committee or the Supervisory Board itself regularly meets with the Executive Board or its members to discuss suitable internal succession candidates for Executive Board positions (short-term, medium-term and long-term scenarios). The contract terms and renewal options for current Executive Board members are discussed, as well as possible successors. As part of these Supervisory Board and Committee meetings, or in preparation for them, members of the Supervisory Board have the opportunity to meet up with so-called high potentials within the Group in a professional and personal setting. The Presiding Committee and Supervisory Board make their own deliberations about these matters and also discuss them in the absence of the Executive

Board. This includes evaluation and possible inclusion of external candidates for Executive Board positions in the selection process. In all of these deliberations, the above-mentioned diversity aspects of Executive Board appointments play a part in the decision-making of the Supervisory Board. Long-term succession planning is primarily oriented towards the corporate strategy and takes into account the diversity concept defined by the Supervisory Board. The Supervisory Board also asks the Executive Board to report on current progress and implementation of family-friendly concepts and concrete measures for promotion of women (e.g. at least one woman on the final shortlist for any new or replacement appointments to roles within the senior leadership team).

RESULTS ACHIEVED IN FINANCIAL YEAR 2023

With effect from 1 October 2022, Mr Sebastian Ebel was appointed to succeed Mr Friedrich Jousen as Chairman of the Executive Board of TUI AG. In this connection, Mr Mathias Kiep was appointed as a member of the Executive Board as successor to Mr Ebel with effect from 1 October 2022. Mr Kiep took over the Finance Ressort. In the opinion of the Supervisory Board, Mr Ebel and Mr Kiep contribute to the diversity of the Executive Board through their professional careers, their wide-ranging international experience and respective professional backgrounds.

Mr Frank Rosenberger, Executive Board Member for IT and Future Markets, has decided to leave the Group on 31 October 2022. Mr Rosenberger had been with TUI since 2015 and had been responsible for Future Markets and the Group's digitalisation on the company's Executive Board since 2017. Under his responsibility, a global system for TUI Tour operators was launched and the digitalisation of the company was significantly advanced.

The reduction in the number of Executive Board members also required a reorganisation of responsibilities in the management team. The CIO with his central IT functions of the TUI Group has been located in the direct area of responsibility of CEO Sebastian Ebel. The other IT units are interlinked with the operational areas to enable fast and efficient implementation of the digitalisation strategy. Peter Krueger is fully responsible for the Holiday Experiences segment at Executive Board level.

The current composition of the Executive Board meets all the requirements of the diversity concept. The Executive Board members cover a comprehensive range of knowledge and experience as well as educational and professional backgrounds and have international experience. In addition, with Ms Sybille Reiss as a member of the Executive Board, the legal requirement that at least one woman should be a member of the Executive Board was met in the reporting period. Different age groups are represented on the Executive Board. More information on all members of the Executive Board can be found in the CVs on the Company's website and in the communication on the occasion of the appointment decisions of the Supervisory Board.

DIVERSITY CONCEPT FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board revised and updated objectives for its composition in addition to the competence profile in the 2023 financial year. In accordance with the applicable legal requirements, the Supervisory Board of TUI AG shall be composed in such a way that its members as a whole have the knowledge and professional experience required to properly perform their duties. In this context, sufficient diversity shall be

ensured. This includes in particular cultural and ethnic origin, gender, nationality and professional and life experience as well as age. A gender quota of 30% is to be guaranteed. The standard age limit for election to the Supervisory Board is 68 years.

GOALS OF THE DIVERSITY CONCEPT FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The goals set with regard to the composition of the Supervisory Board reflect the demands placed on the advisory and supervisory body to perform its task in a globally operating company with a challenging competitive environment. For example, multicultural and international experience is just as important as knowledge of the value and success drivers of the sector. In all of this, the impact and cultural features of the so-called stakeholder approach of a social market economy must be taken into account, which is ensured by the codetermination of employee representatives on the Supervisory Board as well. For the shareholder side on the Supervisory Board, the Nomination Committee also ensures that mandatory and voluntary targets are met with regard to the composition of the Supervisory Board. As part of the regularly conducted efficiency reviews, the Supervisory Board also undergoes a self-assessment, which includes aspects of its composition.

RESULTS ACHIEVED IN FINANCIAL YEAR 2023

The Supervisory Board is of the opinion that it meets the composition targets and fills out the competence profile and the diversity concept. The status of implementation of the competence profile and composition targets has been published in the form of a qualification matrix. The competence profile of TUI AG's Supervisory Board is published at www.tuigroup.com/en-en/investors/corporate-governance/management. The qualification matrix can be found at page 126.

The diversity of professional and educational backgrounds of the individual members of the board is also evident from the CVs of Supervisory Board members published on the corporate website.

DIVERSITY IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD AS WELL AS IN THE EXECUTIVE MANAGEMENT OF TUI AG

Pursuant to LR 9.8.6 R (9) of the FCA Listing Rules, the Executive Board and the Supervisory Board confirm that, as at 30 September 2023, the Company has partially met the targets set out in this provision by at least 40% of the members of the Executive Board and the Supervisory Board were women and at least one member of the Executive Board or the Supervisory Board was from an ethnic minority. The Company did not meet the target in relation to the requirement that at least one of the named executive positions (the Chairman of the Supervisory Board, the Chief Executive Officer, the Senior Independent Director or the Chief Financial Officer) should be held by a woman. The Company recognises the importance of diversity and its long-term goal is to further improve diversity on its boards. This is taken into account primarily in the context of succession planning for the boards.

Since 30 September 2023, there have been no changes in the Executive Board as well as the Supervisory Board that would affect the company's ability to achieve the two objectives mentioned above.

Data on gender and ethnicity was collected directly from board members. Members were asked to indicate their ethnicity using the categories in the table below.

In accordance with LR 9.8.6 R (10) of the FCA Listing Rules, the following table contains data on the ethnic origin and gender of the members of the Executive Board and the Supervisory Board as well as the Executive Management of the Company as of 30 September 2023.

Gender and ethnic background of board members

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Gender					
Men	15	60 %	3	7	100 %
Women	10	40 %	0	0	0 %
Not specified/prefer not to say	–	–	–	–	–
Ethnic Background					
White British or other White (including minority-white groups)	24	96 %	3	7	100 %
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	1	4 %	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Description of the main features of the internal control and risk management system

TUI Group's internal control system comprises all systematically designed rules within the Group that serve to methodically manage operational, financial and compliance-related risks. These rules may result from published statements or take the form of policies, work instructions, process descriptions or risk control matrices. A Group-wide framework is in place for the creation, approval, revision and communication of these rules. With its Integrity Passport, TUI Group commits to implementing its Group-wide Code of Conduct that sets minimum standards and provides guidance on how to deal with ethical and legal challenges in day-to-day work, and provides orientation for conflict situations.

On that basis, the business units define an appropriate framework of processes and rules where necessary for the criticality of the process in question. These rules may vary from business unit to business unit as the process of processing the transactions involves different systems, workflows or volumes. For certain risks, addressed through a uniform Group framework, TUI has established central functions, operating as a 'second line' for their area, in order to create appropriate Group-wide standards and support or monitor implementation of these standards.

A Group function has also been established for the area of sustainability. For years, TUI Group has collected certain sustainability-related indicators for management and reporting purposes in the framework of separate sustainability reports or the non-financial statement. The methodologies used to gather this data have been published. These ensure uniform understanding and collection throughout the Group. In the period under review, a reporting software specifically designed for non-financial data points was implemented, further enhancing the maturity of the internal control system in this field.

To ensure that our businesses are scalable, almost all business processes are supported by IT solutions. Where possible and appropriate, we use the controls integrated in these applications or services. This offers greater security and efficiency in implementation compared with manual controls. The IT solutions themselves are protected by a Group-wide framework of general IT controls. The internal control system is completed by a set of manual process controls to prevent or detect errors.

We have a clear approach for identifying and mitigating information security risks. TUI undergoes external auditing, has an IT security risk insurance policy in place and provides a training and compliance programme. Additionally, the Audit Committee is updated on TUI's risk position on a regular basis.

In the case of business processes, the respective process owners are responsible for the effectiveness of the controls put in place; in the case of Group-wide control frameworks, the respective second line is responsible. Depending on the risk assessment, they use a different degree of monitoring intensity.

As an independent third line, Internal Audit reviews business processes, including IT solutions, according to its own risk assessment and provides recommendations to enhance the effectiveness and efficiency of processes and controls.

The Supervisory Board of TUI AG, in particular the Audit Committee, is involved in TUI Group's internal monitoring system with process-independent auditing activities.

Our Risk Report presents the key elements of our risk management system.

[→ Details in our Risk Report, page 35.](#)

The internal control system and the risk management system are dynamic systems that are continuously adapted in response to changes in the business model, the nature and scope of business transactions or responsibilities. As a result, there is potential for improvement in terms of both the appropriateness (lack of suitable controls) and the effectiveness (inadequate execution) of controls, both from the reviews carried out by the second line, from internal audit engagements, and from the audit activities of the external auditor. In addition, potential for improvement may also arise from compliance incidents. In our overall assessment of these management systems, we find that none of the potential improvements identified in the period under review speak against the appropriateness and effectiveness of the two management systems.

However, there can be no absolute certainty, despite the internal control and risk management systems in place, that the controls will detect every single process weakness or, in particular, that newly emerging material risks will always be immediately identified and effectively addressed.

Disclosure pursuant to UK Listing Rule LR 9.8.6

Task Force on Climate-related Financial Disclosures (TCFD)

Climate change is one of the greatest challenges of our time. TUI recognises the risk posed to its business by climate change from both physical changes in the climate and the transition to a low-carbon economy. TUI is committed to contributing to the transition and mitigating climate-related risks for its business. As a company listed in the Premium Segment of the Main Market of the London Stock Exchange, TUI is required pursuant to Listing Rule LR 9.8.6 to make disclosures in relation to the Recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The TCFD provides a framework to improve the disclosure of consistent, comparable, reliable and clear climate-related financial information so that investors can make better capital allocation decisions in support of the transition to a low-carbon economy.

In financial year 2022, TUI aligned its climate-related disclosures with the TCFD Recommendations for the first time to communicate the potential effects of climate change on its business. The disclosure for financial year 2023 builds on our prior year disclosure and has been enhanced to better align with the TCFD Recommendations. We are committed to complying with the recommendations and recommended disclosures of the

TCFD, taking into account the TCFD All Sector Guidance, and we consider the disclosures set out on the following pages to be consistent with these guidelines.

- In financial year 2023, TUI conducted a climate scenario analysis to identify and analyse the potential impact of climate-related risks and opportunities on its business model, and assess the resilience of its strategy (TCFD Recommendations: Strategy a., b. and c.).
- In financial year 2023, TUI embedded the identification, assessment and management of material individual climate-related risks into existing risk management processes (TCFD Recommendations: Risk Management a., b. and c.).
- In 2023, TUI's near-term science-based emissions reduction targets were published following the successful external validation by the Science Based Targets Initiative (SBTi). These targets are included in TUI's 2023 TCFD report (TCFD Recommendations: Metrics and Targets c.) and TUI continues to disclose on its key climate-related metrics (TCFD Recommendations: Metrics and Targets b. and c.).

The following statement follows the structure of the TCFD Recommendations, covering Governance, Strategy, Risk Management, and Metrics and Targets. Our disclosures on these four thematic areas will continue to evolve and mature over time alongside our strategy and the evolution of the risks and opportunities themselves.

GOVERNANCE

TUI has a governance structure in place that ensures that sustainability issues, along with climate-related risks and opportunities, are assessed and actioned at all levels.

→ [See page 82 for the governance structure in the Non-financial declaration.](#)

TCFD RECOMMENDATION

TUI APPROACH

a) Describe the Board's oversight of climate-related risks and opportunities.

The Group Executive Committee (GEC) has ultimate oversight of climate-related issues and is responsible for reviewing climate-related risks and opportunities, strategy, measures, and target-setting. At the GEC level, the Group Chief Sustainability Officer (CSO) as a member of the GEC is responsible for reporting on sustainability and climate-related issues for TUI. The CSO informs the GEC on sustainability issues on a monthly basis. The Group Sustainability Director regularly reports into the CSO, which is the most appropriate and direct line of reporting to raise climate-related issues to the highest level within the business. Moreover, the Executive Board (all being members of the GEC) also has the final oversight of the non-financial declaration that includes the climate/environmental strategy, organisation, management, measures and targets. By taking into the provided risk information, the Executive Board considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures. The highest monitoring body in sustainable management is the Supervisory Board which oversees the work done by the Executive Board.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The GEC manages TUI's business strategically, sets the Group's strategic direction and long-term objectives for sustainable development, and signs off the Group's Sustainability Agenda. A team of experienced sustainability professionals are working in close collaboration with senior management to ensure that TUI's business and sustainability focus areas are aligned. The Group Sustainability Director heads up the Group Sustainability team.

Sustainability Governance



Our group sustainability team, led by the Group Sustainability Director, is responsible for the implementation of the Sustainability Agenda across TUI and along its supply chain. The GEC is regularly updated on our performance in delivering the Sustainability Agenda and tackling other key sustainability issues. Regular meetings are also held with the Group Risk Oversight Committee (ROC) to review climate-related and sustainability risks and discuss any changes, either internal or to the external environment, which affect the business exposure.

To incentivise management to achieve climate-related targets, KPIs are linked to monetary rewards. TUI operates a discretionary bonus scheme for senior and middle management. It is designed to reward employees in line with both financial performance and personal contribution to delivering successfully against our strategy.

Climate change is an urgent global challenge that requires a strategic response. The tourism industry in which TUI operates faces significant impacts from climate change. As temperatures rise, the attractiveness of certain destinations will decline, and the biodiversity loss will make certain destinations less attractive. The sector also faces impacts of a more general nature: more cancellations from extreme weather-related events, increased risk of stranded assets, as well as changes in policy and customer preferences. Climate change also presents an opportunity for TUI – besides extending touristic seasons in summer destinations also to innovate in new types of tourism, to diversify to new regions, and to engage customers and other stakeholders along the business transformation process.

As part of our strategic and financial planning process, we have analysed various industry and macro trends to model the expected development of TUI and the tourism industry as a whole. We clearly see sustainability as a major trend, largely driven by climate-related market and policy risks (e.g., changing customer behavior, emissions-based taxes and fees, and increasing regulations for aircraft and cruise ships). In financial year 2023, TUI's 2030 emission reduction targets have been approved by the SBTi. Priorities and strategic directions from TUI's Sustainability Agenda 'People, Planet, Progress' take into account current challenges, global scenarios, and regulatory developments such as the EU Green Deal. These priorities were built into our midterm strategic and financial plan. To better identify and assess the impact of climate change on our financial performance and business model, we have conducted a qualitative and quantitative climate risk assessment for the first time in financial year 2023.

Two scenarios were considered in the climate risk assessment:

- A high emissions scenario to assess the impact of significant changes in the physical climate, which is based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway 8.5 (IPCC RCP8.5) and the International Energy Agency (IEA) Stated Policies Scenario. This is aligned with global warming of approximately 4.3°C by the year 2100.
- A low emissions scenario to assess the impact of significant socioeconomic changes to achieve a low-carbon economy, which is based on IPCC RCP2.6 and the IEA Net Zero Scenario. This is aligned with global warming of approximately 1.5°C by the year 2100.

A number of assumptions underpin these scenarios regarding changes to the frequency and intensity of weather-related events, economic growth, technology development, and the development of energy and carbon prices.

The identified risks and opportunities across the different combinations of scenarios and time horizons were first assessed qualitatively to identify the most relevant climate-related risks and opportunities for TUI. Based on the results of this qualitative analysis, a number of risks and opportunities were then subject to more detailed analysis to better understand the potential financial impacts.

TCFD RECOMMENDATION

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

TUI APPROACH

The following climate-related risks and opportunities have been identified by TUI over the short, medium and long term, where short term is defined as the period up to 2030 (aligned with TUI's science-based targets), medium term as the period up to 2040, and long term as the period up to 2050 (when TUI aims to achieve net-zero emissions across our operations and supply chain). Climate-related impacts are divided into two categories:

- Transition: Socioeconomic changes related to the transition to a low-carbon economy including policy, legal, technology and market changes.
- Physical: Physical changes in the climate including event-driven (acute) changes such as storms, fires and floods, and long term (chronic) changes such as increased temperature.

Given the nature of TUI's business model, most of the below listed risks and opportunities apply to TUI's business segments and geographies. Modest variations in their significance for each segment are described below.

TUI has undertaken a qualitative assessment of all below summarized climate-related risks and opportunities. In addition, TUI has performed a high-level quantitative assessment for eight risks and opportunities. This assessment has shown the risks to be immaterial for financial planning, which was confirmed by a sensitivity analysis. Further information on the effect of climate-related risks on the useful lives and the measurement of assets can be found in the Notes, chapter 'Key judgements, assumptions and estimates', page 200 of this Annual Report.

TCFD RECOMMENDATION

TUI APPROACH

b) Describe the impact of climate-related risks and opportunities on our business, strategy, and financial planning.

TCFD Risk Type	Description	Impact	Management
Transition			
Policy & Legal	<p>Increased costs due to the introduction of new, or extension of existing, carbon pricing mechanisms (including pass-through of higher costs by suppliers), and new energy and emissions regulations.</p> <p>Increasing regulations and restrictions targeting the airline and cruise industry, leading to reduced revenue and/or stranded assets.</p>	<p>As an energy-intensive company, regulatory changes, such as to carbon pricing through emissions trading systems, emissions-based taxes and fees, and energy and emissions regulation, pose a significant cost risk in the short to medium term for TUI.</p> <p>There is a risk for TUI's airline and cruise operations of stricter regulations and restrictions related to energy and emissions in the short to medium term. Already today, there are operating restrictions at certain airports based on sustainability criteria. and the ban of non-sustainable fuel types while sailing in certain maritime areas.</p>	<ul style="list-style-type: none"> • TUI is committed to decarbonising its business, and has set ambitious near-term science-based emissions reduction targets validated by the SBTi. • To achieve these, TUI airlines procures state-of-the-art aircraft, implements operational efficiencies (including route optimisation), and will increase the use of SAF. TUI already has cooperation agreements in place to promote the production and supply of SAF. • TUI Cruises invests in energy efficiency at ship operations, fuel-saving route optimisation, shore power in ports and alternative fuels, such as sustainable biofuels, bio-LNG and green methanol. The three newbuilds coming into the fleet by 2026 will not use heavy fuel oil. Mein Schiff 7 will enter service in 2024 and will run on lower-emission marine diesel and be equipped with catalytic converters and a shore power connection. In addition, the ship will also be able to run on green methanol in the future. In 2024 and 2026, two ships will follow, which will be operated with LNG. LNG serves as a bridge technology until bio-LNG is available, which will be produced either from biogenic sources or synthetically from renewable energy. • TUI Hotels & Resorts is focused on renewable energy and resource-saving operational practices to reduce hotel emissions as far as possible.
Technology	<p>Costly or unavailable future fuels and technologies resulting in higher costs, or preventing further decarbonisation and compliance with regulations.</p>	<p>Although it is expected that future fuels will continue to gain momentum and that production capacity will dramatically increase in the short to medium term, there is a risk that demand will outpace supply resulting in low availability and inflated prices.</p> <p>In the medium term, there is a risk that low carbon technologies are not available to support TUI's path to net zero. Whilst there are trials e. g., in battery or fuel cell aircraft and ships, such technology might not be developed to a market stage.</p>	

TCFD RECOMMENDATION

TUI APPROACH

TCFD Risk Type	Description	Impact	Management
Market	Decline of travellers due to shifts in consumer preferences and behaviour, and increasing negative public sentiment towards travel, resulting in loss of revenue.	Market trends show tourism growth outstripping global GDP growth as it has for the last two decades, and customers prioritising spend on leisure tourism over other large purchases such as cars and houses. Nevertheless, there is a risk in the medium to long term that customers decide to travel less (or differently, for example moving away from air travel) for environmental reasons.	<ul style="list-style-type: none"> Managing both market and reputational risks depends on the successful implementation of our emissions reduction initiatives. Accordingly, we have roadmaps in place to deliver on our science-based targets. Whilst the cost for flights is very likely to increase, all markets participants have to roll-over this 'green inflation'. With our state-of-the-art efficient fleet, it is likely that our cost increase is competitive. Further, the share of extra cost from low-carbon flying is lower in a package and hence we believe that we can effectively transfer cost additions.
	Decline of overall customer demand as the price for our products will increase to reflect higher capital expenditures and operational expenses to offer carbon low products.	TUI as a market leader in Europe has significantly contributed to make leisure travel an affordable product for people with lower disposable income, e.g. families, retired persons, etc. Significant price increases for leisure product poses the risk that in the medium to long term such consumer group will not be able to afford our leisure travel products any more.	<ul style="list-style-type: none"> TUI has set science-based emissions reduction targets for 2030 and a net zero target for 2050. TUI continues to notice a wide range of financiers due to TUI Group's financial performance and is continuing to develop relationships with new sources of finance and monitor development of the market. TUI is in a continuing education process with lessors and the financial community to maintain confidence in the strategy.
	Difficulties in obtaining access to financing and increasing cost of capital due to the inability to reduce emissions in line with market expectations.	Increasingly policies and laws are being introduced that combat climate change, and institutional investors increasingly consider ESG to be part of their fiduciary duties. These investors might be more inclined to divest from TUI if the company does not take sufficient action on ESG issues in the medium and long term.	

TCFD RECOMMENDATION

TUI APPROACH

TCFD Risk Type	Description	Impact	Management
Reputation	Failure to meet decarbonisation targets, negatively affecting TUI's reputation with stakeholders.	<p>There may be a reputational risk due to increased negative public sentiment on climate change if TUI is unable to meet its decarbonisation targets. This impact applies across all time horizons.</p> <p>This risk may also have an impact on our ability to attract and retain talent.</p>	
Physical			
Acute	Physical damage to assets and business disruption due to extreme weather-related events.	<p>Unstable and more extreme weather conditions in certain regions might have a physical impact on our assets resulting in higher costs from property damage and business interruption, predominantly in our hotels & resorts segment. Higher insurance premiums for property damage and/or business interruption will be the consequence. This risk is mostly likely to be realised in the long-term as the effects of physical climate change become more profound.</p>	<ul style="list-style-type: none"> • This risk is managed at the asset-level. • We manage the overarching risk through insurance and a large and regional spread hotels & resorts portfolio, providing diversifying the risk of asset impairment. • We hold relatively short-duration lease contracts, enabling flexibility in case of changes in insurability.
	Extreme weather events disrupting transport hubs, resulting in delays and cancellations, and increased costs.	<p>Extreme weather events may disrupt the airport and port operations which TUI relies on, resulting in delays or cancellations.</p> <p>Delays or cancellations are expected to result in additional costs including refunds, repatriation flights and hotel accommodation costs.</p> <p>This risk is mostly likely to be realised in the medium and long term as the effects of physical climate change become more profound.</p>	<ul style="list-style-type: none"> • The risk of airport disruption was found to be low in the physical risk analysis. Nonetheless, TUI works closely with airports in case of disruption and will continue to evaluate the risk profile of its material airports. • Whilst docking is already considered a resilient activity, the risk is further mitigated by the flexibility to adjust cruise itineraries.

TCFD RECOMMENDATION

TUI APPROACH

TCFD Risk Type	Description	Impact	Management
Chronic	Physical damage to assets and business disruption due to longer-term shifts in climate patterns.	Chronic physical changes in the climate can result in asset damage and business interruption, as well as higher operating costs for example from increased cooling load requirements to offset higher sustained temperatures. This risk is mostly likely to be realised in the long-term as the effects of physical climate change become more profound.	<ul style="list-style-type: none"> • Whilst the scenario analysis indicate higher probability of extreme weather events, non of the locations where our hotels & resorts are located is vulnerable to a rising sea level during the time frame of our climate scenario analysis. • This risk is managed with insurance and TUI Hotels & Resorts' renewable energy strategy.
	Changing weather patterns decreasing suitability for tourism and/or making source markets more attractive, impacting tourism demand.	Tourism demand in the medium and long term is expected to be affected by climate change as weather is a key determinant in destination choice. In Europe, it's expected that southern regions will face reductions in demand as weather becomes less suitable for tourism, particularly in higher warming scenarios. On the other hand, northern European regions are expected to benefit from changing weather patterns.	<ul style="list-style-type: none"> • Climate-related factors are considered in the expansion of TUI's Hotels & Resorts business segment.

TCFD RECOMMENDATION

TUI APPROACH

OPPORTUNITIES

As short to medium term opportunities, we identified more efficient aircraft and cruise ships as well as a shift to renewable energy sources at hotels & resorts as a way to reduce operating costs. We further see an opportunity to offer lower-emission air travel, cruise travel and hotel stays as a way to improve our competitive position. Providing alternative modes of transport including a move to high-speed rail is also seen as an opportunity for our business. We are investigating and promoting the management of all of these opportunities.

The summer season 2023 in Turkey and Greece for selected destinations has been expanded which has been well received by our customers. In the long term, we expect to see this more frequently and in more destinations following a shift in consumer preferences from peak seasons where heat waves may be imminent to shoulder seasons where the weather is still very favourable for travel. In addition, our business model is flexible to offer new destinations based on changing weather conditions, e.g. more travel to destinations around the Baltic Sea. We continue to monitor these trends and embed them into our strategic and operational planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In financial year 2023, TUI conducted a qualitative and quantitative scenario analysis in order to understand the potential effects of climate change on its business and to test its strategy and financial planning to increase resilience. A number of assumptions underpin this assessment regarding changes to the intensity and frequency of weather related events, technology development, development of energy and carbon prices and the development of knowledge on global warming.

Two scenarios were considered in the 2023 climate risk assessment:

- A high emissions scenario to assess the impact of significant changes in the physical climate, which is based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway 8.5 (IPCC RCP8.5) and the International Energy Agency (IEA) Stated Policies Scenario. This is aligned with global warming of approximately 4.3°C by the year 2100.
- A low emissions scenario to assess the impact of significant socioeconomic changes to achieve a low-carbon economy, which is based on IPCC RCP2.6 and the IEA Net Zero Scenario. This is aligned with global warming of approximately 1.5°C by the year 2100.
- Both emissions scenarios could have different consequences for the TUI Group. In a low emissions scenario, stricter emissions and fuel efficiency targets could increase operating costs, while assets based on unsustainable practices could lose value. On the other hand, TUI could benefit from a positive image, as environmentally conscious travellers prefer companies that are committed to sustainability. In a high emissions scenario, physical risks from extreme weather events and natural disasters could impact TUI's tourism destinations. Rising operating costs due to stricter environmental regulations could impact profitability.

TCFD RECOMMENDATION

TUI APPROACH

Measures to strengthen and more closely align risk management and strategic planning were identified and discussed. TUI has committed to the Science Based Targets initiative (SBTi) to reduce emissions by 2030. Our targets are:

- Reduction of airline CO₂e per revenue passenger kilometer by 24 % by 2030.
- Reduction of absolute CO₂e from our cruise operations by 27.5 % by 2030.
- Reduction of absolute CO₂e from TUI Hotels & Resorts by 46.2 % by 2030.

Furthermore it is the commitment of TUI to achieve net-zero emissions by 2050. The reduction of emissions will be accomplished with investments in new technologies and the use of fuel with less CO₂ emissions.

The results of the scenario analysis confirm that the Group's above described strategic initiatives and reduction pathway are suitable for minimising the respective risks and creating opportunities. We acknowledge that a number of assumptions described above had to be taken into account to derive the scenario analysis and the uncertainty of the impact and likelihood of certain effects increases mid- to long term. TUI has undertaken a qualitative assessment of all below summarized climate related risks and opportunities. In addition, TUI has performed a high-level quantitative assessment for eight risks and opportunities. This assessment has shown the risks to be immaterial for financial planning, which was confirmed by a sensitivity analysis. One key assumption concerns the extent to which costs for low-emission fuels and emission certificates can be passed on to customers. Further information on the effect of climate-related risks on the useful lives and the measurement of assets can be found in the Notes, chapter 'Key judgements, assumptions and estimates', page 200 of this Annual Report.

RISK MANAGEMENT

TUI has a systematic and Group-wide approach in place to identify, assess and manage risks across the business. This is managed through the processes and structures described in more detail in the Risk Report on page 35.

TCFD RECOMMENDATION

TUI APPROACH

a) Describe the organisation's processes for identifying and assessing climate-related risks.

TUI constantly considers existing and emerging regulatory requirements in the risk management process. The processes and structures to identify, assess and manage climate-related risks across the business are described in the Risk Report. They apply to all types of risks assessed throughout the whole company, including climate-related risks. Decisions are made to mitigate, transfer, accept or control risks based on a likelihood and impact scoring against an established risk appetite. By including the specialist teams, TUI prioritizes risks based on their assessed magnitude and significance. In financial year 2023, TUI has defined a new principal risk 'Climate change impacting our business model'.

For more information on the relative magnitude and significance compared to other risks, see overview on page 39 in the Risk Report.

b) Describe the organisation's processes for managing climate-related risks.

Within the framework of TUI's integrated approach, the key business segments and climate risk owners work together in the management of climate-related risks and opportunities.

In addition, specialists in the Group Sustainability team coordinate climate-relevant activities and support and facilitate the management of climate risks and opportunities within the Group.

When necessary, the GEC deals with climate-related issues at board level.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Our systematic risk management process has identified sustainability risks including climate-related risks. The existing risk categories and definitions of our risk management framework have been used to assess and integrate the climate risks into our ERM. For further details on the risk management process please refer to page 35 in the Risk Report.

Whilst the impact of some risks is medium to long term, the Group Risk Management time horizon is short to medium, covering the economic lifetime of an investment at a maximum. The climate change risk assessment has also highlighted risks and opportunities where the impact falls beyond the risk management time horizon. Nevertheless, all major climate-related risks and opportunities from this assessment will be covered by the Group's Risk Management process and will be managed. Where the impact of risks or chances detected in the assessment is in far future, they will be continuously monitored. Moreover, we see additional value in early identification to ensure risks are managed effectively and opportunities are capitalised on.

TCFD RECOMMENDATION

TUI APPROACH

a) Metrics used by TUI to assess climate related risks and opportunities in line with its strategy and risk management process

Climate change is a pressing global challenge. There is an urgency to act and for everyone to play a role in the transition to a low carbon economy. As a global tourism group, our business model inherently leads to a significant emission of greenhouse gases. In alignment with our reduction strategy, low emissions are the cornerstone for our pathway. This is reflected in our currently used metrics to assess climate related risks and opportunities. TUI is continuously working on improving its metrics and targets to ensuring an effective steering of the most material climate related risks and opportunities. Following the larger scale use of SAF, we will further develop our metrics to reflect the impact on CO₂ emissions. Emissions from TUI's airline, cruises and hotel segments represent 99 % of the Group's emissions. Within our asset portfolio our airline emissions represent roughly 75 % of the Group's total carbon dioxide (CO₂) emissions. We are working to reduce the environmental footprint of holidays and drive-up environmental standards in our industry. In order to measure and manage climate-related risks and in line with our strategic target to achieve net-zero emissions across our operations and supply chain by 2050 at the latest, we monitor our absolute CO₂ emissions, (specific) fuel consumption and specific carbon emissions. TUI has considered the cross-sector risks Following the larger scale use of SAF, we will further develop our metrics to reflect the impact on CO₂ emissions. TUI currently does not have an internal carbon pricing mechanism. For the reasons outlined above, CO₂ emissions form our key metric to assess climate related risks and opportunities.

b) Scope 1, Scope 2, and, Scope 3 greenhouse gas emissions and the related risks

In financial year 2023, TUI Group's total absolute emissions were largely stable year-on-year at an increase of 1 %. In aviation, emission reductions were partly due to the sale of the stake in Sunwing. In Cruises, the increase was driven by the continued recovery of business after the COVID-19 pandemic and the inclusion of our river cruises segment in reporting. Scope 3 emissions reflect the expansion of the reporting framework, in particular due to the inclusion of WTT (well-to-tank) emissions from marine cruise fuel and jet fuel.

Carbon dioxide emissions (CO₂)

tons	2023	2022	Var. %
Airlines	4,218,553	4,331,628	-2.6
Cruises	899,790	762,942	+17.9
Hotels	805,541	767,049 ¹	+5.0
Major premises/shops	14,890	14,251	+4.5
Ground transport	14,413	13,144	+9.7
Scope 3 (indirect emissions from TUI's value chain) ³	1,239,493	1,232,804 ²	+0.5
Total	7,192,680	7,121,818	+1.0

¹ Previous year adjusted due to inclusion of refrigerant gases

² Previous year adjusted due to extended reporting scope

³ With reference to the Greenhouse Gas Protocol, TUI Group currently includes Scope 3 emissions from the production of office paper and printed brochures, well-to-tank emissions from fuel consumption of aircraft, ships, hotels and ground transport, the distribution of electricity (hotels), waste and water treatment (hotels), employee business travel with third-party airlines and rail, and employee commuting. The current scope of the reported Scope 3 emissions therefore does not yet fulfil all the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Carbon dioxide emissions (CO₂), Scope 1 – 3

tons	2023	2022	Var. %
Scope 1	5,416,692	5,395,049	+0.4
Scope 2	536,495	493,965	+8.6
Scope 3	1,239,493	1,232,804	+0.5

With reference to the Greenhouse Gas Protocol, TUI Group currently includes Scope 3 emissions from the production of office paper and printed brochures, well-to-tank emissions from fuel consumption of aircraft, ships, hotels and ground transport, the distribution of electricity (hotels), waste and water treatment (hotels), employee business travel with third-party airlines and rail, and employee commuting. The current scope of the reported Scope 3 emissions therefore does not yet fulfil all the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. For the validation of its SBTi targets TUI assessed its total GHG inventory. Scope 3 emissions currently constitute less than 40% of the total GHG inventory. Because of this, TUI is not obliged to set a standalone scope 3 target. Yet due to their significance for the respective segments, TUI included category 3.3. fuel and energy related activities in their targets for the segments Cruises and Airlines. The corresponding emissions are currently reported. The current extent of the scope 3 reporting is explained above.

Energy usage by business area

MWh	2023	2022	Var. %
Airlines	17,202,638	17,655,179	-2.6
Cruises	3,507,396	2,962,423	+18.4
Hotels	1,762,992	1,599,057	+10.3
Major premises/shops	59,651	60,036	-0.6
Ground transport	61,087	55,311	+10.4
Total	22,593,764	22,332,006	+1.2

More efficient flying

We already operate one of Europe's most carbon-efficient airlines and aim to continually enhance our environmental performance. Our airline emissions reduction targets by 2030 have been validated by the SBTi. Our emission reduction roadmap for our aircraft fleet comprises the following measures: additional capex on modern carbon-efficient aircraft, efficiency enhancement through operational measures and investments in sustainable aircraft fuels (SAF).

In order to reduce emissions, TUI Group has invested in state-of-the-art aircraft such as Boeing 787s and Boeing 737 Max aircraft. On average, these planes are 20% (787) and 16% (737 Max) more fuel-efficient than the aircraft they replace in TUI's fleet.

Moreover, TUI fly Belgium added Embraer E195-E2 aircraft, highly efficient planes in the category of up to 150 seats, to its fleet. The aircraft will operate on short- and medium-haul routes and reduce the carbon footprint by up to one third.

Environmental management systems and operational measures play a key role in implementing sustainability and further enhancing TUI's climate efficiency. In financial year 2023, all TUI airlines were certified under the internationally recognised ISO 14001:2015 standard. All ISO 14001 management systems used by individual TUI airlines were transferred to one single management system in the period under review. The following examples illustrate the operational measures implemented to enhance efficiency:

- Flight operations, for instance single engine taxiing in and out, wind uplinks and optimised climb speeds and profiles
- Weight reduction, for instance carbon brakes and fly away kit (spare parts and tools)
- Flight planning optimisation, for instance alternate distance and minimum fuel programme
- Fuel management system to improve fuel analysis, identification of further savings potential and tracking of savings

TCFD RECOMMENDATION

TUI APPROACH

Sustainable aviation fuels (SAF) play a crucial role in reducing aviation emissions and are hence a key part of our emission reduction roadmap to further improve airline carbon efficiency by 2030. TUI cooperates with a number of partners to secure supplies of SAF. Examples include the signing of a Memorandum of Understanding with the Spanish energy company CEPSA. The partnership with CEPSA will focus on SAF fuels generated from raw materials such as used cooking oils, non-food animal waste and biodegradable waste from various industries. This will make it possible to reduce aircraft emissions by up to 80% compared to conventional jet fuel. An additional Memorandum of Understanding was signed with Shell.

In 2023, relative carbon emissions across our airlines decreased by 3.9%. This improvement was largely due to higher load factors versus 2022 and our ongoing re-fleeting programme to replace older aircraft by new, more carbon-efficient aircraft.

Specific emissions are additionally shown in the form of CO₂ equivalents (CO₂e). Apart from carbon dioxide (CO₂), these include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

TUI Airlines – Fuel consumption and CO₂ emissions

		2023	2022	Var. %
Specific fuel consumption	l/100 rpkm*	2.43	2.52	-3.9
Carbon dioxide (CO ₂) – total	t	4,218,553	4,053,745	+4.1
Carbon dioxide (CO ₂) – specific	kg/100 rpkm*	6.11	6.36	-3.9

*rpkm=revenue passenger kilometer

TUI Airlines – Carbon intensity

g CO ₂ /rpkm*	2023	2022	Var. %	g CO ₂ e/rpkm*
TUI Airline fleet	61.1	63.6	-3.9	61.7
TUI Airways	60.7	62.2	-2.5	61.3
TUI fly Belgium	66.3	70.7	-6.3	66.9
TUI fly Germany	60	64.4	-6.8	60.5
TUI fly Netherlands	59.6	59.8	-0.2	60.2
TUI fly Nordic	59.8	66.4	-9.9	60.4

*rpkm=Revenue Passenger Kilometre

We commissioned Verifavia to provide assurance on the carbon intensity metrics for financial year 2023 as shown in the above table 'TUI Airlines – CO₂ intensity'. The airline carbon data methodology document and the full assurance report are available at www.tuigroup.com/en-en/responsibility/sustainability/reporting-downloads

More sustainable cruising

We continue to focus on reducing the emissions of our cruise ships, delivering progress by investing in state-of-the-art technology to reduce air emissions and in operational efficiency. Emission reduction roadmaps were drawn up for TUI Cruises, Hapag-Lloyd Cruises and Marella Cruises as part of our submission of 2030 targets for validation by the SBTi. Key levers include investments in fleet modernisation and efficiency enhancement with a focus on shore power, route optimisation, energy efficiency enhancement and switching to alternative fuels.

TUI Cruises with its Mein Schiff and Hapag-Lloyd Cruises brands continues to operate a modern and technologically advanced fleet. The new-builds in the fleet are equipped with state-of-the-art technologies to minimise fuel consumption. A smart energy management system, efficient air conditioning, innovative lighting controls and the use of exhaust heat from the engines contribute to a significant reduction in the carbon footprint compared with vessels not equipped with those technologies.

In the period under review, essential steps were taken to reduce emissions generated by the Mein Schiff and Hapag-Lloyd Cruises fleet. The Company will successively install the equipment required for shore power connection on all ships of the Mein Schiff fleet. In the period under review, Mein Schiff 1 was retrofitted during her scheduled dock period. Mein Schiff 2 and Mein Schiff 5 will follow in November 2023 and in January 2024.

In summer 2023, both fleets successfully used shore power, e.g. in Kiel and Hamburg. During their scheduled dock periods, both ships, Mein Schiff 1 and Mein Schiff 6, also obtained a new silicone coating to reduce resistance in the water so as to save fuel during the voyage.

In the period under review, the Company also successfully completed the first tests on the use of sustainable biofuels, with both Hanseatic Inspiration and Mein Schiff 4 successfully operating on biofuel blends on some voyages. The second-generation biofuel, which was bunkered for the first time, is purely plant-based and mainly consists of cooking oil residues. This fuel is virtually free from sulphur oxides and in its pure form offers a CO₂ reduction of up to 90% compared to fossil fuels.

Thanks to new exhaust gas treatment systems operated on all new vessels, the newbuilds in the Mein Schiff fleet also significantly reduce their sulphur and nitrogen emissions. Use of these advanced emission purification systems goes beyond regulatory requirements. They are, for instance, not only used in the designated emission control areas in the North and Baltic Seas, the English Channel and North America, but also in other regions sailed by Mein Schiff such as the Mediterranean, the Orient, the Caribbean and Central America.

The Mein Schiff fleet is also setting another milestone for sustainable growth. Mein Schiff 7 is currently under construction in the Meyer Turku shipyard in Finland. The focus is on compliance with high maritime environmental standards by optimising the design in terms of energy efficiency and the use of modern technologies to improve sustainability. The ship will feature equipment enabling her to run on green methanol in future. She is scheduled for commissioning in 2024.

TCFD RECOMMENDATION

TUI APPROACH

The expedition ships in the Hapag-Lloyd Cruises fleet exclusively use low-sulphur marine gas oil with a sulphur content of 0.1 %. This reduces sulphur emissions from these vessels by up to 80 % and particulate and soot emissions by up to 30 % versus the use of heavy fuel oil. All Hapag-Lloyd Cruises ships have tributyltin-free underwater coatings, on-board seawater desalination systems to make drinking water and biological sewage treatment systems for wastewater. Waste is separated on board prior to disposal on land by specialised companies in accordance with international regulations (MARPOL).

In financial year 2023, relative CO₂ emissions in the Cruises segment declined by 23.7%. This was due to a significant increase in load factors, as the previous year's figures were more strongly impacted by the effects of the pandemic. The amount of waste per cruise passenger night decreased by 23 % to 8 litres, with freshwater consumption up by 24.2 % to 46 litres. Our reporting covers all ships operating under the Mein Schiff, Hapag-Lloyd Cruises, Marella and TUI River Cruises brands.

Cruises – carbon intensity

	2023	2022	Var. %
Carbon dioxide (CO ₂) – relative kg/Cruise passenger night	101	132	-23.7

Environmental protection in our hotels

Our hotels and hotel partners continue to focus on promoting the sustainability transformation across their operations. Each hotel plays an important role in managing the impacts on the local community, the economy and the environment. Emission reductions remain our key priority, and we have prepared comprehensive roadmaps and defined targets for 2030 for our Hotels & Resorts segment. These targets have been validated by the SBTi.

Our hotel portfolio is still growing and many of our hotels use green technology in order to improve their sustainability performance. The generation of renewable energies from solar and wind power is a key element of the emission reduction roadmaps for our hotels, alongside efficiency measures delivered through hotel refurbishment and standard-setting for new buildings.

Sustainable construction is an important tool for saving energy and cutting carbon emissions from hotels. In the financial year under review, the Hotels & Resorts segment published Green Building Guidelines for the first time. They provide specific recommendations to our own hotels and to our hotel partners for their construction and refurbishment projects. The Guidelines cover the key factors for reducing the ecological footprint of construction and refurbishment projects and paring back water and energy consumption. They also cover aspects such as monitoring systems, sustainability certifications and stakeholder communication. The Guidelines were reviewed by external experts from the Fraunhofer IAO Institute.

➔ For more information on the topic, please refer to: *TUI Green Building Guidelines (online version): https://mediacenter.tui-info.com/onlinekataloge/index.php?catalog=tui_greenbuildingguideline_gj2023_f#page_1*

TCFD RECOMMENDATION

TUI APPROACH

Our TUI Global Hotel Awards 2023 placed a particular emphasis on sustainability. The award included categories reflecting TUI’s Sustainability Agenda. The winners in these categories are selected by an external committee based on pre-defined criteria. In 2023, TUI also granted an award for sustainability innovation. Atlantica Hotels & Resorts was recognised for introducing new, sustainable technologies. Examples of this commitment can be found on the Greek island of Rhodes, where the hotel company has invested in the latest solar panel technology, e-mobility for electric cars and a water desalination plant.

We continued to drive forward the use of photovoltaic systems in our hotels to promote sustainable power generation. In cooperation with our joint venture partners Riu, Grupotel and Atlantica, 19 PV systems with an output of almost 3,500 kWp were installed in Greece, Spain and the Cape Verde Islands in financial year 2023.

Our hotels made further inroads towards a better ecological footprint in terms of emissions, water consumption and waste production. This is the result of continual measures to improve our environmental performance alongside higher customer numbers and occupancy levels as the pandemic subsided. The scope of the hotel KPI-reporting is made up of TUI’s Hotels & Resorts portfolio. This includes owned, managed, leased and franchised properties.

Hotels – Carbon intensity

	2023	2022	Var. %
Carbon dioxide (CO ₂) – relative kg/ guest night	12.4	13.8*	–9.8

*Previous year adjusted due to inclusion of refrigerant gases

TCFD RECOMMENDATION

TUI APPROACH

c) Targets used by TUI to manage climate-related risks and opportunities and its performance against targets

For TUI Group, sustainability covering all three areas of economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our company. We firmly believe that sustainable development is critical to long-term economic success. Together with our many partners around the world, we are actively committed to shaping a more sustainable future for tourism.

We already operate some of the most efficient aircraft and cruise ships. Our commitment is to be industry-leading in achieving net-zero emissions and we aim to achieve this target across our operations and supply chain by 2050 at the latest.

TUI has committed to the Science Based Targets initiative (SBTi) to reduce emissions in line with the latest climate science by 2030 for airlines, cruises and hotels. The independent organisation has now checked and validated our reduction targets. It confirmed that they are in line with the latest climate science. Our intensity and absolute targets are:

- Reduction of airline gCO₂e per revenue passenger kilometer by 24 % by 2030^{1,3}
- Reduction of absolute tCO₂e from our own cruise operations by 27.5 % by 2030^{1,3}
- Reduction of absolute tCO₂e from TUI Hotels & Resorts own operations by 46.2 % by 2030^{2,3}

¹ Baseline 2019. Level of ambition well below 2 °C. CO₂e = CO₂ equivalents. Apart from carbon dioxide (CO₂), emissions include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆). TUI Group's science-based targets commitments include well-to-wake emissions for our airline and cruise operations (emissions from aviation and marine fuel, scope 1 and scope 3, category 3).

² Baseline 2019. Level of ambition 1.5 °C. For our hotels, the commitment includes emissions from all energy sources plus refrigerant gases (scope 1 and 2).

³ Airline, cruise and hotel GHG emissions figures published in the FY23 Non-Financial Declaration do not match the scope, boundaries or reporting methodology of our science-based targets. Therefore inferences of progress towards achieving SBTs based on figures in this or previous Non-Financial Declarations should not be made.

Integrity & Compliance

Anti-corruption and bribery

In implementing our business activities, and along our supply chain, compliance with many national and international laws and rules as well as internal policies is essential. However, our understanding of Compliance goes beyond respecting laws and regulations, as we shift our Company's culture away from a purely rule-based approach towards a living culture of integrity. Behaviour violating integrity principles may not only have legal consequences, but can also result in lasting damage to TUI's reputation. TUI's Compliance Management System aims to promote integrity and prevent potential misconduct, to make liability risks manageable for TUI and its employees and in this way to protect the Company's reputation. It is a fundamental component in our commitment to corporate, environmental and social responsibility.

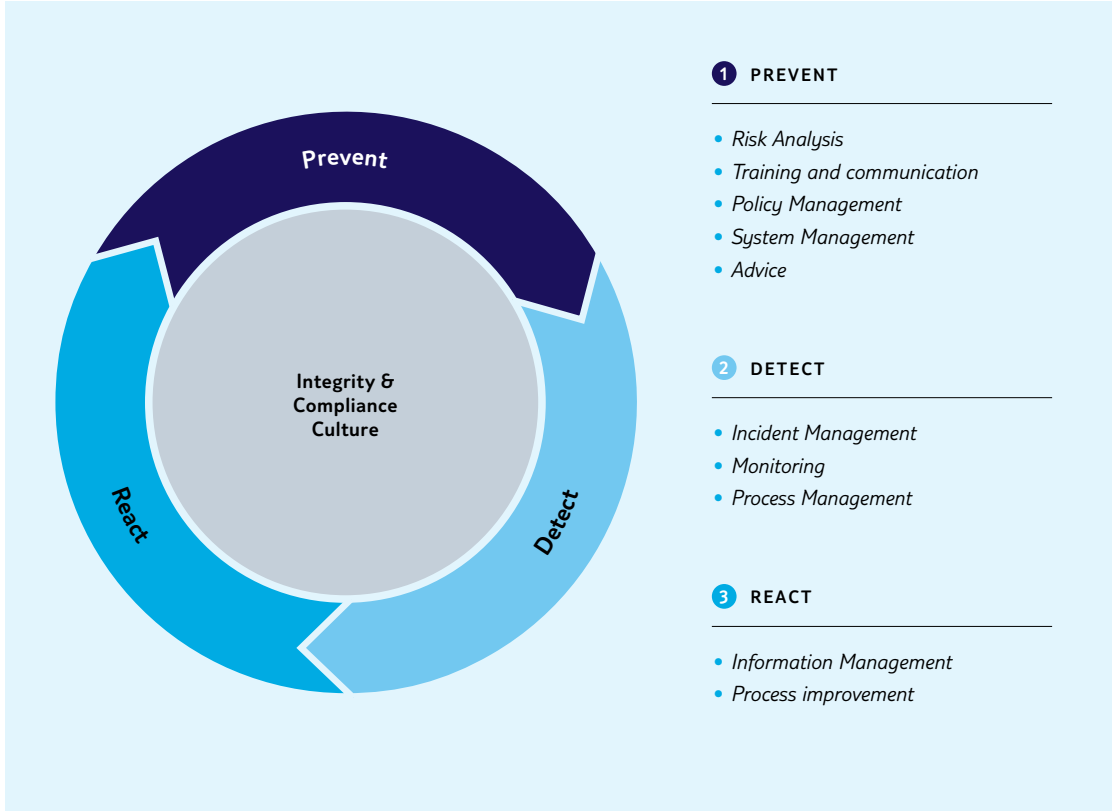
In the completed financial year, Integrity & Compliance focused on the core areas of, implementation of the new legal requirements set out in the German Act on Corporate Due Diligence Obligations in Supply Chains and the German Whistleblower Protection Act, training and risk analysis.

In the financial year under review, mandatory online training courses were provided on the Integrity Passport (for all employees) and Fair Competition (for all employees in Finance, Legal, Purchasing, Procurement, Corporate & External Affairs and Aviation). For selected groups of employees, in-person training sessions with an anti-trust law expert were carried out to facilitate more in-depth discussions of specific legal questions with employees. As sanctions have remained an important topic, an online training session on sanctions was rolled out by the end of the financial year.

In order to comply with the obligations arising from the German Supply Chain Due Diligence Act and Whistleblower Protection Act, the whistleblowing system was opened up to third parties to provide an additional channel for raising concerns confidentially and anonymously. The rules of procedure are available on TUI Group's website. In addition, the Integrity & Compliance team, in collaboration with other relevant stakeholders, has drafted contractual clauses to reflect the obligations set out in the Supply Chain Due Diligence Act with regard to human rights and environmental matters, and, where appropriate, to pass on these obligations to business partners and suppliers.

Furthermore, a pilot risk analysis was implemented for selected TUI Group companies in the completed financial year. The risk assessment was carried out by means of a revised survey and a newly developed weighted assessment matrix which automatically calculates the risk score for each region / segment.

TUI Compliance Management System



COMPLIANCE MANAGEMENT SYSTEM

TUI Group's Compliance Management System is based on a risk management approach. It is built around three pillars: prevent, detect and react, which, in turn, comprise a variety of measures and processes.

The Integrity & Compliance team is in charge of the core areas anti-corruption, fair competition and trade sanctions. Our Compliance Management System defines pilot and standard operation and the documentation of roles, responsibilities and processes in these areas.

The Compliance Management System applies to TUI AG and all companies majority-owned, directly or indirectly, by TUI AG, whether domestic or foreign, and to any other shareholdings where management control directly or indirectly lies with TUI AG ('Managed Group Companies'). Implementation of the Compliance Management System is recommended for companies where management control does not lie with TUI AG ('Non-Managed Group Companies').

INTEGRITY & COMPLIANCE STRUCTURE

The Chief Compliance Officer is responsible for drawing up, maintaining and developing our Compliance Management System. He is supported by the Group Director Integrity & Compliance and the centralised Integrity & Compliance team, forming part of Legal. All Compliance Officers are in close contact with local management, who remain generally responsible for observing all the Compliance rules, and together they are responsible for implementing our Compliance requirements and Integrity values, above all:

- Raising awareness of Integrity & Compliance and the associated core issues through communication campaigns
- Performing risk analyses relating to the core Compliance issues and self-assessments or Pulse Checks
- Implementing measures to ensure that we comply with our commitment to integrity in line with the Integrity Passport
- Providing training on the Integrity Passport and Fair Competition
- Advising employees, primarily with regard to trade sanctions, anti-corruption & anti-bribery and fair competition
- Securing the necessary exchange of information between local management and the Integrity & Compliance team
- Monitoring new national and international legislation
- Providing regular reports to the Group Executive Committee and to the Audit Committee of the Supervisory Board

INTEGRITY & COMPLIANCE CULTURE

The Integrity & Compliance culture influences people's behaviour and their views about complying with the applicable rules. It therefore forms the basis for an effective Compliance Management System. Our culture reflects our corporate values and the fundamental attitude and conduct of management all the way up to the Executive Board and Supervisory Board of TUI AG, thus the 'tone from the top'. It is expressed, in particular, in our corporate value 'Trusted', appealing to our employees' personal responsibility and their honesty and sincerity in handling guests, fellow employees and other stakeholders.

INTEGRITY PASSPORT – TUI'S CODE OF CONDUCT

Our Integrity Passport is binding for all employees, from Executive Board members to trainees, and for all managed Group companies. The Integrity Passport serves as the guiding principle for our Executive Board, managements, executives and employees alike. It provides orientation in key areas of people's day-to-day work and in conflict situations: fair competition, anti-bribery and anti-corruption, appropriate gifts and hospitality, protection of our business secrets, data privacy, handling conflicts of interest, prevention of insider trading, maintaining proper accounts and financial records, anti-money laundering, trade restrictions, respectful dealings with each other, sustainability, and public communications about TUI and how to raise a concern.

SUPPLIERS' CODE OF CONDUCT

The Integrity Passport is complemented by the Suppliers' Code of Conduct, which details TUI's ethical, social and legal expectations of its business partners. Moreover, all business partners are required by contract to observe all national and international anti-corruption laws applicable to the supplier relationship. The Suppliers' Code of Conduct has been revised to reflect the Supply Chain Due Diligence Act which has entered into force. Legal obligations resulting from the Act that must be observed in our own business operations and in the supply chain have been incorporated or set out in more detail. This places our business relationships with our business partners on a solid basis.

MANAGEMENT OF INTEGRITY & COMPLIANCE POLICIES

The principles anchored in the Integrity Passport are communicated to and implemented in TUI Group through our policies, statements and manuals. Our Group-wide policy management develops the standards for Group-wide policies and coordinates the involvement of relevant internal stakeholder groups, e.g. other departments and the works council. This approach is designed to provide employees with a set of policies which are as comprehensible as possible. TUI Group's Compliance policies offer guidance on a range of issues, including how to react to gifts and hospitality and fair competition. In the financial year under review, the Group Policy on Trade Sanctions was updated and adjusted to existing processes within TUI Group.

INTEGRITY & COMPLIANCE – RISK ANALYSIS

Integrity & Compliance performed a pilot risk analysis for eight TUI Group companies across all regions and segments. The responsible Compliance Officers selected the companies on a risk based approach. The criteria applied included the revenues, business activities, headcount, business location and headquarters of the companies. The risk assessment was performed by means of a revised survey and a newly developed weighted assessment matrix which automatically calculates the risk score for each region/segment. The survey comprises general and specific questions, e.g. on use of the SpeakUp Line and the Gifts & Hospitality Register, the business environment and incident management. The individual companies cooperated closely with local management in answering the questions and assessing the risks. Additional objective criteria included the corruption perception index, number of training programmes and number of reported and confirmed incidents. On that basis, risk scores were calculated for each individual company. The risks determined in this way proved moderate. Where necessary, risk mitigation measures were adopted. TUI Group is planning to roll out this risk analysis across the Group in order to further enhance the determination of risks and the identification of mitigation measures for TUI Group.

INTEGRITY & COMPLIANCE TRAINING

Training is a key element of TUI's Compliance Management System, with its focus on preventing misconduct, and a crucial component of TUI Group's Integrity & Compliance culture. It is carried out according to a graded concept: managers and staff at TUI have all benefited from face-to-face teaching and online programmes. The online training programme on the Integrity Passport, which explains integrity and the underlying corporate values, is mandatory for all employees and executives. The online training on 'Fair Competition' was rolled out for risk groups within TUI. To enable Legal and Procurement to deal with the topic in depth and engage in dialogue on specific legal questions, training programmes were offered and implemented by a lawyer specialising in competition law and compliance. Other training schemes with their own specific focus addressed anti-corruption and the appropriate handling of gifts and hospitality to raise awareness of the risk-related challenges employees might face. As sanctions remain an important topic, an online training programme was rolled out by the end of the financial year.

WHISTLEBLOWER SYSTEM: SPEAKUP LINE

TUI offers its employees a Group-wide whistleblower system to enable indications of infringements of laws or the policies anchored in TUI's Integrity Passport to be reported anonymously and without reprisals. This whistleblowing system is currently available to staff in 53 countries. In accordance with the requirements of the Supply Chain Due Diligence Act and the EU Whistleblowing Directive, it has been opened up for third parties outside TUI Group. All reports are consistently followed up in the interests of all stakeholders and the Company. Our top priority is to ensure confidentiality and handle information discreetly. Any incident resulting from the use of the whistleblower system is reviewed and followed up by the Integrity & Compliance team, and is investigated and handled in conjunction with different departments, depending on the issue at stake.

The opening of the whistleblowers system to third parties, has significantly increased the number of reports received. In the financial year under review, a total of 117 reports on compliance issues (in 2022 43 reports) were received through the SpeakUp Line. Apart from the SpeakUp Line, employees also used the opportunity to report infringements through other channels e.g. directly to their line managers, the local Compliance contact or the Compliance Mailbox, which is also available externally. A further 29 reports (in 2022 26 reports) were received through these channels. They were followed up whenever there were any indications suggesting potential infringements of internal policies or the law. Out of the 146 reports (in 2022 69 reports) submitted in total, 78 cases (in 2022 30 cases) initially presented prima facie indications of a Compliance infringement, leading to further investigations, which in ten cases (in 2022 eight cases) resulted in further measures.

Regarding infringements of human rights or environmental requirements under the Supply Chain Due Diligence Act, 31 reports have been received through the SpeakUp Line since 1 January 2023. In 18 cases, employees used the opportunity to report infringements directly to their line managers, the local Compliance contact or the Compliance Mailbox. Out of the 49 reports submitted in total, 49 cases initially presented prima facie indications of an infringement, leading to further investigations, which in four cases resulted in further measures.

BUSINESS PARTNER SCREENING (DUE DILIGENCE PROCESSES)

There is a risk of active and passive corruption because we operate in countries with a high corruption index. Moreover, the risk of TUI business partners being subject to trade sanctions or similar listings cannot be ruled out.

Business partners were checked against international sanctions, terrorist and wanted persons lists via the Internet data base provider. In the event of a red flag, further measures were launched, in the severest cases terminating the business relationship.

DATA PROTECTION

Data protection remains important for the TUI Group. We evaluate the compliance with data protection law permanently and report indicators to the Group Executive Committee. In addition, in financial year 2023 we have reported 15 data breaches in accordance with Art. 33 GDPR. However, no fines are imposed so far.