

Modern Slavery Statement 2018

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015. It sets out the steps TUI Group has taken to prevent acts of modern slavery and human trafficking from occurring in its business and supply chain, up to and during the financial year ending 30 September 2018.

INTRODUCTION

Travel and tourism is one of the largest industries in the world, accounting for 10% of global GDP and 7% of its exports*. It is responsible for one in 10 jobs globally* and is the main source of foreign exchange in one-third of developing countries**. The sector continues to grow: according to the United Nations World Tourism Organisation, international tourist arrivals grew 6% in 2018, totalling 1.4 billion.

Modern slavery and its components of forced labour and human trafficking are a growing concern around the world. The [Global Slavery Index](#) and the [International Labour Organisation \(ILO\)](#) estimate there are 40.3 million victims of modern slavery and human trafficking. As a service-focused and people-centred sector, the fast growing tourism industry has a key role to play to protect human rights and manage the risk of violations.

We believe tourism can be a powerful force for good – boosting economies, creating jobs and enhancing cultural understanding and tolerance. A central feature of TUI Group's corporate culture is our global responsibility for economic, environmental and social sustainability, reflected in our ['Better Holidays, Better World'](#) strategy.

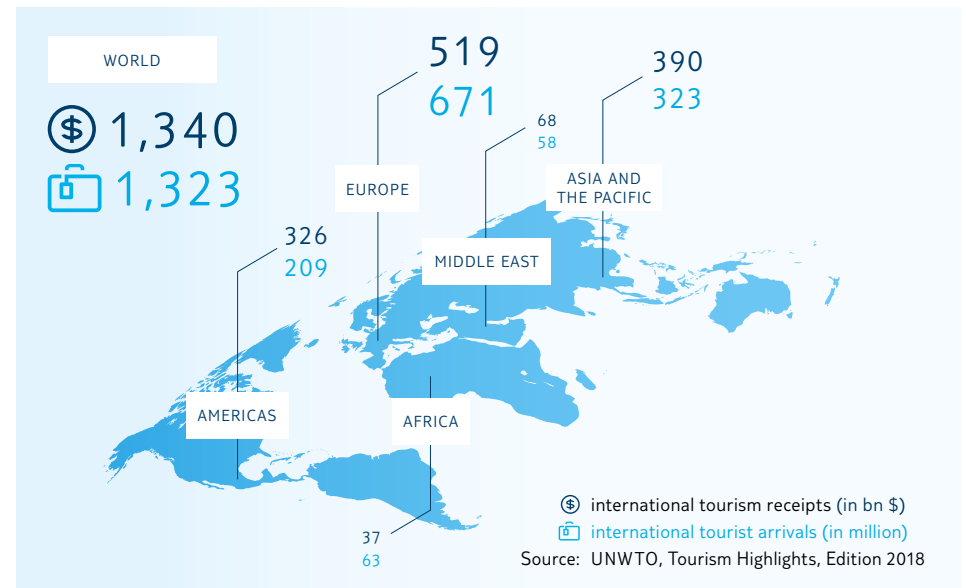
It is an important priority for TUI Group to ensure that internationally proclaimed human rights, as specified in the [International Bill of Human Rights](#), are respected across our business including by our suppliers and business partners, in accordance with applicable laws, conventions and regulations. To underscore our commitment, in 2012 we signed the [UN World Tourism Organisation's \(UNWTO\) Global Code of Ethics](#). TUI has been a signatory of the [UN Global Compact's](#) ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption since 2014. In line with the [UN Guiding Principles on Business and Human Rights](#), a range of policies and initiatives have also been adopted to help prevent negative impacts on human rights, including taking remedial action where necessary.

This, our third modern slavery statement, describes how we are working to identify and prevent modern slavery throughout our operations and supply chain. 2018 highlights include:

- Expanding our policies by creating the Global Employment Statement and re-launching our Employee Code of Conduct that now explicitly contain modern slavery provisions and apply to our employees, business partners and suppliers.
- Continuing our due diligence by increasing the number of hotels with independent sustainability certifications and rolling out our approach to assessing modern slavery risk in our non-accommodation supply chains.
- Further engaging our stakeholders in the work we do on modern slavery prevention and initiating new projects focusing on addressing child protection and youth empowerment in some of our higher risk destinations.

[View our previous Modern Slavery statements here.](#)

International tourist arrivals and receipts



The graph shows the scale and significance of tourism in 2017. The sector is a powerful driver of economic growth and development and therefore has a key role in managing modern slavery risks.

* United Nations World Tourism Organisation, 2017

** United Nations Environment Programme, 2017

ABOUT TUI GROUP AND OUR SUPPLY CHAIN

TUI Group is the world's leading tourism group. Our portfolio encompasses tour operators, 1,600 travel agencies and leading online portals, including six airlines with around 150 aircraft and destination management companies in holiday destinations around the globe. TUI operates 380 hotels and 16 cruise ships globally through ownership, joint ventures, management contracts, leases or franchise, mostly in Europe, but also worldwide, for example in North Africa, Turkey and the Caribbean. Building a new Southeast Asia hotel cluster is a future strategic priority. This integrated offering and the dedication of our 70,000 employees enables us to provide unforgettable holiday experiences to 27 million customers annually across 115 destinations. To find out more about the nature of our business and our structure, please click [here](#).



Our TUI Destination Experiences business has grown significantly. By the end of 2018, we had acquired Hotelbeds Destination Management business and the technology platform specialist Musement. TUI Destination Experiences now has 9,000 employees based in 49 countries offering 14 million customers a broad product portfolio of high-quality destination experiences such as excursions, activities, tours, transfers and guest services.

In light of these new acquisitions and destinations, we are expanding our processes to safeguard human rights, including risk assessment and training. Further information on our business and performance in the 2018 financial year can be found in our [Annual Report](#).

Such a diverse business involves an extensive supply chain and ours comprises thousands of suppliers in more than 90 countries – from manufacturers of aircraft and cruise ships to hotel laundry services and tourist guides and other destination services used by our customers. Our biggest supplier category is made up of hotel partners, representing over half of our direct operating costs. Accommodation suppliers are therefore a key priority in our due diligence.

ENGAGING WITH OUR STAKEHOLDERS

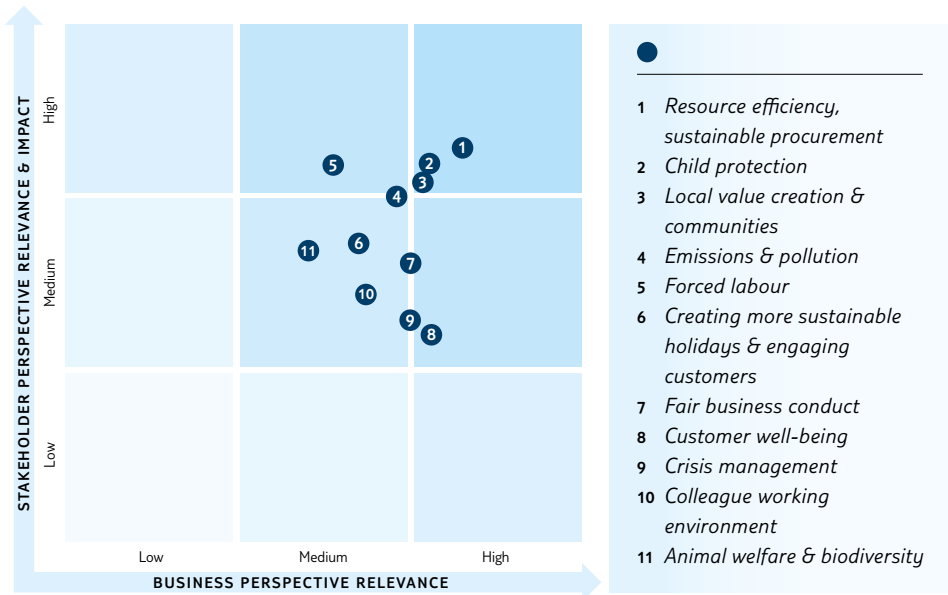
TUI Group recognises the importance of collaborating with others to address human rights and modern slavery in our industry. In 2018, we engaged with a wide range of organisations and undertook the following activities and initiatives to strengthen our approach:

- We sit on the boards of the [Global Sustainable Tourism Council \(GSTC\)](#) and [Travelife](#), both of which are addressing these issues through sustainability certification standards for hotels.
- TUI Group and the RIU Hotels & Resorts are signatories of the [Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism](#) and submit an annual report to the Code.
- We presented at the [7th United Nations Forum on Business and Human Rights](#) in Geneva in November 2018, which focused on industry action to address child sexual exploitation and modern slavery in tourism-related areas.
- We took part in various workshops related to tourism and human rights such as the Destination Risk Register workshop by [Löning – Human Rights & Responsible Business](#) in Berlin and the International Symposium on Human Rights in Practice by the [Roundtable on Human Rights](#) in Vienna. We also participated in a workshop to review the [Shiva Foundation's Stop Slavery Blueprint](#), a toolkit intended for use by hotels and other industry stakeholders.

In 2018 TUI Group conducted a formal materiality assessment engaging a number of stakeholder groups. A global stakeholder survey and an impact analysis helped to identify and prioritise the most material aspects, using recognised qualitative and quantitative methods.

The graph shows the major areas where TUI's stakeholders indicated a desire to see even more commitment and engagement, with child protection and forced labour highlighted by stakeholders as key priorities for TUI Group in coming years. The findings will be addressed by senior management and help inform the development of TUI's sustainability strategy going forward.

Stakeholder Survey



POLICY AND MANAGEMENT FRAMEWORK

At TUI Group, our efforts to address human rights and modern slavery are underpinned by the following governance structure:



Our Global Employment Statement applies both to our own employees and to those employed by our contractual partners. Its core focus is the fair and respectful treatment of employees at all levels and compliance with applicable law and industry standards. It represents a Group-wide commitment to promote human rights, addressing issues such as responsible recruitment, discrimination, forced labour, child labour, salaries and benefits, freedom of association and collective bargaining, health and safety, diversity as well as people development and a feedback culture.

Our updated Employee Code of Conduct, [↪ The Integrity Passport](#), puts integrity firmly at the heart of TUI's working practices and is based on the TUI values of "Trusted, Unique and Inspiring." The Code will be rolled out across the organisation in 2019 with employees receiving their new passport document, and events and roadshows held to raise awareness. The Code strengthens our human rights commitments associated with modern slavery, including forced labour, trafficking of persons and inhumane treatment of employees. Our support for freedom of association is also reinforced.

Our [↪ Supplier Code of Conduct](#) sets out the minimum standards we expect from suppliers and their employees, subcontractors, agents and subsidiaries when working on our behalf. The Code includes guidance on human rights and labour laws, bribery and corruption, environmental impacts and support for local communities.

[↪ Sustainability Requirements for Accommodation Suppliers](#) and other areas of procurement include an obligation to make their own suppliers aware of obligations in the contract. Our hotel suppliers are also required to implement credible third-party sustainability certifications recognised or accredited by GSTC, including human rights criteria and issues relating to modern slavery.

In 2018 we continued to operate our SpeakUp Line to ensure a confidential reporting channel is available for all our employees and to raise awareness through various communication means to encourage our colleagues to report any infringement of our policies. Last year 70 reports were received, none of which related to modern slavery. [↪ More information in the 2018 Annual Report p127.](#)

RISK ASSESSMENT AND DUE DILIGENCE

In 2018 we continued to assess our operations and supply chain to further our understanding of modern slavery risks. [↪ The Global Slavery Index](#) helped us prioritise destination risk by taking into consideration product and industry risks, supply chain complexity and workforce characteristics. The highest risk continued to be in areas of our business and supply chain where there are migrant, low-skilled labour, young workers and outsourced workers.

ACCOMMODATION SUPPLIERS

One of our key areas of focus is hotels – the largest component of the holiday experience. Our hotel partners are expected to commit to social and environmental good practice and to implement credible third-party GSTC-recognised sustainability certifications. In 2018, the number of customers staying in a certified hotel increased by 11.9% to 9.2 million customers in 1,520 hotels. TUI actively supported Travelife seminars in Mauritius, Kenya, the US and Thailand to promote the benefits of certification.

NON-ACCOMMODATION SUPPLIERS

In 2018-2019, TUI has developed a standard approach to assessing modern slavery risks in our supply chains. This approach considers key risk factors, such as, industry, geography, supply chain operation etc. This is currently being rolled out across our supplier landscapes that are overseen by Group Indirect Procurement, with a primary focus on suppliers that we deem have a higher risk potential. To date we have engaged a total of 52 suppliers to use the tools and process to support the risk assessment of our supplier operations. We are now implementing the tools in our standard procurement processes to ensure that Modern Slavery Risk Assessment is considered in every relevant procurement activity.

In 2018, an additional 12,075 suppliers were checked against a third-party due diligence programme for compliance with global legal and regulatory standards, including identification of adverse media relating to regulatory or labour rights breaches.

STAKEHOLDER CAMPAIGNS

Non-governmental organisations (NGOs) are important partners in the fight against modern slavery, forced labour and human trafficking around the world and play a vital role in raising awareness. TUI takes these campaigns seriously and is committed to addressing any issues raised.

MIGRANT LABOUR

Following publication of a report in 2017 by a human rights NGO on alleged poor working conditions for migrant staff in the hotel industry in Thailand, we strengthened risk assessments of our local hotel partners. In April 2018 we co-organised Travelife seminars in Thailand to discuss modern slavery and influence more hotels to achieve sustainability certifications. [↪ The Institute of Human Rights and Business \(IHRB\)](#) also participated, holding a session on responsible recruitment to help prevent forced labour and trafficking. Over 150 participants attended these sessions.

EXPLOITATION

In 2018, reports by various NGOs about sex tourism in Thailand and Mexico were developed. TUI has many measures in place to prevent and stop this abuse, such as our supply chain management initiatives and the projects described in this statement. We have engaged with these NGOs and invested in destination projects that complement our supply chain initiatives to prevent abuse.

TRAINING AND AWARENESS

Raising awareness of modern slavery across our business continues to be a key focus area for TUI Group. In 2018, we developed and rolled out additional training sessions and communication material on modern slavery, including:

- TUI Destination Experiences' e-learning on modern slavery was further improved and completed by 82 % of customer-facing colleagues and the module is now mandatory. Over 4,600 TUI Destination Experiences colleagues also completed child protection training in 2018. These trainings include information on reporting mechanisms, which have also been shared with other stakeholder groups, such as hotel partners & customers.
- Our airlines in the UK and Nordics continued to roll out the vulnerable children/human trafficking training module, and similar training modules were prepared for our German, Belgian and Dutch Airlines for implementation in 2019.
- ☞ *Our Modern Slavery Training Video* was part of the training modules and was also prepared as an awareness-raising tool for TUI hotel staff which is currently being rolled out.
- We collaborated with ☞ *ABTA*, The Travel Association, and ☞ *Stronger Together* to finalise industry-wide guidance and e-learning on reducing modern slavery, particularly forced labour, labour trafficking and hidden third-party worker exploitation. ☞ *The guidance and e-learning are used by other tourism organisations and are available here.*

DESTINATION STAKEHOLDER INITIATIVES

In addition to policy, auditing and training, through our corporate foundation, the TUI Care Foundation, we are investing in prevention by taking proactive steps to support adolescents and young children at risk of trafficking and/or commercial sexual exploitation. Examples of projects include:

- ☞ **TUI JUNIOR ACADEMY Mexico (Cancun) and Thailand (Phuket):** Since 2017, TUI Care Foundation, together with the Dutch Ministry of Foreign Affairs, supports Defence for Children – ECPAT Netherlands and local ECPAT partners to improve the protection of (migrant) children from sexual exploitation in these prime tourism destinations. In 2018, two local assessment reports on the risks of sexual exploitation of children in tourism were presented to local stakeholders. As a result, 10 large tourism companies (including some 50 hotels) were assisted in developing strategies, policies and protocols, and over 300 employees were trained on how to respond to these issues. Multi-stakeholder cooperation between the tourism sector, governmental institutes, law enforcement agencies, and community organizations, was initiated to prevent sexual exploitation of children.

- ☞ **TUI ACADEMY Dominican Republic:** In partnership with Plan International and Blue Diamond Resorts, TUI Care Foundation aims to empower disadvantaged youth in Punta Cana at risk of commercial sexual exploitation by offering them a career in the tourism sector. In the TUI ACADEMY, youth participate in a training programme, consisting of vocational training, life skills and an internship. In the first year, 45 students finished their training of which 26 gained employment at Blue Diamond Resorts and RIU Hotels. In 2018, nearly 60 new students (approximately 80% are female), started their training, ranging from kitchen assistant, bartender to hotel receptionist.
- ☞ **TUI ACADEMY Vietnam:** In Vietnam, TUI Care Foundation and Plan International empower children, youth and parents to reduce the risk of exploitation in Thua Thien Hue province. In July 2018, a social enterprise training restaurant called TRE (bamboo) opened its doors in Hue city. Forty youth started practical training in food, beverage, or sales and marketing. The project also provided support to youth through business plan development skills and small loans to set-up or improve their small businesses. In addition, parents were encouraged to keep their children out of street work and in school.



TUI Care Foundation projects from top left: In Vietnam, youth receive practical training in food, beverages, sales and marketing as part of the TUI ACADEMY project. In the Dominican Republic, hospitality training is offered to youth to help kick start careers in tourism. In Thailand, the TUI JUNIOR ACADEMY is working to protect children from exploitation.

PERFORMANCE MEASUREMENT IN MODERN SLAVERY PREVENTION

	PERFORMANCE MEASURE	PROGRESS IN 2018	FOCUS FOR 2019
A	Number of customers staying in hotels certified to a GSTC-recognised certification	9.2 million customers (11.9% increase yoy) staying in 1,520 certified hotels (12.1% increase yoy)	We aim to increase the number of certified hotels to accommodate 10 million customers per year by 2020
B	Number of colleagues trained on human rights in tourism	Over 5,200 customer-facing colleagues trained on human rights in tourism Further communication of our Modern Slavery video	We will continue expanding our training to new destinations and across our hotels and airlines
C	Actions taken to strengthen our policies	Global Employment Statement developed Employee Code of Conduct updated	We will complete the roll out of the Global Employment Statement and the Employee Code of Conduct (Integrity Passport)
D	Steps taken to initiate and strengthen supply chain management	We worked to improve our risk assessment and due diligence approach to identify and address potential modern slavery issues across our Group Procurement departments	We will continue to standardise and refine our risk assessment and due diligence approaches We will trial a new destination risk assessment approach which covers modern slavery
E	Number of modern slavery cases reported and actions taken in response	In response to NGO reports on poor working conditions for migrant workers in hotels (Thailand) we organised supplier workshops with Travelife and IHRB	We will continue to address concerns we receive from stakeholder groups, including investing in child protection projects
F	Projects and partnerships in place to uphold human rights in our destinations	TUI Care Foundation projects in 4 destinations (Dominican Republic, Mexico, Thailand and Vietnam) We collaborated with ABTA and Stronger Together to finalise industry-wide guidance and e-learning on reducing modern slavery	TUI Care Foundation plans to initiate new projects in other destinations focussing on youth empowerment to help prevent exploitation

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



Friedrich Jousen

Friedrich Jousen
CEO, TUI Group
March 2019