

### Airlines



**-24.0%**

CO<sub>2</sub>e emissions per passenger kilometre compared to 2019

### Cruises



**-27.5%**

absolute CO<sub>2</sub>e emissions compared to 2019

### Hotels & Resorts



**-46.2%**

absolute CO<sub>2</sub>e emissions compared to 2019

# TUI's climate goals until 2030

Industry and politics need to work together

## POLICY AGENDA

February 2025

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## Reducing greenhouse gas emissions

# IT'S TIME FOR POLITICAL ACTION

The European Commission presented its Competitiveness Compass at the end of January. Its key message: Europe urgently needs to combine the goal of decarbonisation with greater competitiveness and billions in investment in projects for the future. The TUI Group agrees with this analysis. Particular attention should be paid to the production and use of alternative fuels.

### Reviewed and verified:

#### TUI's CO<sub>2</sub>e reduction targets for 2030 compared to 2019

Airlines



**-24.0%**

CO<sub>2</sub>e emissions  
per passenger  
kilometre

Cruises



**-27.5%**

absolute  
CO<sub>2</sub>e emissions

Hotels & Resorts



**-46.2%**

absolute  
CO<sub>2</sub>e emissions

TUI is pursuing a very ambitious roadmap to achieve net-zero emissions for the Group as a whole by 2050. By 2030, the Group's airline aims to reduce its average CO<sub>2</sub>e emissions by 24 per cent, its cruise business by 27.5 per cent in absolute terms and its hotels by almost half compared to 2019. To achieve this, experts have developed roadmaps with hundreds of individual measures and had the reduction targets reviewed and verified by the Science Based Targets Initiative (SBTi), which was initiated by the UN Global Compact and the WWF, among others. This makes TUI a pioneer. TUI's cruise companies are the first in the world to pursue an SBTi-verified reduction target, as is TUI Airline among the leisure airlines.

However, the decarbonisation of transport modes urgently requires political support. Three key issues:

- **Alternative fuels:** Airlines and shipping companies urgently need more alternative fuels. Policymakers need to provide effective incentives to accelerate market ramp-up. There is a dramatic need for action on electricity-based fuels, which are particularly sustainable.
- **Blending quota:** Since this year, airlines in the EU will have to use two per cent sustainable aviation fuel (SAF), with an upward trend. TUI supports the blending of SAF to meet decarbonisation targets and the requirements of the Paris Agreement. However, SAF is still three to five times more expensive than conventional kerosene. Support measures to produce SAF are therefore needed. In addition, the EU needs to encourage other regions of the world to quickly adopt SAF blending mandates.
- **Onshore electricity:** Part of the maritime energy transition is the supply of green shore-side electricity to ships in ports. TUI Cruises is converting its fleet accordingly. However, despite positive developments, there are only around 20 ports worldwide that offer shore-side electricity for large cruise ships. This infrastructure urgently needs to be expanded. Furthermore, the ports need to come up with a green power concept - because only green power can make a real contribution to reducing emissions.

## Hotspots

# HOW MUCH TOURISM IS DESIRABLE?

Tourism is an engine for economic and social development. It should be sustainable and benefit local people. But in some hotspots, the challenges associated with tourism can outweigh the benefits. Smart regulation is needed.



“The local people decide how much tourism is welcome and what kind of tourism it should be.”

### Sebastian Ebel

CEO of the TUI Group, discussed this with the Minister of Industry and Tourism, Jordi Hereu Boher, and with civil society in Mallorca last summer.

The TUI Group is taking this issue seriously. The hotspots that have been the subject of critical discussion are mainly in cities and regions that are exposed to excessive unregulated tourism. It is up to policymakers, society and business to work together to meet the challenges. Three issues deserve particular attention.

- **Easing the pressure on the housing market:** One of the problems in tourist hotspots is often a shortage of housing, resulting in higher-than-average rent increases. Online platforms are a major driver here, taking traditional apartments off the rental market and offering them to individual travellers. Policymakers can and should intervene to regulate the situation.
- **Preserving quality of life:** Tourism takes many forms. However, it should never be at the expense of the living conditions of local people. Authorities and airports are urged to avoid promoting tourism that is detrimental to destinations and to stop encouraging the growth of certain types of travel.
- **Improve management:** Tourism should be efficiently managed. For hotspots such as famous landmarks or museums, intelligent ticketing and pricing systems as well as flexible opening hours are recommended. And for cruise tourism, ports need to coordinate ship visits and limit them if necessary. TUI expressly supports these measures.

### Tourism creates opportunities

Compared to the previous peak in 2019, the global employment effect of tourism has increased by 14 million jobs to a current estimated 348 million. This growth is particularly strong in less developed countries.



**348 million**  
jobs worldwide

= about one in ten jobs



Source: World Travel & Tourism Council (WTTC)

At the same time, the travel industry should play its part in shaping tourism for the benefit of local communities. High-performance companies like TUI – which, unlike online platforms, have a local presence and invest in destinations – have particular opportunities here. Two examples: they can broaden their offering and open up regions that have so far benefited less from tourism. In Cape Verde and Zanzibar, for example, TUI is working with governments and local partners to develop a comprehensive and sustainable tourism infrastructure and offer alternatives to the more popular destinations. Secondly, TUI is offering apartments for employees in an increasing number of countries and is prepared to launch further projects with local partners. For example, TUI is discussing with Greek partners how additional housing can be created for the local population through local construction projects.

## EU Package Travel Directive

# CREATING FAIR COMPETITION

Package holidays are already the safest way to travel. However, unbalanced rules may weaken this particularly valuable form of travel. It is important that the forthcoming reform of the EU Package Travel Directive removes burdens and competitive disadvantages for European tour operators.

### Overview of travellers' rights

Rights	Package Travel	Linked Travel Arrangements	Individual booking of flight and accommodation
EU company responsible for all components of the journey – worldwide	✓	✗	✗
Refund of full travel price in the event of major problems	✓	✗	✗
Return transport in case of crisis	✓	✗	✗
Insolvency protection	✓	very limited	✗

Package travellers enjoy comprehensive protection and support in the event of problems at their holiday destination or cancellations. In the event of crises and disasters, tour operators are there to get their guests home safely. This is not the case for individual services (e.g. a flight, a hotel) sold via online platforms: they do not offer travellers support in the event of a crisis or if things do not go smoothly. They also do not pay into the Travel Security Fund – so customers' advance payments are not protected. Travellers are often unaware of this.

It is up to policymakers to strengthen package holidays as a quality product. Three issues are of particular importance for the reform of the EU Package Travel Directive:

- Transparency and full customer information:** The European Commission has proposed an unclear redefinition of package holidays and related travel services. Instead, we need clear and comprehensible rules and conditions, as well as an obligation for online platforms to proactively and clearly inform their customers about the lack of protection at the time of booking, when selling individual services. It must be clear to customers that they will only benefit from a high level of protection if they book a package holiday.

- Freedom for advance payments:** Advance payments are a common practice for package holidays in the EU. These essential funds are immediately spent to the benefit of the consumer, securing optimal flight and hotel capacities and financing hotel renovations in the low season. Any limit would damage the tourism ecosystem as a whole, especially in southern Europe, and significantly increase costs – to the detriment of travellers.
- No double protection mechanisms:** Double protection mechanisms created across Europe through national travel price guarantee schemes and credit card companies that drain businesses of liquidity without adding value must be removed.

### Rethink package holidays

Package holidays have been a success story for decades. The way we travel has changed considerably over the years – a fact not yet reflected in the current rules. Policymakers should rethink package holidays and look ahead: what will the regulation of the future look like? Could smart insurance options be created to allow travellers to make more individual choices? Should advance payments for individual services also be protected against insolvency going forwards? The TUI Group is ready to take package holidays into the future.

## Cape Verde

# ISLAND STATE ON THE UP

Education, agriculture, marine conservation, support for local small businesses and creative people, community empowerment: in no other country is the TUI Care Foundation as active as in Cape Verde. This creates new prospects for the local population.



“The Futureshaper House supports people to empower themselves, and has developed a great capacity to help people in my country to progress. And for me, personally, it’s a dream come true to contribute and be part of all this.”

**Vera Lúcia Martins**  
TUI Futureshaper House Cabo Verde





“The TUI Futureshaper House is unique in Cape Verde. It is a special place where people come together to realise their vision for a promising and sustainable future in Cape Verde.”


**Thomas Ellerbeck**  
Member of the TUI Group Executive Committee and Chairman of the TUI Care Foundation


The Cape Verde Islands lie around 600 kilometres west of the African coast. The archipelago has no industry or significant natural resources, and for many decades the economy was in a sorry state, with the country ranked by the UN as one of the least developed in the world. That was until travellers discovered the Cape Verde Islands in the early 2000s: the tourism sector developed dynamically, thanks in particular to investments by the TUI Group. Today, the sector accounts for 35 per cent of GDP and directly or indirectly provides almost half of all jobs. In 2007, Cape Verde left the UN list of the world’s poorest countries.

Nevertheless, Cape Verde still faces several special challenges. Against this background, the TUI Care Foundation is actively involved in numerous projects:

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**TUI Futureshapers:** The programme empowers young people to seize entrepreneurial opportunities through training, mentoring and innovative support services. Since early 2024, the TUI Futureshaper House is the first place in Cape Verde where start-ups, young entrepreneurs and artists can meet and develop their ideas.
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**TUI Field to Fork:** Drought in Cape Verde – especially on the islands of Sal and Boa Vista – is a challenge. Most food must be imported and access to fresh produce is limited. The TUI Field to Fork programme supports farming communities to produce food locally and opens up short supply chains for the tourism sector.
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**TUI Academy:** Since the end of 2022, the TUI Academy in Cape Verde has been training young people in kitchen, restaurant and bar professions free of charge. If necessary, travel to school or childcare costs are also covered. This dual training concept is unique in Cape Verde. The Foundation is now expanding the training programme and will set up another TUI Academy on the island of Boa Vista.
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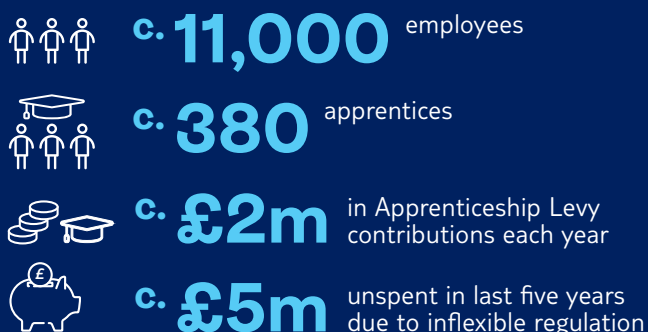
**TUI Turtle Aid:** Cape Verde is famous for the loggerhead sea turtles that come to lay their eggs. Together with partner organisations, TUI Turtle Aid is protecting the young turtles of this endangered species by stepping up monitoring and protection activities, relocating endangered nests and raising awareness among tourism companies, holidaymakers and the local population.

## Unleashing talent

# REFORMING THE APPRENTICESHIP LEVY

Politicians and business leaders agree: the UK needs more high-quality job opportunities for young people and more well-trained employees. It is essential to develop new talent and to upskill the existing workforce. However, current legislation fails to maximise apprenticeship and training opportunities in the UK due to unnecessary restrictions.

### TUI in the United Kingdom



Since 2017, large UK employers have been paying an Apprenticeship Levy set at a rate of 0.5% of their total annual pay bill. Levy funding can only be used for apprenticeships and funds expire and flow to government after two years if unused. TUI offers a wide range of level 3-7 apprenticeships as part of developing a more skilled, flexible and diverse UK workforce to meet the future needs of the travel, tourism and aviation industries. However, the current rules are rigid: c.£5 millions of TUI's levy funding has been unspent over the last five years despite best efforts to use it.

The government recognises the shortcomings of the current system and wants to replace it with a more flexible Growth and Skills Levy. The following changes should be considered:

### Strong apprenticeship partner

TUI is currently delivering level 3-7 apprenticeships to 380 colleagues in a wide range of fields, including travel consultancy, aircraft engineering, HR, finance, and business administration. Our in-house employer provider delivery team is rated 'Good' by OFSTED, and we have partnerships with other providers, colleges, and universities.

- **More flexible durations:** Seasonal workers in the travel and aviation industry, such as cabin crew, often only work for eight months at a time. TUI favours reducing the 12-month minimum apprenticeship period. Our ambition is to create an 8-month apprenticeship tailored to our cabin crew recruits which could benefit up to 100 individuals annually.
- **More flexible funding cap:** The amount of levy funds that an employer can use toward an individual apprenticeship is capped at £27,000. When the cost of pilot training is c. £80,000, this cap is a barrier to creating a pilot apprenticeship programme, leaving levy funds unused. Lifting the cap for pilot training would enable TUI to support the ambitions of at least 20 pilot apprentices each year.
- **More flexible approach to qualifications:** Levy funds can only be used to support people who can prove that they possess level 2 qualifications in English and Mathematics. This excludes many people who are highly motivated. While practical maths and English skills are important in most areas, these formal qualifications are not necessary for all apprenticeships.
- **Tailored inspection approach:** Employer providers must meet the same requirements as schools and colleges to achieve a specific OFSTED grade despite their inherent differences. A more specialised inspection regime tailored for employer providers should ensure high quality provision while reducing undue burdens on business.

TUI GROUP

# YOUR CONTACT WITH US



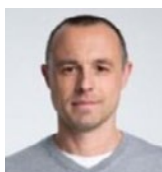
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