

Modern Slavery Statement 2020

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 2020 financial year (1st October 2019 to 30 September 2020).

INTRODUCTION

The 2020 financial year took an extraordinary course. The tourism sector has been especially hard hit by the COVID-19 pandemic and consequent restrictions that were imposed. Even though the travel and tourism sector is one of the world's largest industries, *"2020 was the worst year in tourism history with international arrivals dropping by 74% and destinations worldwide welcomed 1 billion fewer international arrivals in 2020 than in the previous year, due to an unprecedented fall in demand and widespread travel restrictions."*¹

This holds true for TUI as well. The travel restrictions have meant that we have been in effect prevented from conducting large parts of our commercial operations since mid-March.

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

¹ [UNWTO 2020 Barometer](#)

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

With our operations being brought to minimum in 2020, many of our colleagues have been furloughed and the company is in the process of restructuring. Hence we weren't able to deliver all of our commitments from 2019, including those related to progress in regards to modern slavery. For details about all our work during normal operations please refer to [the previous Modern Slavery Statements](#). However, in this fifth modern slavery statement we are providing the most important highlights and developments that happened in 2020.

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 airlines with around 150 aircraft and destination management companies in holiday destinations around the globe. With over 400 hotels (including third-party hotelier operations) and 17 cruise vessels we have built a sizeable leisure hotel and cruise business. Our integrated model allows us to leverage the distribution power in our markets to drive customers into our own hotels & cruises.

In the tours and activities market, TUI has built – on the back of the Musement acquisition – a scalable platform with more than 160,000 products. Further details on how we assess this portfolio from the human rights and modern slavery point of view are available in the Risk Management and Due Diligence section. To find out more about our business and Group structure, please click [here](#).

The current crisis has put between "100 and 120 million direct tourism jobs at risk, many of them in small and medium-sized enterprises."² It had a direct impact on TUI as well and in 2020 the organisation took a variety of actions due to COVID-19 to become faster, leaner and more efficient. We have used the time to accelerate our transformation into a platform company and become more digital, which will improve the cost position and make TUI more sustainable financially. As shown in the graph, we employ people from all around the world. However, because of the pandemic the number of our employees went down by 32.4% in 2020. In addition to our direct employees, our diverse business encompasses an extensive supply chain, with 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 comprised of hotel partners, representing over half of our direct operating costs. Accommodation suppliers therefore continued to be a central focus of our due diligence.

Further information on our business and performance in the 2020 financial year can be found in our [Annual Report 2020](#).

² [UNWTO 2020 Barometer](#)

Personnel by region*



* By domicile of company

ENGAGING WITH OUR STAKEHOLDERS

TUI Group recognises the importance of collaborating with others to address human rights and modern slavery in our industry. In the financial year 2020, we did not manage to engage with as many stakeholders as originally intended, but engaged with a wide range of organisations as demonstrated through the following activities and initiatives:

- To support industry-wide progress we continued to sit on the boards of the Global Sustainable Tourism Council (GSTC) and Travelife, both of which are addressing these issues through sustainability certification standards for hotels.
- As a member of the Orphanage Tourism Taskforce, TUI joined the inaugural meeting to agree on the vision and actions required to achieve the industry response to orphanage tourism.
- Our TUI Musement colleagues attended the global GSTC annual meeting 2019 and the Global Compact Leaders Summit 2020, both including human rights topics such as exploitation and child protection.
- TUI participated in the development of the Hospitality Protocol, driven by Shiva Foundation, a corporate foundation aimed at preventing human trafficking and modern slavery, and the UK's Gangmasters and Labour Abuse Authority. However, the launch of the protocol was postponed due to COVID-19.

POLICY AND MANAGEMENT FRAMEWORK

Due to reduced business operations and many colleagues on furlough, the human rights working group met only once in 2020, but the governance structure stayed the same as in the previous years:



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

We believe that everyone should be treated with respect and dignity. We do not accept discrimination based on origin, ethnicity, gender, gender identity, sexual orientation, marital status, religion, world view, disability, age or social origin, and we are committed to constantly improve diversity and inclusion across our growing business. Building on the diversity and inclusion work mentioned in the last year's statement, we have now expanded the programmes to our businesses, such as the launch of a Diversity and Inclusion (D&I) programme within TUI Musement, including a specific area within the intranet, a D&I awareness week and D&I ambassadors.

In 2020, we continued to operate our SpeakUp Line to ensure a confidential reporting channel is available for all our employees and to raise awareness through various communication means to encourage our colleagues to report any infringement of our policies and applicable laws. The whistleblowing system is currently available in 53 countries. Last year 50 reports were received, none of which related to modern slavery. More information is available in [the 2020 Annual Report on pg. 117](#). In 2021, TUI will make the SpeakUp line available for third parties. This will be in accordance with the requirements under the EU Whistleblower Directive and we will also provide clear and easily accessible information on external reporting procedures. We will continue to track national and international policy developments in relation to modern slavery.

| INTERNAL | EXTERNAL |
|---|---|
| <ul style="list-style-type: none"> → Integrity Passport | <ul style="list-style-type: none"> → Supplier Code of Conduct → Sustainability Requirements for Accommodation Suppliers |
| <ul style="list-style-type: none"> → Global Employment Statement | |

RISK ASSESSMENT AND DUE DILIGENCE

In 2020, due to COVID-19 we did not expand to new destinations and reduced our existing operations significantly. As a result, we didn't initiate new due diligence processes, but continued in the assessments initiated in the previous years. The company is currently going through a transformation, which in turn will be reflected in our modern slavery due diligence processes.

ACCOMMODATION SUPPLIERS

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

Travelife Case Study: Maldives

It was identified through a Travelife audit of a third-party hotel partner in the Maldives, that the hotel was holding foreign employees' passports at their head office on a different island than its resorts, what could be considered as a form of bonded labour. It is not believed that the company was doing this with the intention of stopping their employees from leaving the company. The reasons given for this practice were that the company periodically needs the passports to renew work permits and that this was the best way to keep passports safe as staff accommodation did not have personal lockers (employees could ask for their passports at any time).

The Travelife Standard has a criterion specifically addressing the issue of withholding staff passports. It was important to the hotel group that the option of storing passports in a safe deposit box was still available to employees. A new process was agreed and implemented; employees are no longer asked to hand over their passport when beginning work, all passports were returned to employees and there is an option to keep in a safe deposit box onsite.

Our requirement for sustainability certifications and Travelife's auditing processes helped turn this situation around for workers at the hotel and affect changes in hotel operations.



NON-ACCOMMODATION SUPPLIERS

In 2020 we continued using our enhanced due diligence tools and processes in procurement that were developed and pilot tested in 2019. This allows us to undertake comprehensive risk assessment of various suppliers and their operations, including via an enhanced Modern Slavery questionnaire.

In 2020, our Corporate and Social Responsibility Questionnaire (including the modern slavery questions) was fully launched as part of our eTendering system, making it accessible to all procurement colleagues across TUI Group. This drives our approach in awarding business to non-accommodation suppliers that demonstrate high sustainability standards.

An unintended consequence of COVID-19 and because all our operations stopped enabled us to have a full visibility of our entire supply chain. This became our heatmap of goods and services classified as high risk in relation to modern slavery. However, due to the pandemic, we had to postpone independent audits of high-risk suppliers.

During the pandemic we recognised the potential for increased risk of exploitation in the high risk supply chains producing COVID-19 related PPE, this risk was created by a global surge in demand, our current Sustainability Questionnaire was too extensive for this purpose, so we created a specific COVID-19 PPE sustainability questionnaire to ensure that we continued to procure from ethical sources throughout the pandemic even when this resulted in a higher cost.

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

Integrity & Compliance performs software based screenings of selected suppliers against international sanctions, terrorists and wanted persons lists upon request and on occasion. In 2020, we continued using this process to check business partners of Group Purchasing (hotel partners as the key business partner group) and other business partners in countries with a sanction or corruption risk against Compliance criteria.

In critical cases, the business organisations cooperating with the business partners in question were briefed about the results of the review, enabling them to implement further precautionary measures.

TRAINING AND AWARENESS

Raising awareness of human rights and modern slavery across our business continues to be a key focus area for TUI Group. In 2020, 5,577 trainings on child protection and modern slavery were completed at TUI Musement. The e-learning sessions have been integrated into TUI People, a global internal HR and learning platform, which is a more efficient and better tool to track completion.

Airline crews in the UK, Nordics and Germany receive Vulnerable Children & Trafficking Training, where they learn about how to spot trafficking and what to do. In 2020, 2,656 colleagues received a respective training.

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

- Prohibiting any type of visits to orphanages during TUI activities
- No interaction between local children and TUI guests during any activities

- Visits to schools only outside of school hours or without interrupting classes
- Partnering with [The Code](#) on working against child sex tourism

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

DESTINATION STAKEHOLDER INITIATIVES

An important aspect of protecting young children and adolescents at risk of trafficking, commercial sexual exploitation and/or exploitative labour practices is giving them the tools and support they need to help prevent and identify exploitation before it happens. In addition to policy, auditing and training, through our corporate foundation, the TUI Care Foundation, we invest in prevention by taking proactive steps to support young people. Some of the projects had to be paused during the pandemic, but below are examples where we managed to continue with the progress:

TUI ACADEMY Dominican Republic

In partnership with Plan International and Blue Diamond Resorts, the TUI Care Foundation aims to empower disadvantaged youth in Punta Cana at risk of commercial sexual exploitation and/or early marriage 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 internships. Both professional and soft skills are offered as part of the first three months' classroom training, including conflict management, personal development, gender equality and reproductive health.

Since its establishment in 2016, hundreds of disadvantaged young people have celebrated their graduation from the TUI Academy Dominican Republic in hotel reception & administration, bartending, housekeeping or as kitchen assistant. In 2020, and despite of the challenges imposed by the COVID-19 pandemic with the subsequent lock-downs and travel restrictions in place, a second phase of the programme was launched, which aims to enrol 220 disadvantaged students and have, at least, 150 graduates placed in jobs in the tourism industry by 2022.

TUI ACADEMY Vietnam

In Vietnam, the 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 restaurant called TRE (Thai for "bamboo") opened its doors in Hue city, where youth at risk of exploitation received a practical training after classroom vocational trainings. Almost 300 students have finished their training programme since the beginning of the project. The initiative also provided support to youth through business plan development skills and small loans to set-up or improve their small businesses.

TUI ACADEMY Sri Lanka

In December 2019, the TUI Care Foundation and the Sustainable Hospitality Alliance launched the TUI ACADEMY Sri Lanka, aiming to give 150 vulnerable young people the skills and experience to take the first step in their hospitality career. The students are receiving a two-month training in hospitality, English and life skills at the Aitken Spence School of Hospitality, following a three-month practical training in a world-leading hotel, such as RIU, Aitken Spence Hotels, Hilton and Taj. After graduation, students are supported to progress into jobs at these hotels and other tourism-related employers. In the local community, SOS Children's Villages reaches out to young people who've grown up without parents, in a difficult family setting or may have experienced other challenges in life, to join the project.

TUI JUNIOR ACADEMY Jordan, Germany and Sweden

The TUI Care Foundation and Mentor International continued to work together during 2020 on a mentoring programme to empower more than 800 young people from vulnerable communities in Jordan and Sweden. The programme focused on schools in socially vulnerable areas, targeting students (13-17 years old) who are refugees or struggling to integrate. Workshops designed to strengthen self-esteem, social inclusion and parental involvement aimed to support the young people's development, reduce isolation, improve school results, strengthen school-to-work transition and motivate and support the young people to thrive. Due to the restrictions of COVID-19, workshops continued either online or on a rescheduled timetable. The programme also involved the recruitment of volunteers by Mentor and TUI Care Foundation from local communities, including employees from across TUI Group, to lead and take part in inspirational and motivational workshops.

TUI ACADEMY Thailand

At the end of 2020, the TUI Care Foundation and Robinson Club joined efforts with the Dutch Ministry of Foreign Affairs, supports Defence for Children – ECPAT Netherlands and Plan International to protect disadvantaged youth in tourism destinations in Thailand. The project will focus on preventing child labour and fostering child protection. More specifically, the initiative aims to prevent (sexual) exploitation of children and youths, through multi-stakeholder engagement, the promotion of due diligence processes amongst the private sector and by offering sustainable, decent economic opportunities to disadvantaged young people via the TUI ACADEMY model. Over 165 youth will be enrolled in life skills, vocational training and internship, and at least 85% are expected to graduate (140 or more) and pursue a career in tourism. Over 350 tourism professionals will be trained on child protection, gender, the prevention and combat of sexual exploitation and decent work aspects.



International tourism has come to an almost complete standstill during the Corona crisis. This threatens the livelihoods of millions of people working in the sector. The tourism sector employs about one in ten people worldwide. This sector thus offers people of different qualification and education levels an income opportunity, especially in developing and emerging countries. TUI Care Foundation has therefore initiated two new initiatives during 2020:

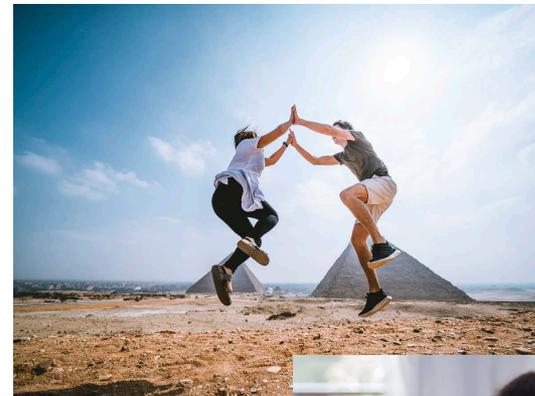
COVID-19 Relief Programme for Tourism

In cooperation with [enpact](#), a non-profit association with the aim of promoting dynamic entrepreneurship in emerging and developing countries, the first German emergency aid programme for innovative tourism enterprises in developing and emerging countries was launched. The project is funded by the German Federal Ministry for Economic Cooperation and Development (Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung, BMZ). A total of 150 teams of innovative, young businesses in Mexico, Kenya, Indonesia, and Jordan will be supported with international workshops, a mentoring programme and financial support. The initiative focuses on strong crisis management, job preservation and sustainable economic development. Part of the sustainability sessions is also raising awareness of modern slavery.



TUI Care Foundation's Corona Relief Fund / 100 Helping Hands

People in holiday destinations whose livelihoods depend on tourism are particularly affected by the ongoing global travel restrictions and might be in a higher risk of exploitation. The TUI Care Foundation's Corona Relief Fund was launched to help them. With the support of local volunteers, food parcels, toiletries and aid packages are being distributed to help disadvantaged families in Mexico, Jamaica, Egypt, Morocco, Spain and on the Cape Verde Islands. The aid programme, which was made possible by customer and employee donations, will continue in 2021.



PERFORMANCE MEASUREMENT IN MODERN SLAVERY PREVENTION

| | PERFORMANCE MEASURE | PROGRESS IN 2020 | FOCUS FOR 2021 |
|----------|--|---|---|
| A | Number of customers staying in hotels certified to a <u>GSTC</u>-recognised certification | Due to COVID-19, number of our customers has significantly decreased, so only 3.8 million customers staying in 1,069 certified hotels. | We will continue to increase the number of hotels with sustainability certification. |
| B | Number of colleagues trained on human rights in tourism | Over 8,000 customer-facing colleagues trained on human rights in tourism. | We will continue expanding our training to new destinations and across our hotels and airlines. |
| C | Actions taken to strengthen our policies | We continued to communicate our policies around our business and supply chain. | In 2021, we will make our whistleblower hotline available for third-parties. In 2021, we will launch our updated sustainability strategy, which will also build on the work we have done to prevent our business and supply chain from modern slavery. |
| D | Steps taken to initiate and strengthen supply chain management | We worked to bolster our risk assessment and due diligence approach to identify and address potential modern slavery issues across our Group Procurement departments. | We will continue to standardise and refine our risk assessment and due diligence approaches. The pandemic has enabled us to have time to focus and consider our demand moving forward. Due to efficiencies we defined we can revisit our requirements in our supply chain with modern slavery, circular economy and sustainability at the forefront. |
| E | Number of modern slavery cases reported and actions taken in response | Through hotel certification we were able to address potential bonded labour issues in Maldives. | We will continue to raise awareness of reporting mechanisms, address stakeholder concerns and take appropriate actions. |
| F | Projects and partnerships in place to uphold human rights in our destinations | TUI Care Foundation projects in fifteen countries (Dominican Republic, Mexico, Thailand, Vietnam, Sri Lanka, Jamaica, Spain, Cape Verde, Kenya, Indonesia, Egypt, Morocco, Jordan, Germany and Sweden). | TUI Care Foundation will continue to work on and expand projects, with a focus on youth empowerment to help prevent exploitation in the first place. We will continue to join partnerships such as the Shiva Foundations Hospitality Protocol, to learn and share best practice. |

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



Friedrich Jousen

Friedrich Jousen
CEO, TUI Group
August 2021



Thomas Ellerbeck

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

Appendix – specific list of UK companies covered with this statement

TUI Airways Limited

TUI Group Fleet Finance Limited

TUI Travel Aviation Finance Limited

TUI Travel Group Solutions Limited

TUI UK Limited

TUI UK Retail Limited

TUI UK Transport Limited

First Choice Holidays Finance Limited

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