

Environmental Protection **Central environmental management. Organisational development and quality assurance.**

Sustainable economic success requires ecological aspects to be systematically incorporated into corporate processes and economic objectives. This is why the TUI Group attaches a great deal of importance to measures for the conservation of nature and the environment as well as to continuously improving the environmental compatibility of our products and services.

Group-wide activities to protect the environment are initiated and coordinated by the Group's central environmental management. In 2004, the focus of its work, among other areas, was on organisational development, quality assurance and collaboration in national and international partnerships and cooperation schemes. In the tourism division, ecological activities covered all stages of the value chain, from travel agencies via tour operators and airlines all the way to hotels and incoming agencies. Special attention was given to the ecologically sustainable development of the holiday destinations.

Environmental reporting

The Group's up-to-date environmental activities and the objectives for the next few years were comprehensively detailed by central environmental management. This information is permanently accessible at www.tui-environment.com, which also provides up-to-date and comprehensive information about new developments and projects.

Network for the organisation of sustainability

Organisational development

The Group-wide network of environmental coordinators in the Group companies was steadily expanded in 2004: the goal was to firmly anchor environmental protection principles at all Group levels and to improve its function as a forum for discussion. In the framework of these activities, coordinators with relevant expert functions were appointed for additional operative units of the Group: the German sales organisation TUI Leisure Travel, tour operators Jetair in Belgium and OFT Reisen in Germany as well as the incoming agencies in Turkey, Romania, Bulgaria, Croatia and South Africa.

In other units existing organisational schemes were further developed. Thus, TUI España completed the restructuring of its environmental organisation and now has 14 environmental coordinators, working in all Spanish destinations in which it operates. TUI Service AG established a central environmental activity coordination agency for its representatives organisation. In this context, responsibilities were redefined for all destinations, and representatives all over the world received training on ecological issues. At the first Group-wide conference, attended by 60 sustainability officers from 17 countries, further optimisation of internal processes was discussed.

Quality assurance in environmental protection

In all Group areas, existing environmental quality standards are optimised, and new standards integrated, by means of a process of continuous improvement. In 2004, the focus was on the implementation of environmental management systems and their certification in accordance with the environmental standard ISO 14001 of the International Organization for Standardization.

Tour operators

In 2004, tour operator TUI Deutschland converted the environmental monitoring of contracted hotels – already carried out since 1990 – to a database-supported system and introduced a detailed assessment system for environmental quality assurance. The objectivity of this system was confirmed by an independent expert within a monitoring audit in accordance with ISO 14001. For the first time the assessments were incorporated in product information in the 2004/2005 winter brochures published by TUI Deutschland, TUI Suisse and TUI Austria. In France, tour operator Nouvelles Frontières commenced systematic environmental monitoring of its contracted hotels so as to be able to introduce a similar system.

Hotels

In the Group's hotels, managed under TUI Hotels & Resorts, the environmental management systems were further developed. In this context, Dorfhotel Fleesensee in Mecklenburg-Western Pomerania and the Magic Life Club Sharm El Sheikh in Egypt were certified in accordance with ISO 14001 for the first time. All Robinson Clubs in Germany and Turkey had their ISO 14001 certificates renewed in 2004. In addition, Robinson Clubs Landskron and Schlanitzen Alm in Austria were awarded the official Austrian Environmental Label. The Egyptian Iberotel Coraya Beach was awarded the Green Globe 21 for its ecological activities. In Spain, Grupotel continued the introduction of integrated environmental and quality management systems. Meanwhile, more than 60% of all hotel complexes have implemented corresponding systems and been internally audited; for 2005, ISO 14001 certifications and ISO 9002 certifications are planned for five hotels. Nordotel, too, has installed additional environmental management systems. For the current year, the first certifications are planned under the EMAS standard of the European Union.

Shipping

In the shipping sector, Hapag-Lloyd Container Linie successfully completed the first monitoring audit under ISO 14001 in 2004. The external experts thus confirmed the high quality of this environmental management system, which is installed all over the world.

Environmental dialogue and cooperation

Dialogue and cooperation with national and international organisations play a key part, both at Group level and within individual Group companies. TUI companies were actively involved in several cooperation schemes for ecological sustainability in the European source markets and the tourism destinations. Successful initiatives launched in previous years were continued and a number of additional new projects initiated. In the following, a number of cooperation schemes will be presented as examples of the wide diversity of schemes implemented.

Tour operator initiatives

In cooperation with Turespaña, the Environmental Ministry of the Balearic Islands, the Doñana 21 foundation from Andalucía and the Tourism Ministry of Lanzarote, TUI organised a series of events on sustainability in tourism resorts at Reise pavillon 2004, the trade fair for sustainable travel. These presentations met with a high level of interest both among the trade and the public at large.

In Senegal, Nouvelles Frontières and the Tétrakys Foundation continued their cooperation on the development of sustainable tourism offerings in the country. TUI UK has cooperated with the Travel Foundation, set up by the British Government. In the framework of this cooperation scheme, TUI UK focused in particular on projects for sustainable development of holiday regions in Mexico, Gambia and Cyprus in 2004.

Cooperation schemes in the hotel sector

In close cooperation with ASHOTEL, the Canarian hotel owners' association, TUI Hotels & Resorts, TUI España and the Group's environmental management established detailed environmental guidelines for hotels in Spain. In the Balearic Islands, Grupotel committed itself to sustainable development of the hotel sector of the islands in the local initiative "Red Balear de Hoteles Sostenibles". In Greece, Grecotel continued its long-standing membership of the Doron Society, which advocates the preservation of Crete's natural and cultural heritage. In Tunisia, Magic Life implemented joint environmental awareness projects in conjunction with the Environmental Ministry for entrepreneurs and employees working in the tourism sector.

Activities in the shipping sector

Hapag-Lloyd Container Linie continued its activities for environmental protection in sea transport through its active participation in the international Clean Cargo Group. Hapag-Lloyd Kreuzfahrten cooperated with several international organisations to protect the oceans, in particular the Arctic and Antarctic. In addition, it provided logistic support for research expeditions by several scientific institutes to the Arctic region, as in previous years.

Destinations**Biodiversity and climate protection**

One particular focus of TUI's ecological activities consisted of measures to preserve biodiversity – especially in the oceans and coastal areas. An example worth mentioning is its involvement in several international organisations to protect whales and dolphins in the Mediterranean. In the Maldives, TUI Deutschland and the representatives' organisations of TUI Service AG initiated programmes to protect coral reefs in cooperation with the local organisation "Protect the Maldives". These programmes range from campaigns to raise holidaymakers' awareness of this sensitive eco-system right up to optimising excursion offerings from an ecological point of view.

In 2004, TUI's central environmental management again closely cooperated with the Europarc Federation. The joint goal was to develop concepts for the sustainable use of large conservation areas, in particular national and nature reserves, for tourism purposes. Britannia Airways was again a partner of the Born Free Foundation, supporting inter alia the GRASP project (Great Apes Survival Project) of UNEP and UNESCO.

Airlines

Besides their commitment to environmental protection projects, the Group's airlines also help to conserve the environment by means of technological innovations. Hapag-Lloyd Flug thus started to reconfigure the cabins of its fleet of Boeing 737-800s. The use of lighter passenger seats enhances the fuel efficiency of the aircraft and passenger comfort. Britannia Airways continued its "Clean Fly" programme for the conservation of resources in flight operations: this resulted in improvements in the waste management system for aircraft maintenance.

Hotel companies

In the hotel sector, several facilities implemented projects on the use of renewable sources of energy. In Austria, a state-of-the-art biomass heating plant was commissioned which supplies power to the new Robinson Club Amadé and neighbouring village Kleinarl. New solar power stations were installed in Robinson Clubs Apulia and Kyllini Beach. In Spain, too, Nordotel continued to expand the use of solar energy in its hotel complexes. In the Turkish Iberotel Sarigerme Park, already recognised for its commitment to high environmental standards in the past, innovative parabolic trough solar collectors were commissioned. This technology won the R.I.O. Innovation Award in 2004. The same hotel started construction of a pilot plant for the generation and use of biogas by means of sewage purification, jointly initiated by the Federal Ministry for Education and Research and Stuttgart University.