

CDP6 - 2008

TUI Travel PLC was formed on 3 September 2007. As a leading international leisure travel group, we operate in approximately 180 countries worldwide and serve more than 30 million customers in over 20 source markets. Headquartered in Crawley, near Gatwick airport in the UK, the Group employs approximately 45,000 people and operates a pan-European airline consisting of 155 aircraft. The company mainly serves the leisure travel consumer and is organised and managed through four business Sectors: Mainstream, Specialist & Emerging Markets, Activity and Online Destination Services.

TUI Travel PLC as a newly formed company (formed by the merger of First Choice Holidays PLC with the Tourism Divisions of TUI AG) and is therefore not able to provide information in every area of the CDP Questionnaire for submission this year. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data and information following the merger.

For more information visit www.tuitravelplc.com

Please note, TUI AG is the majority shareholder in TUI Travel PLC and has made a separate submission as part of CDP6. First Choice Holidays PLC (previously listed on the London Stock Exchange) made a submission in 2007 for CDP5 and this can be viewed via the CDP website.

KEY FINANCIAL INFO

Company Turnover = £12,839.9M [\$25,680M]

ISIN Number = GB00BIZ7RQ77

CUSIP Number = B127RQ7

SEDOL Number = N/A

1 Risks and Opportunities

Objective: To identify strategic risks and opportunities and their implications.

a Risks: (CDP5 Question 1a)

i Regulatory Risks: How is your company exposed to regulatory risks related to climate change?

UK Government Carbon Reduction Commitment

The Carbon Reduction Commitment (CRC) is a proposed mandatory cap and trade scheme that will apply to emissions not covered by Climate Change Agreements or EU Emissions Trading Scheme (EU ETS) from primarily large non-energy intensive organisations. It is proposed that the first phase will commence from 2010 – 2012 and include those organisations that use more than 6,000MWh of electricity per year through half-hourly meters in Great Britain and 70kW metering systems in Northern Ireland. The scheme focuses on both financial incentives and CSR drivers, given that energy costs are typically less than 3% of total operating costs. Whilst auctioning of allowances will take place, the recycling of auction revenue will be linked to performance and therefore offer high performing organisations the opportunity for those monies to be returned, subject to the achievement of emission reductions. A UK Government consultation is expected in Summer 2008.

UK Government Climate Change Bill

The Climate Change Bill will give statutory force to the UK Government's targets for cutting emissions by 60 per cent by 2050 and 26-32 per cent by 2020, against a 1990 baseline. The Bill will introduce five-year carbon budgets, which will require the Government to set, in secondary legislation, binding limits on carbon dioxide emissions during these budgets (beginning with the period 2008-12). This is likely to impact on the EU ETS specifically from the UK perspective as there will be extra binding UK targets to meet. TUI Travel PLC will be in a better position to assess the full regulatory burden as and when the Bill has been finalised.

Aviation Duty

Aviation Duty is designed to replace the UK Government's Air Passenger Duty [APD]. At present APD is a direct charge to passengers based on their destination and is passed on to the consumer. Whilst originally designed as a 'green' tax, the Chancellor of the Exchequer doubled the amount in 2007 - HM Treasury communicated its replacement, Aviation Duty, as a tax purely levied for general revenue raising purposes.

Aviation duty will be charged on a per aircraft basis and thus will be less transparent to the passenger. All flight departures will be charged and the rate to be applied will have a distance band factor included. The proposed rates have yet to be determined, but some initial analysis and assumptions mean that it could be revenue neutral for TUI Travel PLC's UK airlines. Revenues from Aviation Duty will not be hypothecated by HM Treasury, and will not be earmarked for any CO₂ abatement measures.

EU Emissions Trading Scheme (EU ETS)

The EU ETS is a Europe-wide scheme which aims to reduce emissions of carbon dioxide and combat the threat of climate change. Phase 1 of the EU ETS has been in place since 2005 (for ground-based installations). The first scheme of its kind in the world, the EU ETS puts a price on carbon that businesses use and creates a market for carbon. The final part of the EU decision-making process is currently taking place (which should be finalised in July 2008 after this document has been submitted to CDP) on exactly how to incorporate aviation into the next phase of the scheme which is likely to start in 2012 (covering all flights arriving and departing EU). The proposal for a directive follows up on a December 2006 EC Communication which concluded that bringing aviation into the EU ETS was the best approach, from an economic and environmental point of view, in tackling the sector's emissions. This was subsequently supported by the Council and European Parliament.

The latest position (June 2008) of the directive will treat all airlines equally, whether EU-based or outside the EU. The total number of emission allowances available will be capped at 97% of the average emissions level in 2004-2006. Fifteen per cent of allowances will be auctioned by Member States in 2012; the period 2013 – 2020 is to be determined, but the majority of permits to emit will be issued for free on the basis of a harmonised efficiency benchmark (e.g. using each operator's tonne kilometers). The directive is part of a comprehensive approach to addressing aviation emissions which also includes more research into greener technologies and improvements in air traffic management.

TUI Travel PLC explicitly supports the inclusion of aviation in an EU ETS. it could be the most cost-effective instrument for reduction in aircraft emissions if it is well designed, affordable and includes the following parameters:

- It covers only CO₂ emissions and does not include a multiplier;
- It is non-discriminatory;
- It allows growth for the aviation sector;
- It is based on an open trading system linked to existing ETS market;
- It is manageable for all airlines in the scheme

ii **Physical Risks:** How is your company exposed to physical risks from climate change?

- Water scarcity – in the medium to long-term, pressure on water resources is likely to increase in some of our destinations and could have an adverse impact on customer experience as well as provision of water resources for the host communities.
- Climate change could create medium to long-term changes in weather patterns exacerbating existing seasonal extreme weather events, e.g. hurricanes. Extreme weather events cause problems in terms of aircraft routing, customer relocation at TUI Travel PLC's long-haul destinations and the effective utilization of our aircraft fleet, among other things. However, the tourism industry is a resilient one and capable of changing emphasis on locations very quickly if required to.
- Long-term global temperature increases may potentially alter customer's choice of holiday destination at what are now typically peak months of the year for European/Mediterranean holidays (i.e. June/July/August) but this could just "extend the peak season" in either direction to what is now the shoulder months.
- Sea-level rise in the Mediterranean in the longer term – could be a real threat to low lying islands, e.g. in Greece and especially the Nile Delta as well as further afield in terms of some Small Island Developing States (SIDS) e.g. Maldives.
- Biodiversity is an important natural resource for tourism companies – species and the "environmental services" they provide are necessary to create and sustain habitats that our guests go on holiday to experience. Some ecosystems are at risk of disruption which could have knock-on effects for local communities and customers.

iii **General Risks:** How is your company exposed to general risks as a result of climate change?

External reputation

Society is likely to sustain pressure upon companies to responsibly manage their carbon footprints. The public could be discouraged to take some modes of travel, i.e. air travel if there continues to be negative environmental connotations associated with travel by air. There are also potential implications for tour operator's brand values which could influence customer loyalty and propensity to book with a specific airline and tour/cruise operator if they do/don't take action. Future national and/or international greenhouse gas mitigation policies might have an impact on tourist movements in the medium to longer-term, especially with reference to aviation and the environment and the pressure to bring about modal shift thereby potentially dissuading customers taking holidays by air.

iv **Risk Management:** Has your company taken or planned action to manage the general and regulatory risks and/or adapt to the physical risks you have identified?

Colleague & property risks

A watching brief is maintained on longer-term implications for our locations and assets. Risk exposure to climate change related extreme weather events are assessed particularly in the case of assets located in the Caribbean region. Sustainable development issues have started to be incorporated into the Group risk management approach across TUI Travel PLC. TUI Travel PLC is currently reviewing whether to continue the approach previously made by First Choice Holidays PLC, i.e. sector risk management committees meeting every six months where environment and people [sustainable development] issues are discussed for example. Each Sector has its own risk register to help manage its financial risks and these feed into the overarching Group Risk Register. The exact plans are yet to be fully defined - this is dependent on the detailed nature of the risk management review process underway at present. TUI Travel PLC has crisis management plans (ergo risk assessments have been made as part of their preparation) for its operations in the Caribbean region, for example (as well as having these for other geographical regions where we have operations and interests).

Sustainable Development risk

TUI Travel PLC has developed a group of Sector Sustainable Development Managers and a Sustainable Development Steering Committee [SDSC] involving senior management to specifically focus on sustainability risk and opportunity in order to ensure TUI Travel PLC applies specific and adequate focus whilst addressing day-to-day commercial pressures. At the recent Sector Sustainable Development Managers meeting (April 2008) a detailed sustainability risk and opportunity assessment was made and this was then used at the SDSC to frame their input to the session held in early May 2008. For more information on the TUI Travel PLC governance structure, refer to Q4.

v **Financial and Business Implications:** How do you assess the current and/or future financial effects of the risks you have identified and how those risks might affect your business?

TUI Travel PLC assesses the key current and future issues within its businesses through the Managing For Value framework. This strategic framework seeks to create shareholder value through fact-based strategic decision-making, consideration of issues and uses financial measures that consider the cost of capital to generate profits i.e. economic profit, Return On Investment Capital [ROIC]. Through this framework TUI Travel PLC has compiled a number of issue driven fact-bases, which include the assessment of the key sustainability issues for TUI Travel PLC, e.g.:

- GHG emissions
- technological advances in reducing GHG's
- socially responsible investment funds
- political action on climate change
- impact of climate change on our destinations
- economic benefits of sustainable tourism; and
- consumer views and behaviour regarding climate change

In addition, we have developed a 'TUI Travel Aviation Factbase' to review cost competitiveness, fleet mix and utilisation, future challenges and costs of air transport i.e. the forthcoming EU ETS.

By way of context, with reference to a recent article in the *Ethical Performance* journal [May 08] "sixty percent of asset owners are asking their investment managers to integrate climate change into investment analysis". In addition, an October 2006 Eurosif report on Socially Responsible Investment (SRI) investment across nine European countries established the broad European SRI market value at 1 trillion Euros, representing 10-15% of total European funds under management, a 36% growth since 2002 – therefore, increasing evidence exists to confirm the importance placed by mainstream investors on listed companies' ethical performance, reinforced by a research report launched Sep 07 by EIRIS (the independent research agency which screens organisations for the FTSE4Good Index) summed up by an EIRIS executive director: 'Investors are concerned by the potential costs of investing in irresponsible and unsustainable companies. Increasingly they are favouring those companies that are responding well to the environmental, social and governance challenges they face – each of which has the potential to affect shareholder value if not properly addressed'.

b Opportunities: (CDP5 Question 1b)

i Regulatory Opportunities: How do current or anticipated regulatory requirements on climate change offer opportunities for your company?

UK Government Carbon Reduction Commitment (CRC)

TUI UK & Ireland has a dedicated property team to address, *inter alia*, energy management issues. It is preparing for the forthcoming CRC. This part of the organisation now manages a significant property estate (shops, offices, call centres). Following the merger, knowledge and expertise from the previously separate teams has been brought together which will assist TUI UK & Ireland play its part with respect to this legislation in terms of reducing emissions.

EU Emissions Trading Scheme

This is a key driver that will generate momentum for TUI Travel PLC's airlines re additional fuel conservation measures and therefore reducing kerosene usage and therefore emission reductions. The merger has brought 8 airlines together with expertise regarding preparation for ETS as well as knowledge and experience regarding fuel conservation measures ergo emission reductions

Airline efficiency

TUI Travel PLC's airlines' aircraft operate with high-load factors, fly optimal sector lengths and are fuel-efficient, among other things, all helping to deliver very favourable performance compared to other carriers in the scheduled & low cost carrier sector; our airline's CO₂ per RPK [revenue passenger kilometre] performance compared to scheduled airlines & low cost carriers is excellent – by way of a UK example:

- First Choice Airways & Thomsonfly's [TUI Travel PLC's UK airlines] fuel efficiency & emissions were 77.5g CO₂/RPK flown and 79g CO₂/ RPK flown respectively [2006/07 year data]
- Compared to the low-cost carriers - Ryanair is 96g CO₂ per RPK¹ and easyJet is 95.7g CO₂ per RPK²
- Compared to the scheduled carriers, British Airways is 143 g CO₂ per RPK & Virgin Atlantic 133g³

Note – RPK is Revenue Passenger Kilometre and does not take account of freight which is often carried on long haul flights, in particular by some other airlines.

ii Physical Opportunities: How do current or anticipated physical changes resulting from climate change present opportunities for your company?

- The lengthening of the tourist season in certain geographical locations in the medium term will potentially take the pressure off the peak season times effectively spreading the demand to the current shoulder seasons.
- TUI Airline Management [TAM] convened an inaugural conference for Fuel Conservation Managers from across our European airlines to discuss and share good practice with regard to fuel & emissions. This addressed, among other things, fuel conservation, minimizing emissions during landing take-off cycle, single engine taxi etc. On account of the fuel price increases, we also continue to review reducing the speed of our aircraft by investigating the cost index usage on a regular basis (the index is a result of an equation of the cost of fuel and the cost of time) whilst considering the impact, as appropriate on one-time performance.

¹ Source: Environmental Data Services Journal – Nov 2006 research undertaken by them

² Source: Easyjet's 2006 corporate responsibility report

³ Source: Environmental Data Services Journal – Nov 2006 research undertaken by them

- There are case studies documented detailing the adaptation opportunities arising in relation to climate change, e.g. water scarcity, extreme temperatures, natural disasters etc. In summary, the examples outlined could offer opportunities for TUI Travel PLC customers by virtue of offering different and extended seasons (as outlined in the bullet point above), investment in new infrastructure to be more capable of addressing the impacts of extreme weather events and at the same time offering better facilities to guests.

iii **General Opportunities:** How does climate change present general opportunities for your company?

Greater customer awareness

TUI UK & Ireland conducted some on-line research in December 2007 regarding our customers' level of engagement on sustainable development and holidays. Two statistics usefully demonstrate the current interest from customers:

- 59% of customers said that "holidays with a low impact on the environment would influence their decision in making a holiday purchase"
- 77% of customers said that "holidays with a fair deal for local people would influence their holiday purchase choice"

Although evidence from other sources suggests that consumers are generally more willing to express willingness in such surveys than to make actual 'green' purchases, this feedback, as well as reference to currently available market research helps TUI UK & Ireland to justify the action planned at a group level by TUI Travel PLC; e.g. with respect to greater communications on our plans to increase the prominence of environmental messages, especially those relating to climate change and carbon management issues. TUI Travel PLC is currently developing its approach and strategic direction to address our climate change impacts.

Carbon labelling

TUI Travel PLC continues to monitor the debate regarding carbon labeling and its applicability to the holiday industry.

Sustainable Aviation & OMEGA

TUI Travel PLC's UK airlines [FC Airways & Thomsonfly] work closely with partners across the UK aviation industry to develop strategy towards sustainable aviation and in June 2005 were launch signatories to Sustainable Aviation [SA] a voluntary initiative among the key players in the UK aviation sector. The 34 commitment strategy covers many issue areas associated with aviation, e.g. climate change, local air quality and noise. TUI Travel PLC's colleagues actively participate in SA's regular meetings (e.g. the Climate Change Working Group). More info - <http://www.sustainableaviation.co.uk>

OMEGA - FC Airways has been supporting the UK academic community's OMEGA project⁴; FCA supported a bid by one the academic partners to address "sustainable planning for airports with aviation related tourism impacts" for states of South Eastern Europe and has helped to provide input for project ideas for the second phase of the OMEGA project cycle. TUI Travel PLC's UK airlines also plan to support OMEGA with data useful to its research once we have satisfactory approval by some key third parties. More information at – <http://www.omega.mmu.ac.uk/>

For information on how TUI Travel PLC plans to resource its approach to general opportunities presented by Climate Change, please refer to Question 4 (a), responsibility.

iv **Maximizing Opportunities:** Do you invest in, or have plans to invest in products and services that are designed to minimize or adapt to the effects of climate change?

Investment in new technology

Whilst there are currently limits to the alternative technologies available for air travel, TUI Travel PLC will be the European launch customer for the Boeing 787 Dreamliner (B787). Together, TUI Travel PLC has ordered 23 super-efficient new B787s. The fuselage will be made out of composite material, therefore lighter and more durable than aluminium, creating less waste during the production process. The environmental credentials of the aircraft were a key factor in our decision. Boeing has outlined and communicated the following info regarding the fuel & emission saving features of the B787:

- 20% less fuel burn than a comparably sized aircraft operating today
- Emissions per RPK range from 61 – 95g CO₂ - dependent on seating density used
- 28% less NO_x [oxides of Nitrogen] than 2008 industry regulatory limit
- smooth wing technology (7% better aerodynamically) & state-of-the-art raked tip (imitates a winglet)

⁴ Omega is a £5 million Government-funded project led by Manchester Metropolitan University [and 8 other Universities] seeking to study the environmental, business and operational impacts of aviation and develop strategies to reduce environmental impacts and business risk.

In addition, TUI Travel PLC's Nordic aircraft fleet have equipped their Boeing 757s with winglets, further helping to reduce fuel burn and emissions. TUI Travel PLC continues to discuss issues such as these with aircraft lessors to see if there are ways to further improve fuel efficiency and emissions.

TUI Travel PLC's fleet modernization programme will help to further reduce the average age of aircraft in our fleet (currently the average age of our fleet is 9.48 years - as at 01 June 2008).

Voluntary carbon offset scheme

In March 2007 First Choice Holiday's [FCH] Mainstream Sector introduced a voluntary customer carbon offset scheme called *the World Care Fund* offered on an opt-out basis and supporting two organisations (The Travel Foundation and ClimateCare – see below for info on The Travel Foundation). Working with ClimateCare, customers' donations go towards investing in renewable energy and energy-efficiency projects in developing world destinations which reduce carbon emissions that would otherwise have been emitted as well as providing sustainable development benefits; projects which are exclusive to FCH. All projects are being put through the Voluntary Gold Standard (VGS) project verification process (VGS is the Voluntary emissions reduction standard recognised by NGOs, Governments and specialists in the field as the most reliable indicator of carbon monitoring and additionality).

Insert file - Gold Standard April 2008 newsletter - WCF rollout

In the scheme's first year, a carbon offset equivalent to approximately 20% of First Choice Airways' total annual CO₂ emissions [20% = 250,000 tonnes] was invested in projects that will in the future deliver CO₂ savings equivalent to that amount. To date, *the World Care Fund* has had a typical customer uptake rate of around 35% and raised over £1million, 100% of which has been passed to the two organisations noted above.

For holidays departing May 2009 onwards, all TUI UK & Ireland Mainstream Sector customers [including Thomson & First Choice Holidays] have the opportunity to make a small donation of £1 per adult and 50p per child to the World Care Fund – which will be matched in full by the company:

- 80% of the donation goes to ClimateCare, aimed at offsetting emissions
- 20% goes to the Travel Foundation, who organise projects benefiting local environments & communities overseas.
- While offsetting can't solve aviation's contribution to climate change, it's a positive and immediate action that our customers can take to help make up for their impact.
- By introducing a £1 'opt-out' levy rather than offering full carbon offsets, TUI UK & Ireland believes it will make a much larger impact by having a higher uptake than 'traditional' offsetting schemes (i.e. those offering a full offset).
- By the end of 2008 we expect to offset approximately 20% of TUI UK's combined fleet's carbon emissions [c. 3M tonnes in total per annum], i.e. invested in projects that will in the future deliver CO₂ savings equivalent to that amount.

More information:

- www.firstchoice.co.uk/environment
- www.thomson.co.uk/environment
- <http://www.cdmgoldstandard.org>

TUI Travel PLC has commenced work to address the effects of climate change, i.e. mitigation strategies (see above) in destinations. TUI Travel PLC recognises it has a role to play with regard to working with destination communities (e.g. tourism organisations, governments etc) on the bigger challenge of adaptation to climate change. Please refer to Q3a (iv) for more detail, e.g. with regard to TUI Travel PLC's approach to constructing future-proofed new builds with respect to climate change.

v **Financial and Business Implications:** How do you assess the current and/or future financial effects of the opportunities you have identified and how those opportunities might affect your business?

TUI Travel PLC assesses the key current and future issues within its businesses through the Managing For Value framework. This strategic framework seeks to create shareholder value through fact-based strategic decision-making, consideration of issues and uses financial measures that consider the cost of capital to generate profits i.e. economic profit, Return On Investment Capital [ROIC]. Through this framework TUI Travel PLC has compiled a number of issue driven fact-bases, which include the assessment of the key sustainability issues for TUI Travel PLC, e.g.:

- GHG emissions
- technological advances in reducing GHG's
- socially responsible investment funds
- political action on climate change
- impact of climate change on our destinations
- economic benefits of sustainable tourism; and
- consumer views and behaviour regarding climate change

In addition, we have developed a 'TUI Travel Aviation Factbase' to review cost competitiveness, fleet mix and utilisation, future challenges and costs of air transport i.e. the forthcoming EU ETS.

2 Greenhouse Gas (GHG) Emissions Accounting

Objective: To determine actual absolute Greenhouse Gas emissions.

The term GHG Protocol below refers to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). This may be found on the GHG Protocol Website www.ghgprotocol.org

a Accounting Parameters (CDP5 Question 2a)

i **Reporting Boundary:** Please indicate the category that best describes the company, entities or group for which your response is prepared:

- Companies over which financial control is exercised – per consolidated audited Financial Statements
- Companies over which operational control is exercised.
- Companies in which an equity share is held.
- Other (please provide details).

Answer (d) is the most appropriate answer for TUI Travel PLC to select, for this our first submission. As outlined within this submission, TUI Travel PLC was formed on 3 September 2007 and has yet to post a full set of financial results for an actual 12 months of full financial control. Therefore, our reporting period is based on a pro forma financial year ending 30 September 2007. See Q2a (ii) for further explanation.

Please use the same approach for all answers.

ii **Reporting Year:** Please explicitly state the dates of the accounting year or period for which GHG emissions are reported. As outlined above in section (a), TUI Travel PLC was formed on 3 September 2007. Therefore, for the purpose of this submission, our reporting period is based on a pro forma financial year ending 30 September 2007. Where the data was not available from First Choice Holidays PLC or TUI Tourism for this financial period [1 October 2006 – 30 September 2007], the nearest full 12 months of data has been used.

iii **Methodology:** Please specify the methodology used by your company to calculate GHG emissions.

Reference and the methodology contained therein has been made to the latest version of the GHG Protocol reporting documents. In addition, TUI Travel PLC has used the UK Government Environment Department's [DEFRA] "Guidelines for Company Reporting on Greenhouse Gas Emissions" to obtain carbon dioxide emission factors for electricity, gas, aviation fuel, ground-based fuels etc [annexes of emission last updated April 2008]. This document and the annexes which contain the transport and energy related data is available via DEFRA's website.

refer to - <http://www.defra.gov.uk/environment/business/envrp/index.htm>

b Direct and Indirect Emissions – Scope 1 and 2 of the GHG Protocol (CDP5 Question 2b)

i Are you able to provide a breakdown of your direct and indirect emissions under Scopes 1 and 2 of the GHG Protocol and to analyze your electricity consumption? If so, please provide the following information together with a breakdown of the emissions reported under each category by country where possible. If not, please proceed to question 2b ii:

TUI Travel PLC is able to provide a breakdown of our direct and indirect emissions under Scopes 1 & 2 of the GHG Protocol.

Scope 1 Direct GHG Emissions⁵

a. Total global Scope 1 activity in metric tonnes CO₂-e emitted.

7,173,814 metric tonnes. Note - this number has been generated as a result of our carbon accounting procedures. However, we accept that this provides an estimate rather than an accurate absolute value. The main coverage of these emissions is as follows:

- TUI Travel PLC's European airlines
- TUI Travel PLC's UK & European cruise ship operation
- TUI Travel PLC's Activity Sector operations – i.e. use of liquid fuels from marine & overland tour operations
- TUI Travel PLC's Specialist Sector operations – i.e. use of liquid fuels from marine, aviation & overland tour operations
- TUI Travel PLC's ODS Sector operations – i.e. use of liquid fuels from operating coaches

b. Total Scope 1 activity in metric tonnes CO₂-e emitted for Annex B countries⁶.

7,173,814 metric tonnes

The main coverage of these emissions is as follows:

- refer to Question 2b(a) – the details are the same as above.

Scope 2 Indirect GHG Emissions⁷

c. Total global Scope 2 activity in metric tonnes CO₂-e emitted.

95,021 metric tonnes

The main coverage of these emissions is as follows:

- TUI Travel PLC's European & Canadian operations' electricity usage – including the UK
- TUI Travel PLC's Activity Sector operations' electricity usage
- TUI Travel PLC's Specialist Sector operations' electricity usage
- TUI Travel PLC's ODS Sector operations' electricity usage

d. Total Scope 2 activity in metric tonnes CO₂-e emitted for Annex B countries.

95,021 metric tonnes

The main coverage of these emissions is as follows:

- refer to Question 2b(c) – the details are the same as above.

Electricity consumption

e. Total global MWh of purchased electricity.

176,942 MWh of purchased electricity

f. Total MWh of purchased electricity for Annex B countries.

176,942 MWh of purchased electricity

g. Total global MWh of purchased electricity from renewable sources.

44,456 MWh of purchased electricity – equivalent to 25% of total energy purchased.

h. Total MWh of purchased electricity from renewable sources for Annex B countries.

TUI Travel PLC has calculated these figures for (e), (f) & (g) using a series of actual data and calculations from the TUI UK Office Estate as a basis for extrapolation where required. The kWh/head/year = 4,552 and kg CO₂ per head/year = 2,445 – these were then used as the basis for the multiplication by the number of colleagues. It is possible that in fact there is a greater amount of electricity purchased from renewable sources than has been stated here.

⁵ Scope 1: "Direct" emissions from GHG sources owned or controlled by the company, such as combustion facilities (e.g. boilers, furnaces, turbines, heaters, incinerators, engines, flares, etc.), combustion of fuels in company-owned or company-controlled transportation (e.g. cars, buses, planes, ships, barges, trains, etc.), and physical or chemical processes (e.g. in cement manufacturing, catalytic cracking in petrochemical processing, aluminium smelting, etc.).

⁶ Annex B is a reference to the Kyoto Protocol and includes - EU Member Countries (Including New Members), Liechtenstein, Monaco, Russian Federation, Switzerland, USA, Canada, Japan, Croatia, New Zealand, Ukraine, Norway, Australia & Iceland [See www.unfccc.int]

⁷ Scope 2: GHG emissions that the company has indirectly caused through its consumption of imported electricity, heat, cooling or steam. This category is often called "purchased electricity" because this represents the most common source of Scope 2 emissions.

ii If you are unable to detail your Scope 1 and Scope 2 GHG emissions and/or electricity consumption, please report the GHG emissions you are able to identify together with a description of those emissions.

(c) Other Emissions – Scope 3⁸ of GHG Protocol: (CDP5 Question 2c)

How do you identify and/or measure Scope 3 emissions? Please provide where possible:

Using the international environmental management systems standard, ISO14001, as a basis for identifying the most environmentally significant activities and therefore impacts; First Choice Holidays PLC's Mainstream Sector (now part of TUI UK & Ireland) and TUI Deutschland, had both previously developed an Environmental Management System (EMS) in line with 14001 (TUI Deutschland also has third party verification for its system).

a. Details of the most significant Scope 3 sources for your company.

As a company in transition, TUI Travel PLC is not able to provide this information in this year's submission. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data following the merger.

However, using ISO14001 as a basis for identifying the most environmentally significant activities, the most significant Scope 3 sources of CO₂ emissions are likely to be (to be reported where practicable in the future):

- energy usage (e.g. electricity, oil & LPG) for overseas hotel operations where our customers stay
- emissions from air travel when customers travel on a third party carrier, e.g. a scheduled airline
- emissions from transporting customers to and from their hotel accommodation (if applicable)
- emissions from transporting customers taking excursion trips (if applicable)

TUI Travel PLC will need to ensure that it takes appropriate precautions when generating data next year to avoid double counting e.g. with respect to large hotel chains which may collect some of the same data and claim "ownership".

b. Details in metric tonnes CO₂-e of GHG emissions in the following categories:

See answer to Q2(c).

i Employee business travel.

As a company in transition, TUI Travel PLC is not able to provide this information in this year's submission. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data following the merger.

ii External distribution/logistics.

As a company in transition, TUI Travel PLC is not able to provide this information in this year's submission. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data following the merger.

iii Use/disposal of company's products and services.

As a company in transition, TUI Travel PLC is not able to provide this information in this year's submission. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data following the merger.

iv Company supply chain.

As a company in transition, TUI Travel PLC is not able to provide this information in this year's submission. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data following the merger. However, TUI Travel PLC's Risk & SD Team are currently in the process of scoping out a project to explore which of our businesses are seeking to influence 1st tier suppliers on sustainability. As part of this work, we will also seek to ascertain the extent of performance (and any improvements) being tracked to date. In addition as part of this project, TUI Travel PLC' will seek investigate:

- What sustainability standards (voluntary or contractual?), awards and IT systems are being used across TUI to monitor supplier performance?
- What are the most aspirational examples of sustainable product in the Group's portfolio?

This project is in the design stage at present, but we would look to complete this work in the next 6 months. Further detail will be communicated in next year's Carbon Disclosure Project.

⁸ Scope 3: Other indirect emissions that are a consequence of a company's activities, but which arise from GHG sources that are owned or controlled by others.

c. *Details of the methodology you use to quantify or estimate Scope 3 emissions.*

As a company in transition, TUI Travel PLC is not able to provide this information in this year's submission. TUI Travel PLC is currently in the process of reviewing its collection methods, sources and qualities of data following the merger.

(d) External Verification (CDP5 Question 2a iii)

(i) Has the information reported in response to Questions 2b – c been externally verified have the information verified or audited? If so:

The extent of the emissions reported have been verified is equivalent to 18%. The data verified relates to FC Airways, FC Retail & FC Tour Operating data [the FC Holidays PLC financial year 2006/07]. The auditing and verification of environmental data will be harmonized within TUI Travel PLC over the next year.

(ii) *Please provide a copy of the audit or verification statement or state your plans for verification.*

Append a copy of the Bureau Verification Statement for the First Choice Holidays PLC (FY 0607) environment data.

(iii) *Please specify the Standard or Protocol against which the information has been verified or audited.*

- The verification process used by Bureau Veritas to review the First Choice Holidays PLC data [now part of TUI UK & Ireland] used in this submission [06/07 financial year] is based on current best practice, such as that detailed in the Institute of Social and Ethical AccountAbility Standard AA1000, the Global Reporting Initiative framework, and other auditing standards such as ISAE 3000 [International Standard On Assurance Engagements 3000].
- The information provided by TUI AG [with respect to TUI Tourism] has been checked with internally developed methods consisting of statistical tests and reviews of data plausibility against internal and external standards. The TUI AG 2007 Annual Report includes - apart from corporate and financial activities - major aspects of ecological and social activities and the sustainability management. As a part of the Annual Report these aspects have been audited by PricewaterhouseCoopers.

(e) Data Accuracy (New to CDP6)

Does your company have a system in place to assess the accuracy of GHG emissions inventory calculation methods, data processes and other systems relating to GHG measurement? If so, please provide details. If not, please explain how data accuracy is managed.

Refer to Q2a(iii) above. The Group Environment Manager prepared this submission in partnership with the Group Strategy Dept - this provided a form of internal control and verification with regard to the qualitative and quantitative data presented.

(f) Emissions History (CDP5 Question 2a iv)

Do the emissions reported for your last accounting year vary significantly compared to explain the reasons for the variations? TUI Travel PLC is undergoing a lot of change given the merging of the tourism businesses of TUI AG with First Choice Holidays PLC in September 2007. For this reason, it is difficult to make a meaningful comparison between First Choice Holidays PLC's submissions in CDP5 (2007) and TUI Travel PLC's this year.

(g) Emissions Trading (CDP5 Question 4b)

(i) Does your company have facilities covered by the EU Emissions Trading Scheme?

a. Please provide details of the annual allowances awarded to your company in Phase from 1 January 2005 to 31 December 2007 and details of allowances allocated on 1 January 2008.

TUI Travel PLC's operations are not covered by Phase 1 of the EU ETS.

b. Please provide details of actual annual emissions from facilities covered by the 1 January 2005.

TUI Travel PLC's operations are not covered by Phase 1 of the EU ETS.

c. What has been the impact on your company's profitability of the EU ETS?

TUI Travel PLC's operations are not covered by Phase 1 of the EU ETS.

(ii) What is your company's strategy for trading or participating in regional and/or international (e.g.: EU ETS, RGGI, CCX) and Kyoto mechanisms such as CDM [Clean Development Mechanism] and Joint Implementation [JI] projects?

TUI Travel PLC has not yet finalised its strategy on these matters. However, the rules of the EU ETS [before a final decision is made on 9 July 2008 – after this submission to CDP has been made] will limit the percentage of CERs that participants can use (up to 15% of 2012 emissions to last over the entire 2012-2020 period - the approach for the period 2013-2020 is still to be determined). Should TUI Travel PLC include any CDM investment in its approach to meet its EU ETS requirements (e.g. CER credits). Money invested from the World Care Fund in carbon offsets will:

- not be used to fund projects that will generate tradeable credits; and
- if the money is invested in projects that generate CERs - CERs will not be used in any trading activity undertaken by TUI; and
- offset credits purchased through the TUI programme will not be sold - they will be removed from the relevant registry as soon as possible after purchase.

(h) Energy Costs (CDP5 Question 4d)

(i) Please identify the total costs in US \$ of your energy consumption e.g. from fossil fuels

Costs for kerosene – Jet A1 for TUI Travel PLC's European aircraft.

\$1,600,000,000 [1.6 Billion] and this applies to TUI Travel PLC's pro forma financial year-ending 30 September 2007.

For this year's CDP submission, TUI Travel PLC has calculated the total energy usage based on a mixture of actual, verifiable data and extrapolated data. TUI Travel PLC is not currently able to provide data on the global cost of global electricity.

(ii) What percentage of your total operating costs does this represent?

Kerosene [Jet A1] represents approximately 7% of total operating costs [\$23.6 Billion] based on the pro forma financial year ending 30 September 2007.

(iii) What percentage of energy costs are incurred on energy from renewable sources?

For this year's submission, TUI Travel PLC has calculated the total energy usage based on a mixture of actual, verifiable data and extrapolated data. As a company in transition, TUI Travel PLC is not able to provide data on the cost of electricity used around its global operations.

3 Performance

Objective: To determine performance against targets and plans to reduce GHG emissions.

a Reduction Plans (CDP5 Questions 1d and 4a)

i Does your company have a GHG emissions reduction plan in place? If so, please provide details along with the information requested below. If there is currently no plan in place, please explain why.

TUI Travel PLC is currently in the process of developing a formal set of long-term objectives including a set of commitments relating to climate change and carbon management.

First Choice Holidays PLC's Mainstream Sector (the largest of the then four sectors with c. 50% of colleagues and 50% turnover of the Group), now part of TUI UK & Ireland, had previously developed an Environmental Management System (EMS) in line with best practice using the international standard ISO14001. Currently, the historic FC EMS is being extended across TUI UK & Ireland. TUI Deutschland has a certified EMS for its operations in Germany,. As part of this work, First Choice had developed environmental objectives supported by targets set annually (taken place since November 2003). With regard to specific emissions targets, these covered two key areas:

1. Emissions to atmosphere from use of energy [electricity and gas leading to GHG emissions]
2. Emissions to atmosphere from use of liquid fuels [aviation & road-based transport leading to GHG emissions]

As outlined in Q4(a) below, the TUI Travel PLC Sustainable Development Steering Committee [SDSC] is responsible for, among other things, the over-arching Group strategic direction and long-term environmental objectives. TUI Travel PLC

plans to communicate these commitments in detail within a stand-alone Sustainable Development report in December 2008 (to sit alongside the TUI Travel PLC Annual Report & Accounts).

ii What is the baseline year for the emissions reduction plan?

With reference to the above sub-section, this is in train at present.

iii What are the emissions reduction targets and over what period do those targets extend?

TUI Travel PLC plans to communicate its commitments in detail within a stand-alone Sustainable Development report in December 2008 (to sit alongside the TUI Travel PLC Annual Report & Accounts).

iv What activities are you undertaking to reduce your emissions e.g.: renewable energy, energy efficiency, process modifications, offsets, sequestration etc? What targets have you set for each and over what timescales do they extend?

Renewable energy

From 1st November 2006, the majority of First Choice Holidays PLC's Mainstream Head Office buildings [TUI UK & Ireland] and a significant number of First Choice Retail's Travel Shops & Holiday Hypermarkets in the UK signed up to green electricity tariffs which source energy from renewable sources of power, e.g. wind, solar, hydro electric power and tidal power. In addition, the majority of Thomson's shops and offices are also currently signed-up to green electricity tariffs.

For a short synopsis of TUI UK & Ireland's approach to renewable energy, refer to the case study listed in "Renewable Energy in Tourism Initiative", a publication by the University of Colorado published this year - http://reti.colorado.edu/pdf/Tour_Operators_080324.pdf

Energy efficiency

In the last 12 months, TUI Central Europe & TUI UK & Ireland has been working with specialist environmental engineers who have focused on resource efficiency within their respective flagship products; this has included the *Holiday Village* hotels & resorts for TUI UK & Ireland. This work is almost complete and TUI Travel PLC will then be in a position to calculate an appropriate metric for our largest accommodation (i.e.. grams of carbon dioxide emitted per guest night stay).

TUI UK & Ireland is incorporating sustainable design and construction approaches into its new build projects, working towards constructing accommodation that use less energy and water, and produces less waste and would like to ensure units are encouraged to generate their own energy from renewable sources where practicable helping to make them future proofed regarding climate change and meeting the adaptation challenge. The long-term goal is to dramatically reduce the 'carbon footprint' of our accommodation, and we are focusing first on our largest accommodation units – the Holiday Villages and Sensatori properties with a view to taking a company wide approach in the future.

In addition, TUI UK & Ireland has started auditing First Choice and Thomson hotels on strict social and environmental criteria in line with the international Travelife scheme. The best performing hotels receive Gold, Silver or Bronze awards from Travelife, an independent system supported by the European Union and the Federation of Tour Operators. So far we've audited almost 300 of the most popular First Choice hotels, and many more will be checked during 2008 including Thomson hotels – a key element is environmental good practice, incorporating energy efficiency. First Choice brochures highlight 29 hotels that have made the best efforts in these areas and been rewarded with a Travelife award [approximately half with a Gold Award], so that our customers can choose their holiday safe in the knowledge that their chosen hotel is actively reducing its impact on the environment and supporting its local community.

Investment in new technology – Boeing 787 investment programme

Please refer to Q1b(iv) for further info.

Process modifications

TUI Airline Management is convening an inaugural conference for Fuel Conservation Managers from across our European airlines to discuss and share good practice with regard to fuel & emissions in mid-June 2008. This will address, among other things, fuel conservation, minimizing emissions during landing take-off cycle, single engine taxi etc. With regard to aircraft leases more generally, TUI Travel PLC acts to ensure that continued fuel-efficient operations of its aircraft & engine combinations remains a fundamental core of business decisions.

Offsets

Please refer to Q1b(iv) for further info on our approach to offsets.

v *What investment has been or will be required to achieve the targets and over what time period?*

Offsets

With regard to offsets – Q1b(iv) for further info on our approach to offsets

Investment in new technology – Boeing 787 investment programme

Significant investment has been made – Please refer to Q1b(iv), Maximizing Opportunities, for further info. However, actual information re size of the investment to secure these aircraft is commercially sensitive - the same applies to retrofitting winglets to aircraft in terms of the level of investment.

Human Resources

The SD team has evolved and is now as follows:

- o Jane Ashton, Group Head of Sustainable Development
- o Sarah Perry, Group Sustainable Development Manager
- o James Whittingham, Group Environment Manager
- o Ana Holden-Peters, Sustainability Communications Executive
- o Sean Owens, Sustainable Product Manager

In addition, following a recent internal group sustainable development audit, respondents confirmed there are 16 other FTE's around TUI Travel PLC - not including the team above or the Sector Sustainable Development Managers – as discussed in section 1a(iv).

vi *What emissions reductions and associated costs or savings have been achieved to date as a result of the plan?*

Refer to the above sub-section.

b Emissions Intensity (CDP 5 Question 4c)

i What is the most appropriate measurement of emissions intensity for your company?

A measure of emissions intensity currently calculable = grams of carbon dioxide emitted per revenue passenger kilometer [aviation part of the business]. As one of the largest airlines within TAM, First Choice Airways, has been publicly reporting on a metric (grams of carbon dioxide emitted per revenue passenger kilometer) since 2003/04. First Choice Airways & Thomsonfly's [TUI Travel PLC's UK airlines] fuel efficiency & emissions were:

- First Choice Airways - 77.5g CO2/RPK flown [2006/07 year data]
- Thomsonfly - 79g CO2/ RPK flown respectively [2007 Calendar year]

First Choice Airways data was audited by Bureau Veritas – refer to Question 2(d) for more info and for a copy of the Verification Statement. Reasons behind this high efficiency are discussed in Q3a(iv).

With the formation of TUI Travel PLC, a diverse portfolio of activities came together and therefore it will be possible in the future to also list metrics as follows:

- Kg CO2 emissions per guest night stay – TUI Hotels & Resorts
- Kg CO2 emissions per guest – TUI Cruises [Thomson Cruise Ships]

It is not meaningful to do so for this year's submission on account of the timing of the creation of TUI Travel PLC.

In the last 12 months, TUI Central Europe & TUI UK & Ireland has been working with specialist environmental engineers who have focused on resource efficiency within their respective flagship products; this has included the Holiday Village hotels & resorts for TUI UK & Ireland. This work is almost complete and TUI Travel PLC will then be in a position to calculate an appropriate metric for our largest accommodation (i.e.. grams of carbon dioxide emitted per guest night stay). Refer to Q1b(iii) for more info.

TUI Travel PLC continues to monitor the debate regarding carbon labeling – it is an aspiration to work towards creating and publicising an "emissions per package holiday" rating for our holidays. This was discussed at TUI Travel PLC's recent Sustainable Development Steering Committee [SDSC] held in May 2008 and will be researched in the future.

ii Please state your GHG emissions intensity in terms of total tonnes of CO₂-e reported under Scope 1 and Scope 2 per US \$m turnover and EBITDA for the reporting year.

- Turnover = £12,839.9M = \$25,679,800,000 or \$25.680 Bn [based on \$/£ of 2]
- EBITDA = £529,000,000 = \$1,058,000,000 or \$1.058 Bn [based on \$/£ of 2]

Turnover

Scope 1 = 279.35/Tonne & Scope 2 = 3.7

EBITDA

Scope 1 = 6,781/Tonne & Scope 2 = 89.8

Note: these figures are based on TUI Travel PLC's *pro forma* financial year ending 30 September 2007.

iii *Has your company developed emissions intensity targets? If so:*

TUI Travel PLC is currently in the process of developing and cascading targets to address climate change impacts of our activities. As outlined in the Governance question (4) below, TUI Travel PLC's Sustainable Development Steering Committee [SDSC] is leading this work at a senior level and is then responsible for driving sustainability within each of the organisation's sector. The Committee met for the first time in May 2008 and an initial set of longer-term objectives to be supported by shorter-term targets was discussed – climate change and carbon management. This work is on-going and TUI Travel PLC will be able to provide a full update next year as well as communicating its intentions and commitments in the coming months, i.e. in line with the ARA in December 2008.

a. *Please state your emissions intensity targets.*

Not yet applicable

b. *Please state what reductions in emissions intensity have been achieved against targets and over what time period.*

If not, please explain why.

Not yet applicable

c Planning (CDP5 Question 4e)

Do you forecast your company's future emissions and/or energy use? If so:

i Please provide details of those forecasts, summarize the methodology used and the assumptions made.

Through the Managing for Value strategic framework, TUI Travel PLC has documented a 5-year strategic plan, which maps out future growth and strategy of our airlines and how this will interact with the Tour Operating functions within the various source markets. This includes forecasts for the fleet over the next five years, the likely flying programme and therefore the subsequent fuel burn and the corresponding emissions profile.

As outlined in Q1b(iv), *Maximising Opportunities*, the purchase of 23 Boeing 787 Dreamliner aircraft will enable TUI Travel PLC to operate more efficiently both from an emissions and cost perspective as we move to increase the long-haul component (and therefore sector length) of our flying programme.

ii How do you factor the cost of future emissions into capital expenditure planning?

Refer to Q3c(i) above

iii How have these considerations made an impact on your investment decisions?

Refer to Q3c(i) above

4 Governance

Objective: To determine responsibility and management approach to climate change.

a Responsibility (CDP5 Question 5a)

Does a Board Committee or other executive body have overall responsibility for climate change? If not, please state how overall responsibility for climate change is managed. If so:

i Which Board Committee or executive body has overall responsibility for climate change?

Board Responsibility

At PLC board level, Johan Lundgren, Managing Director of Northern Europe, is responsible for reporting on sustainable development [incorporating climate change]. Dermot Blastland, Managing Director of TUI UK, Ireland & Canada, has overall responsibility for sustainable development on the Group Management Board [GMB]. The GMB reports into the PLC Board.

ii What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

There are other supporting tiers to manage sustainable development and climate change risk at TUI Travel PLC and review the company's progress and status regarding climate change - as follows:

Sustainable Development Steering Committee [SDSC]

The senior level Steering Committee is composed of all Sector MDs and a nominated Board member responsible for driving sustainability within the Sector. The Committee meets three times a year [it's first meeting was 8 May 2008], and is chaired by Dermot Blastland, GMB Director with responsibility for sustainable development. The committee's remit is to:

- review the TUI Travel PLC's SD team's and the Sector Sustainable Development Manager's research and recommendations [see below]
- set the over-arching Group strategic direction and long-term objectives
- report to the GMB and Main [PLC] Board

Group Sustainable Development Department

At 24 Jan GMB it was agreed that the current TUI Travel UK SD team become a Group function [reporting to Dermot Blastland], responsible for:

- driving SD governance, strategy and performance across TUI Travel PLC
- working closely with Sector MDs and Sector Sustainable Development Managers to achieve this
- convening an independent stakeholder panel to give an external perspective on our performance [in development].
- Refer to Q3a(v) re the size of the team

Sector Sustainable Development Managers

The Sector Sustainable Development Managers are full time colleagues based across TUI Travel PLC: TUI Western Europe, TUI Central Europe, TUI UK & Ireland, TUI Nordic, Activity, Specialist/Emerging Markets, TUI Airline Management [TAM], Online Destination Services [ODS] and TUI Hotels & Resorts. The Sector Sustainable Development Managers either work on SD issues full/part time in their Sectors, or there is an obvious synergy with their day-to-day roles and SD issues. The Sector Sustainable Development Managers meet four times per year. The remit of The Sector Sustainable Development Managers is to:

- identify Group and Sector-specific SD issues, risks, opportunities and performance targets
- collate and analyze SD KPI information for their Sector and feed this into Group SD data collection and reporting
- implement and embed strategy within their division/sector's operations

b Individual Performance (CDP5 Question 5b)

Do you assess or provide incentive mechanisms for individual management of climate change issues including attainment of GHG targets? If so, please provide details.

TUI Travel PLC is currently in the process of developing and cascading a new appraisal process across the business. TUI UK & Ireland has made a point of commencing the incorporation of sustainable development objectives within this process for the 2007/08 year to help with the overall business achievement of its objectives. At a TUI Travel PLC (Group) level, it is planned to formally roll out the appraisal process next financial year (1 October 2008 onwards) and this will include sustainable development objectives within the scope, including climate change and emissions reductions.

In addition, following the formation of TUI Travel PLC, The Spirit Initiative (Spirit) was launched to provide the Group with a common vision and set of values and associated behaviours. Spirit, which was developed in consultation with colleagues and senior management across the Group, identified values and behaviours that all 45,000 colleagues could identify with and incorporate in their working lives. The four core values identified are customer obsessed, value driven, playing to win and responsible leadership. Each value is then broken down into a set of behaviours - responsible leadership encompasses:

- endeavour to make a positive impact in our company and on society
- leadership has to be earned and never taken for granted
- communicate openly and easily and help each other to develop and grow
- celebrate local differences and actively seek to contribute to a better world in any way we can.

Spirit is currently being rolled out across the Group through a series of locally run workshops, HR practices and policies, internal and external communications and the Group intranet. The Group will also publish an annual 'Special Experiences Collection' which will demonstrate how colleagues have incorporated the Spirit values and behaviours into their working lives.

c Communications (New to CDP6)

Please indicate whether you publish information about the risks and opportunities presented to your company by climate change, details of your GHG emissions and plans to reduce emissions through any of the following communications:

i the company's Annual Report or other statutory filings, and/or

TUI Travel PLC will publish an Annual Report & Accounts (ARA) in Dec 2008. TUI Travel PLC published an interim set of financial results in May 08. An update on SD at TUI Travel PLC will be published in summer 2008 (immediately after the submission of the CDP Questionnaire). In addition, it is the intention of TUI Travel PLC to produce a stand-alone Sustainable Development report in Dec 2008 to sit alongside the TUI Travel PLC ARA.

ii formal communications with shareholders or external parties, and/or

- The formal process of communicating with shareholders is by the Sustainable Development Report – a latest version is available on our website – refer to <http://www.tuitravelplc.com/tuitravel/environment/>
- In addition, we are in constant communication with our shareholders and recently we have undertaken specific roadshows with SRI funds.
- TUI Travel PLC recently held a dedicated Investor Day in London on 29 January 2008. Dermot Blastland, GMB Director with responsibility for sustainable development presented at the event and elaborated how sustainability will be integrated within our business – refer to the <http://www.tuitravelplc.com/tuitravel/investors/presentations/>

TUI Travel PLC is in the process of developing a formal engagement programme with our stakeholders, i.e. to incorporate two-way, interactive dialogue with stakeholders regarding these issues. The programme is likely to consist of one-to-one meetings with key stakeholders and one or more stakeholder events. The presentation and discussion of climate change risks, opportunities and reduction plans will play a key role in these discussions.

iii voluntary communications such as Corporate Social Responsibility reporting.

First Choice Holidays PLC had previously disclosed information about the risks and opportunities presented by climate change (as had TUI AG in its ARA). Refer to part Q4c(i) above regarding current reporting plans.

Talking to the Industry

- We are increasingly being asked to talk about aviation and the environment issues at industry-focused conferences and to demonstrate our experience of making progress in this field, examples as follows:
- Eddie Redfern, Group Head of Aviation Regulation & Industry Affairs presented at the Sustainable Airports Conference in Madrid in June 2007 on a topic as follows, "Case Study – Towards Sustainable Tourism".
- James Whittingham, Group Environment Manager presented at the inaugural "Driving Green Aviation - Greener Skies Conference 2008" conference (Jan 30/31 2008) on a topic as follows, "Highlighting Progress, Achievements and Challenges for an Airline in these Challenging Times".

- Patrick Haller, Fuel Conservation Manager, Thomsonfly presented at the Future Fuel's Conference, April 2008 on a topic, "Assessing opportunities to reduce fuel consumption through optimized flight plans
- Dr. Raphael von Heereman, Director of Aeropolitical Affairs, Europe regularly makes presentations to Brussels-based policymakers e.g. Members of the European Parliament and EU officials (within various Directorates including e.g. Transport and Environment as well as officials in our major European source markets
- Farnborough International Air Show – TUI UK & Ireland will partner Boeing at an event at this year's Air Show (July 2008) to outline the environmental features, among other things, of the 787 Dreamliner.

If so, please provide details and a link to the document(s) or a copy of the relevant excerpt.

- TUI AG's most recent ARA (2007) incorporating sustainable development
<http://www.tuitravelplc.com/tuitravel/investors/information/analysis>
- First Choice Holidays PLC's most recent Environment & People Report [Sustainable Development – 2006]
<http://www.fcenvironmentandpeople.com/fcenviro>

d Public Policy (New to CDP6)

Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading? If so, please provide details.

TUI Travel PLC's UK airlines [FC Airways & Thomsonfly] continue to work closely with the UK Government's Department for Transport [DfT] and Department for Environment, Food & Rural Affairs [DEFRA] both directly and in conjunction with BATA [British Air Transport Association] and with the EC via IACA [International Air Carrier Association] on how best to include aviation in the planned EU Emissions Trading Scheme, among other issues for example.

Our UK-wide approach

TUI Travel PLC's UK Airline colleagues aim to educate UK Government officials about current operation of the industry and the impact that future policy will have on the operation of the UK industry. TUI Travel PLC's colleagues also aim to ensure that the steps being taken to improve our fuel efficiency are communicated to policy makers who otherwise may not learn of the efforts being undertaken by the industry.

Our European-wide approach

Our European-wide approach

TUI Travel PLC's European Airline colleagues aim to educate Members of the European Parliament and EU officials (within various Directorates (including e.g. Transport and Environment) as well as officials in our European source markets (e.g. transport and environment ministries within Germany, the home of TUIfly, TUI Travel PLC's largest airline) about current operation of the industry and the impact that future policy will have on the operation of the European industry. TUI Travel PLC's colleagues also aim to ensure that the steps being taken to improve our fuel efficiency, for example, are communicated to policy makers who otherwise may not learn of the efforts being undertaken by the industry.