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Non-financial Declaration of TUI Group*

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* Unaudited.

About this non-financial declaration of TUI Group

For TUI Group, sustainability covering all three areas of economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our company. We firmly believe that sustainable development is critical to long-term economic success. Together with our many partners around the world, we are actively committed to promoting sustainable development in the tourism industry.

In the following section, in line with CSR reporting legislation, we report on sustainability issues that promote a better understanding of our business operations, context and future development. TUI AG publishes a non-financial TUI Group declaration. It combines aspects and reporting on the following key issues: environmental matters, employee matters, social matters, respecting human rights and information on anti-corruption and anti-bribery integration & compliance. In compliance with section 315b, paragraph 1, sentence 3 of the German Commercial Code (HGB) we also refer, in a number of respects, to non-financial disclosures found in other parts of the Group Management Report.

Our materiality assessment generated insights into the risks and opportunities relating to sustainability. We describe our risk management system and principal risks associated with our business activities, business relations and services in our Risk Report from page 34 onwards, where the principal risks relating to sustainability are listed and explained.

APPLIED STANDARDS AND SUSTAINABILITY INDICES

Our reporting covers the United Nations Global Compact principles, which TUI signed up to in 2014, as a framework. Furthermore, we reviewed our sustainability activities against the United Nations Sustainable Development Goals (SDGs).

TUI AG is represented on the sustainability index FTSE4Good. In 2022, TUI participated in the CDP Climate Change programme and in the S&P Dow Jones Sustainability Index Assessment and engaged in dialogue with other researchers.

SPECIFIC CO₂ EMISSIONS FROM OUR AIRLINES AS A KEY NON-FINANCIAL PERFORMANCE INDICATOR

We regard specific carbon emissions (in g CO₂/rpk) from our aircraft fleet as a key non-financial performance indicator.

→ Please see page 31.

DISCLOSURES PURSUANT TO EU TAXONOMY REGULATION (2020/852)

For the first time, this statement additionally contains disclosures on whether and to what extent the activities of TUI Group are aligned with the objectives of the EU Taxonomy Regulation.

LIMITED ASSURANCE ENGAGEMENT ATTESTATION

The present non-financial statement was not part of the audit, but was subject to a limited assurance engagement in accordance with ISAE 3000 (revised).

→ Please see page 267.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

→ As a company listed in the Premium Segment of the Main Market of the London Stock Exchange, we are required pursuant to Listing Rule LR 9.8.6 to make disclosures in relation to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The section from page 123 summarises the disclosures relating to TUI Group's compliance with the TCFD recommendations and is not part of this non-financial declaration. These disclosures were therefore also not subject to the limited assurance engagement in accordance with ISAE 3000 (revised).



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Sustainability governance

For TUI Group, sustainability covering all three areas of economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our company. We firmly believe that sustainable development is critical to long-term economic success. Together with our many partners around the world, we are actively committed to promoting sustainable development in the tourism industry.

→ Disclosures on the TUI Group's business model

TUI Group is a global integrated tourism group. TUI Group's business model is outlined in detailed on pages 23 ff. and 27 ff. in accordance with section 315c paragraph 1 in conjunction with section 289c, paragraph 1 HGB.

TUI Group has a governance structure in place that ensures that sustainability issues, along with risks and opportunities resulting from climate change, are assessed and actioned at all levels. The Executive Board manages TUI's business strategically, it sets the Group's strategic direction and long-term objectives for sustainable development and signed off the Group's Sustainability Agenda. The Sustainability Business Council, which will convene from financial year 2023 onwards, will drive the integration of sustainability into all business processes and decisions.

A team of experienced sustainability professionals are working in close collaboration with senior management to ensure that TUI's business and sustainability focus areas are well aligned. The Group Sustainability Director heads up the Group Sustainability team, and reports to the Chief Sustainability Officer (CSO) who sits on the Group Executive Committee.

The role of our sustainability team is to drive implementation of the Sustainability Agenda across TUI Group and along its supply chain. The Group Executive Committee is regularly updated on our performance in delivering the Sustainability Agenda and tackling other key sustainability issues. Regular meetings are also held with the Risk Oversight Committee (ROC) to review sustainability risks.

Sustainability Governance



TUI Sustainability Agenda

Over the past two years, TUI Group's international sustainability team has focussed on developing TUI's Sustainability Agenda. New priorities and strategic directions for TUI's future sustainability activities were drawn up in consultation with internal and external stakeholders, taking account of current challenges, global scenarios and mechanisms such as the EU Green Deal. Thanks to direct exchange with our stakeholders and sector industry, we were able to gather expectations and challenges related to sustainability issues, which



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have been reflected into our sustainability activities. The Supervisory Board, Executive Board, Group Executive Board and employee representatives were regularly involved in the process of developing the agenda in the form of individual and group presentations. We also discussed specific topics with organisations and interested stakeholders. We will continue to encourage this two-way dialog to ensure we maintain our focus on the most important and relevant topics at hand.

Our Sustainability Agenda builds on tourism as a force for good. Together with our partners we strive to continue to positively contribute to local communities, reduce our environmental footprint and create more sustainable holiday choices.

OUR MISSION

“We are mindful of the importance of travel and tourism for many countries in the world and for the people living there. We partner with these countries and other stakeholders to actively shape a more sustainable future for tourism”.

TUI’s Sustainability Agenda is the next chapter in TUI’s sustainability journey in the right direction. Our ambition is to continue to lead the industry and actively shape a more sustainable future for tourism in all three dimensions of sustainability – social, environmental and economic. We will use our scale and influence for the sustainable transformation of the tourism industry.

Our Agenda consists of three building blocks to drive the sustainable business transformation, to empower ‘People’ to drive development, reduce TUI’s environmental footprint on the ‘Planet’ and partner with others to ‘Progress’ the transformation of our industry. Our three P’s of People, Planet and Progress are supported by 15 focus areas with key goals, objectives and initiatives. The Agenda is our roadmap to address the key industry and global challenges we will face in the coming decades, such as climate change. Please see the table for more details on these three building blocks.

Commitments include achieving net-zero emissions across our operations and supply chain by 2050 at the latest, setting near-term science-based emission reduction targets, becoming a circular business, enabling 20 million customers a year to make sustainable holiday choices by 2030 and co-creating the sustainable destination of the future.

The Sustainability Agenda supports and takes action to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) – 17 global goals to fight inequality, end poverty and respect our planet by 2030. These goals provide a useful framework with which to view the material impact of our business operations and a benchmark to assess the relevance of our initiatives. The tourism value chain is closely linked to many different sectors. This enables us to influence progress on many SDGs, with a special focus on 13 of them.

TUI Sustainability Agenda



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People – Empower to drive development

Tourism is the main force for development and prosperity in many parts of the world. It creates employment, provides education and drives up social and environmental standards. We will ensure that local people and communities benefit from tourism and the local supply chain. We will empower a generation of changemakers by helping them acquire the new skills and knowledge they need to transform the tourism industry.

CONTRIBUTION TO THE SDGS



TUI SUSTAINABILITY ACADEMY

We want to give our colleagues the knowledge and skills to become sustainability changemakers. One way we are doing this is through the digital 'TUI Sustainability Academy' learning platform. The first phase was developed in financial year 2022, which offers knowledge into a wide range of sustainability topics, from energy and fuels to social impacts and the circular economy. In the future the platform will also be made available to our partners so that we can support upskilling to drive the sustainable transformation of the industry. Through the TUI Sustainability Academy and other tools, we aim to deliver to colleagues 25 k training hours on sustainability annually by 2025.

SUSTAINABILITY HACKATHON

Our first Sustainability Hackathon took place in March 2022, twelve teams of colleagues from across the Group worked together to solve a common challenge: How can we change our products to reduce waste and emissions, to help TUI move towards a circular business model? Over two days, several hundred ideas came together – both in the virtual hacking teams and from colleagues who posted their ideas on a collaboration platform. A panel of judges evaluated the ideas presented by the twelve teams and selected the winners. The winning ideas are now being worked on for further development and implementation.

GERMAN SUPPLY CHAIN ACT

Protecting human rights and environmental standards across supply chains is the premise of the new German Supply Chain Act (GSCA) coming into force on the 1 January 2023. For TUI, it applies to our own business, TUI suppliers and the wider supply chain, both in Germany as well as across the globe. An internal GSCA Steering Group has been established to prepare the business to comply with the law. The focus is on the development and implementation of risk analysis, training, preventative and corrective measures and policies. This builds on the work TUI already does to protect human rights and the environment and helps prepare for the upcoming EU Due Diligence Directive.

RESPECTING HUMAN RIGHTS

TUI Group is committed to all internationally proclaimed human rights as specified in the International Bill of Human Rights and expects the same of our suppliers and business partners, in accordance with applicable laws, conventions and regulations.

We have a number of policies and initiatives in place to monitor, identify, mitigate and prevent human rights impacts in line with the UN Guiding Principles on Business and Human Rights, and we will take remedial action where necessary.

- TUI is a signatory to the UN Global Compact, covering human rights, labour, environment and anticorruption.
- TUI is a signatory to the UN World Tourism Organisation's (UNWTO) Global Code of Ethics.
- Our Global Employment Statement focusses on fair and respectful treatment of employees at all levels and compliance with applicable law and industry standards.
- Our Employee Code of Conduct, the 'Integrity Passport', commits us to respect and observe human rights. Colleagues are encouraged to report any wrongdoing to the 'Speak Up' Line.
- Our Supplier Code of Conduct sets out the minimum standards we expect from suppliers, covering human rights and labour laws, bribery and corruption, environmental impacts and support for local communities.
- We have incorporated environmental and social requirements into contracts for our accommodation suppliers as well as other areas of procurement.
- We require our hotel suppliers to implement credible sustainability certifications recognised by the Global Sustainable Tourism Council (GSTC) which include standards on human rights, child protection and social welfare in the tourism industry. We are now also applying the GSTC Criteria to our TUI Collection experiences.
- Our internal Child Protection Guidelines includes information for our colleagues on issues surrounding 'voluntourism'.
- TUI Group publishes an annual Modern Slavery Statement outlining the steps taken to prevent modern slavery and human trafficking from occurring in its business and supply chain.
- Our Human rights and child protection e-learning modules continue to be rolled out across the different businesses. Airline crews in the UK, Nordics and Germany receive Vulnerable Children & Trafficking Training during their inductions, where they learn about how to spot trafficking and what to do. The Human Rights and Child Protection modules are mandatory to be completed bi-annually by all colleagues in TUI Musement. We are working on rolling these out also across the remaining business areas.



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CHARITY AND GOOD CAUSES

Investments into projects and good causes

€ million	2022	2021	Var. %
Amount raised for charities/good causes	6.8	2.3	+195.7

Our business, colleagues and customers raised €6.8m in financial year 2022, an increase of 196 % due to the recovery of the business from the impact of the COVID-19 pandemic.

SUPPORTING THE TUI CARE FOUNDATION

One of the ways we make a positive difference in destinations is through our corporate foundation, the TUI Care Foundation, which uses the positive power of tourism to improve the lives of young people, care for the natural world and help local communities thrive. Founded in 2016 as an independent foundation, the TUI Care Foundation builds projects like education and training that use tourism as a force for good and open up new perspectives in particular for young people in the holiday destinations.

With over 30 projects in 25 countries, the TUI Care Foundation focuses on the unique needs of a destination. Examples of projects include marine conservation in Bali and Mallorca, vocational training for disadvantaged young people at the TUI Academies in the Dominican Republic and Sri Lanka, and tackling plastic waste in Cyprus and Zanzibar.

During 2022, the TUI Care Foundation won six global awards for its work around the world:

- The TUI Care Foundation's COVID-19 Relief Initiatives were awarded:
 - Gold Award by WTM Africa, in the category 'Destinations Building Back Better Post-COVID'
 - Gold Award by WTM Latin America in the category 'Increased local economic benefit'
 - Silver by WTM Africa, in the category 'Virtual Volunteering'
- Global Responsible Tourism Silver Award by WTM London in the category of 'Sustaining Employees and Communities through the Pandemic'
- The TUI Junior Academy in Curaçao was awarded a National Energy Globe Award for sustainable teaching practices
- A Barcelona Sustainable Tourism Award was presented by the consortium Turisme de Barcelona recognising the TUI Care Foundation's best sustainability practices

[+ More on TUI Care Foundation: www.tuicarefoundation.com](https://www.tuicarefoundation.com)

Planet – Reduce our footprint

CONTRIBUTION TO THE SDGS



We are working to reduce the environmental footprint of holidays and drive-up environmental standards in our industry. We will achieve net-zero emissions across our operations and supply chain by 2050 at the latest and significantly reduce our environmental footprint in the areas of water, energy and waste. To protect our planet, we will change the way we use natural resources and become a circular business.

CLIMATE COMMITMENTS

Climate change is a pressing global challenge. There is an urgency to act and for everyone to play a role in the transition to a low carbon economy. We have been working for 30 years to reduce our environmental impacts. In this next phase of our sustainability journey, we wanted to be led by science.

In 2022, TUI joined the Science Based Targets initiative (SBTi), committing to implement emission reductions in line with the latest climate science. Emissions from TUI's airline, cruises and hotel segments represent 99% of the Group's own emissions. Detailed emission reduction roadmaps have been developed for each of these three segments to realise significant reductions in emissions.

Our 2030 emission reduction targets for airlines, cruises and hotels are with SBTi for final approval.

SBTi is a global body enabling businesses to set ambitious emissions reductions targets in line with the Paris Agreement goals in order to limit the worst effects of climate change. The initiative is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

OUR FOOTPRINT TODAY

In financial year 2022, TUI Group's total emissions increased by 168.6% year-on-year in absolute terms as a result of the recovery of the business from the impact of the COVID-19 pandemic, in particular the increase from aviation operations.



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Carbon dioxide emissions (CO₂)

tons	2022	2021	Var. %
Airlines & Aviation ¹	4,331,628	1,317,865	+228.7
Cruises	762,942	391,475	+94.9
Hotels	542,994	362,474	+49.8
Major premises/shops	14,251	15,949	-10.6
Ground transport	13,144	5,440	+141.6
Scope 3 (indirect emissions from TUI's value chain) ²	33,199	27,911	+18.9
Total	5,698,158	2,121,114	+168.6

¹ Emissions from airlines and aviation include those from TUI airlines as well as other airlines that TUI Group currently holds a share in.

² With reference to the Greenhouse Gas Protocol, TUI Group currently includes Scope 3 emissions occurring from the production of office paper and printed brochures, the supply and treatment of fresh water used in our hotels, employee business travel by air on 3rd party airlines, and the transmission and distribution of electricity across our hotels, offices and retail estate. TUI Group acknowledges this is not a full and complete Scope 3 assessment and will work in future to expand Scope 3 data collection and reporting.

Energy usage by business area

MWh	2022	2021	Var. %
Airlines & Aviation*	17,655,179	5,371,454	+228.7
Cruises	2,962,423	1,518,886	+95.0
Hotels	1,599,057	1,021,997	+56.5
Major premises/shops	60,036	60,766	-1.2
Ground transport	55,311	23,314	+137.2
Total	22,332,006	7,996,417	+179.3

* Emissions from airlines and aviation include those from TUI airlines as well as other airlines that TUI Group currently holds a share in.

MORE EFFICIENT FLYING

We already operate one of Europe's most carbon-efficient airlines and we aim to continuously improve our environmental performance. Our 2030 airline emission reduction targets have been submitted to SBTi for validation. Within our emission reduction roadmap for aviation, the following levers are key; continued investment in modern carbon-efficient aircraft, efficiency through operational measures as well as investment in sustainable aviation fuel (SAF).

TUI Group has invested in cutting edge aviation technology to reduce emissions, such as the Boeing 787 and Boeing 737 Max aircraft. On average the planes are 20% and 16% more fuel-efficient (787 and 737 Max) than the aircraft they replace in the TUI Airline fleet. The Boeing 737 Max also has a 40% smaller noise footprint than previous generation aircraft. In 2022, we operated with 19 Boeing 787 aircraft and the Boeing 737 Max fleet grew from 25 to 35 aircraft during the financial year.

After the end of the reporting period a new aviation investment was announced in October 2022, with the Embraer E195-E2, the quietest and most efficient aircraft under 150 seats, to join the TUI fly Belgium fleet. The aircraft will operate on short and medium haul routes and is 50% quieter and emits up to a third less carbon dioxide.

Environmental management systems and operational measures are key to implementing sustainability and further enhancing carbon efficiency. All TUI airlines held the internationally recognised ISO 14001:2015 standard in financial year 2022. Here are some examples of operational measures we implement to improve efficiency:

- Flight operations, e.g. single-engine taxiing in and out, wind uplinks and optimised climb speeds and profiles
- Weight reduction, e.g. carbon brakes and Fly Away Kit (spare parts and kit)
- Flight planning optimisation, e.g. alternate distance and minimum fuel programme
- Fuel management system to improve fuel analysis, identify further opportunities and track savings

Sustainable aviation fuels (SAF) play a crucial role in reducing emissions in aviation. SAF is a key part of our 2030 emissions reduction roadmap to further improve airline carbon efficiency. TUI is involved with a number of partners to secure the supply of SAF. At the beginning of current financial year in October 2022, a Memorandum of Understanding was signed with Spanish energy company CEPSA and more will follow. The CEPSA partnership will focus on SAF fuels made from materials such as used cooking oils, non-food animal waste or biodegradable waste from various industries, and will make it possible to reduce aircraft emissions by up to 80% compared to conventional kerosene.

In 2022, relative carbon emissions across our airlines decreased by 18.5%. This improvement was largely a result of significantly improved load factors compared to 2021, as well as TUI's on-going re-fleeting with older aircraft being replaced by new, more carbon-efficient aircraft.



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TUI Airlines – Fuel consumption and CO₂ emissions

		2022	2021	Var. %
Specific fuel consumption	l/100 rpkm*	2.52	3.10	-18.7
Carbon dioxide (CO ₂) – total	t	4,053,745	1,300,942	+211.6
Carbon dioxide (CO ₂) – specific	kg/100 rpkm*	6.36	7.80	-18.5

* rpkm = revenue passenger kilometer.

The emissions in the following table are also shown in the form of CO₂ equivalents (CO₂e). Apart from carbon dioxide (CO₂), they include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆).

TUI Airlines – Carbon intensity

g CO ₂ /rpkm*	2022	2021	Var. %	g CO ₂ e/rpkm*
TUI Airline fleet	63.6	78.0	-18.5	64.3
TUI Airways	62.2	83.3	-25.2	62.9
TUI fly Belgium	70.7	82.8	-14.5	71.5
TUI fly Germany	64.4	75.8	-15.0	65.0
TUI fly Netherlands	59.8	70.3	-15.0	60.4
TUI fly Nordic	66.4	69.7	-4.8	67.1

* rpkm = revenue passenger kilometer.

We commissioned Verifavia to provide assurance on the carbon intensity metrics for 2022 as displayed in the table 'TUI Airlines – Carbon Intensity' above. To read our airline carbon data methodology document and the assurance report in full, please visit www.tuigroup.com/en-en/responsibility/sustainability/reporting-downloads

MORE SUSTAINABLE CRUISING

We continue to focus on lowering emissions across our cruise operations, making progress through investing in the latest technology to reduce air emissions, as well as operational efficiencies. Comprehensive emission reduction roadmaps have been developed along with our 2030 targets submitted to SBTi for validation, covering TUI Cruises, Hapag-Lloyd Cruises and Marella Cruises. Key levers include continued investment in fleet modernisation and efficiency measures, with a focus on shore power, route optimisation, energy efficiency boost and propulsion/alternative fuel switch.

TUI Cruises with its brands Mein Schiff and Hapag-Lloyd Cruises continues to operate a modern and technologically advanced fleet. The newbuild ships in the fleet include the latest technologies to minimise fuel consumption. A smart energy management system, efficient air conditioning, innovative lighting controls and the use of exhaust heat from the engines all contribute to a significantly reduced carbon footprint compared to other vessels not equipped with these technologies. Furthermore, six of twelve TUI Cruises ships are already

equipped with a shore power connection that enables the vessels to use green onshore power where available for a nearly emission-free port stay. The whole fleet will be shore power ready within the next few years.

On the newbuild Mein Schiff vessels, sulphur emissions and nitrogen emissions are reduced significantly thanks to comprehensive exhaust gas treatment systems installed on all new ships. These advanced emission purification systems are operated beyond regulatory requirements – for example not only in the designated special emission control areas of the North and Baltic Seas, the English Channel and North America but also in the other areas that Mein Schiff travels to, such as the Mediterranean, Orient, Caribbean and Central America.

The Mein Schiff fleet is also setting another milestone for sustainable growth. The production of Mein Schiff 7 is underway in the Meyer Turku shipyard in Finland. The focus is on setting high environmental standards by optimising the design regarding energy efficiency and technologies to improve sustainability. The ship will be built so it is prepared to be fuelled with green methanol in the future. It will enter service in 2024. This is an important milestone in TUI Cruises efforts to provide the first climate-neutral cruise by 2030.

Hapag-Lloyd Cruises ships exclusively use 0.1 % low-sulphur marine gas oil. This reduces the sulphur emissions of Hapag-Lloyd Cruises' fleet by up to 80 % and reduces particulates by up to 30 %. All Hapag-Lloyd Cruises ships have the TBT-free underwater coatings, seawater desalination systems for freshwater production as well as a biological sewage treatment system for wastewater. Waste is separated on board in an environmental manner prior to disposal on land by specialised companies in accordance with international regulations (MARPOL).

Hapag-Lloyd Cruises' Hanseatic Nature, Hanseatic Inspiration and Hanseatic Spirit are also equipped with modern environmental technologies. The optimisation of the hull and the use of a rudder with special propeller contribute to a reduction in fuel consumption.

TUI Marella continues to focus on sustainability and several measures have been taken to improve efficiency. For example, refurbishing the main dining rooms to remove halogen lights and replace them with LED fixtures, upgrading to more modern and efficient galley equipment and air conditioning systems, and applying the latest generation hull coatings to Marella Discovery and Marella Explorer to decrease drag in the water resulting in reduced fuel consumption.

In financial year 2022, relative carbon emissions in Cruises decreased by 44.9 % due to significantly higher occupancy levels following the impact of the pandemic in 2021. Per cruise passenger night 10.6 litres of waste were measured – a 55.3 % decrease – and 37 litres of fresh water consumed, a decrease of 58.7 % due to both the improved occupancy and less bunkering of fresh water.



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Cruises – carbon intensity, fresh water and waste

	2022	2021	Var. %
Carbon dioxide (CO ₂) – relative, kg/Cruise passenger night	132	240	-44.9
Fresh water – relative, l/Cruise passenger night	37	89	-58.7
Total water – l/Cruise passenger night	321	673	-52.4
Waste – relative, l/Cruise passenger night	10.6	23.7	-55.3

ENVIRONMENTAL EFFICIENCY ACROSS HOTELS

Our hotels and hotel partners continue to focus on and drive the sustainability transformation across their operations. Each hotel plays a key role in managing impacts on the local community, economy and the environment. In support of our priority to reduce emissions, we have developed comprehensive emission reduction roadmaps and 2030 targets for the hotel segment of our business. These targets are science-based and currently with SBTi for validation.

Our hotel portfolio continues to grow and many of our hotels are using the latest green technology to improve their sustainability performance. The production of renewable energy from solar and wind is a key lever in our emission reduction roadmaps for hotels, as is efficiency measures achieved through hotel refurbishments and newbuild standards.

Sustainability is embedded in contract clauses with our accommodation suppliers outlining minimum expectations and the requirement to work towards credible sustainability certification recognised by the Global Sustainable Tourism Council. TUI supports its hotel partners by providing guidance and tips on preparing for certification. A community platform has also been set up to inform and share about relevant sustainability topics and developments. See the Progress section for more information on both of these initiatives.

To celebrate innovative sustainability practices, our TUI Global Hotel Awards includes a sustainability category. The 2022 winners were Hotel Riu Festival and Hotel Riu San Francisco in Majorca for their role in supporting a pioneering sustainable food and recycling project. The hotels are part of an alliance of hotels in Majorca working with the municipal waste company and a local producer. Sensors are installed at the hotels to monitor organic waste, which is then converted into valuable compost. The local producer then uses the compost for growing fruit and vegetables, which are then sold to the hotels and enjoyed by their guests.

Our hotels have seen significant improvements in performance regarding emissions, water consumption and waste production. This is a result of continued efforts to improve environmental performance, along with higher customer numbers and occupancy levels returning since the pandemic.

Hotels – carbon intensity, water* and waste

	2022	2021	Var. %
Carbon dioxide (CO ₂) – relative, kg CO ₂ /guest night	10.1	13.4	-24.6
Fresh water – l/guest night	494	644	-23.2
Total water – relative, l/guest night	652	854	-23.7
Waste – relative, kg/guest night	1.9	2.2	-16.8

*Includes water for domestic, pool and irrigation purposes.

CIRCULARITY: REDUCE, REUSE AND RECYCLE

One of our core 'Planet' goals is to work towards a circular business model. The Circular Economy is a way to think about how we reduce, reuse, recycle and redesign products and services. The aim is to keep resources and materials in the life cycle for as long as possible and stop waste from being produced in the first place.

TUI has a set of Circular Economy Commitments focussed on changing the way we operate and use resources. This will involve all areas of our business model, but we are initially focussing on food waste, plastic waste and our procurement processes. TUI will work with suppliers to have all relevant information about their sustainability performance so we can track and measure progress. To support our circular business work, we are members of the Sustainable Transformation Group on Circular Economy, coordinated by the Antwerp Management School and part of the Ellen MacArthur Foundation community.

At TUI we have been working hard for many years to reduce plastic use across the business and find alternatives. TUI Group is part of the Global Tourism Plastic Initiative and signed up to its commitments. UNWTO and UNEP are leading the implementation of the initiative in cooperation with the Ellen MacArthur Foundation and with the support of an advisory group, of which TUI Group is a member. As part of this initiative, we commit to eliminating problematic and unnecessary plastic packaging and items where possible by 2025.

PROTECTION OF BIODIVERSITY

We support the WTTC's 'Nature positive vision for travel and tourism' and we will take a nature positive approach to halt and reverse biodiversity loss by 2030. We will invest in the protection and restoration of nature in destinations. In addition to our existing focus on animal welfare in our supply chain, we also want to place further emphasis on biodiversity in the future.



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We have improved, updated and resumed TUI's animal welfare audit process, having adapted them to the latest version of the ABTA guidelines (Global Animal Welfare Guidance for Animals in Tourism) and to the digital transformation of the company. Since 2016 more than 237 independent audits of animal attractions featured by TUI were conducted, as well as 140 online self-assessments. Wherever possible we prefer to work with suppliers to deliver improvement plans, however a number of venues were taken out of the programme for not meeting the required standards.

TUI has partnered with SPANA, a leading global charity in animal welfare for working animals and community development. The charity improves the welfare of working animals in three ways: free veterinary treatment, education and training, and emergency and outreach projects. The focus of the partnership is working animals (horses, camels, donkeys) in Morocco.

Progress – Accelerate the transformation

CONTRIBUTION TO THE SDGS



We aim to use our scale to increase the positive social and environmental impact of every holiday experience we offer. We strive to become sustainability leaders in all that we do. Together with our partners we will co-create the next generation sustainable business model for the tourism industry. We will enable our customers to make sustainable holiday choices in every stage of the customer journey. By 2030 we will significantly increase more sustainable holiday choices through "Green & Fair" products and services with the aim of having to have 20 million customers per year choosing a "Green & Fair" hotel or excursion, which meet the strict criteria of the Global Sustainable Tourism Council.

DESTINATION CO-LAB

In early 2022, TUI Group, TUI Care Foundation and the government of the Region of the Southern Aegean launched a five-year project called 'Destination Co-Lab Rhodes'. Together with our partners we aim to co-create the next generation sustainable business model for the tourism industry on Rhodes.

The three strategic pillars are 'Regenerate the natural environment', 'Strengthen social development and cultural heritage', and 'Foster inclusive economic development in the tourism business model'. As part of the Co-Lab, the local tourism industry and international partners want to work together to find and develop concrete solutions and implement them on Rhodes.

DRIVING CERTIFICATION

TUI is driving up social and environmental standards through certification. Our hotels and hotel partners are expected to achieve a sustainability certification from an independent organisation. This process involves a third-party assessment to certify that the hotel complies with the Global Sustainable Tourism Council (GSTC) Criteria, demonstrating social and environmental good practice. The GSTC Criteria is the established global standard for sustainable tourism and is organised around four main themes: effective sustainability planning, maximising social and economic benefits for the local community, enhancing cultural heritage, and reducing negative impacts to the environment.

In financial year 2022 we had 7.9m customers staying in a hotel¹ certified to a GSTC-recognised label standard, compared to 2.8m in 2021. The number of contracted certified hotels² has increased year-on-year by 78.7% to 1,126 hotels. This increase was due to many of our key hotel partners finally being able to act on their longstanding commitment to sustainability certification. Many certifications lapsed during the previous financial year due to the disruption caused by the COVID-19 pandemic. This was either due to hotels being closed, the operational pressures of reopening, or auditors being unable to visit destinations due to travel restrictions. The impact of this disruption has significantly reduced this year, meaning our hotel partners were able to renew their certification and we are able to report a growth in numbers.

Sustainability has also been embedded into our experiences portfolio. In financial year 2022 we applied the GSTC Criteria of the Global Sustainable Tourism Council to individual tours and activities in order to assess their sustainability performance, the first tourism company in the world to do so. 180 TUI Collection experiences have gone through this comprehensive process to meet global sustainability standards in destinations such as mainland Spain, Mallorca, the Canaries, Turkey and the Dominican Republic. By 2023, TUI aims for all TUI Collection experiences to meet global sustainability standards. TUI Collection is our own-branded portfolio of experiences available in over 100 destinations.

¹ These hotels include both TUI Hotels & Resorts (in FY 2022, there were 353 TUI Hotels & Resorts) and hotels TUI Group has a contract with that are certified to a Global Sustainable Tourism Council (GSTC) recognised standard.

² These hotels include hotels TUI Group has a contract with, that are certified to a GSTC-recognized standard and had a minimum of 100 TUI customers in FY 2022. TUI Hotels & Resorts that do not have a contract with TUI Group are excluded from this figure.



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Progress performance

	2022	2021	Var. %
Number of customers (millions) staying at hotels with certifications ¹	7.9	2.8	+180.2
Number of contracted hotels with certifications ²	1,126	630	+78.7
% of TUI hotels with certifications (variance in % points)	61	51 ³	+10
Number of certified TUI Collection excursions ⁴	180	–	n.a.

¹ These hotels include both TUI Hotels & Resorts (in FY 2022, there were 353 TUI Hotels & Resorts) and hotels TUI Group has a contract with that are certified to a Global Sustainable Tourism Council (GSTC) recognised standard.

² These hotels include hotels TUI Group has a contract with, that are certified to a GSTC-recognized standard and had a minimum of 100 TUI customers in FY 2022. TUI Hotels & Resorts that do not have a contract with TUI Group are excluded from this figure.

³ Previous year's number adjusted due to different calculation method.

⁴ Certified to a GSTC-recognized standard, certification process only began in January 2022.

CO-CREATING WITH PARTNERS

TUIPartners.com has been developed to provide one easily accessible place for our numerous partners (accommodation, tours, activities and transport providers) to find the latest news, information and guidance on sustainability, health & safety, security and more. We use the Sustainability section as a platform for sharing knowledge, experiences and upskilling on different sustainability topics such as how to achieve sustainability certifications.

EMPOWERING CONSUMERS

We want to enable consumers to make more sustainable holiday choices. As well as embedding sustainability into our brand and creating a sustainability marketing toolkit for our businesses, we have developed a label to make it easier for customers to find and book more sustainable products and services. The 'Green & Fair' label has been launched in financial year 2022 on our experiences selling website, to help consumers identify those tours and activities that meet the GSTC Criteria. In financial year 2023 this label will be rolled out to hotels.

Our people

CONTRIBUTION TO THE SDGS



PEOPLE STRATEGY

With their competence and commitment, our employees made a key contribution to TUI's successful restart. The challenging interplay between our transformation to a digital platform company, the impact of the COVID-19 pandemic and a volatile labour market have substantially altered expectations about the way we work and how we interact with present and future employees. The world of work is undergoing structural change and is characterised by digitalisation and an ever-faster pace. The introduction of new models of work are facilitating hybrid work in regards to working place and time with the help of digital solutions and policies. This changes the way we work together and leads to new requirements in the communication between managers and their teams. In the wake of our transformation the required skill-set and know-how of our employees is shifted towards the digital field. At the same time, the expectations of our employees and future talents are continually changing. People expect greater flexibility and additional benefits from their employers. Simultaneously, diversity, the experience of belonging and the increased wellbeing become ever-more relevant factors for our employees. TUI has to respond to these expectations in order to secure talent acquisition in a challenging environment, especially in the IT sector. Against the backdrop of this overall framework, we have developed a new People Strategy with Sybille Reiss, Chief People Officer and Labour Director. The strategy adopts a holistic approach aimed at both our people function, which includes our HR teams, as well as our employees. It puts people first.

The goal of our People Strategy is reflected in our vision to be *Digital, Engaging and Inclusive*.

- **Digital:** We use digital tools in order to enable our people to work smarter, unlock innovation and drive efficiency. Access to data helps our People Teams to better understand our customers – our employees – and to enable productive changes.
- **Engaging:** We invest in developing teams and confident leaders. By empowering performance, we enrich the lives of our team and succeed as a business. We recognise achievements and encourage continuous learning, allowing people to shine, individually and together. We are proud to be TUI.
- **Inclusive:** Every voice matters at TUI. That is why we aim to break down barriers, listen to each individual, and care for their wellbeing. This means we personalise our approach to be all-inclusive, embracing diversity and bringing global and local teams together.



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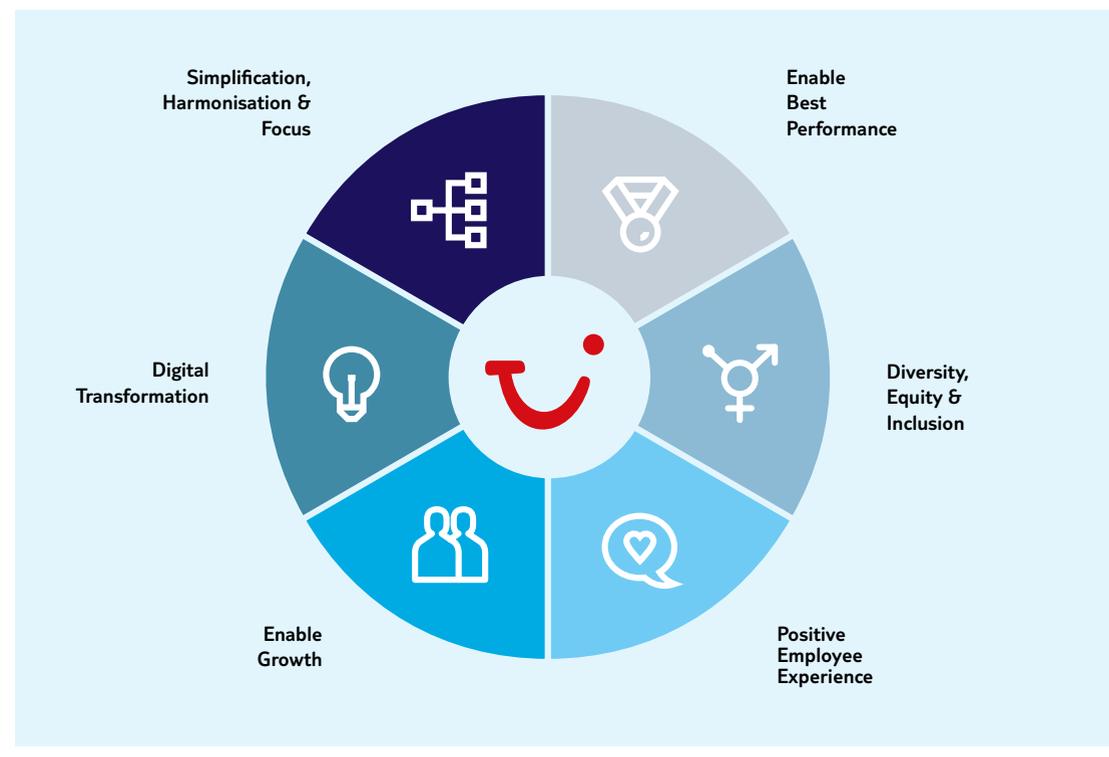
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Our People Strategy focuses on strengthening our business and the experience of existing and future employees. In order to implement our strategy, we have adopted a mission defining our relevant areas of action. With this approach we want to create a framework to empower our employees to deliver their best performance and be successful as one team.

People Strategy: areas of action



SIMPLIFICATION, HARMONISATION, FOCUS

A crucial factor in implementing our global People Strategy is that it centres on our core topics and processes. All the activities we deliver must be aligned to the principles of simplification, harmonisation and focus. Processes are being harmonised and standardised globally to create synergies and avoid duplication. Local adjustments are only effected if and as required or where this creates additional value. Examples effective from financial year 2022 include the far-reaching harmonisation of our recruitment processes across markets and platforms, reducing them to two master processes. These were ultimately be transferred to our HR system, enabling us to enhance our recruitment efficiency.

We have also realigned our HR structure to match that principle. An organisation with Group-related and local Centres of Expertise (CoE) is being transformed into a global CoE structure with local representatives. In addition to the existing global HR Business Partner and HR Services structures, global CoEs are now being established in the fields of Reward, HR Systems & People Analytics, Talent Acquisition and Talent Management & Development. Implementation was launched in financial year 2022 and the project is scheduled for completion in the first half of financial year 2023.

Progressive simplification, harmonisation and focus are supported by the ongoing development of our HR systems landscape in the wake of our digital transformation.

DIGITAL TRANSFORMATION

Our goal is to increase the efficiency of our work and to promote the acceptance of digital systems. The priorities here are a data-centric alignment and the incorporation of high-quality data into our decision-making processes.

A key project was the further implementation of our single HR Core System in TUI People. The functions of the system include HR master data administration and the mapping of HR processes. Following the COVID-19 pandemic, the roll-out of the system continued in the TUI Musement segment in financial year 2022. Germany saw the launch in financial year 2022.

Another key area was the use of existing and the introduction of new functions in our HR IT platform TUI People. This is demonstrated, inter alia, by the launch of the processes for TUI WORKWIDE and the continued roll-out of a compensation module within our HR IT platform in the UK, the Nordics, Belgium and the Netherlands.

Within TUI People, our desktop assistant offers our employees real-time step-by-step instructions for handling system functions. This helps to speed up the implementation of new processes, as our employees can set them up directly with the support of the assistant. The application also provides 1st level support in the event of any questions. The desktop assistant was further expanded in financial year 2022 and supports a large number of digital processes. The expansion included content in the fields of recruiting, learning as well as our HR Core System.

Developments in financial year 2022 also featured the launch of TUI eSafe in several companies in Germany. This is an electronic safe for employees to which we digitally send documents such as their payroll slip. The eSafe will be a sustainable, time-saving application offering employees safe and permanent access to their documents. In future, employees will receive all documents in their TUI eSafe, where legally permitted. Roll-out of the application will continue in Germany next year. It will subsequently be rolled out on a global level.



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Our priorities for the new financial year are the continued implementation of our single HR Core System and the expansion of our reporting, analytics and dashboard functionalities, based on the introduction of a central HR Business Warehouse. The project was designed in financial year 2022 and its implementation has now been initiated.

ENABLE GROWTH

In order to retain our employees and recruit new people in a challenging labour market, we are pursuing a multi-layered recruitment approach including internal training programmes as well as external recruiting. Talent acquisition is implemented by a global team positioning TUI as an employer of choice in the relevant markets and among key target groups. Our career sites achieved almost 1.5 million visits in the period under review, and we received more than 295,000 applications.

In financial year 2023, we will roll out a new employer branding strategy for TUI. In the period under review the foundation was created with the identification of TUI's core strengths and USPs as an employer thanks to in-house and external surveys as well as labour market analyses. The new employer branding strategy is designed to have a positive impact on perceptions of TUI in the labour market, on the experiences of our talents in the application process and on employee satisfaction. The core of the strategy is our Employer Value Proposition. It describes the unique benefits of TUI as an employer. The communication campaign launched in support of the strategy aims to generate positive general interest in working at TUI. In addition, it targets specific groups relevant to the success of our company in order to recruit and retain them. The campaign, scheduled to be rolled out from January 2023, is founded on authentic insights into working at TUI from our employees' perspective.

A new platform has been incorporated into our career website in order to enhance job applicants' perception of the company. It creates touchpoints between external talents and TUI employees. It offers applicants the opportunity to address questions directly to selected employees so as to liaise with the company. In a pilot project launched in March 2022 in IT and parts of TUI Musement, 97% of the talents assessed the new platform as useful. It is scheduled for further roll-out from November 2022.

Moreover, a special pre-boarding platform was developed and made available from the end of financial year 2022 as part of TUI People. It enables new employees to obtain insights into TUI and its ways of working before they officially start their job. The platform offers a welter of useful information about working at TUI and also serves as a central touchpoint for new employees. It helps us to create an open, welcoming culture and a sense of belonging to TUI right from the start.

POSITIVE EMPLOYEE EXPERIENCE

We want to create an environment in which people like to work. With the launch of the TUI Way of Working in the prior financial year, we created the key conditions to achieve that goal. The TUI Way of Working is our joint vision for the future of work at TUI and how to organise it globally and adjust it to local needs. We are seeking to create a culture of trust that inspires a sense of belonging in employees regardless of where they work, offering flexibility and promoting efficient work. The core statement of that vision is: work is what we do, not where we go.

TUI WORKWIDE was created in that spirit in August 2021. It is an innovative programme enabling people to work from virtually anywhere in the world for up to 30 days per year. Flexibility in terms of place and time is important for TUI as we firmly believe it promotes productivity and innovation. Since the launch of TUI WORKWIDE, our employees have applied for more than 10,000 days working from a different country. Of this total, almost 9,000 days had been taken up by the end of the financial year. In total, 847 employees had requested an average of 8.5 days within the framework of TUI WORKWIDE by the end of financial year 2022.

In order to further identify and understand the needs of our employees, we carried out the TUIgether light survey in summer 2022 after the survey had been suspended for three years. The goal of the survey was to capture sentiment across the entire organisation. It achieved a return rate of 48% (15,820 out of 32,720 potential respondents). The result reports were prepared at the level of businesses and functions. The statement "I would recommend TUI as a great place to work" received a positive rating from 54% of participants and will be a key element in the future measurement of people's engagement. The other questions related to Strategy & Vision, Personal Development and TUI as an Employer. Unlike in past surveys, a first step was taken towards measuring diversity, equity and inclusion. The statement "I feel comfortable being myself at work" had one of the most positive scores in all TUI Group businesses, with a total of 76% agreement from participants. The follow-up process, once the survey has been implemented and the results evaluated, has added two new actions since 2019. Firstly, a new level of transparency was achieved by publishing multiple survey result reports from different levels of the business on the Smile intranet. Secondly, a hackathon on "TUI as a great place to work – Improving the Employee Experience" was planned for the end of October 2022. Voluntary participants from the entire group were invited to register for the two-day virtual event and work together in small groups to develop ideas for improvements based on the results of the survey and their employee experience.

In parallel, we continued updating the new Employee Listening strategy in financial year 2022. Our goal is to listen to our employees more regularly, measuring their engagement and growing it in a sustained manner. The new TUIgether+ survey approach launched in cooperation with a new service provider will facilitate a holistic approach to measuring and enhancing the employee experience. We will focus on three different survey types, each tailored to the specific needs of different groups of participants. Apart from global surveys relating to engagement and other strategic topics, we will also measure key moments in each employee's life cycle and use business insight surveys to obtain their feedback on certain topics such as transformation. Executives receive feedback on a regular basis to help them plan measures at all levels. Real-time surveys and more regular feedback will enable us to respond swiftly to emerging trends. In the next few years, the new survey landscape will be developed and defined further, resulting in a structured routine with regular findings.



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DIVERSITY, EQUITY & INCLUSION

Our goal is to be “all-inclusive” in terms of our employees and our culture at work. We aim to support and promote the wellbeing and resilience of our employees. We want them to feel accepted and appreciated to be healthy and motivated in delivering their best performance. This includes accepting and leveraging diversity.

A number of measures were carried out again in the period under review. We implemented several training programmes on “Unconscious bias” and other diversity-related topics. Diversity-related content was shared on the intranet, in the TUI Learning Lounge and in the leadership programmes. TUI took part in in-house and external events on diversity, e.g. as a sponsor at the Maspalomas Pride event in Gran Canaria. We once again organised Wellbeing Days, where our employees were able to obtain a range of information on the theme with, for example, talks on healthy eating and tips for working from home. Throughout the year, we also took part in various key events and special dates, e.g. International Women’s Day and Pride Month.

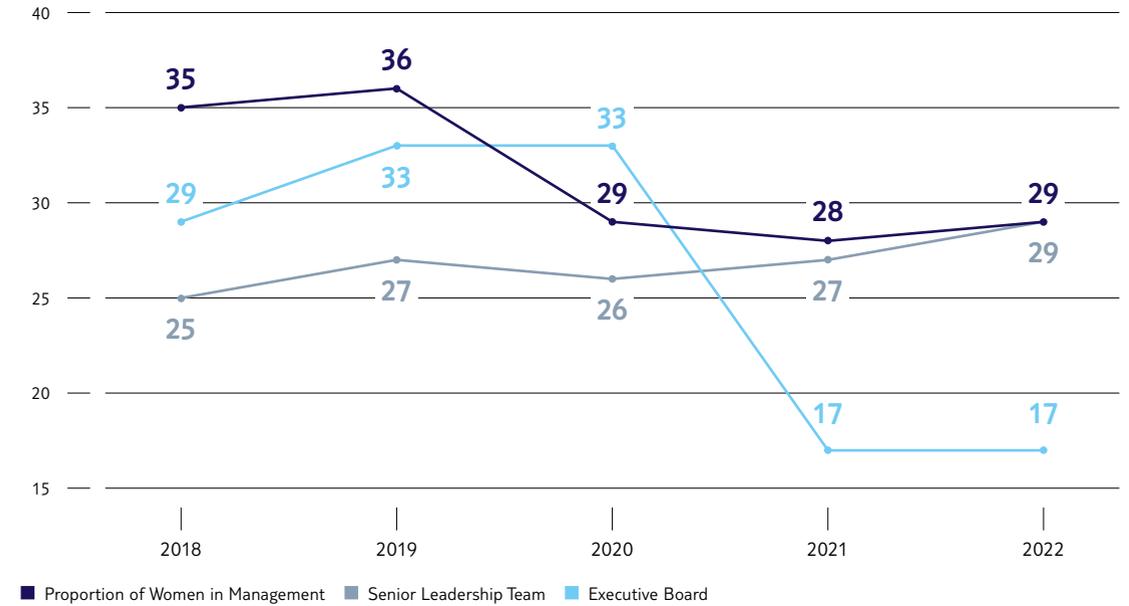
We have also entered into external partnerships, e.g. with Women in Data (WID), in order to increase the attractiveness of Data Science for women and diverse professionals. TUI is also part of the Black Representation in Marketing (BRiM) initiative with several other companies. In addition, we support the diversity of internal employee networks with different interests, e.g. LGBTQI+, Religion or Diversity, Equity & Inclusion. Our internal and external partnerships help us set the right priorities in this area.

With TUI’s Global Employment Statement and as a signatory to the UN Global Compact, we have made a clear commitment: We do not accept any discrimination based on nationality or ethnicity, sex, gender identity, sexual orientation, marital status, religion, world view, disability, age or social origin. Decisions about hiring, salary, benefits, training opportunities, work assignments, advancement, discipline and termination must be based solely on objective grounds.

In financial year 2022, various diversity-related indicators were monitored. The proportion of women in the overall headcount rose year-on-year to 55.7%. The share of women in leadership positions was increased compared to prior years. Especially the female proportion in senior leadership teams was raised by two percentage points.

TUI Group Proportion of Women in Leadership 2018 – 2022

in %



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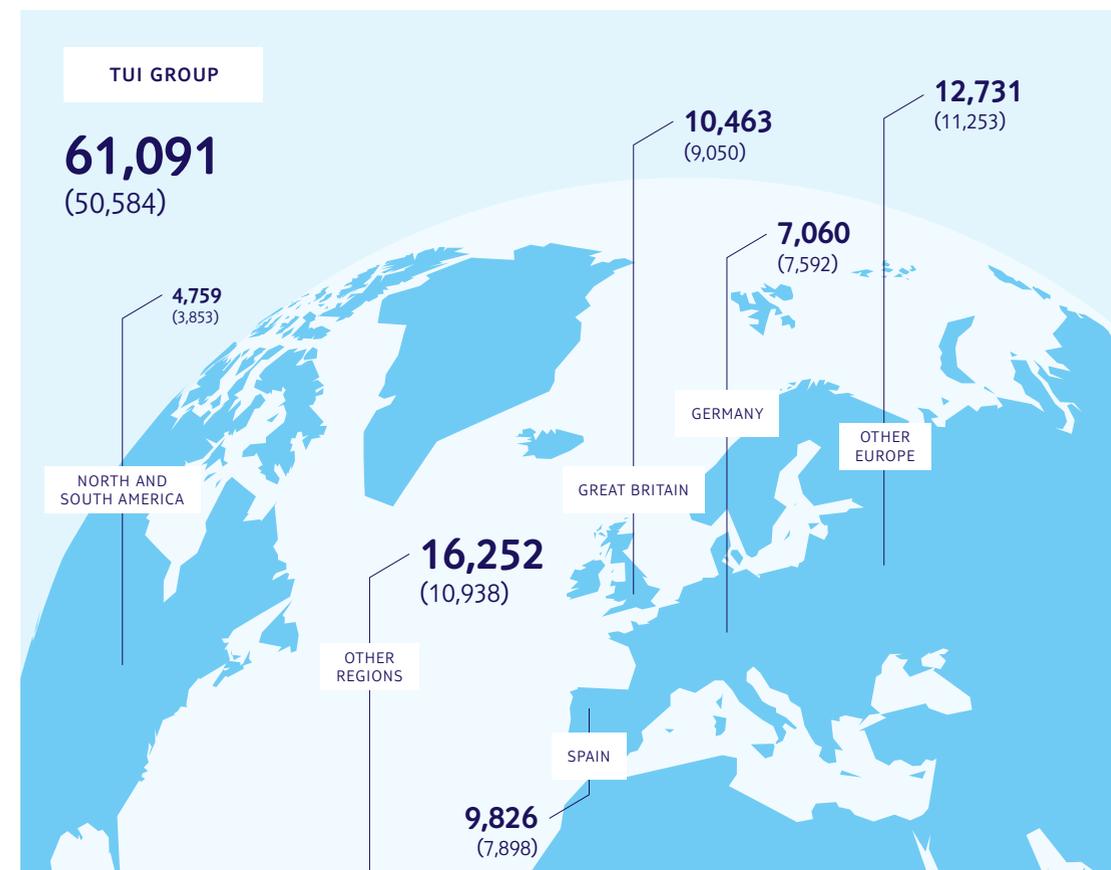
Proportion of women in managerial positions

in %	30 Sep 2022	30 Sep 2021	Target 2023
TUI AG			
Supervisory Board	45	40	30
Executive Board	1 woman	1 woman	at least 1 woman
First management level below Executive Board	21	24	25
Second management level below Executive Board	24	24	30
TUI Deutschland			
Supervisory Board	33	33	30
Executive Board	33	25	25
First management level below Executive Board	35	22	30
Second management level below Executive Board	43	44	40
TUI fly			
Supervisory Board	25	25	30
Executive Board	0	0	20
First management level below Executive Board	0	20	30
Second management level below Executive Board	41	47	40

For Germany (TUI AG, TUI Deutschland, TUI fly), voluntary targets were defined in 2020 for the period until 2023, in accordance with the statutory requirements of the German Stock Corporation Act and the Act on Limited Liability Companies. In the period under review, the first of these targets for 2023 were already achieved.

→ See declaration in the Corporate Governance Report on page 121.

Personnel by region* (30 SEPTEMBER 2022)



*By domicile of company.
In brackets: previous year



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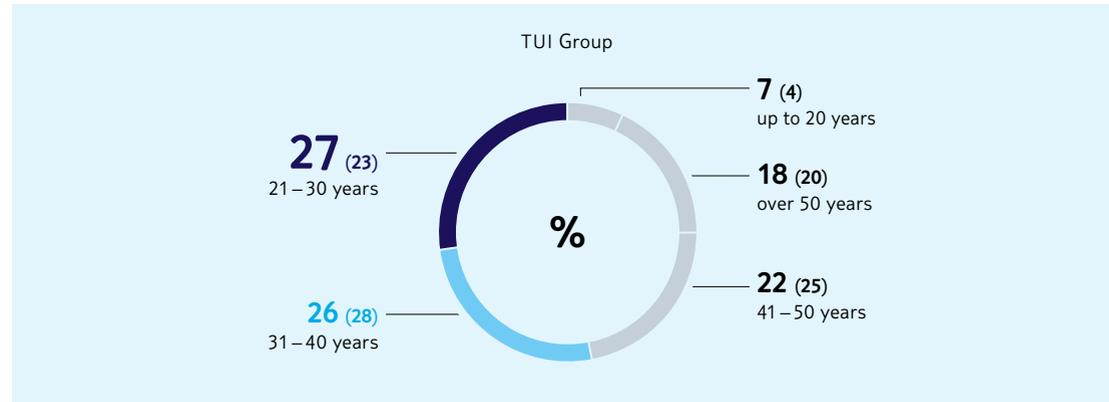
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Age Structure (30 SEPTEMBER 2022)

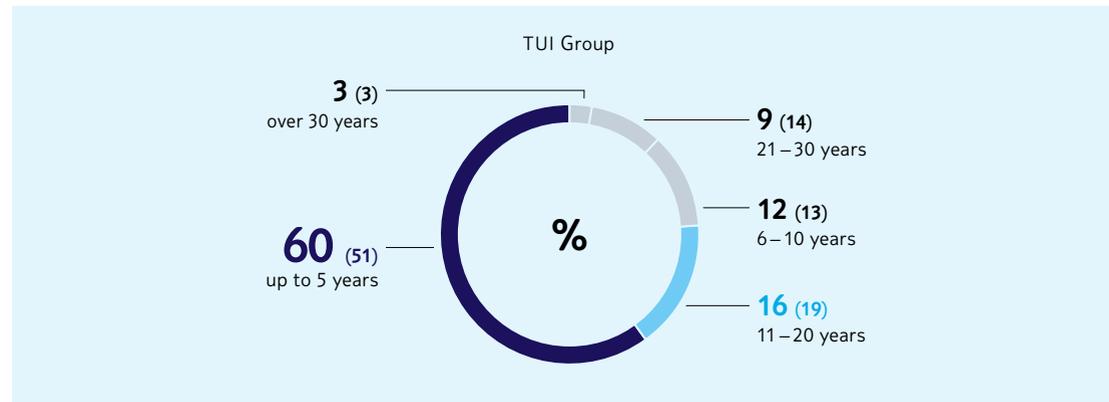
in %



In brackets: previous year

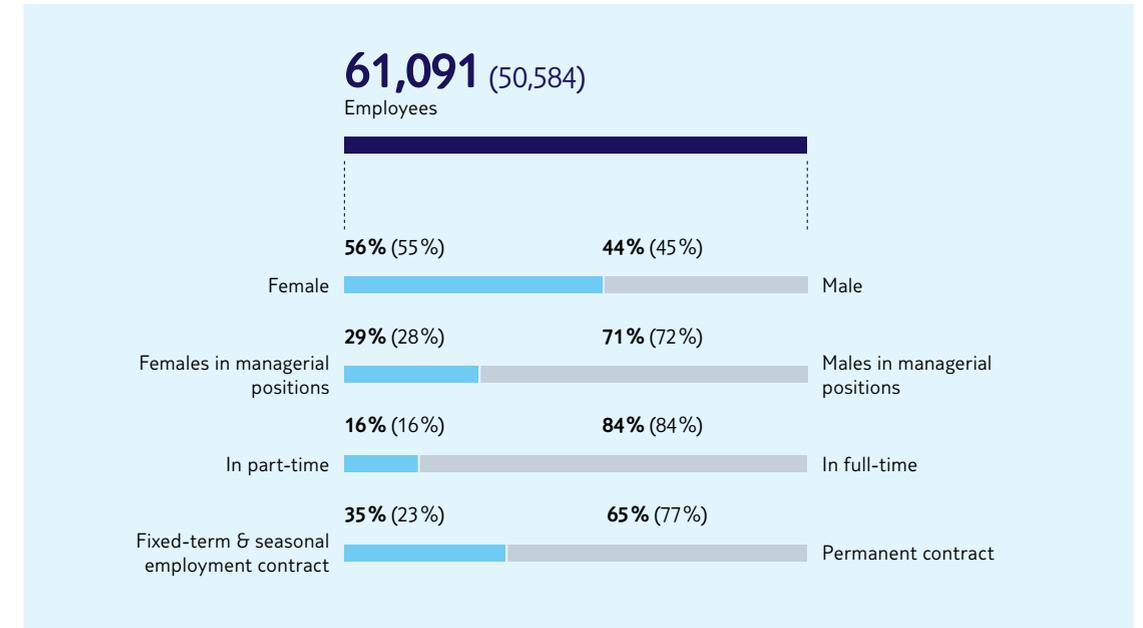
Seniority (30 SEPTEMBER 2022)

in %



In brackets: previous year

Employment structure (30 SEPTEMBER 2022)



In brackets: previous year

In future, the focus of our activities in Diversity, Equity & Inclusion will be on the development of a holistic, global strategy covering all dimensions of diversity. It will comprise, for example, the publication of a binding global Diversity, Equity & Inclusion (DEI) Statement, the establishment of a global DEI Committee and the launch of further global DEI activities aimed at supporting our employees' wellbeing. We are planning to introduce a diversity index to measure diversity.

ENABLE BEST PERFORMANCE

In order to be successful together at TUI, we are seeking to empower our employees to deliver their top performance. We are supporting our executives and promoting dialogue between managers and employees.

As in previous years, we continued the feedback and target agreement process Great Place to Grow in the period under review. It offers our executives a clear framework for supporting the development of our employees and providing them with feedback through dialogue. We are also aiming to ensure that our employees have clear goals and know their contribution to the growth of our Company.



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We are supporting our employees in preparing for tomorrow's challenges with new learning content. We foster our talents in various areas including digitalisation in order to take TUI a step further as a digital platform company. Depending on their growth and career targets, our employees have a broad range of development formats available to choose from. Overall, the active users of our HR IT platform TUI People completed an average of more than two hours of training per month in financial year 2022. We also offered a wide range of programmes such as the TUI Learning Lounge and the Sustainability Academy and continued the Language Mentoring project.

In IT, the for:ward programme was successfully continued in financial year 2022. It focuses in particular on changing IT roles and the skills required. for:ward offers our employees two options: As part of the first option, participants can undergo a role transition with the support of an external partner. To that end, learning paths have been established, either guiding employees into a new role or deepening their expertise in their current role. In the period under review, the second cohort started role transition with 21 participants. Sixteen participants completed the training programme, while five participants extended. This programme will be continued in financial year 2023 with a third cohort of around 30 participants.

The second option offered by for:ward enables employees to apply for an on-demand learning licence that includes access to the highest-ranking business and technology programmes of our partners. This option was opened up to all TUI employees in the period under review, and they completed nearly 10,600 hours of training.

Our executives had the opportunity to take part in the development programmes How2 and Global VIBE. How2 aims to convey key leadership fundamentals to new executives to ensure that they can fully live up to their role. The programme comprises six modules with a wide range of online learning content, eLearning modules, teamcasts and Share the VIBE sessions. In financial year 2022, 194 executives successfully completed the programme.

Global VIBE expands the approach underlying How2, building leadership skills in our executives, including the ability to lead a global team. This programme, too, benefits from a virtual learning environment with a broad range of additional digital resources. In addition, we offer formats enabling our executives to network so that they can exchange views and information and learn from one another. Examples include twelve master classes held with a total of 829 participants. The advanced leadership programmes Perspectives, Digital STEP and Horizons were suspended during the COVID-19 pandemic. Perspectives and Horizons will be resumed in March 2023.

OUTLOOK

Our People Strategy defines our priorities for the upcoming financial years. In a continually changing business environment, we are investing in the continuous development of our executives and employees. New Employer Branding and Employee Listening strategies will support us on the path to being an employer of choice and in developing an industry-leading employee experience. In our pursuit of talent management we focus on the retention and acquisition of talents with relevant skills in key positions. We aim to promote the engagement of our employees and support their wellbeing and resilience. Overall, our goal is to simplify

and standardise our processes and our global way of working. This brings us closer to our vision of being *Digital, Engaging and Inclusive*.

EMPLOYEE REPRESENTATIVES

TUI Group historically features a strong co-determination landscape. It embraces the Supervisory Board at corporate level, the Group Works Council at Group level and many works councils at company level. Cooperation with these committees was very constructive. In the financial year under review, negotiations about an agreement on safeguarding the future continued and were brought to a successful conclusion. This job security agreement creates confidence and provides assurance for our employees in Germany. Other topics discussed with the Group Works Council included the further development of the HR IT platform TUI People and various reorganisation issues in the framework of the ongoing transformation.

At the international level, the TUI Europe Forum as an information and consultation body represents the interests of employees working in companies outside Germany and thus plays an important role as a facilitator and integrator in the European framework. This enables discussions about relevant themes, such as transformation, to be held both inside and outside Germany on a local and regional level and in the international platform organisations.

OCCUPATIONAL HEALTH

TUI Group promotes the physical and mental health of all its employees. In order to ensure that employee health is given appropriate attention, a Group-wide body of health officers has been set up to regularly consider best practices, ongoing projects and plans for activities conducive to good health. Against the backdrop of global challenges in connection with mental disorders, in particular, an even stronger focus will be placed on aligning activities to shared goals and establishing stringent processes.

In the course of the year, health-promoting activities and presentations were offered across the Group. Some of the offerings of the "TUI fit" programme had to be paused or replaced by digital alternatives due to the COVID-19 pandemic. The offerings have been resumed in line with statutory requirements.

EMPLOYEE INDICATORS

As at the balance sheet date 30.09.2022, staff numbers rose by 20.8% to 61,091. The ramp-up of business operations and the reopening of hotels and destinations following the COVID-19 pandemic resulted in a significant increase in overall staff numbers in Hotels & Resorts and TUI Musement.



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Personnel by segment

	30 Sep 2022	30 Sep 2021	Var. %
Hotels & Resorts	27,234	21,508	+26.6
Cruises*	72	57	+26.3
TUI Musement	8,768	5,381	+62.9
Holiday Experiences	36,074	26,946	+33.9
Northern Region	10,423	9,011	+15.7
Central Region	7,039	7,492	-6.0
Western Region	5,141	4,833	+6.4
Markets & Airlines	22,603	21,336	+5.9
All other segments	2,414	2,302	+4.9
TUI Group	61,091	50,584	+20.8

* Excludes TUI Cruises (JV) employees. Cruises employees are primarily hired by external crew management agencies.

HOTELS & RESORTS

In Hotels & Resorts, the headcount increased by a total of 26.6% to 27,234. Staff numbers of Robinson grew from 4,763 to 5,141. TUI Blue reported an increase in its headcount, primarily resulting from the reopening of hotels in Zanzibar. Riu recorded growth in staff numbers of 52.0% to 12,691, driven by the restart of business operations, in particular hotels in Cape Verde, Zanzibar and Spain. Northern Hotels also saw a slight increase in the headcount.

CRUISES

The headcount in the Cruises segment increased by 26.3% year-on-year to 72.

TUI MUSEMENT

In financial year 2022, the headcount in TUI Musement rose by 62.9% to 8,768. The increase was driven by the reopening of destinations, in particular in Spain.

NORTHERN REGION

Northern Region recorded a year-on-year headcount increase of 15.7% to 10,423. In the UK, staff numbers rose by 15.7% in the Retail, Tour Operator and Airline sectors from 8,353 in the prior year to 9,666. This is primarily attributable to the filling of vacancies and a stronger Summer business. In the Nordics, staff numbers in Tour Operator and Airline grew by a total of 15.0% to 757.

CENTRAL REGION

In Central Region, the headcount declined by 6.0% year-on-year to 7,039. In Germany, staff numbers fell by 9.4% from 6,061 to 5,489, in particular due to restructuring measures in the Airline, Tour Operator and Retail sectors. In Austria, staff numbers rose slightly by 7.7% from 431 to 464, as vacancies open after the pandemic were filled again. In Switzerland, the headcount increased slightly by 2.5% from 357 to 366. In Poland, the headcount grew by 12.0% from 643 to 720.

WESTERN REGION

The headcount in Western Region increased by 6.4% year-on-year to 5,141. This was driven by higher staff numbers in the Retail and Tour Operator businesses in Belgium and the Netherlands. The number of employees in the Airline business in Morocco and the Netherlands also rose year-on-year. In France, staff numbers grew by 18.9% to 636.

ALL OTHER SEGMENTS

Staff numbers rose by 4.9% overall to 2,414 year-on-year. The number of employees working for Head Office functions in Germany decreased by 2.9% to 639, including 269 employees working for TUI AG. The number of employees working for Head Office functions in the UK grew by 7.8% to 440. The headcount in IT rose by 9.3% year-on-year to 961. The Future Markets segment recorded an increase in its headcount of 4.8% to 374.

Personnel costs

€ million	2022	2021	Var. %
Wages and salaries	1,732.3	1,393.1	+24.3
Social security contributions	300.4	193.7	+55.1
Pension costs	109.2	119.3	-8.5
Total	2,141.9	1,706.1	+25.5

In the period under review, TUI Group's personnel costs increased from €1.7 bn in the prior year to €2.1 bn. The year-on-year increase in wages and salaries and social security contributions in financial year 2022 mainly results from an annual average increase in staff numbers of 24.0%. In addition, the use of short-time work benefit schemes and other government-sponsored programmes to save jobs was significantly lower than in 2021.

→ For more details please refer to page 185.



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The pay package offered by TUI Group consists of various components, reflecting the framework conditions in different countries and companies and the appropriateness of compensation and customary market rates. Depending on the function concerned, a fixed salary may go hand in hand with variable components, honouring individual performance and promoting the sustained participation of employees in the Company's long-term targets. In addition, the Senior Leadership Team can participate in a long-term share-based compensation programme based on the allocation of virtual shares.

Many TUI Group companies offer their employees pension schemes in the form of direct benefits or through an occupational providence fund, or else by paying in additional employer contributions to pension insurance, in some cases beyond the statutory minimum required. In Germany, collective contracts have been concluded with an insurance undertaking in order to meet the legal entitlement to deferred compensation.

Customer experience, Security, Health & Safety and crisis management*

We place our guests and their individual wishes and needs at the centre of our organisation in order to offer them differentiated and consistent experiences. In this way, we aim to increase customer loyalty and tap into new customer segments, as satisfied guests are a decisive factor for the TUI Group's long-term growth. Our goal is to continuously adapt the customer experience to individual needs and to further personalise it. The more flexible and personalised design of our products and services is supported by the expansion of our product portfolio and our digital platform.

Our integrated business model allows us to accompany our guests through the entire travel experience from booking, arrival, hotel stay and cruise to local activities and excursions – digitally and personally. The digital travel experience is complemented by the personal appreciation of our employees, which our guests experience in our travel agencies, aircraft and hotels, on our ships and in the destination.

The travel experience is about relaxing and winding down, or discovering and exploring something new. However, the travel experience can also entail a wide range of risks. As far as possible, our activities aim to minimise these risks for customers and employees. The business takes a risk based approach to prevent intentional risks to the well-being of our customers, such as crime or terror (Security) and offer all customers a travel experience within the most security and safety, even in relation to unintentional risks (Health & Safety), for all services booked in the framework of their trips (e.g. flight, transfer to the hotel, hotel stay and excursions). TUI continually monitors and analyses safety-critical developments in destinations and discusses response measures with the markets and other involved business areas.

SAFETY

Throughout the 2022 financial year, we have further embedded and established the Safety & Risk team within the Group. With the busiest operational summer since 2019, our revised processes have successfully supported the management of safety risk within our operation as the industry continued to open up again following the pro-longed shut down.

The Safety & Risk team's remit continues to focus on the principal safety risks associated with accommodation, transfers, excursions, activities, tours and all other in-destination activities supporting our Tour Operators in the Source Markets and TUI Musement. The function's remit expanded in 2022 to include TUI Hotels & Resorts and TUI branded units including TUI Blue – further strengthening their role in this area as a Centre of excellence within the Group and driving group wide consistency and visibility.

In financial year 2022 and in line with local requirements, the measures for managing the spread of COVID-19 and the associated reporting processes have been amended and integrated into our normal operating procedures for reducing the spread of all infectious diseases. The situation continues to be monitored and measures can be flexed locally as circumstances require.

In addition to the continuous monitoring approach of key risk areas taken in TUI Hotels & Resorts, TUI have conducted 4,155 safety assessments across our third party hotel portfolio using a multi-layered assessment approach. A brand standard has also been developed for TUI Blue and other concept branded franchised units.

Building on the data sharing portal established for our Riu hotels in 2021, significant progress has been made to further expand our data-led, risk-based approach to Safety Management with third party hoteliers. The expansion of the data sharing portals, in partnership with several technical specialist providers who conduct safety monitoring / management programs with hoteliers globally, will increase our operational efficiency and enable an improved approach to safety risk management.

Group S&R, as a Centre of excellence, continues to support the strategic direction of the business and ensuring that TUI remains a brand that can be trusted.

SECURITY

Following a review of Group security activities the two functions of Corporate and Destination security were merged in early 2022 under one new Head of Security and Intelligence lead. The department now works collaboratively to manage the security environment across the business.

This review followed the finalization of the Tunisia inquest and also the responsibility for Hotels and Resorts properties security moving to the Group team, as such, two new roles have been added to the Group Security team to drive the TUI standard for Security to the next level supporting intelligence management and our important own branded hotels. This will ensure we move to an industry leading position with ensures the very highest level of security risk management across the Group.



*Part of social matters.

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CRISIS MANAGEMENT AND BUSINESS CONTINUITY

TUI operates Group wide crisis and business continuity protocols and governance modules. Regular update calls between Group function and business areas are established to share strategic and operational topics incl. best practice. Data is aggregated and analyzed, the frame works ascertain when guests and/or employees are affected and what support/actions at what moment is need.

Reporting lines and operational work flows had been adjusted to ensure operational Group wide efficiency. Experienced crisis managers work within a team to cover areas such as customer, commercial, communications and insurance management. These experts across the Group facilitate a fast, flexible response to levels of crisis. Appropriate reporting and coordination within TUI ensures that management is updated on all key incidents and developments and can immediately take decisions if necessary.

The Group wide crisis management system software for monitoring, escalation and managing of day-to-day incidents gives the ability to work individually within each business or together as a group when needed. In addition there is, for the first time ever, a business continuity system to be implemented in all markets, at the airlines, the cruise division, Hotels & Resorts, and TUI Musement to provide a Group overview on business continuity management and activities. The project includes representation from all business areas but also with an enhanced governance process supported by Group SHS.

Anti-corruption and anti-bribery

→ Details of TUI Group's anti-corruption and anti-bribery measures are presented in the Corporate Governance section on Integrity & Compliance from page 129 in this Report.

Disclosure pursuant to EU Taxonomy Regulation (EU) 2020/852

Pursuant to Article 8 of the Regulation (EU) 2020/852 of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, TUI AG is publishing its first report in accordance with the Taxonomy Regulation. A simplified reporting obligation applies for financial year 2022. Undertakings have to disclose information on the extent to which turnover, capital expenditure and operating expenses as defined in the Regulation are aligned to the economic activities described in EU Regulations and Delegated Acts and hence eligible for the taxonomy. This does not in itself indicate whether they qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation.

As a first step, TUI has analysed its economic activities, taking into account both activities generating external turn-over and activities serving the Company's own needs. TUI's main activities, flight operation and the delivery of accommodation services in hotels, are not currently listed in the EU regulations. Therefore, only a small portion of the indicators mentioned above currently relate to taxonomy-eligible activities. The EU has

announced that it will expand its list of taxonomy-eligible activities, so that the taxonomy-eligible portion of the key figures is likely to change substantially in the future. Currently taxonomy-eligible activities include transporting passengers in vessels and buses where this is associated with external turnover and the corresponding capital expenditure and operating expenses. Activities associated with our buildings, in particular hotels and administrative buildings are also to be classified as taxonomy-eligible.

The second step was to determine the indicators relating to these activities. The total turnover means the turnover determined under international accounting standards and shown in the Notes. Of this total the portion relating to taxonomy-eligible activities is determined. Turnover from package tours is related to different activities, as they typically include a flight, transport in the destination and an accommodation service on a ship or in a hotel. For the purposes of the EU Taxonomy, this turnover is broken down according to the required costs incurred and attributed attributed to passenger transport by ship or bus.

Capital expenditure summarises the additions to the relevant assets mentioned in the Notes to the consolidated financial statements in the sections "Good-will", "Other intangible assets", "Property, plant and equipment" and "Rights of use Assets". The proportions of capital expenditure allocable to taxonomy-eligible activities were identified with the support of our internal project controlling.

Operating expenses at TUI include in particular non-capitalised renovation and maintenance expenses and expenses from short-term leases determined on the basis of our internal reporting. Capital expenditure and operating expenses related in particular to TUI's buildings and to the cruise ships.

Taxonomy-eligible share of economic activities, 2022

	Total (€ million)	Share (%)
Taxonomy-eligible revenue	352.6	2
Taxonomy non-eligible revenue	16,192.3	98
Revenue	16,544.9	
Taxonomy-eligible operating expenditure (OpEx)	114.4	25
Taxonomy non-eligible operating expenditure	341.2	75
Operating expenditure according to EU Taxonomy Regulation	455.6	
Taxonomy-eligible capital expenditure (CapEx)	229.2	31
Taxonomy non-eligible capital expenditure	521.9	69
Capital expenditure according to EU Taxonomy Regulation	751.1	

