MAKING A DIFFERENCE WITH EVERY HOLIDAY

SUSTAINABILITY REPORT 2017
Overview of Scope
This is Thomas Cook’s 11th annual Sustainability Report. The report gives a comprehensive assessment of our new sustainability strategy and approach, as well as an overview of our performance over the first twelve months of implementation. The report covers Thomas Cook Group operations in full, though there is a clear focus on our most material issues.

The data in this report covers the period 1 October 2016 to 30 September 2017, unless otherwise stated and is referred to throughout the report as 2017.

We publish our sustainability report annually. Our last report was published in January 2016.

Overview of Boundaries
When setting our reporting boundary we have considered impacts which result from our own operations and those of our hotel supply chain. There have been no significant changes from previous reporting periods.

Where else can you find corporate responsibility information?
Sustainability information is embedded in our Annual Report and Accounts 2017 and on our corporate website.

www.thomascookgroup.com
ABOUT THOMAS COOK

Thomas Cook is one of the world’s leading holiday companies with sales of £9 billion. We are a team of 22,000 colleagues, with operations in 17 source markets and in destinations around the world.

Our aim is to become the most loved travel company, which we will deliver through living our values and delivering on our customer promises.

In 2016, we launched our three Customer Promises: Quality, Service, Reliability. These promises shape everything we do as a business and determine the values against which the performance of all employees is measured and are what set us apart from the competition.

20m CUSTOMERS
190 OWN BRAND HOTELS AND RESORTS
93 AIRCRAFT
22,000 EMPLOYEES

QUALITY
We are passionate travel experts & have been creating great holiday memories since 1841.

We share customer reviews before you book to help you choose the perfect trip for you.

We listen & act on your feedback.

Our teams & the partners we work with are always looking to improve to make your next holiday even better.

SERVICE
We’ll be there whenever you need us. Our teams are available around the world, 24/7.

We are happy to make you happy & we promise to put you at the heart of everything we do.

Your holiday means the world to us.

We’d love to welcome you again & are committed to sending you home with great memories of your holiday.

RELIABILITY
We care. You can trust us to always be open and honest with you.

We always give you all the information you need to make your time away stress-free.

Your money’s safe when booking with us.

We’re ATOL protected for peace of mind.
OUR OPERATIONS

KEY:
- Airports
- Own-brand hotels
- Source markets

The image shows a map of the world with various locations marked, indicating the company's operations in different regions. The map includes regions such as the North Sea, Mediterranean Sea, Caribbean Sea, China, and Thailand.
CHIEF EXECUTIVE’S STATEMENT

It is my pleasure to introduce this document, which sets out in detail our renewed and refocused strategy, designed to ‘make a difference with every holiday’. 2017 was a milestone year in the strategic development of Thomas Cook. We inspired more customers to choose our holidays for their hard-earned weeks in the sun, while at the same time transforming the scale of the opportunity ahead for the Group with a series of big strategic moves.

It was also a milestone year in the way we approached sustainability. We recognised that to be truly successful, we needed to align our sustainability objectives more closely to our strategy, and the decision I made two years ago to put customers back at the heart of the business. By reviewing all our activities across the group, and more explicitly aligning them to our key business objectives, we believe we will be better placed to engage our people, and our customers, to help build a stronger, more resilient business and to achieve our vision to be the most loved holiday company.

The result is a new three year sustainability strategy. Entitled ‘making a difference with every holiday’, the strategy links all of our sustainability activities to the three stages of a customer’s engagement with Thomas Cook: At Home, The Journey, and On Holiday. Our aim is to ensure we are working at every step to limit the impact our business has on the environment while maximising the social and economic benefits travel can bring.

‘At Home’ seeks to make a positive contribution to the communities in which we live and work through our charitable and community programmes. The Journey strives to reduce our impact on the environment, with a particular focus on the fuel efficiency of our Group Airline, and ‘On Holiday’ seeks to embed a more sustainable way of working in our operations abroad to deliver world-class quality products and services.

I am proud of the way that we have started to bring this strategy to life. A great example of the progress we’ve made is our animal welfare policy. By taking a clear and leading position in the industry and acting decisively to implement it, we have already seen big improvements in the way animals are treated at animal excursions we sell. It is an encouraging start.

I believe that travel and tourism are essential in the 21st Century, not just for the positive contribution that it makes to the lives of travellers, but also for what it brings to communities in destinations worldwide. The cultural and economic exchanges fostered through tourism contribute to global development, helping to create vibrant economies and good jobs around the world. However, I also recognise the impact that holidays can have on those communities and the environment. I am determined that Thomas Cook be a positive force to help build a more sustainable tourism, working in partnership with our destinations, our suppliers, our customers, and the wider industry.

I believe our bold action on this agenda will deliver a more profitable and sustainable business over the longer term that we can all be proud of.

PETER FANKHAUSER
CHIEF EXECUTIVE OFFICER
KEY EXTERNAL TRENDS

In order to understand our approach to tackling sustainability issues it is helpful to understand the wider concerns and challenges facing our world, and the environment in which we operate.

CLIMATE CHANGE

OVERVIEW:
In each of our destinations, the changing climate is having a real impact on operations. From extreme weather events to droughts and rising sea levels. Changes to our climate are accelerating and will have greater influence on tourism destinations in the future.

IMPACT:
Increases in extreme weather events have an impact on our business. Hurricane Irma in October 2017 in the Caribbean was unprecedented in its strength. The impact on customers was significant, with flight delays, and significant disruption to holidays.

OUR RESPONSE:
As it is predicted that the frequency and extremity of these events will increase, we must continue to ensure we have a quick and appropriate response. By operating more efficiently, and reducing our impact on the environment and our demand for natural resources, we can enhance our resilience through understanding our exposure to and impact on climate change.

CHANGING CUSTOMER DEMANDS

OVERVIEW:
Public trust in businesses and institutions remains low, while customers are demanding greater transparency from their holiday company than ever before.

IMPACT:
With many businesses failing to report consistently, particularly with respect to their environmental and ethical performance, customers are finding it difficult to understand the impact of the choices they make. With over two-thirds of our customers telling us it was important or very important that sustainability is a feature of their holiday, it is increasingly important to deliver in line with customers’ expectations of sustainability performance.

OUR RESPONSE:
We know our customers are interested in sustainability issues and, through our sustainability programme, we are having a positive impact, from improving animal welfare standards to creating and offering more sustainable products, including certified hotels and sustainable excursions. We are determined to share our progress honestly and transparently, to help our customers make informed choices about the holidays they choose.

GEOPOLITICAL CHALLENGES

OVERVIEW:
Across our source markets and destinations there have been huge social and political changes. These range from ongoing security issues in destinations such as Sharm El-Sheik, to the challenge of over-tourism, as is currently experienced in major European cities.

IMPACT:
Tourism is both a driver of stability in popular destinations and one of the industries most affected when things go wrong. We have seen a change in where customers are choosing to travel with us in recent years: for example, the UK’s increased demand for Turkish holidays.

OUR RESPONSE:
We understand the positive role that tourism can play in providing opportunities and wealth for populations in destination, creating an environment for stability and prosperity. We will continue to invest in destinations where we may see a short-term decrease in customer demand, in order to support communities and to preserve a high quality product for customers in the future.
ETHICAL AND ENVIRONMENTAL REGULATIONS

**OVERVIEW:**
New regulations continue to be introduced. For example CORSIA, an international aviation agreement to offset growth in emissions post 2020, and the UN’s Sustainable Development Goals will both bring change to the travel sector.

**IMPACT:**
There is both an ethical imperative and a growing regulatory demand to decarbonise the travel sector. We monitor and plan for new regulations as well as ensure compliance with existing requirements.

**OUR RESPONSE:**
We operate certified environmental management systems in some business units which enable us to monitor compliance. We work with a number of partners to assist us with compliance plans for current and future regulations and we are members of trade bodies to discuss how we approach regulations from an industry perspective.

DIVERSITY, EQUALITY AND FAIRNESS

**OVERVIEW:**
There continues to be inequalities in both gender and race around the world, leading to prejudice and lack of opportunity which stops people from reaching their full potential. As one of the world’s biggest employers, tourism businesses must ensure that every individual has the opportunity to grow and develop within a fair and inclusive industry.

**IMPACT:**
Inequality impacts on our ability to recruit the best staff and for us to provide the best experience for our customers. We have a diverse customer base and we need to operate a business which is as diverse as our customer base.

**OUR RESPONSE:**
We invest in our people, for example, through apprenticeship programmes and our Women’s Sponsorship scheme enabling participants to take action after guidance and support given by a senior sponsor within the business.
OUR VISION FOR SUSTAINABLE TOURISM

With 177 years’ experience as one of the world’s leading holiday companies, we have a unique insight into how and where our 20 million customers like to holiday.

As the world around us changes, so too has the world of travel, which has remained on the forefront of technical innovation. Technology has offered customers more choice and flexibility than ever before. The geopolitical and economic challenges facing many key tourism destinations, and the increasing frequency of extreme weather and natural disasters makes Thomas Cook’s customer protection proposition of quality, service and reliability more attractive – and necessary – than ever before.

At its most effective, tourism delivers economic growth, opportunity and skills development around the world, making a key contribution to delivering the UN’s Sustainable Development Goals. As one of the world’s biggest employers, and one of the global economy’s lead growth sectors, tourism is an important tool that can bring investment and economic opportunity to anywhere in the world, and lead us to a more sustainable future.

Holidays that provide a real link with the regions and communities visited improve the experience for the holidaymaker, while providing greater economic benefit locally. A sustainably-managed destination filled with the smells of local food and the sounds of local voices delivers more benefit for local people, and creates vibrant local supply chains.

By making use of technological developments, and offering better training for tourism staff, we can significantly decrease the resources required to deliver holidays. Whether it is Thomas Cook’s water management project, our policy on animal welfare, or our collaborative approach to developing a sustainable food programme, we can demonstrate that we have some of the best practices within our sector that have the potential to positively transform destinations around the world.

There are however some real challenges facing international tourism. As an industry, our impact on climate change is the biggest of those challenges. 2017 was one of the three warmest on record and the hottest ever non-El Niño year. The Arctic had its lowest ever February sea ice levels and is warming faster than anywhere else on the planet, potentially disturbing the predictability of the Gulf Stream and jet streams.

Decarbonisation of travel is significantly more challenging for air-based travel than for other forms of transportation. Aircraft are in service for over 30 years, meaning technological innovation is slower to come to market. This is compounded by a lack of alternatives to jet fuel at the scale needed to meet global consumption levels.

It is difficult to balance the benefits tourism can bring with its associated negative impacts and we don’t have all the answers, but we have some of them. We know it will take time to create the change needed but through collaboration with the industry, suppliers, employees, customers and other key stakeholders we can make a difference. Our new strategy is a positive step in this direction.

177 YEARS OF HOLIDAY EXPERIENCE

20m CUSTOMERS
Our vision is to be the most loved holiday company, delighting our customers, employees and shareholders. Therefore the trust of our stakeholders is key.

The millions of customers that choose Thomas Cook for their holiday have high expectations of us and the services we provide. We understand that sustainability is extremely important for our customers and critical to the long-term success of our business. In order to build a more sustainable business we need to have a strategy in place which is closely aligned with the business model.

The business has undergone significant change since the original sustainability strategy was developed in 2011. At the same time, the context in which we operate and the expectations of stakeholders has evolved. In setting out our new strategy we conducted an internal review in 2016 to reassess our material issues and their impact on the business. We also benchmarked our performance in these areas against recognised international standards and against our competitors with the help of external specialists who ensured the strategy was as stretching as it could be. The results of the review process helped to inform our new strategy.

The new strategy is simplified and stronger than previous iterations and reflects three key stages of the customer journey – At Home, The Journey, and On Holiday.

The short three year time horizon allows us to set stretching but urgent and relevant goals, to focus the attention of our business and our supply chain.

The United Nations Sustainable Development Goals (SDGs) have helped to frame our strategy. We have demonstrated where our strategy helps to positively influence the SDGs, to play our part in ending poverty, protecting the planet and ensuring prosperity for all.

Previous initiatives delivered significant achievements, however the business was working to deliver 17 sustainability goals and therefore spreading our activities too broadly. The new strategy is simplified, more focused, and therefore more impactful. More information about the performance of our previous strategy can be found on p.27 of this report.

## AT HOME

We will create positive change within our source markets and destination communities for our customers, employees and the places where we live and work.

### 2020 TARGET

100,000 people reached through our social, charitable and community programmes.

**AT HOME** is connected to the following SDGs:

- **1. No poverty**
- **3. Good health and well-being**
- **4. Quality education**
- **5. Gender equality and empowerment**
- **6. Responsible consumption and production**
- **7. Clean water and sanitation**
- **8. Decent work and economic growth**
- **9. Industry innovation and infrastructure**
- **10. Reduced inequalities**
- **11. Sustainable cities and communities**
- **12. Responsible consumption and production**
- **13. Peace and justice**
- **14. Life below water**
- **15. Life on land**
- **16. Peace and justice**
- **17. Partnerships for the goals**
MATERIAL ISSUES

This graph sets out our most significant sustainability challenges and how they relate to our new strategy pillars of “At Home”, “The Journey” and “On Holiday”. We recognise that a number of these issues appear at multiple stages of the customer journey, but we will discuss the issues at the point in the journey where they have the greatest impact, or where we have most influence.
AT HOME

Our aim is to create positive change within our source markets and our destination communities, for our customers, employees and the places where we live and work. This section focuses on how we evolve our policies and procedures in order to continue to operate as a responsible business, as well as our approach to our charitable and community initiatives.

We know that employers who treat people fairly, train and develop them, and look after their health and well-being, enjoy the rewards that engaged employees bring. By supporting the communities in which we live and work, we can bring additional benefits to our business including increased employee motivation and an enhanced reputation.

We focus on a variety of issues around customer welfare, human rights and child protection, animal welfare and the welfare of our employees, including diversity initiatives and charitable activities.

Our target is to reach over 100,000 people through our charity and community activities by 2020. This means we want to have a materially positive impact on the lives of the people in the communities in which we live and work. In 2017 we reached 17,979 people.

100,000 people reached through our charity and community activities by 2020
BUSINESS
ETHICS

We recognise the UN Guiding Principles on Business and Human Rights and support the UN Convention on Rights of the Child. We are also aligned with the UN Global Compact.

HUMAN RIGHTS
We recognise the UN Guiding Principles on Business and Human Rights and support the UN Convention on Rights of the Child. We are also aligned with the UN Global Compact. These globally agreed principles and programmes enable us to design and operate a structured approach to these issues across our global business.

Our Modern Slavery and Human Trafficking Statement, published annually, contains more information about our progress in the last year to eliminate modern slavery in our supply chain. This statement is available online on our website via the following link:

CHILD PROTECTION
We believe we have a responsibility to promote and safeguard the welfare of adults and children in our supply chain and Thomas Cook Group has in the last year reviewed its approach to child protection, launching a new reporting process and renewed focus on training across our business. We are implementing the UN Convention on the Rights of the Child as our Group policy. We continue to raise awareness of the potential issues with our suppliers, stakeholders and employees ensuring they are suitably informed and trained to act effectively when child safety might be at risk.

To help raise awareness of the risks to children in tourism and how to protect them, we provide training to employees, particularly those in retail and customer-facing roles in our biggest markets. This training includes identifying incidents of adult and child trafficking. We also provide specific training to staff in destinations, for example holding annual workshops in association with DRV (The German Travel Association), on how to recognise and report any issues involving children. We promote the reporting platform www.nicht-wegsehen.net and www.reportchildsextourism.eu on our Condor flights via post-cards and on the inflight entertainment.

WHY THIS MATTERS TO OUR BUSINESS
Fair, safe and ethical employment across our business and supply chain delivers an improved customer experience and reduces business risk.

FAIR, SAFE AND ETHICAL EMPLOYMENT

WHO THIS MATTERS TO
Anyone connected to our business, from customers to employees to suppliers to the local population at our destinations.

WHY THIS MATTERS TO OUR BUSINESS
Fair, safe and ethical employment across our business and supply chain delivers an improved customer experience and reduces business risk.

LONG TERM VISION
Working for Thomas Cook or our supply chain delivers rewarding work and opportunities for growth and development, delivering excellence for our customers.

OUR PROGRESS
In the last year, we have trained every one of our 22,000 staff on our bribery and corruption policy and taken steps to understand and reduce our modern slavery risks.

NEXT STEPS
In 2018 we are rolling out further training on child protection to our destination and hotel-based employees and we will conduct a full external review of our approach to human rights in our supply chain.

WHY THIS MATTERS TO

FAIR, SAFE AND ETHICAL EMPLOYMENT

WHO THIS MATTERS TO
Anyone connected to our business, from customers to employees to suppliers to the local population at our destinations.
OUR COLLEAGUES

EMPLOYEE ENGAGEMENT

Our annual Group-wide employee engagement survey ‘Every Voice’ provides our people with the opportunity to provide detailed feedback about how they feel about working at Thomas Cook across a number of areas, such as clarity on the Company’s direction, their views on our strategy, their confidence in their manager and leadership and our culture. Our ‘Core Index’, the formula for high performing organisations, achieved a 74% favourable rating overall, for the second year in a row. Within this we are particularly pleased that our employee engagement score increased by 1 percent to 77%. We believe this reflects the efforts we have made to bring our strategy to life for our people and inspire strong belief in our new organisational values, which form the basis of our drive to put the customer at the heart of all that we do.

In this, the survey’s fifth year, we achieved a response rate of 78%. We attribute this high response rate to the tangible actions we take each year in response to the feedback from employees. Each department develops an action plan to resolve areas of concern and works through this plan over the year. Nearly 10,000 open comments were received in this year’s survey, which have been shared with the relevant leaders including any with specific feedback for Peter Fankhauser and the leadership team.

Results from the survey are shared with each team, so they can build detailed action plans, culminating in one overall plan for the Group. Action plans are reviewed every year by the Group Executive Committee (ExCo) to check progress and maintain momentum.

WHO THIS MATTERS TO

All our employees should be able to fulfil their potential. Having a diverse workforce means the organisation can offer a wide range of ideas, skills, resources and energies to the business to give it a competitive edge.

WHY THIS MATTERS TO OUR BUSINESS

We must be able to attract and develop talented individuals, to create an innovative and diverse workforce to drive our business forward.

LONG TERM VISION

Everyone who works in the Thomas Cook supply chain has the opportunity to develop their skills and move forward in meaningful and rewarding employment, regardless of gender, sexuality or race. We are passionate about giving employees the opportunity to progress and we’re committed to being a fair and equal employer.

OUR PROGRESS

We have improved the Every Voice engagement score and introduced a gender balanced shortlist for leadership role.

NEXT STEPS

In 2018 we are launching The Sponsoring Women to Success Programme across the Group.

THOMAS COOK GROUP PLC Sustainability Report 2017
EMPLOYEE DEVELOPMENT

Our strategy towards recruiting, training, developing, retaining and inspiring our workforce is critical to our success. We strengthened our Group-wide talent management processes this year, culminating in our annual talent review with the PLC Board in July. All leaders’ performance has been reviewed along with the succession for all roles across the Thomas Cook Leadership Council (TCLC). There were 30 new appointments to the TCLC, 20 of which were internal promotions, demonstrating that the talent processes are working.

DIVERSITY AND INCLUSION

We will only achieve our vision to become the most loved travel company by ensuring we have a truly engaged and diverse workforce, who care about our customers and who are led by an inspiring, energetic and diverse leadership team. We take great care to make sure our recruitment and selection process, learning and development activities and career progression opportunities do not allow for discrimination. We also work to ensure our colleagues can succeed in our business, regardless of their gender, marital status, race, age, sexual preference and orientation, ethnic origin, religion or beliefs, disability (including colleagues who become disabled during service) or trade union affiliations.

Across our business, 68% of our employees are female and 32% are male. In leadership roles 73% of our employees are male. Gender diversity has been a particular focus area in 2017 and we have introduced gender diversity targets for each member of the Executive Committee and their teams.

We introduced ‘balanced’ gender shortlists for leadership roles, ensuring a fair and consistent selection of males and females. In the UK, we ran our second Women’s sponsorship programme for high potential females and we are expanding this across the Group in 2018.

The international diversity of our Leadership Team is strong, with 18 nationalities represented. We are working on creating a new international mobility framework, designed to encourage the movement of colleagues across different countries and markets. Ethnicity is also an increasing area of focus. We aim to establish an organisational benchmark in 2018 and a framework for activity based on the results.
"Customer at our heart" is the cornerstone of our strategy for profitable growth. We know that happy customers are more likely to come back to Thomas Cook for their next holiday and recommend us to their friends.

Over the last 12 months there has been a fundamental change in our approach to customers. To reflect the importance of customer satisfaction to the health of our business, we introduced, for the first time, the Net Promoter Score (NPS) as one of the core metrics of performance across the Group. We made good progress in 2017, moving from 37 points in 2015 to 45.

To deliver on our “Customer at Our Heart” commitment we have developed three customer promises:

1) Quality – We have launched the Sunny Heart Academy of Excellence, which draws on external experts in areas such as food hygiene, sustainability and housekeeping to create support for hotel partners delivering impressive results.

2) Service – We have rolled out the 24-Hour Satisfaction Promise across to more than 2000 of our most popular hotels, as well as introducing comprehensive new training for all customer service and in-resort staff.

3) Reliability – We know that in these uncertain times, customers value the security and protection that they get from travelling with the most experienced operator in the travel industry. It’s a role we take very seriously.

Over the past number of years we have enhanced our work to ensure the security and safety of our customers in all of our destinations. Through a new regime of external security audits of our hotels in addition to our extensive programme of health and safety checks within hotels, we are more determined than ever to make sure every holiday is a special one.

We are proud of the way in which our people have worked tirelessly to support our customers in times of crisis over the past 12 months. That reliability and trust is a key differentiator for our business.

As a tour operator, safety is the highest priority for us and a key reason to book with us, your trusted partner.

In the last year, we have operated external security audits of our highest risk properties, in addition to annual Health and Safety checks by independent experts of every one of our own brand product.

In 2018 we are increasing the resources available to our hotel quality managers in order to drive further quality and safety improvements for all customers across all source markets.
CHARITY

Across Thomas Cook, we contribute to charity in a number of different ways. From the large grant-making children’s charity we operate in the UK, to charity programmes run across our Airlines division and Continental European business, we are helping people in the communities where we live and operate.

This year has been a ground-breaking year for charity at Thomas Cook, with the adoption of our new group-wide charitable giving strategy. This strategy, designed to create lasting impact in our communities at home and at our destinations, provides greater structure and alignment across our group.

Through 2018, we plan to implement our new giving strategy. We will particularly focus on devoting more of our giving to our destinations and moving towards more impactful interventions, changing the lives of individuals and communities.

In the UK, The Thomas Cook Children’s Charity aims to improve children’s lives, by helping to improve education, wellbeing and healthcare facilities for children and young people. As a grant-making charity, it provides funding to charities and individuals to benefit the lives of children and young people in the UK and overseas.

We have supported the following charities, all thanks to the support of Thomas Cook UK customers and colleagues: Carers Trust, NSPCC, CPotential Trust, Teenage Cancer Trust, SOS Children's Villages, Great Ormond Street Hospital and Reuben’s Retreat, as well as many local community projects in the UK and overseas.

In Manchester, the home of our UK Airline, following the Manchester Arena Attack in May 2017, Thomas Cook Children’s Charity raised £280,000 and committed to support those affected by the tragedy. We are working with the Manchester Resilience Hub to provide funding which will focus on supporting children, young people and their families affected by this tragic event.

The charity also supported Save the Children East Africa Famine Appeal with a donation of £100,000.
This year a team from our Airline travelled to Khao Sok in Thailand, to support a long-term alliance between Thomas Cook and a local school. The Thomas Cook team worked to improve conditions for students at the school and provide additional training for the teaching staff. The team renovated a toilet block at the Wat Tham Wararam School in the Rainforest of Khao Sok and built a new playground, gardening facilities and fishponds at the Baan Yaplong School, as well as provided two Danish teachers for a whole week, enabling the students to improve their English.
We are actively engaged in improving our environmental impacts. Our focus is to reduce our emissions, with a particular focus on our airline emissions. Air transport accounts for 2% of global man-made CO₂ emissions, of which international aviation contributes to 1.3%. It is our single biggest environmental impact as a business and will receive significant attention due to the forthcoming Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Our target is to improve fuel efficiency by 12% by 2020, against a 2008 baseline. We have made some progress and in 2017 we improved fuel efficiency by 4% and our emissions per passenger km were 72.42g CO₂.

However, this is a challenging target and success depends on several factors including the successful implementation of cross-industry programmes such as Single European Sky, which will reform air traffic management.

We also aim to reduce our operational emissions from our property portfolio along with managing resources across the business. With 22,000 employees in 17 source markets and destinations around the world, we have a significant footprint in terms of energy use, waste production and water consumption.

The environmental impact of the travel industry is considerable, with around 5% of all global carbon emissions coming from the travel and tourism sector. We recognised the risks presented by climate change and know it is our role to reduce this impact.
Regulations and international collaborations are increasing. The Paris Agreement delivered a new framework for uniting and accelerating action and investment needed to address climate change.

The treaty sets out a legal framework for national governments to drive down carbon emissions, adapt to its impact and give enhanced support to developing countries, by keeping global temperature increases this century to well below 2 degrees Celsius above pre-industrial levels.

ICAO’s Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is designed to mitigate international aviation emissions through a global market-based measure. It complements the basket of measures the air transport community is already pursuing to reduce emissions from international aviation. These include technical and operational improvements and advances in the production and use of sustainable alternative fuels for aviation.

In support of both agreements, we have a renewed focus to deliver carbon reductions through our business. We report annually to CDP’s voluntary investor-led programme and in 2017 scored a “B” which demonstrates we are taking coordinated action on climate change. Our industry average score is “C” showing awareness about the impacts of climate change.

The majority of our greenhouse gas emissions come from our Group Airlines. Therefore, improving fuel efficiency is a key priority. As an industry, we are committed to improving fuel efficiency by 15% from 2009 to 2020, to stabilise net aviation CO2 emissions at 2020 levels with carbon neutral growth; and to reduce aviation’s net emissions to 50% of what they were in 2005, by 2050.

The majority of our greenhouse gas emissions come from our Group Airlines. Therefore, improving fuel efficiency is a key priority. As an industry, we are committed to improving fuel efficiency by 15% from 2009 to 2020, to stabilise net aviation CO2 emissions at 2020 levels with carbon neutral growth; and to reduce aviation’s net emissions to 50% of what they were in 2005, by 2050.

Emissions

WHO THIS MATTERS TO

Climate change is the biggest challenge facing humanity, with a systemic change required to all parts of our society to avoid the worst impacts of climate change, now and for decades to come.

WHY THIS MATTERS TO OUR BUSINESS

The Paris Agreement sets out a legal framework for national governments to drive down carbon emissions, adapt to its impact and give enhanced support to developing countries, by keeping global temperature increases this century to well below 2 degrees Celsius above pre-industrial levels. As a large multinational business, we have our role to play in reducing emissions and future-proofing our business model. The aviation sector is set to grow significantly with international tourist arrivals predicted to be 1.8 billion by 2030, according to UNWTO. Therefore a continued focus is required to reduce overall fuel burn and improve fuel efficiencies. In addition airline fuel is a cost to the business so managing its use makes business sense as well as delivering environmental benefits.

LONG-TERM VISION

We continue to give people the benefits of international travel in an environmentally responsible way, limiting global warming to 2 degrees.

OUR PROGRESS

Over six years we have reduced our carbon emissions by more than 89,000 tonnes. This is the equivalent of taking 19,000 cars off the road. We established six key projects during the year to look at improving fuel efficiency. These included improving flight planning software to include shorter routes, review of contingency fuel carried on-board and weight reduction projects.

NEXT STEPS

During 2018 we will continue to review fuel efficiency projects and engage with employees on the issue.
EMISSIONS (CONTINUED)

We operate one of the most efficient airlines, with our emissions per passenger km 18% less than the five largest European airlines. Our airlines were also included in the top 10 of the world’s most fuel efficient in the 2017 Atmosfair index.

For this year, our emissions per passenger km were 72.42. This is a reduction from the previous year by 3%. It also puts us 4% towards our target of improving airline fuel efficiency by 12% by 2020, from the 2008 baseline.

In the reporting year, we have reinvigorated our fuel efficiency working group across the Group Airline business. In previous years we ran separate groups in the different airlines. With a Group-wide approach, the data is more effectively tracked, initiatives are more easily shared and greater improvements can be made.

We are operating several new Airbus A321s which have seen us further improve our fuel efficiency with estimated fuel and emission savings between 7-8% over the lifetime of the aircraft. Lightweight trolleys and containers are in place on our fleet. Along with investing in new planes, the legacy fleet has a significant refurbishment programme that includes lightweight seating and full cabin upgrades. As well as the new fleet, we continue to make other operational improvements, for example, optimising flight plans including shorter routes, encouraging pilots to land using a reduced flap setting to reduce airframe drag, continuous descent approaches and single engine taxiing. We are delivering other weight reductions, including the roll out of an electronic tech log to replace paper manuals, saving both paper and weight on board.
## OPERATIONAL EFFICIENCY

Our product depends on the beautiful destinations we travel to, the vibrant communities we interact with and the reliable sunny weather we enjoy. All of these are threatened by climate change and natural resource depletion.

Managing our carbon emissions and resource use doesn’t just make good business sense. The effective management of airline fuel use, energy, water and waste production can not only reduce this business costs but it can conserve valuable natural resources, improve energy security and support the efforts to return waste to meaningful use, contributing to creating a circular economy.

### ENERGY

With almost 22,000 employees across 17 source markets and many more destinations, Thomas Cook Group has a significant footprint as a business. During 2017, we have continued to become more energy efficient, reducing greenhouse gas emissions and costs. This is due to a combination of streamlining locations, increasing the focus on energy efficiency and installing new technologies. By operating our business efficiently and measuring and managing our environmental impacts, we can implement changes to reduce our costs and benefit the environment.

In order to manage these impacts effectively, we have adopted formally recognised environmental management systems at some of our key office locations including ISO14001 certificates for both our Northern European and UK Airlines.

Energy security means finding ways to future proof the business against increasingly volatile energy markets. Across the Group, 44% of our electricity comes from renewable sources. Our Northern European Airline generates 20% of its own power following the installation of the largest solar power system in Copenhagen Airport on the engineering hangar roof.

We remain committed to raising awareness of energy efficiency with our employees. Employee environmental forums and committees exist in many of our operating businesses to support behavioural change, promote new ideas and inspire colleagues. We encourage sustainable travel options for employees. We have installed electric car charging facilities at key offices, offer bicycle leasing programmes and bicycle parking stations and promote car sharing where appropriate. We were recognised for our efforts in our UK head office with a silver award from the Peterborough Travel Awards.

<table>
<thead>
<tr>
<th>WHO THIS MATTERS TO</th>
<th>WHY THIS MATTERS TO OUR BUSINESS</th>
<th>LONG-TERM VISION</th>
<th>OUR PROGRESS</th>
<th>NEXT STEPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>As the world has a finite amount of natural resources using them in the most effective way not only reduces waste and minimises our environmental impact for future generations but it can also help enhance our product offering for our customers.</td>
<td>Effective management of resources makes good business sense.</td>
<td>We are striving to deliver resource efficiencies throughout the business to run our operations in a responsible way.</td>
<td>Building sustainable food and water management programmes within our hotel operations.</td>
<td>To focus on energy efficiency and improve recycling rates throughout our office and retail networks.</td>
</tr>
</tbody>
</table>
OPERATIONAL EFFICIENCY (CONTINUED)

WASTE
Onboard waste is one of our main waste streams and our Group Airline has been a leader in tackling this issue, despite the operational and legislative challenges it brings. We ensure waste is segregated in flight and recycled where possible but we face inconsistencies in how waste is managed in different countries and airports.

We are also looking at where we can reduce waste on board. For example, the introduction of a new on board smart device enabled e-receipts saving over 2,000 miles of paper, or the equivalent of 250 trees.

Recycling programmes and initiatives are in place across the business and our employees are actively encouraged to participate.

We are also looking into how we can manage food waste in our hotels. See the case study for more information.

Sustainable Food
Over one third of all global food products are disposed of every year. Food production is a complex, resource intensive global industry and we each must do our part to reduce the volume of waste created.

Analysis shows that 60 percent of food produced in hotels is thrown away. This waste comes from food preparation, leftovers from the buffets and from guest's plates. In partnership with Futouris e.V., United against Waste e.V. and other industry players, Thomas Cook Germany has worked on a project to reduce food waste in the hotel industry.

Working with chefs and hoteliers, a manual about ‘Sustainable Food’ was developed. It included some very practical actions hotels can take including looking at local food, seasonal food, sustainable purchasing policies, how to present food, designing a sustainable menu, waste management and how to implement a sustainable food strategy. We are implementing the recommendations in the manual throughout our own-brand hotels in 2017 and 2018. We will be measuring the impact of those changes, but we expect reductions of over 5% on average and up to 30% for some hotels.

WATER
Water is essential to our business. It is used for showers, swimming pools, cleaning and to grow food for the hotel restaurants. Many of our destinations are in areas recognised as being water scarce, with insufficient water readily available to meet the needs of the communities living there. Demand for water is projected to exceed supply by 40% by 2030 so it is imperative that we take action along with others in our industry.

As water is used widely in our accommodation supply chain, it is our responsibility to engage with hoteliers and educate our customers to reduce consumption and avoid wasting water. We encourage hoteliers to subscribe to Travelife (a leading sustainability hotel certification scheme) to demonstrate how they are monitoring and managing environmental impacts, including water consumption. In order to understand how to balance the water expectations of our customers with the rights of local people and their environment, we developed a manual for hoteliers to enable them to manage and reduce water consumption. The range of interventions vary from simple monitoring and measuring, to customer communications and assessing indirect water use, in particular water used to grow food. The handbook gives advice on how to set up a water efficient food buying strategy, looking at what to buy more or less of.

After implementing recommendations from the handbook, the SENTIDO Apollo Blue in Rhodes reduced water consumption by 11% year-on-year.

2,000 MILES OF PAPER SAVED
40% ELECTRICITY COMES FROM RENEWABLE SOURCES
ON HOLIDAY

Tourism is one of the biggest industries in the world and one that contributes positively to the economic and social fabric of destination communities.

We work extensively with our hotel brands to enable our customers to experience local products and services, giving them an authentic taste of the local culture and helping the local economies thrive.

Hotels are key to sustainable destinations. They play an important role in protecting the local environment and improving the lives of local communities. Hotels must demonstrate they are managing these impacts. By 2020, we aim to have all of our own-brand hotels accredited by Travelife, the internationally-recognised scheme which helps hotels and accommodations to manage and improve their social and environmental performance.

This is a significant challenge. With different types of hotels in many regions of the world, influencing our partners and supply chains and is not always easy and not all hotels fall within our direct control.

In 2017 28% of our own-brand hotels achieved a Travelife award at the end of the year.

100% of our hotels to be accredited by Travelife by 2020
We have been working closely with Travelife to ensure our suppliers are prepared for the challenge of accreditation, or have shown good progress since their last inspection to achieve re-accreditation. Participation in Travelife is now a mandatory requirement for our Sunwing, Sunprime and SENTIDO hotel brands as part of our contract with the hotellier and will become mandatory for our remaining brands SunConnect, smartline and Casa Cook over the next two years.

We will continue to work with all our own-brand hotels to enable them to achieve a Travelife award. Our Quality Managers have been working with some of our largest hotels to encourage them to start their sustainability journeys by subscribing to Travelife. This year we have done more to promote Travelife, including taking part in training sessions for hoteliers across Greece, to enable them to understand the strategic importance of the scheme to us as a tour operator business.

Travelife is a sustainability accreditation scheme aimed at hotels. It is recognised by the Global Sustainable Tourism Council as a robust certification scheme that provides assurance for our customers. Subscribed hotels are independently audited against 163 different criteria that include environmental management, employee and customer engagement, local procurement, and labour and human rights. Successful hotels receive an award that is featured on our websites, in brochures and in marketing materials. This helps our customers to easily recognise hotels that protect and support their environment and local communities.

We know that Travelife hotels have higher levels of customer satisfaction in addition to considerable operational savings of upwards of £150,000 annually in some circumstances.

Our hotels are key to delivering special holiday experiences for all of our customers. We know that our customers enjoy our hotels more when they operate responsibly. Raw materials and resources are costly and scarce in some areas, particularly food and water. Reducing use and waste is key to saving money and improving the customer experience.

To operate hotels who have efficient systems to minimise waste, produce their own energy from renewable sources and procure their produce from local suppliers.

30 new hotels reached Travelife Gold status in 2017 and we have achieved new commitments from our hotel brands to mandate Travelife compliance.

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THE BENEFITS OF TRAVELIFE

The Sunprime Ayia Napa in Cyprus achieved a Travelife Gold award in 2017. It is a hotel made up of 117 suites, a restaurant, gym, spa and wellness area. The hotel has worked hard to improve its recycling rates and has reduced solid waste from 8.5 tonnes in 2015 to 0.5 tonnes in 2016. This has been achieved by adding recycling stations around the resort and focusing on reducing the purchase of single use products such as shampoos and soaps.

Energy is a key focus too, with 95% of the lighting across the public areas in the resort being LED. Sensors, timing devices and signs to switch off lights when not needed were installed further reducing energy consumption.

Each employee receives sustainability training annually and over 54% of the products purchased are produced on the island of Cyprus, with pasta, flour, meat, fish, cheese, fruits and vegetables being supplied by companies and growers in their area. The hotel even runs gastronomy training each week for guests to experience the genuine food of the region.

- 8 tonnes of waste reduced in 2016
- 54% of all products purchased are produced locally
- 95% of lighting changed to LED
Dylan Walker, CEO for the World Cetacean Alliance said; “By requiring all animal attractions to comply with ABTAs Global Welfare Guidance for Animals in Tourism, Thomas Cook has taken a leadership stance that should encourage others to follow. Safeguarding the welfare needs of whales and dolphins in tourism, for example, requires further efforts to enrich the lives of animals currently living in captivity, the provision of new opportunities to ‘retire’ cetaceans to sanctuaries, and improvements to minimise the impacts of wild whale and dolphin watching tours. The fact that Thomas Cook is working across these challenges sends a clear message to its customers that it is committed to improving the lives of animals in tourism across its diverse portfolio of attractions.”

We recognise that these activities also have a socio-economic benefit and can help to promote biodiversity, education and conservation initiatives. However, we also are acutely aware of how animals can be impacted by tourism too.

In late 2016, we took the decision to commission animal welfare experts Global Spirit to conduct an independent audit of a selection of animal attractions we offer. Following this review we set out a new animal welfare policy in December 2016. At its heart is a simple premise – our customers trust us to make sure anything we recommend to them is consistent with our Customer Promises of Quality, Service and Reliability. From that premise came a simple rule – if an animal attraction is found not to be fully compliant with the ABTA Global Welfare Guidance for Animals in Tourism, Thomas Cook won’t sell it.

We remain committed to working responsibly and ethically in all areas of our business, and we expect the same from our suppliers.

Since we began our audit programme in 2016, we have conducted 46 audits, equivalent to roughly one third of all the attractions we offer which include animals. In terms of compliance to the standards we require, it was a mixed picture, with a great deal of suppliers falling short of the required standards and a variety of issues being raised. As a result of our audit findings, we no longer sell 29 of the audited attractions. A further eight are working to improve conditions for animals in their care within their three month notice period.

For 2018, we need to act faster and be bolder to ensure that all animals in tourism have high standards of care. We are planning more than 65 audits during 2018, in addition to further audits completed in partnership with our competitors and other industry supporters through our shared audit programme.

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During 2018 we will continue to audit attractions and will review all of the excursions we offer, ensuring that everything we offer to customers meets industry standards.
Sustainable Destinations

In order to deliver holidays for the long term, we need to be able to offer sustainable destinations where communities and tourists thrive together.

Holidays that provide a real link with the regions and communities visited not only improve the experience for the holidaymaker, but provide more economic benefit locally. A sustainably-managed destination, providing holidays filled with the smells of local food, sounds of local voices leads to more benefit for local people and a vibrant local supply chain.

Local Label excursions are a key tool in helping us promote local employment and economic development at destination and ensuring that that benefit is experienced by local communities. We have 61 Local Label excursions in over 30 destinations and have plans to extend this number.

A great example of a Local Label excursion is our “100% Mayan” excursion in Mexico. This gives customers an opportunity to spend time with a real Mayan community whose village is situated near the Sian Ka'an Biosphere Reserve, a protected area rich in biodiversity.

A local guide brings the stories of the village to life and customers can experience the natural wonders on a boat trip through the reserve as well as taste the locally grown food. Funds from this excursion contribute to the purchase of food for the villagers and provide access to an organic gardener who teaches them how best to cultivate the land to make the most from the natural produce grown there. Funds are also being put towards developing more robust housing capable of withstanding a hurricane.

Sustainable Destinations

There are four key elements to delivering sustainable holiday experiences:

1. **Who this matters to**
   - As one of the biggest employers and a growing sector of the global economy, tourism is an important tool to lead us to a more sustainable future. Tourism at its most effective delivers economic growth, opportunity and skills development for people around the world.

2. **Why this matters to our business**
   - A vibrant local supply chain and local community means we can deliver higher quality holidays to our customers with well trained and passionate staff.

3. **Long-term vision**
   - Our hotels are a key part of their community, providing employment opportunities both directly and indirectly, revitalising local suppliers and providing help in case of disaster.

4. **Our progress**
   - We have continued to invest in sustainable destination development through training opportunities across our main destinations, with collaborations with Futours e.V and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in Tunisia as a key highlight.

Supporting Tourism in Tunisia

Tourism is a hugely important industry in Tunisia, but one which has suffered in recent years following high profile terror attacks on tourists. It is essential that following this tough period for the tourism industry, skills are retained and quality is improved for customers. A key challenge is finding good-quality staff who are able to deliver high-quality service while promoting sustainability within our hotels. This innovative programme consists of two strands, focusing on further education and training.

The “Total Quality Training for hotel staff” project, which runs from September 2017 to the end of 2018, will focus on the re-qualification and training of hotel staff in order to increase service quality and sustainability. At the same time, Thomas Cook and Futours e.V (a German sustainable tourism charity), together with the Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, have launched a new partnership. The aim is to improve the training for the hotel staff in Tunisian hotel schools and hotels through greater experiential learning. The pilot project will run for three years and is part of the **develoPPP.de** programme that GIZ implements on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The two strands of the programme will enable the training and mentoring of employees in the Tunisian hotels, enabling them to access better quality employment and delivering a more sustainable, higher quality experience for our customers.

Next steps

Consider how our employees and hotels can better support local communities and make more opportunities for local populations to enjoy a fulfilling career within the tourism industry.
### PERFORMANCE

#### PREVIOUS STRATEGY

<table>
<thead>
<tr>
<th>Previous strategy targets</th>
<th>Result</th>
<th>Location in the new strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement our Group Child Protection strategy</td>
<td>Developed and implemented a Group Child protection strategy in 2017.</td>
<td>Strengthened and incorporated in <strong>AT HOME</strong> section.</td>
</tr>
<tr>
<td>Support at least one sustainable community project in each of the main regions we operate in</td>
<td>We implemented a number of community based projects around our key head office locations including Thomas Cook Children’s Charity projects. See our 2016 Sustainability Report for more information.</td>
<td>Set a target to reach 100,000 people through our charity and community programmes in the <strong>AT HOME</strong> section.</td>
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<tr>
<td>Conduct at least three local community projects around key Head Office locations</td>
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<tr>
<td>Get 90% of our suppliers to sign up to and comply with our Supplier Code of Conduct.</td>
<td>A Supplier Code of Conduct is issued to all Group contracts.</td>
<td>After a materiality review suppliers have the most impact in the <strong>ON HOLIDAY</strong> section. Progress on this issue will be reported through our target in this area.</td>
</tr>
<tr>
<td>12% increase in fuel efficiency, compared to 2008.</td>
<td>This is our most material environmental issue and this target has been continued into the new strategy. See our 2016 Sustainability Reports for more detail.</td>
<td>Incorporated into <strong>THE JOURNEY</strong> section.</td>
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<tr>
<td>Reduce on board waste.</td>
<td>Reducing on board waste continues to be a significant work stream. Although progress has been made in this area the logistical and regulatory challenges have slowed implementation of changes.</td>
<td>We are developing a revised strategy for on board waste to focus on the reduction of single use plastics. More information will be released in 2018.</td>
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<tr>
<td>All Concept accommodation suppliers to implement a local sourcing policy for food and beverage</td>
<td>It was challenging to deliver local sourcing policies in isolation so instead a target for Travelfile was developed. However projects including Sustainable Food have begun which look at sourcing policies and are discussed on page [xx].</td>
<td>Incorporated under <strong>THE JOURNEY</strong> as we are improving resource efficiency across the business.</td>
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<tr>
<td>Reduce electricity consumption by 60% compared to 2010.</td>
<td>In 2016, we reduced electricity by 54% compared to our baseline year of 2010.</td>
<td>This is an area of focus within the <strong>THE JOURNEY</strong> work stream.</td>
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<tr>
<td>50% electricity to come from renewable sources.</td>
<td>In 2016, 49% of electricity came from renewable sources.</td>
<td>This is an area of focus within the <strong>THE JOURNEY</strong> work stream and will continue to build on this percentage and source more electricity from renewable sources.</td>
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<tr>
<td>Reduce paper usage by 60% compared to 2010.</td>
<td>In 2016, we reduced the number of brochures printed across the business. For example, in Germany the amount of paper used for brochures decreased year-on-year by 27%.</td>
<td>We are reviewing our brochure production across the Group and reducing paper usage and sourcing of paper is included within that project. This is included within the <strong>THE JOURNEY</strong> work stream.</td>
</tr>
<tr>
<td>All paper purchased to come from sustainable sources.</td>
<td>In 2016, we sourced 57% of brochure paper from sustainable sources.</td>
<td>We are reviewing our brochure production across the Group and reducing paper usage and sourcing of paper is included within that project. This is included within the <strong>THE JOURNEY</strong> work stream.</td>
</tr>
<tr>
<td>To have at least one Local Label excursion in every staffed destination.</td>
<td>In 2016 there were 72 excursions across 40 destinations, reaching 55% of our target.</td>
<td>Incorporated into <strong>ON HOLIDAY</strong> work stream.</td>
</tr>
<tr>
<td>20% of customers to stay in accommodation certified with a GSTC recognised sustainability certification.</td>
<td>Our emphasis changed to focus on our own product. Therefore this target was restated in the new strategy.</td>
<td>Our key target for the <strong>ON HOLIDAY</strong> section is to ensure 100% of our own brand hotels have a Travelfile award.</td>
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<tr>
<td>All Concept Hotel accommodation suppliers to reduce water volumes to an average of 350 litres per guest night.</td>
<td>During 2015 and 2016 we developed robust guidance for our hotels to measure and understand their water consumption and usage in order to reduce it. Through this project a pilot hotel delivered savings of 1% year on year.</td>
<td>Incorporated under <strong>THE JOURNEY</strong> as we are improving resource efficiency across the business.</td>
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<tr>
<td>All Concept hotel accommodation to reduce electricity consumption measured per customer</td>
<td>During 2016 we developed robust guidance for our hotels to measure and understand their energy consumption and usage in order to reduce it.</td>
<td>Incorporated under <strong>THE JOURNEY</strong> as we are improving resource efficiency across the business.</td>
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<tr>
<td>Customers to rate Thomas Cook as a green and responsible business.</td>
<td>A new question was inserted into our customer feedback questionnaire across the Group in 2017.</td>
<td>Our scores will be reported in future sustainability reports.</td>
</tr>
<tr>
<td>To measure and improve our hotel and accommodation health &amp; safety performance scores.</td>
<td>In 2016 health and safety was incorporated into KPIs within the key business strategy and data is included in the Annual Report. See Annual Report for more information.</td>
<td>See Annual Report.</td>
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</tbody>
</table>
MANAGEMENT OF SUSTAINABILITY AND RISK MANAGEMENT

MANAGEMENT OF SUSTAINABILITY

The Board retains responsibility for the long-term success of the Group and the Health, Safety and Environmental Committee (HSE Committee) has oversight of the policy for managing health, safety and environmental risks to the Group’s business. We know that a strong governance structure, accountability and leadership are key to drive change. This year the HSE Committee has broadened the scope and approach of sustainability at Thomas Cook, providing leadership, direction and oversight to the activities of the Sustainability Working Group (SWG) and maintaining close stakeholder group links. Thomas Cook operates across 16 different source markets with each facing different challenges. This means that sustainability risks and opportunities are dealt with in different ways across the business depending on specific priorities. Alongside this local focus, strategic direction is provided at a group level by the SWG and the HSE Committee.

RISK MANAGEMENT

We operate in a dynamic and rapidly evolving environment. This requires a flexible and responsive risk management process. Risks are evaluated using a risk register approach which assesses the likelihood and impact of each risk, including the financial impact, alongside existing control measures. Risk registers are continually updated through a programme of workshops and risk is formally assessed as an agenda item at all monthly segment level board meetings, with key risks escalated and discussed within the Risk Matters Group.

Significant sustainability risks include:

- Brand reputation
- Climate Change and greenhouse gas emissions
- Energy cost and energy security
- Supply chain management
- Recruitment and retention of talent
- Sustainability of destinations and communities

DIFFERENT SOURCE MARKETS
**STAKEHOLDERS AND PARTNERSHIPS**

We work with a variety of sustainability and industry organisations as we understand that collaboration is essential to bring about large scale change.

We are particularly committed to working with our supply chain, competitors and other stakeholders within the travel industry to create positive change.

We define stakeholders as any group with potential or actual influence on our business, including customers, employees, investors, suppliers, governments & regulators, NGOs & charities, academia and industry associations.

To ensure we focus on the most material issues and those most relevant to our key audiences, we undertake a wide variety of stakeholder engagement including meetings, questionnaires, newsletters with feedback channels and participation in projects and conferences.

**Our stakeholders include:**

- Customers
- Employees
- Investors
- Suppliers
- NGOs and charities
- Governments and Regulators
- Academia and industry associations

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Engagement mechanisms</th>
<th>Key engagement activities in 2017</th>
<th>Focus for 2018</th>
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</thead>
<tbody>
<tr>
<td>Customers</td>
<td>&gt; Customer Feedback Questionnaires</td>
<td>&gt; Launched a cross-Group question regarding Thomas Cook’s sustainability performance into all customer satisfaction surveys.</td>
<td>&gt; To analyse the customer satisfaction data to develop a baseline score.</td>
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<td></td>
<td>&gt; Social Media and online</td>
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<td>&gt; Customer Services team</td>
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<td>Employees</td>
<td>&gt; Every Voice survey</td>
<td>&gt; Launched a cross Group question regarding Thomas Cook’s sustainability performance into the Every Voice survey.</td>
<td>&gt; To analyse the customer satisfaction data to develop a baseline score.</td>
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<td></td>
<td>&gt; Town hall and webchat presentations from senior management</td>
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<td>&gt; Intranet</td>
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<td>Investors</td>
<td>&gt; AGM</td>
<td>&gt; Continued inclusion in the FTSE4Good index as well as rated ‘B’ in the CDP index.</td>
<td>&gt; To maintain FTSE4Good status and CDP rating.</td>
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<td>&gt; Investor Relations programmes</td>
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<td>&gt; Trading</td>
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<td>&gt; Procurement scorecards</td>
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<td></td>
<td>&gt; Supplier meetings</td>
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<tr>
<td>Suppliers</td>
<td>&gt; Training</td>
<td>&gt; Worked with hotel managers of own brand hotels to implement Travelife.</td>
<td>&gt; Expand the engagement with hotels to increase support for Travelife.</td>
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<tr>
<td></td>
<td>&gt; Procurement scorecards</td>
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<td></td>
<td>&gt; Supplier meetings</td>
<td></td>
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<td>NGOs and charities</td>
<td>&gt; Campaigns</td>
<td>&gt; Engaging with anti-captivity campaigners to look to improve animal welfare in our excursion programme.</td>
<td>&gt; Continue engagement with animal welfare NGOs to support higher welfare alternatives.</td>
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<td></td>
<td>&gt; Charitable giving activities</td>
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<td></td>
<td>&gt; Petitions</td>
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<tr>
<td>Governments and regulators</td>
<td>&gt; Meetings with regulators across markets</td>
<td>&gt; Worked with the FCO to support the re-opening of Tunisia.</td>
<td>&gt; Engage with destination governments to raise the profile of sustainable tourism.</td>
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<td>&gt; Meeting MPs in areas where our offices are located.</td>
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<td>&gt; Meetings with Ministries of Tourism.</td>
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<tr>
<td>Academia and industry associations</td>
<td>&gt; Collaborating with the industry helps to extend our sustainability impacts outside of our business, and enhances our reputation as a responsible business.</td>
<td>&gt; ABTA and DRV – the UK and Germany’s largest travel industry associations.</td>
<td>&gt; Continued membership and support for these organisations.</td>
</tr>
<tr>
<td></td>
<td>&gt; ABTA and DRV – the UK and Germany’s largest travel industry associations.</td>
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<td></td>
<td>&gt; Futours – a travel industry organisation aiming to improve the sustainability of tourism in destinations.</td>
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<td></td>
<td>&gt; Travelife – an industry-led sustainability certification scheme for hotels.</td>
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<td>&gt; Airlines UK – the trade body for UK registered airlines.</td>
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</table>
The Thomas Cook Group website provides news and details of the Group's activities, plus links to our customer sites and up-to-date information, including:

- corporate news
- presentations
- share price data
- historic Annual and Sustainability Reports
- half-year results and interim management statements
- news alerts
- career opportunities