

Report of the Board of Trustees 2024

Management report

For many regions in the world tourism is the key to a more secure and prosperous life. At the TUI Care Foundation, we are well aware of the travel industry's power to drive positive change. We are also aware, however, that tourism can bring challenges for both man and nature. With our work we want to strengthen the positives that global tourism brings for people and the environment in destinations worldwide and we want to drive solutions to the challenges.

In 2024, the global travel, tourism, and hospitality sector experienced a remarkable resurgence, surpassing previous performance records. Economic contributions and employment in the industry grew significantly, driven by growth in both international and domestic travel. The sector demonstrated strong resilience and momentum, with optimistic long-term forecasts indicating continued global expansion and increasing economic impact.

On the other hand, the sector and local communities faced challenges impacting both the industry and local communities. The public debate on overtourism strained popular destinations, sparking resident protests over housing and cultural disruption. Economic pressures, including inflation and labour shortages, affected service quality and operational stability. Geopolitical instability led to shifting consumer preferences and a drop in visitor numbers in affected regions across the world, severely affecting respective local economies. Furthermore, unregulated tourism in sensitive areas resulted in environmental degradation and safety concerns.

The sector was also hit by climate-related events, notably the devastating flash floods in the Valencia region in Spain, which caused extensive damage to infrastructure and tourism assets. All combined, these issues highlighted the need for more sustainable and community-centred tourism practices to ensure long-term viability and local support.

In 2024, the TUI Care Foundation continued to expand its long-term project portfolio, while simultaneously catering to the needs of tourism communities in exceptional and emergency situations. The long-term Strategy 2030 that was launched in 2022 allowed for the development of numerous multi-year projects with both long-standing and new project partners. Additionally, the TUI Care Foundation initiated a fundraising appeal to support affected families and communities of the floodings in the Valencia area – Spain's worst flood-related disaster in modern history – which posed additional challenges to communities that were still struggling after several years of pandemic-related issues. As such, the foundation confirmed its commitment to both ensuring long-lasting sustainable impact as well as providing aid in times of crisis.

The foundation continued to further align its organisational structure with the needs of a growing corporate foundation on an international scale, including a more operational approach by directly engaging project staff and consultants on the ground to initiate and operate projects, as well as by continuing the preparations for the establishment of an independent implementing agency, Stichting Target 8.9. The foundation also further strengthened its links to key stakeholders, especially within the political and donor landscape, while aiming to further broaden the foundation's donation income through the diversification of fundraising channels and the engagement of individual, corporate and institutional donors alike. This report gives an overview of the current state of the foundation and major developments in 2024.

Our Mission and Values

Building on the positive impact of tourism, the TUI Care Foundation leads the way in empowering lives and protecting the natural environment in travel destinations around the globe. Using the potential of tourism as a force for good, the foundation supports and initiates partnerships and projects that create new opportunities and contribute to thriving communities all over the world. By connecting holidaymakers to good causes, we support education and training opportunities for young people, promote the protection of the natural environment in holiday destinations, and we help local communities to thrive sustainably and benefit from tourism.

The TUI Care Foundation works globally and acts locally. Through strong partnerships with local and international organisations and by making it easy for holidaymakers to make a difference by contributing to good causes in their holiday destinations, we aim to create meaningful and long-lasting impact. We strongly believe that tourism can have beneficial effects on social and economic development in developing regions of the world in particular: it brings people together and fosters cultural understanding and solidarity; it transfers knowledge and prosperity; and it is an important driver for social development.

Ways of Working

TUI Care Foundation's approach is developed to deliver impact on the UN Sustainable Development Goals (SDGs). Our focus is on contributing to the empowerment of young people through education, the protection of the natural environment and wildlife, and the development of thriving communities in holiday destinations around the world. These areas lie at the core of both the foundation's regular programmes and projects, as well as its emergency relief activities. As a foundation initiated and supported by TUI Group, TUI Care Foundation aims to make use of the expertise, knowledge and infrastructure of the world's leading integrated tourism business.

TUI Care Foundation supports and initiates projects that fit its strategic framework and fulfill the foundation's project and partner criteria. We build on strong partnerships with local and international organisations to create meaningful impact and support different kinds of organisations: from well-established, global NGOs to small nonprofits, small social entrepreneurs and startups. Also in 2024, TUI Care Foundation was able to engage individuals with creative ideas and innovative solutions to the challenges their communities are facing.

The TUI Care Foundation focuses on defined priority destinations, which were last updated in 2022. The selection of fields of engagement and programmes is based on the socio-economic development stage of countries worldwide, in combination with the potential of cooperation with partners on the ground in order to maximise the impact of our projects. After all, the strength of the TUI Care Foundation lies in the combination of financial aid, programmatic support, access to local and international tourism networks, and unparalleled industry expertise.

In 2024, TUI Care Foundation continued its focus on so-called Least Developed Countries (LDCs). According to the United Nations, sustainable tourism has the potential to be a key driver of development in many of these countries. The sector, with its extensive linkages to a wide range of stakeholders and activities, can contribute to economic growth, community development, intercultural dialogue and environmental conservation. Therefore, the TUI Care Foundation and UN Tourism – formerly the UN World Tourism Organization (UNWTO) – announced their plan to put LDCs at the heart of sustainable tourism development during the fifth UN Conference on LDCs (LDC5) in Doha in 2023. Through its Tourism for Development Fund (TFDF) – supported by UN Tourism – TUI Care Foundation pledges to invest a minimum of €10 million by 2030 to support projects in LDCs. Through this Fund, the TUI Care Foundation drives positive outcomes in education, local entrepreneurship, support for artisans and creatives, and the protection of natural habitats on land and below water.

TUI Care Foundation refers to the SDGs to assess the relevance of its activities. The strategic plan of the foundation has a direct or indirect link to all 17 SDGs. Our strategic plan contributes directly to: SDG 1 No poverty, SDG 2 Zero hunger, SDG 4 Quality education, SDG 5 Gender equality, SDG 8 Decent work and economic growth, SDG 9 Industry, innovation and infrastructure, SDG 11 Sustainable cities and communities, SDG 12 Responsible consumption and production, SDG 13 Climate action, SDG 14 Life below water, SDG 15 Life on land, and SDG 17 Partnerships for the goals.

Strategic Developments during 2024

Throughout 2024, the TUI Care Foundation sharpened its focus on aligning tourism with sustainable development by investing in initiatives that create long-term value for both destinations and the broader travel industry. It marked the second full year of the foundation's new long-term strategy, which was launched in 2022 and will guide the foundation's activities until 2030. This strategy creates impact in its fields of engagement through four initiatives: the Enabling Education Initiative, the Lively Landscapes Initiative, the Empowering Communities Initiative and the Marine

Conservation Initiative. Each of these initiatives consists of multiple programmes. In addition, there is a special fund for small donations and emergency relief activities: the Helping Hands Fund.

All the foundation's initiatives and programmes focus on the unique needs of travel destinations and use the positive power of tourism to improve the lives of young people, care for the natural world and help local communities thrive. As such, we prioritise inclusive growth by scaling entrepreneurial support programmes like *TUI Futureshapers* across emerging destinations. This not only enhances economic self-reliance in tourism-focused communities but also positions TUI Care Foundation as a driver of equitable development, particularly for women and youth. Moreover, by integrating environmental and cultural conservation efforts – such as marine protection and artisan support – the foundation strategically reinforces the sustainability of the tourism industry's operating environments. These efforts support the entire sector in its transition to a more sustainable future amid growing consumer demand for responsible travel.

Strategic Ambition: Improving the life chances of young people through education

The TUI Care Foundation's Enabling Education Initiative focuses on educational opportunities around the world which unlock the full potential of young people. It is of key importance that disadvantaged children and youth living in or around holiday destinations live in a safe environment and have access to inclusive and equitable education, job opportunities and activities, which empower them to have better chances in life. Feeding into this overarching objective are two of the foundation's programmes and one platform: TUI Academies offer vocational training for disadvantaged young people in order for them to access high quality education, work experience, life skills coaching and a brighter future. TUI Junior Academies empower young children to become eco champions through environmental education and enable learning opportunities for young people from disadvantaged communities. The TUI e-Academy is a free, digital learning platform that provides accessible education in tourism and hospitality by offering self-paced courses designed to enhance employability and promote sustainable practices within the industry.

In 2024, ongoing TUI Academy projects continued in Cape Verde (Sal), the Dominican Republic, Jamaica, Kenya, Montenegro, Morocco, Thailand and Tanzania (Zanzibar). The Academy in Sri Lanka came to an end but was immediately renewed for a second phase. New Academy projects were launched in Cape Verde (Boa Vista) and Senegal. TUI Junior Academy projects came to an end in South Africa (Johannesburg) and Türkiye, while projects continued in Greece (Rhodes), Jamaica and Spain – the latter on the island of La Palma as part of the foundation's emergency relief activities following the eruption of the Cumbre Vieja volcanic ridge in 2021. The project in Türkiye was renewed and entirely new TUI Junior Academies have been initiated in South Africa (nationwide), Sri Lanka and Zimbabwe. Additionally, of two global initiatives launched in 2023, one came to an end – with the Organisation for Economic Cooperation and Development (OECD) – and one continued, with Engagement Global in Germany.

Strategic Ambition: Promoting entrepreneurship and sustainable development to ensure that local communities benefit from tourism

The Empowering Communities Initiative focuses on local communities in holiday destinations, enabling sustainable and innovative solutions and ensuring access to the wider tourism industry. It consists of three programmes: the TUI Futureshaper Programme, the TUI Colourful Cultures Programme and the TUI Care Foundation Impact Fund. The TUI Futureshaper Programme aims to enable communities to turn challenges into economic opportunities and to empower marginalised entrepreneurs in tourism destinations. The TUI Colourful Cultures Programme intends to protect unique local heritage of local areas and to boost arts and culture in destinations. The TUI Care Foundation Impact Fund aims to serve tourism communities through venture philanthropy, allowing the foundation to engage in impact investment and hence to use alternative means of funding beyond traditional grants.

Within the TUI Futureshapers Programme, projects continued in Cape Verde (Sal), Senegal, Tunisia, as well as one project taking place in Cape Verde (Sal) and Tanzania (Zanzibar) simultaneously. New projects emerged in Albania, Cape Verde (Sal), Greece and Sweden. Transitioned from the former TUI Cares Programme, one project was finalised in Morocco. The project in Portugal was immediately renewed upon finishing the first phase. For the TUI Colourful Cultures Programme, new projects started in Morocco, Rwanda & Zambia (mutually) and Tanzania (Zanzibar), while a project continued in Croatia. Additionally, two global initiatives were launched: one with UN Tourism and one with Kulturveranstaltungen des Bundes in Berlin (KBB). Two projects were also finalised: one in Mexico and one in Peru.

For the TUI Care Foundation Impact Fund, a global initiative with UnTours Foundation and a project in Namibia were continued in 2024.

Strategic Ambition: Encouraging sustainable and regenerative agricultural practices, protecting and preserving endangered species and their habitats, and supporting local communities

The Lively Landscapes Initiative focuses on the sustainable use of land, nature and resources in holiday destinations and includes three programmes: the TUI Field to Fork Programme, the TUI Wildlife Programme and the TUI Forests Programme. The TUI Field to Fork Programme turns conventional agricultural land into sustainable/regenerative agricultural practices to create healthy food systems in tourism destinations. Furthermore, it establishes links with the tourism sector to create better income opportunities for rural communities. Building on the positive impact of tourism on conservation, the TUI Wildlife Programme focuses on the protection of endangered animals and their natural habitats. It also empowers local communities to benefit economically from conservation and the expansion of protected areas. Thirdly, the TUI Forests Programme puts forests at the centre of thriving communities and destinations. It plants new trees and supports local people to build thriving livelihoods, through community-managed tree nurseries and the creation of forest-based tourism experiences.

New TUI Field to Fork projects were launched in Colombia, Cyprus, Portugal, Spain (Mallorca) and Tanzania, while others continued in Cape Verde (Sal) and Greece (Crete and Rhodes). The TUI Wildlife portfolio was doubled, as two projects continued in Costa Rica and Kenya while two new ones commenced in Cambodia and Namibia. TUI Forest projects were initiated in Indonesia (Borneo), Mauritius, Spain (Mallorca) and Zambia. Existing Forests continued in the Dominican Republic, Kenya, Peru, Spain (Gran Canaria) and Tanzania (Zanzibar).

Strategic Ambition: Protecting and preserving coastal areas and facilitating a sustainable blue economy in tourism destinations

The Marine Conservation Initiative is all about the protection and preservation of marine species and their habitats in coastal areas, while simultaneously enabling local communities to profit sustainably from opportunities tourism in marine and coastal areas has to offer. This initiative encompasses three programmes: besides the pre-existing TUI Turtle Aid Programme, these are the TUI Sea the Change Programme and the Destination Zero Waste Programme. The TUI Sea the Change Programme paves the way to a sustainable blue economy in tourism destinations. It focuses on ocean, coastal and marine ecosystems and on creating and expanding marine protected areas. The Destination Zero Waste Programme promotes a circular economy where waste is eliminated and resources are circulated. It cultivates the mindset that waste can be reused and supports innovative and community-driven solutions to collect and upcycle plastic and other waste into saleable products. Finally, the Turtle Aid Programme protects endangered and vulnerable sea turtles, especially around nesting beaches.

New TUI Sea the Change projects have been initiated in Aruba and the Dominican Republic, while existing projects continued in Indonesia (Bali), Mozambique, Spain (Balearic Islands) and Türkiye. Destination Zero Waste projects continued in Cyprus, on Curaçao and in Tanzania (Zanzibar), whereas new projects started in Jamaica and Mauritius. TUI Turtle Aid projects continued in Cape Verde (Sal), Greece – where a new component was also added – and Kenya, whereas a new project commenced in Türkiye (Antalya). Another project in Türkiye, in Muğla, was terminated. Additionally, the global TUI Turtle Aid Network continued operation, which has been initiated as a venue to create synergies between different stakeholders, and to positively influence the tourism industry to actively engage in wildlife protection and marine conservation.

The Care Foundation also operates the Helping Hands Fund, a small donations fund for grassroots organisations working to create positive impact for communities or the environment in tourism destinations worldwide. During 2024, the Helping Hands Fund of the TUI Care Foundation supported projects on Aruba, Curaçao and Sint Maarten, in Cape Verde (mainly Sal and Boa Vista), Egypt, the Gambia, Greece (Crete, Samos and the mainland), Kenya, Mexico, Morocco, Peru, Saint Lucia, Senegal, Spain (La Palma and Tenerife), South Africa, Sri Lanka, Tanzania (mainly on Zanzibar), Tunisia, Türkiye and Vietnam.

Corona Response Activities

In the spring of 2020, the foundation decided to extend the strategy cycle until the end of 2021 to enable a full focus on a Corona Response Initiative in times of the pandemic. This initiative, developed and launched in 2020, was continued in 2021, after which most activities came to an end in 2022 and 2023. One project continued in 2024, as part of the Green Recovery Programme: medium-term initiatives based on TUI Care Foundation's former three fields of engagement (Education, Nature & Wildlife, Economic Development), aimed at the recovery of destinations, as a bridge phase between the crisis relief activities and the foundation's regular programmes. In the Education pillar, the intention was to create educational opportunities and safe learning spaces for marginalised communities. For Nature & Wildlife, the aim was to engage communities and give them the tools and training to transition to more sustainable models, whereas the Economic Development component intended to focus on livelihood and entrepreneur support programmes with an emphasis on empowering social cooperatives and impact-oriented entrepreneurs. In 2024, one project, in Tunisia, was still running and will do so until 2025.

During already challenging times in the aftermath of a pandemic, multiple tourism communities across Europe had to endure natural disasters in addition. In 2024, TUI Care Foundation launched one additional project in the aftermath of the earthquake that struck Morocco in September 2023 and the foundation initiated a fundraising appeal for the victims of the flash floods. Parts of these donations were matched by the TUI Care Foundation.

Governance

TUI Care Foundation is the international corporate foundation of TUI Group, the world's leading tourism company. The Foundation is independent under Dutch law and has been qualified as a Public Benefit Organisation (PBO, or ANBI in Dutch: *Algemeen Nut Beogende Instelling*) by the Dutch Tax and Customs Administration, which is part of the Ministry of Finance. The Foundation puts great value in transparency and the efficient use of funds; the majority of operating costs of the foundation, which include marketing and communication costs, are covered by TUI Group, either via direct financial contributions to TUI Care Foundation or donations automatically included in TUI products (e.g. Fair Travel holidays).

The governance structure of the TUI Care Foundation consists of the Board of Trustees and the Management team. In 2024, one new staff member joined the team. Additionally, the foundation continued to be supported overseas by five consultants looking after destination-based project management in Cape Verde, Jamaica, Kenya and Türkiye. The Board of Trustees continued the revision of the current overall governance structure with the aim of adapting the governance to the expanded activities of the foundation over the last years. In 2024, the Board of Trustees persisted in working towards the establishment of an implementing agency which will – independently – execute TUI Care Foundation projects in holiday destinations, as well as engaging institutional donors and other stakeholders independently.

The foundation has an independent Board of Trustees consisting of five members. The Board oversees all activities of the foundation and sets the strategic framework for the foundation's development. A majority of the members of the Board of Trustees is not affiliated with TUI or its entities. The members are appointed for a period of three years and are re-electable. The members of the Board do not receive remuneration, either direct or indirect, for the activities they carry out for the foundation. Expenses are covered by TUI Group.

The Board members are:

- Mr Thomas Ellerbeck, Chair
- Mr Nico Visser, Secretary
- Mr Frank Oostdam, Treasurer
- Mrs Dagmar Wöhr
- Mrs Helen Caron

Positions Board of Trustees members in 2024

Mr T. Ellerbeck, Chair

Appointed on 1 October 2015 (1st term)

Re-elected in 2018 (2nd term), 2021 (3rd term) & 2024 (4th term)

Eligible for re-election: yes

Main function:

- Member Group Executive Committee TUI Group

Additional function:

- Member of the Supervisory Board of TUI fly GmbH

Voluntary functions:

- Member of the Board of DRV – Deutscher Reise Verband
- Member of the Board of BDL – Bundesverband der Deutschen Luftverkehrswirtschaft
- Chairman of the Executive Board of TUI Stiftung
- Member of the Board of Trustees of Stiftung Hilfe mit Plan
- Member of the Council of the Lindau Nobel Laureate Meetings
- Member of the Board of the Lindau Nobel Laureate Meetings Foundation

Prof. N.W. Visser, Secretary

Appointed on 21 September 2011 (1st term)

Re-elected in 2014 (2nd term), 2018 (3rd term - adjusted), 2019 (4th term) & 2022 (5th term)

Eligible for re-election: yes

Main Function:

- Chairman of the Fisheries Committee of the Dutch Caribbean BES Islands (Saba, Sint Eustatius, Bonaire)

Additional function:

- Co-Patron of the Dutch Caribbean Nature Alliance

Voluntary function:

- Board member of the *Stichting Zeeheldentuin*, the Hague

Mr F.J.P. Oostdam, Treasurer

Appointed on 21 September 2011 (1st term)

Re-elected in 2014 (2nd term), 2015 (3rd term), 2018 (4th term), 2021 (5th term) & 2023 (6th term)

Eligible for re-election: yes

Main functions:

- Director and Chairman, ANVR (until 30 June 2024)
- President, ECTAA

Voluntary functions:

- Member of the Supervisory Board of the Calamiteitenfonds Reizen (CFC) Foundation (until 30 June 2024)
- Member of the Supervisory Board of the Stichting Garantiefonds Reisgelden (SGR) (until 30 June 2024)
- Member of the Supervisory Board of SailWise BV

Mrs D.G. Wöhr, member

Appointed on 23 February 2017 (1st term)

Re-elected in 2019 (2nd term) & 2022 (3rd term)

Eligible for re-election: yes

Main functions:

- Investor at TV Show „Die Höhle der Löwen“
- Member of the Supervisory Board of Nürnberger Beteiligungsgesellschaft AG (until 2024)
- Member of the Supervisory Board of Nürnberger Lebensversicherung AG (until 2024)

- CEO of DGWoehrl Consulting GmbH
- CEO of DMW Investment (Pvt) Ltd in Sri Lanka
- CEO of DMW Management (Pvt) Ltd in Sri Lanka
- Managing Partner of MIDA Parkverwaltung GmbH (until 2024)

Additional functions:

- Honorable Member of Deutschen Parlamentarischen Gesellschaft
- Member of the Presidium of Wirtschaftsbeirat Bayern

Voluntary functions:

- President of the Animal Welfare Association Nürnberg-Fürth und Umgebung e.V.
- Honorary President of Verband der Mittel- und Großbetriebe Bayerns
- Member of the Board of Trustees of Emanuel Wöhrle Foundation
- Member of the Board of Trustees of UNICEF Deutschland
- Member of the Board of Trustees of Bayerische AIDS-Stiftung (until 2024)
- Member of the Board of Trustees of Aktion Deutschland Hilft
- Founding Member of the Board of cnetz – Verein für Netzpolitik
- Member of CSUnet

Mrs H. Caron, member

Appointed on July 1, 2018 (1st term)

Re-elected in 2021 (2nd term) & 2024 (3rd term)

Eligible for re-election: yes

Main function:

- Group Product & Purchasing Director at TUI Group (until 30 September 2024)

The Management team, or Executive Board, executes the strategy and projects in accordance with the framework set by the Board of Trustees. The Management team members receive remuneration for the work performed by them for the foundation, which is paid by TUI Group. The Management team consisted of:

- Mr A. Panczuk, Managing Director
- Mr D.C.D. Hekker, Director Finance

Positions Executive Board in 2024

Mr A. Panczuk, Managing Director (as of January 2016)

Main function:

- Group Director Policy, TUI Group

Mr D.C.D. Hekker, Director Finance (as of 5 October 2023)

Main function:

- Head of FP&A BeNe, TUI Nederland N.V.

Procedures and Policies

The foundation's internal governance structure is documented in its Rules of Procedure and in its Power of Attorney. The Rules of Procedure set the framework for the foundation's work with regards to the role of the Executive Board and Team, the annual plan and year report, the project selection process, the allocation and disbursement of funds, as well as project partner criteria. The Power of Attorney states the representation of individuals to enter into external contractual commitments on behalf of TUI Care Foundation, indicating which persons are empowered to fulfil obligations regarding the allocation and disbursement of funds related to external parties on behalf of the foundation and how these responsibilities should be handled.

Additionally, the foundation has three policies to which its Board and staff members must adhere. The Conflict of Interest Policy is designed to help identify situations that present potential conflicts of interest and to provide TUI Care Foundation with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a Board or staff member has or may have a conflict of interest with respect to the transaction. Aiming to ensure that TUI Care Foundation maintains high standards of accountability, transparency and legal compliance, its Policy on Fraud and Corruption sets out the specific responsibilities of Board and staff members with regard to the risks of fraud, bribery and corruption. It is also a clear demonstration of the commitment of TUI Care Foundation to the promotion of a culture of integrity and transparency. Lastly, the foundation's Travel Policy functions to ensure the uniform and systematic planning, undertaking and settlement of business trips in an economically sound manner.

As part of the foundation's Partnership Agreements for long-term projects, the project partners are required to agree to TUI Care Foundation's Partnership Terms and Conditions, as well as the foundation's Code of Conduct. These conditions are added as annexes to the Partnership Agreements. The Terms & Conditions contain, amongst others, articles on the conclusion of the agreement; payments; use of grants; performance, measurement and reporting; communication; intellectual property rights; sustainability and anti-corruption; liability; confidentiality; deviation and termination; and personal data. The Code of Conduct covers topics such as core values and principles; scope or partner obligations; prohibition of bribery and corruption; working conditions; child protection from sexual exploitation; anti-discrimination; health and safety; and information security.

Fundraising

Various TUI entities worldwide contribute to the TUI Care Foundation and have also implemented channels to collect customer donations for TUI Care Foundation. After a strong recovery from the pandemic in 2022 and 2023, the TUI Care Foundation saw its donation income grow further in 2024. Prior to the pandemic, the foundation saw a continuous growth in donation income resulting in donations on record level in 2019, which was exceeded annually in 2022, 2023 and 2024. The last year turned out to be the strongest year for TUI Care Foundation so far, mainly thanks to the addition of various new donation channels. UK-based entities of TUI Group continued to be the major source of income for the foundation, but the amount of donations from other markets increased significantly. The foundation expects its income to stabilise or slightly increase annually in the next few years. TUI Group has committed itself to raising at least € 10 million per year for the foundation via its own channels for the next few years and the foundation will increase its efforts to engage with institutional donors.

The foundation is very thankful for members of the TUI family all over the world who continue to support the foundation with enormous effort.

Stakeholder Engagement

The foundation continued its regular media activities, with press trips being organised to the Dominican Republic, Tunisia, Peru and Zanzibar (Tanzania). Links with stakeholders in the political and public sphere were strengthened, discussing TUI Care Foundation's activities with a significant number of political decision makers of the respective destinations and in European markets.

Project Monitoring and Evaluation

In general, project partners follow procedures for the donation application and receive, when approved, a Partnership Agreement or Partnership Letter – based on the Project Plan, Financial Plan and a Partnership & Project Visibility Plan submitted – and TUI Care Foundation's Terms & Conditions and Code of Conduct. For several small-scale projects, the partnership is agreed upon in a Donation Letter or Partnership Letter. For some partners and projects, a Memorandum of Understanding is in place.

All projects that TUI Care Foundation supports, feed into the new Strategic Plan 2030. In 2017, the TUI Care Foundation started to measure and monitor its ambitions and objectives by analysing the performance of partners.

Project partners are requested to submit a number of reports in the different phases of the project partnership period, typically: Progress Reports as mid-year reviews, Annual Reports as end-of-year reviews and a Final Report as end-of-partnership-reviews.

The regular reports consist of three parts:

1. Progress monitoring and evaluation: The monitoring consists of questions to inform the TUI Care Foundation team about the project's highlights, challenges, lessons learnt, milestones, communication efforts, link to the UN Sustainable Development Goals and next steps.

2. Indicators: The indicators inform us about progress made based on the outputs and activities undertaken to achieve the expected outcomes and ultimately the overall aim, as stated in the project application. TUI Care Foundation also uses the indicators to analyse the performance of all partners against its own strategic ambitions and objectives.

3. Financial update: The financial update provides an overview of actual spending versus the detailed budget as stated in the project application. Reports are being processed by the TUI Care Foundation team and are mandatory for disbursements.

The monitoring and evaluation framework has been extensively reviewed in 2022.

Risks and Uncertainties

The foundation has set up clear funding principles to ensure the efficient use of funds. Organisations eligible for funding from the TUI Care Foundation must fulfill a set criteria; particularly they have to demonstrate adequate financial controls and processes to ensure the transparent use of funds. The foundation has also clearly defined priority destinations as well as designated fields of engagement which specify the foundation's areas of activity to ensure that funds are being spent efficiently. The foundation's Board and Management follow clearly defined processes in the selection of projects and the disbursement of funds.

The major risk to the Foundation's operations is a drop in donation income – like the one seen as a consequence of the pandemic in 2020 and 2021. So far, the majority of funds still comes from TUI entities based in the UK, although the development of the last years shows a very steady trend toward a stronger regional diversification. One of the strategic priorities of the foundation in this regard is to exceed pre-pandemic donation channels and support the establishment of new channels in order to broaden the donation base for the future. TUI Group is supporting this strategic objective.

In case of unexpected changes in the donation income, all project agreements enable the foundation to terminate project agreements towards the end of the respective project year in order to reduce the financial risk for the foundation. Project commitments that have already been confirmed by the Board are fully backed up by existing funds.

The foundation faces an imbalance in expenditure and income in the currencies GBP and EUR which results in currency rate risks. This risk will be managed by selling a surplus in a currency. Furthermore, we look at the possibility of paying contract partners in the most available currency.

The financial year 2024

The donations received for projects significantly increased to EUR 11,260,820 (2023: EUR 7,215,912), an increase of 56.1%.

The donations received for operating costs decreased to EUR 242,592 (2023: EUR 255,304). This income is related to the number of fundraising channels that do not require an active customer/donor decision, to which 4% administration costs were applied. The main reason for the decrease is the reduction of the used percentage from 6% in 2023 to 4% in 2024. It will be further reduced to 3% in 2025.

The expenditure on objectives increased to EUR 8,629,320 (2023: EUR 5,066,384). Besides this, the Board already allocated EUR 3,510,255 (2023: EUR 3,340,789) to projects for which the contract still had to be signed on 31 December 2024. Taking these allocated amounts into account, the total amount confirmed to projects increased by 33.6% to EUR 8,798,786.

The operating costs increased slightly to EUR 508,146 (2023: EUR 457,709).

The costs of personnel monitoring and working on projects are accounted for as project costs. Therefore, the Management and Administration costs account only for the overhead personnel costs.

In respect of banking, all necessary changes and transactions regarding TUI Care Foundation's bank accounts are carried out by TUI Nederland N.V. on behalf of TUI Care Foundation.

The realised ratios of the expenses were as follows:

Expenditure on objectives	94.3%
Costs of generating funds	0.2%
Management and administration costs	5.5%

The costs of generating funds are less than 1% of the sum of income own fund raising.

It is TUI Care Foundation's aim to allocate as much of the foundation's income from fund raising as possible to projects and to keep the costs of generating funds and management and administration costs as low as possible, taking into account the mandatory and desired quality of the organisation.

Prospects

The development of the foundation's income depends on the growth of the global tourism sector. With tourism showing stable growth around the world – despite geopolitical and economic challenges – and TUI Group's ambition to raise at least € 10 million for the TUI Care Foundation annually from 2024 onwards, it is expected that donation income will continue to increase in 2025.

As in the past, TUI Care Foundation will base its expenditure on projects on the actual financial situation.

The foundation has no need for investment and therefore also no need for external financing. It is expected that the staff deployment will increase in 2025.