

TUI and Cepsa join forces to decarbonise flying

- **Partnership on sustainable aviation fuel (SAF) to support emission reduction in air transport**
- **Potential to expand collaboration to include other areas of TUI's tourism value chain such as coach and cruise travel**

TUI, one of the world's leading tourism groups, and Spanish energy company Cepsa have signed a collaboration agreement to promote the production and supply of sustainable aviation fuel (SAF), a key tool to further reduce the carbon footprint of air transport and a priority for both companies to fight against climate change. These fuels will be produced from circular raw materials that do not compete with food resources, such as used cooking oils, non-food animal waste or biodegradable waste from various industries, and will make it possible to reduce aircraft emissions by up to 80% compared to conventional kerosene.

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TUI has been working to reduce its environmental footprint for years and is on a journey to net-zero emissions travel, with the goal to be achieved by 2050 at the latest. To reach this goal and progressively stem the emissions from holiday travel, TUI will increasingly rely on new energy alternatives.

"We see the sustainable transformation not as regulation but as an opportunity for TUI and the travel industry, for destinations, for employees and customers. Sustainable tourism not only has a lower ecological footprint, but also supports change in holiday destinations - offering opportunities for local people in destinations and creating social and economic added value. Social, ecological and economic sustainability belong together. Emission-free travel is our ambitious goal. Whether the flight to the holiday destination, the cruise, the overnight stay in the hotel or experience booked locally - together with partners, our own concepts and projects to reduce emissions, we are working continuously and very concretely towards the goal of "Net-Zero". Every business segment, whether TUI hotels, cruises or airlines, has goals and a clear roadmap - in addition, intermediate steps are important, we want and must achieve Net-Zero faster than 2050," says Thomas Ellerbeck, Chief Sustainability Officer and Member of the Group Executive Committee at TUI Group.

"Collaborations like the one with Cepsa support the achievement of our climate goals. We have set ourselves ambitious reduction targets for TUI Airlines, which are currently being validated by the independent Science Based Targets initiative. SAF plays a crucial role in reducing emissions in aviation and for TUI. At the same

time, such cooperation's contribute to increasing the availability of sustainable aviation fuels in the future. After all, in addition to more carbon-efficient aircraft, SAF in particular are an important lever for more sustainable travel," says Marco Ciomperlik, Chief Airline Officer of TUI Group.

In focus: Cooperation with Cepsa

TUI is working with strong partners to implement its plans to reduce emissions and has a long-standing partnership with Spanish-based Cepsa. Spain, especially with its holiday islands such as the Canary and Balearic Islands, is one of the most important destinations for TUI Airlines. Cepsa supplies TUI not only with kerosene and, in future, with SAF, but also with fuel for coaches in some of the destinations and for the ships of the Group's cruise division, two areas where the companies will also work together to pursue decarbonisation.

"Cepsa is committed to reducing its carbon footprint and that of its customers through the production of clean energies like sustainable aviation fuel, a proven way to decarbonise air travel. Partnerships like the one with TUI are crucial to this effort, not just for air transport, but also in our joint pursuit of cleaner alternatives for other forms of travel as well," said Carlos Barrasa, Cepsa's Director of Commercial & Clean Energies.

Tobi Pardo, Cepsa's Director of Aviation and Asphalts, said: "This new alliance to create more sustainable forms of air transport reinforces our commitment to offer increasingly low-carbon solutions for our customers. We want to walk this path alongside our customers, with whom we share a strong determination in fighting climate change."

What exactly is SAF?

SAF is produced from different feedstocks than crude oil. It can be produced in different ways, for example from biomass such as lipids, alcohols, residual or waste materials, or from renewable energy. These electricity-based fuels - so-called "power-to-liquid" fuels - are also considered very promising. Here, carbon dioxide and water are converted into fuel with the help of electricity from renewable energies. The advantage: there is no need to cultivate biomass. SAF is still only available in limited quantities and is more expensive than conventional fuel from crude oil. But TUI sees great potential here – and is committed to making SAF comprehensively usable so that it can be produced at marketable prices in the long term. Declarations of intent underpin this commitment.

The agreement is in line with the European Commission's Fit for 55 package, which includes a legislative initiative called 'RefuelEU Aviation' that aims to boost the supply and demand of aviation biofuels in the European Union to 2% use by 2025,

5% by 2030 and 63% by 2050. This partnership supports several of the 2030 UN Sustainable Development Goals: SDG 7 (ensure access to affordable, secure, sustainable and modern energy), SDG 8 (promote inclusive and sustainable economic growth, employment and decent work), SDG 12 (ensure sustainable consumption and production patterns) and SDG 13 (take urgent action to combat climate change and its impacts).

Further building blocks for TUI Sustainability Agenda

A comprehensive TUI Sustainability Agenda will be introduced in November. Reducing the environmental footprint of travel will continue to be an essential part of TUI`s commitment to sustainability, as will be social and economic aspects.

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TUI Airlines are already among the most carbon-efficient in the world. TUI has continuously invested in new aircraft and today flies a very modern and carbon-efficient fleet by German, European and international standards. In addition to sustainable aviation fuels, TUI has many other measures in mind to drive energy-efficient travel and significantly reduce emissions. Continuing investments in modern, more carbon-efficient aircraft are part of this, as are continuous efficiency improvements in flight operations. You can also find out more about TUI's commitment and sustainable holidays at: <https://www.tuigroup.com/en-en/responsibility>

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Cepsa in Positive Motion

Cepsa introduced its clean energy strategy, Positive Motion, earlier this year. The company is developing an ecosystem focused on accelerating the decarbonization of industrial customers and air and maritime transport, as well as the company itself, through the production of green molecules, mainly renewable hydrogen and biofuels. Cepsa aspires to be the leading biofuel producer in Spain and Portugal by 2030 and produce 2.5 million tons annually, with a particular focus on the sustainability of air traffic by producing 800,000 tons of SAF every year.

The company has established an ambitious roadmap to cut its emissions, placing it among the benchmark companies in its sector. Specifically, by 2030, it will reduce its Scope 1 and 2 emissions by 55% versus 2019 and the carbon intensity index of its energy products sales, which includes Scope 1, 2 & 3, between 15 and 20%.



About TUI Group

TUI Group is a leading global tourism group and operates worldwide. The Group is headquartered in Germany. TUI shares are listed on the FTSE 250, an index of the London Stock Exchange, on the regulated market of the Hanover Stock Exchange and on the Open Market segment of the Frankfurt Stock Exchange. The TUI Group offers integrated services from a single source for its 27 million customers, 21 million of them in the European national companies.

The entire tourism value chain is covered under one roof. This includes over 400 hotels and resorts with premium brands such as RIU, TUI Blue and Robinson and 16 cruise ships, from the MS Europa and the MS Europa 2 in the luxury class and expedition ships to the Mein Schiff fleet of TUI Cruises and cruise ships at Marella Cruises in Great Britain. The Group also includes leading tour operator brands and online marketing platforms across Europe, five airlines with more than 100 modern medium and long-haul aircraft and over 1,000 travel agencies. In addition to expanding its core business with hotels, cruises via successful joint ventures and activities in holiday destinations, TUI is increasingly focusing on the expansion of digital platforms. The Group is transforming itself into a digital company.

Global responsibility for sustainable economic, ecological and social action is at the core of our corporate culture. The TUI Care Foundation, initiated by TUI, focuses on the positive effects of tourism, on education and training and on strengthening environmental and social standards with projects in 25 countries. It thus supports holiday destinations in their development.

About Cepsa

Cepsa is a leading international company committed to sustainable mobility and energy with a solid technical experience after more than 90 years of activity. The company also has a world-leading chemicals business with increasingly sustainable operations.

In 2022, Cepsa presented its new strategic plan for 2030, Positive Motion, which projects its ambition to be a leader in sustainable mobility, biofuels, and green hydrogen in Spain and Portugal, and to become a benchmark in the energy transition.

The company places customers at the heart of its business and will work with them to help them advance their decarbonization goals. ESG criteria inspire everything Cepsa does as it advances toward its Net Positive objective. This decade, it will reduce its Scope 1 and 2 CO2 emissions by 55% and the carbon intensity index of its energy products sales, which includes Scope 1, 2 & 3 by 15-20%, with the goal of reaching net zero emissions by 2050.

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