

Statement of Commitment on the Environment

We are happy to have you on board

Statement of Commitment on the Environment

Purpose of this statement

The Kuoni Group ^{a)} strives to act as a good corporate citizen which takes into full account the current and future economic, social and environmental impacts of its business, as outlined in the Kuoni Code of Conduct ^{b)}. Kuoni seeks to manage tourism activities in an ecologically sustainable manner as described in its Code of Conduct:

"We strive towards a sustainable management of natural resources and the protection of their future productivity."

The following statement outlines Kuoni's commitment on the environment in more detail.

a) "Kuoni Group" or "Kuoni" herein refers to Kuoni Travel Holding Ltd and all its controlled subsidiaries world-wide, including those operating under different brands or names.

b) The Kuoni Code of Conduct (version in force as of 31 December 2011) is published on Kuoni's website: kuoni.com

Framework of reference

The Kuoni Group is committed to fostering positive environmental stewardship and minimising the negative environmental impacts of its business as defined by the:

- 5th Assessment Report of the Intergovernmental Panel on Climate Change;
- UN Global Compact Caring for Climate Initiative;
- UN World Tourism Organisation Davos Declaration;
- UN Global Compact CEO Water Mandate;
- Convention on Biological Diversity (CBD) Guidelines on Biodiversity and Tourism Development;
- Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora; and
- Policy Recommendations of the International Taskforce for Sustainable Tourism Development

Scope of Kuoni's commitment

This Statement of Commitment applies globally to all management and staff of the entire Kuoni Group, as well as to our subsidiaries. Where local statutory legislation imposes more rigorous requirements, management of the business units in those countries must ensure respective compliance. We recognise that sustainable management of natural resources may sometimes require balancing competing interests and working within the reality of finite resources. Should such situations occur, Kuoni Group is committed to seeking solutions that are in line with the spirit of this Statement of Commitment. In order to resolve such potential conflict, the Precautionary Approach ^{c)} shall be widely applied according with the capabilities of the Kuoni Group. Specifically, where there are threats of serious or irreversible environmental damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. In particular, this applies to climate change: while acknowledging the inherent uncertainties in climate projections at local and regional spatial scales, we nonetheless view models and scientific consensus as informative predictors of a changing climate and useful for developing guidelines to address the associated impacts.

c) As defined by Principle 15 of the Rio Declaration 1992

Prioritisation

Kuoni acknowledges that tourism can have a wide range of direct and indirect impacts on society and the environment. However, we strive to prioritise our implementation efforts towards environmental stewardship in aspects of operations over which we have greater degrees of control and influence and where the magnitude of the impacts is greatest^{d)}.

d) As defined through stakeholder consultation in the development of Kuoni's Materiality Matrix as well as the documents listed in the Framework of Reference

e) Specific interventions for these priority areas are defined in more detail in the Annex

Kuoni further recognises the clear consensus within the scientific community that climate change caused by human activities is occurring now and considers mitigation and adaptation to climate change as the cross-cutting theme of this commitment. This phenomenon poses risks and opportunities to our company, to the tourism industry and holiday destinations, and to society as a whole.

Kuoni thus prioritises its environmental commitment according to the following^{e)}:

- Recognising its role as an emitter of greenhouse gases (GHG) and as a supporter of **climate change** conventions and interventions, Kuoni commits to reduce its carbon footprint and foster resilience to climate change impacts within its value chain.
- Recognising the human right to water and sanitation and further recognising that **water** availability and accessibility is limited in various regions of operation, Kuoni seeks to reduce water consumption in all its offices worldwide as well as actively engage with its suppliers especially but not only in water-scarce destinations to reduce their water consumption. Kuoni also commits to raising customer awareness on water scarcity and supporting interventions for local communities to gain access to water and sanitation.
- Kuoni endeavours to maintain the functioning of ecosystems affected by its tourism activities and strives to achieve a net positive impact effect on **biodiversity**, by avoiding, minimising, rectifying or offsetting impacts.

Implementation and continued collaboration

Kuoni's environmental management targets, key performance indicators and activities are published on the Kuoni Group website. Our intention is to drive towards concrete actions and their effective implementation. In particular, Kuoni aims at being a leader by example and by showcasing best practice within its business units and its touristic supply chain. Kuoni commits to a continued dialogue, collaboration and partnership with key stakeholders, including employees, suppliers, NGOs and other businesses and organisations as appropriate to adopt and implement this Statement of Commitment. Kuoni also encourages local ownership of this Statement, and particularly fosters partnership with local key stakeholders.

Oversight and disclosure

Kuoni's commitment to the realisation of environmental and climate change activities is integrated in its Code of Conduct. Executive oversight, responsibility for the implementation and integration of this statement into core operations rests with the Kuoni Group Executive Board. Kuoni's Corporate Responsibility department is responsible for coordinating related activities. Through the course of their regular audits, the Kuoni Group Internal Audit department reviews and reports on the sources of environmental risk within core operations. Kuoni is dedicated to regularly reporting on environmental and climate change activities and performance, including its greenhouse gas emissions, to its employees and stakeholders, and the general public. Annual progress reports will be published and disclosed on the Kuoni Group website.

Contact details Corporate Responsibility Department

For questions or comments to this statement of commitment, please contact:

Corporate Responsibility

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Approval and Entry into Effect

This Statement of Commitment was developed through an internal and external stakeholder review in 2012 and 2013 and will be revised from time to time. This Statement of Commitment has been approved by the Group Executive Board on 11 November 2013 and comes into effect on 11 November 2013.

On behalf of the Group Executive Board



Zubin Karkaria
Group Chief Executive Officer



Sibylle Baumgartner
Head of Corporate Responsibility

Annex

Key Areas of Intervention and Activity

The following areas of intervention and activity are related to (1) internal operations; (2) suppliers; (3) customers and employees; and (4) communities where we operate.

In particular reference to climate change, Kuoni commits to:

1. Measure, monitor, and reduce the GHG emissions of its operations^{f)} (Scope 1 and Scope 2) and business travel (Scope 3)^{g)}. Where reductions are not feasible, offset resulting emissions through verified, Gold Standard projects;
2. Engage actively with suppliers^{h)} on the basis of the Kuoni Supplier Code of Conduct to increase energy efficiency in their operations and to measure and report their carbon emissions (Scope 3);
3. Raise its customers' and employees' awareness of climate change impacts in the destinations and encourage its customers to voluntarily offset the emissions from their flights and accommodation through verified, Gold Standard carbon offset projects (Scope 4); and
4. Build resilience and adaptive capacity to climate change through pilot-projects in high-risk destinations in collaboration with NGOs and scientific institutions.

f) Including emissions stemming from Kuoni offices and Kuoni-owned airline Novair

g) Scopes as defined by the Greenhouse Gas Protocol ghgprotocol.org/calculation-tools/faq

h) Including hotels, cruise ships and airline suppliers as well as excursion and other service providers at destinations

In particular reference to water management, Kuoni commits to:

1. Map water risks in its key destinations and evaluate the water footprint of its operations, suppliers and customers especially in water scarce areas;
2. Engage actively with suppliers on the basis of the Kuoni Supplier Code of Conduct to measure, report and reduce freshwater consumption especially in water scarce areas as well as appropriately treating their wastewater before returning it to the environment;
3. Raise the awareness of employees and in-bound customers travelling in water scarce areas and/or areas where the local community lacks access to appropriate drinking water, sanitation and hygiene; and
4. Support local communities in developing plans for integrated water resources management at the catchment level and in obtaining access to appropriate drinking water, sanitation and hygiene through partnerships with suppliers and NGOs in selected areas where Kuoni operates.

In particular reference to biodiversity management, Kuoni commits to:

1. Engage in and support the identification and valuation of ecosystem servicesⁱ⁾ associated with protected areas, areas of high biodiversity, and World Heritage sites along Kuoni's value chain;
2. Engage actively with suppliers on the basis of the Kuoni Supplier Code of Conduct to ensure the protection of coastal habitats, responsible wildlife watching excursions, the purchase of sustainable food supplies, especially as regards fish and seafood, and minimise the spread of non-indigenous and invasive species;
3. Raise the awareness of customers and employees on responsible souvenir purchasing and wildlife watching; and
4. Facilitate tourism and business skills transfer to conservation specialists and protected area managers in key destinations to promote a sustainable ecotourism development.

i) As defined by the Millennium Ecosystem Assessment

