



Sustainability Report 2018 for Apollo – a part of REWE, DER Touristik

Background

Apollo started in 1986 as a tour operator specialized in Greece. Apollo is today one of the leading travel companies in the Nordic countries. Since 2015 Apollo is a part of the German group REWE with over 300 000 employees. The REWE group has a tradition of working systematically with CSR (Corporate Social Responsibility). This Sustainability Report encompasses the Apollo organization in the four Nordic countries and supports the local Nordic Annual Report for 2018.

Business model

Apollo is one of the leading travel companies in the Nordics, with almost nine hundred thousand travelers annually. Apollo offers travel packages such as sun and beach packages fitness trips, cruises and city trips. Apollo also offers self-packaging where the customer is offered the opportunity to freely choose length of stay, airlines and accommodation in thousands of different hotels around the world.

Apollo, together with the airline Novair, the specialist tour operators Golf Plaisir, Lime Travel and Xtravel, as well as the sports resort Playitas, form the group DER Touristik Nordic. In 2018 Apollo had 449 full time staff employed across the four Nordic countries

Sustainability Acknowledgement - Travelife

The Apollo sustainability strategy was launched more than ten years ago and work has been ongoing ever since. In 2014 a decision was taken to strive for a Travelife certificate for tour operators and in early 2015 Apollo was acknowledged for its work with this certificate. In 2017 the Travelife certificate was renewed and thus valid for another three years.

Sustainability Vision

Being aware of the negative sides and implications of tourism and travel, Apollo has a vision which aims at “minimizing the negative effects and maximizing the positive effects of tourism”. Apollo believes in cultural and human interchange and the opportunities created by tourism. Tourism fights unemployment, contributes to increased welfare and increases diversity. The aim is that these positive effects shall exceed the negative effects such as exploitation, pollution and an extensive use of common resources.

Sustainability Strategy

The strategy covers the entire customer journey - starting in the offices in the Nordics, followed by the flight journey and ending up at the destinations – involving Apollo Staff at home and at destinations, suppliers and partners as well as customers.

Customer journey starting at home

Significant measures have been taken to adapt and improve processes and routines, procurement and consumption behavior in the Apollo offices and branches in Scandinavia. Strict procurement guidelines have been set and the environmental and sustainable aspect is a compulsory part of the procurement policy. Areas that have been covered are: office material, cleaning material, coffee and fruits, printing and copying, service agreements etc. All corporate agreements have compulsory clauses on the necessity of having a functioning sustainability work.

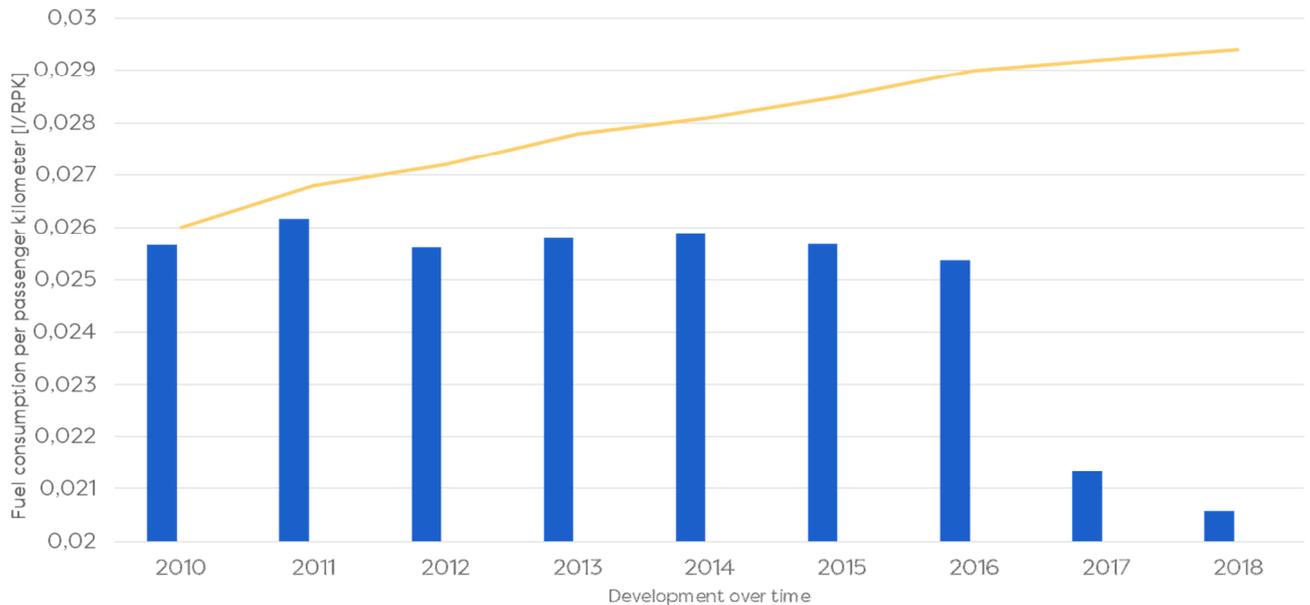
All cans and tins are recycled as well as food and paper. Batteries and bulbs are collected separately. Low energy lamps are a must. Unnecessary traveling is avoided and video and skype conferences are used instead. Paper reduction is key in a digital environment and goes well with the Apollo sustainability strategy.

The head office has been made more efficient, more energy saving actions have been taken and recycling has been given extra focus and precaution.



Flight transportation

The Apollo owned airline, Novair, exchanged its fleet in summer 2017 into Airbus 320 NEO. The fuel consumption reduction is significant and even higher than expected with reductions of approximately 20%. The last 4 years Novair has reduced fuel consumption with approximately 30% including the effects from the change of fleet. Over the last 10 years Novair has been involved in a number of European aviation projects aiming at increasing efficiency and decreasing fuel consumption by smarter selection of flight routes, and improved take off, landing and taxiing procedures.



*The staples above show fuel consumption per pax from 2010 to 2018 and the significant reduction on fuel per pax during this period. The yellow line above illustrates "a-do-nothing-scenario" i.e. forecasted fuel consumption if no fuel reducing activities had been carried out.

It is a fact that flying has a negative impact on environment, but the charter model with a cabin factor of at an average 98% and the majority of the flights being direct flights without intermediate landings, must be considered as an utmost efficient way of flying. Airline partners are always selected with care and Apollo mostly works with big, established airlines with modern and fuel efficient fleet such as SAS, Finnair and Emirates.

Apollo staff commitment and CSR at destinations

The Apollo staff is continuously trained at different levels and in different ways. E-learning, seminars by internal and external trainers, newsletters and the Apollo intranet are examples of different tools on how to keep the entire organization informed and committed. A couple of times per year the Apollo staff in the Nordics carry out charity activities where the donations go to the SOS Children's villages. In many destinations staff take a variety of initiatives in sustainability projects and charity activities for instance collecting plastic on beaches in Croatia, supporting orphanages in Greece, donating to local charity organizations and much more. In the destinations there is also both oral and written information in information meetings upon arrival and in the Apollo Destination Pamphlets.

Customer involvement

The customers get information via the Apollo web sites in the different source markets, all in their own language. Newsletters, advertising campaigns, social media posts are part of the tools and channels used. Customers are also invited to participate on a voluntary basis in the booking dialogue on the web site to donate 20 SEK to our partner SOS Children's villages.



Nordic action plan and goals 2018

The realisation of the sustainability strategy and the achievement of the set targets is carried out and monitored by the cross organisational "Sustainability forum" where representatives from all Nordic source markets and all key stakeholders are represented.

An annual Nordic action plan is set and followed as well as related objectives.

What sticks out from the achievements from 2018 is among other things the following. The Novair fuel consumption decreased with another 4% during 2018. This means that over the last 4 years fuel consumption has decreased with almost 30%. Another positive piece of progress is that the number of hotel partners being sustainability certified by Travelife or Greenkey shows a significant increase. Furthermore, all contractual requirements and sustainability criteria for the Apollo concept hotels were sharpened during 2018 and the target is that within a period of 3-5 years all concept hotels must have adapted to these sharp sustainability criteria. A basic requirement is that all bigger concept hotels must secure their sustainability certificate by a third party.

A big number of workshops and seminars on sustainability were also carried out in more or less all destinations with the aim to inform, train and enlighten partners and stakeholders on the Apollo sustainability strategy, value platform and related sustainability requirements as a vital part of the cooperation and the contract.

Specific action plans were set and carried out with the strategic partners SOS Children's villages, World Animal Protection, Ecpat and Travelife.

Local destination projects in different parts of the Apollo destination network, with focus on charity or environment, were initiated in 2018 and the work is being continued with full power summer 2019.

A draw back was that energy consumption did not decrease according to plan and objectives, due to a major renovation and construction project in the head office in Stockholm.

In the destinations Apollo have encouraged all partners to work with sustainability in a structured and organized way. All suppliers have signed the Supplier Code of Conduct which

contains clauses and rules on everything from human rights to references to international and national laws. If a supplier breaches the Supplier Code of Conduct the contract can be considered invalid and the cooperation stops. Basically all hotels are checked by the responsible Contracting Manager prior to going into cooperation and the Suppliers Code of Conduct is gone through thoroughly on spot.

Hotels that can provide certificate from for instance Travelife hotels or Green Key are rewarded with extra focus and promotion on the Apollo web sites where clear information is given to customers on hotels sustainability work and efforts. Travelife Hotels is the external player that Apollo uses for hotel audits.

The total number of hotels in the Apollo portfolio being sustainability certified by one organization or another, amounts to approximately 15 %, i.e an increase from previous year with 10%.

Key stake holders and partners

Local partners

Local partners and destination management companies (DMCs) are also included in this work and lately a significant number of Apollo local DMCs managed to get the acknowledgement of a Travelife certificate. The local DMCs are responsible for the selection and production of local excursions and activities which are offered to the clients. It is therefore of utmost importance that these DMC partners understand and respect the set rules and values in the Supplier Code of Conduct. If not, it is considered as a breach of contract and the contract can be considered invalid. With all DMC partners follow up and monitoring is made on a daily basis by Apollo staff working at the destination. Hotels are monitored in the same way in destinations where Apollo has own staff. Otherwise hotels are checked upon contracting.

Strategic partners

Together with Ecpat seminars are carried out to inform customers, suppliers and staff about sex tourism and abuse of children. Clear messages to stake holders are forwarded in this area, advise on how to act, legal effects and possible contractual consequences for the cooperation with the tour operator Apollo if sex abuse is encouraged or neglected by the partner. Apollo is also supporting the SOS Children's villages both in marketing and with donations. Due to guidelines from WAP, World Animal Protection elephant riding was taken away many years ago as well as swimming with dolphins.

Carbon offsetting with Green Seat

Climate Neutral Group and the brand Green Seat is another partner with whom Apollo works since 2010 with climate compensation of own business trips. During 2018 Apollo expanded the number of recommended players in the area of climate compensation enabling the free choice to the customers. All these possibilities for climate compensation are presented on the web sites.

Travelife for tour operators and hotels

Travelife is worldwide recognized in the travel and tourism sector for its sustainability and quality work. From Travelife Apollo has got its own sustainability certificate and every third year an audit is undertaken to check whether the certificate can be renewed. Apollo also cooperates with Travelife hotels (N.B. there are also other players within the sustainability certificate area) are certified according to the Travelife hotel standards. Travelife carries out audits on spot at the destination to secure that the Travelife hotels live up to the agreed standards.

Apollo Employee and Human Resources Report

Apollo has undergone huge and swift digitalization. This is mainly seen in the fields of distribution and administration. All shops have been closed and the online sales amounts to over 78% (75).

Apollo is a large employer and contributes over 75 MSEK (60) only in social costs on salaries. Staff age ranges from 20 to 71. Women dominate but an increase of men has been achieved. Apollo has collective agreements in all countries, Denmark, Finland, Norway and Sweden. Continuous information meetings are held both with staff and unions. As in 2017, there were no major conflicts during 2018. All staff have pension plans and insurances.

Main staff policies that guide staff

REWE Code of Conduct
Work Environment Policy
Equality Plan against Discrimination and Degrading Treatment
Individual Development Policy
The Equality Plan

The Equality Plan was updated in 2017 and items such as interviews with the management team, information from the CEO etc. were added. In 2018 all people managers were trained and informed about the Equality plan.

Health and Safety

There were no major incidents or work accidents among Apollo staff in the Nordics in 2018.

The sick leave rates are low (ranging from 0,5 to 2,3% in the Nordic countries) with very few long term sick leaves. Efforts are made to encourage training, sports and a healthy life style to all Apollo employees.

Individual Development

Apollo supports individual development and invests in training and development through learning platforms, films, study trips to destinations, workshops, agile work environment with standups, retrospectives and in IT programming in pairs. All staff should have at least one annual performance review and continuous 1:1 meetings with their managers are encouraged.

In 2018 about 10% of all staff were invited to study trips abroad to raise their competence about destinations and training in Amadeus, sales, programming and online sales were promoted as well as leadership training for 3 days during 3 months for Nordic leaders and the Nordic Management Team.

Communication, Employee Engagement and Employee NPS

The Nordic Management Team twice every year since 2015 sends out a short employee engagement survey digitally, a so called “Pulse Survey”. Results have improved since the reorganization in 2015 and in November 2018 the results were all time high which rendered a Silver medal in the Universum Employer Branding Award (Employees).

The positive Employee NPS of 40 (34) and a continuous strong belief in the strategies of the company and trust for the management team is valuable.

Final Summary

Apollo is aiming at becoming the leading tour operator in the travel industry and the Sustainability Report helps to keep track of indirect results and improvement connected to the financial results.

Stockholm June 11, 2019

