

Global Report 2015

A business, financial
and sustainability overview

10. Amadeus industry relations



Amadeus is at the heart of the global travel industry and we believe that our privileged position gives us a responsibility to work together with other industry stakeholders to shape a sustainable future for travel. To this end, Amadeus engages with key partners such as governments, public entities, trade associations and academic institutions.

The graphic on this page illustrates the strategic approach that guides Amadeus' activities in industry affairs. It is anchored in the following key principles:

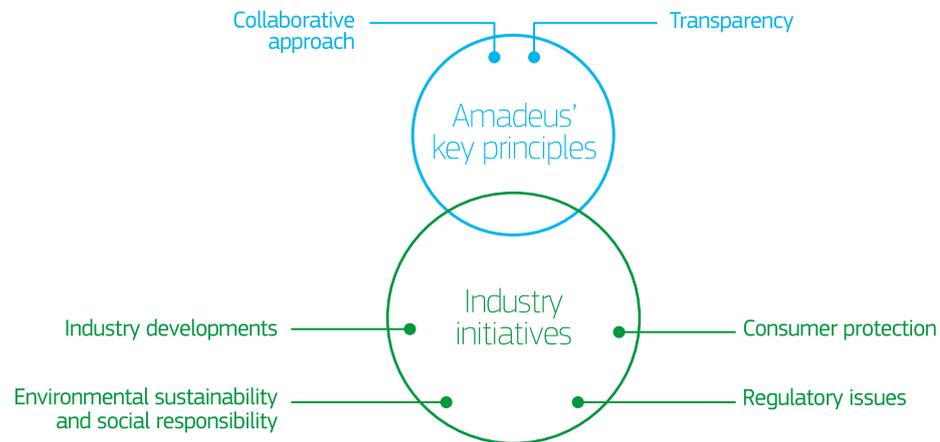
- _ An open and transparent dialogue with relevant stakeholders around key industry and market issues in travel and tourism
- _ Collaborating and working together with our partners to find workable, sustainable solutions and industry standards that take into account the needs and requirements of all industry stakeholders

We engage in several different industry and regulatory initiatives:

_ Regulatory and policy initiatives in which we provide information, knowledge or advice to the regulator in order to establish new legislation or improve existing legislation. In 2015, Amadeus contributed to the European regulation on air passenger rights, to the own-initiative reports by the European Parliament on multimodal integrated ticketing and to the *White Paper on Transport: Roadmap to a Single European Transport Area* (2011).

- _ Relevant industry developments, such as the current EU initiative for the set-up of a multimodal transport system in Europe.
- _ Consumer protection, for example, safeguarding the right to transparent and neutral travel information.
- _ Environmental sustainability and social responsibility. In 2015, Amadeus participated in consultation processes on the improvement of competitiveness of the EU aviation sector and the decarbonisation of travel.

Our role in shaping the future of travel



Working with governments and trade organisations towards sustainable travel

The travel and tourism industry is becoming strategic for the economies of many countries.  National and regional governments have a growing interest in making tourism a robust and resilient economic sector and attracting a growing number of tourists to their shores.

Amadeus works with relevant regulatory bodies around the world, including national governments, the European Commission, the European Parliament and the US Department of Transportation, as well as the main industry trade associations and consumer organisations, to build a more competitive travel and tourism marketplace.

In 2015, Amadeus served as the Chair of the European Technology and Travel Services Association (ETTSA), of which Amadeus is a co-founder. We are also a founding member of the Travel Technology Association (TTA), and we have an Allied membership with the European Travel Agents' and Tour Operators' Associations (ECTAA).

We work closely with the American Society of Travel Agents (ASTA) and the global organisation World Travel Agents Association Alliance (WTAAA). We are a member of Open Allies for Airfare Transparency and of the Pacific Asia Travel Association (PATA).

Amadeus has been a strategic partner of the International Air Transport Association (IATA) for more than 25 years and we collaborate closely in the development of new industry standards. We support the efforts of the International Civil Aviation Organization (ICAO) promoting a common solution for aviation carbon calculators in the airline industry.  We are a global partner of the United Nations Children's Fund (UNICEF)  and an affiliate member of the World Travel and Tourism Council (WTTC).

In 2015, Amadeus established a new partnership agreement with the United Nations World Tourism Organization (UNWTO) and the European Travel Commission (ETC) to collaborate on different projects for the sustainability of the travel and tourism industry.

Collaboration among trade industry players is key to the sustainability of the global travel and tourism sector over the long term. We fundamentally believe that the stakeholders across the travel industry – whether airlines, railways, travel agencies, destinations, travel buyers or passengers – need to come together to agree on a common agenda that builds on principles of transparency, fair competition and respect for the environment. We remain firmly committed to working with our partners to achieve this.

Amadeus is actively co-operating with public and trade industry stakeholders to make the travel and tourism sector more sustainable and competitive in four ways:

- 1_ Dialogue with governments and public stakeholders
- 2_ Partnering with relevant trade industry players
- 3_ Supporting national governments' transport and tourism initiatives
- 4_ Participating in relevant industry conferences and events

 See 'Travel industry overview', p. 15.

 See 'Participation in industry environmental initiatives', p. 78.

 See 'Technology for Good', p. 88.

1. Dialogue with governments and public stakeholders

We engage with governments and other relevant private stakeholders to address key industry issues that affect the sustainability of the sector, such as the facilitation of visas, policies to promote competition and the digitisation of travel/passenger transportation, as well as to foster debate on the future of tourism. Currently, we are working with WTTC and UNWTO to raise awareness on some of the above-mentioned issues. We have also contributed to the European Parliament's report on the new challenges and concepts for the promotion of tourism in Europe.

Amadeus was the first private company to join 20 travel industry entities in the launch of a European Tourism Manifesto, supported by the European Commission and the European Parliament. The Manifesto highlights the key EU policy priorities for the sector in the coming years, for which Amadeus provided input for chapters such as Digitisation, Transport Connectivity and Sustainability.

As for transport, Amadeus continues to keep an open and transparent dialogue with the European Commission on issues that affect the company in areas such as aviation, rail, public transport and travel distribution. In 2015 Amadeus was especially vocal and supportive of new initiatives and discussions for a seamless future multimodal transport system in Europe. Our contribution to this important initiative by the European Commission has taken several forms:

- 1_ Fostering debate between relevant public and private transport stakeholders by organising or participating in a series of conferences and seminars, such as the Amadeus event held at the European Parliament in 2015 on the future of seamless travel, co-sponsored by three members of the European Parliament.
- 2_ Sharing our views on relevant reports and policy initiatives, such as the consultations launched by the European Commission on the Aviation Package, its review of the 2011 *White Paper on Transport* and the reports launched by the European Parliament on multimodal integrated ticketing.
- 3_ Leading public-private industry initiatives sponsored by the European Commission, such as the All Ways Travelling project, an Amadeus-led consortium comprising BeNe Rail, IATA, Thales, UNIFE and Zeppelin University, appointed by the European Commission (Mobility and Transport Directorate-General) to develop and validate a model for a multimodal, pan-European passenger transport information and booking system. Additionally, Amadeus participated in other relevant public and industry technology-related initiatives, such as Shift2Rail and IT2Rail.

2. Partnering with relevant trade industry players

Amadeus' alliances with UNWTO and the ETC serve to launch initiatives that include technology-related projects, tourism education initiatives, research studies on key industry issues and activities relating to the environment, ethics and social responsibility.

Amadeus also collaborates with the railway industry in Europe, including CER (Community of European Railways), ATOC (Association of Train Operating Companies) and ERA (European Commission's European Rail Agency), as well as other members of ETTSA and ECTAA, in the execution of the European Commission's TAP TSI¹ implementation project. The project is designed to implement minimum standards for the exchange of scheduling, fare, booking and ticketing data across the EU's rail industry with respect to cross-border rail travel (currently in its pre-deployment developmental phase). Amadeus has been representing ETTSA and ECTAA in the Steering Committee of the TAP TSI project and initiated the Full Service Model project, an industry initiative to develop fully functional technical standards for distribution of rail products and services through travel agencies.



< See video on Multimodal travel

¹ Telematics Applications for Passenger Services Technical Specifications for Interoperability (TAP TSI), which came into force on 31 May 2011 as the Commission Regulation (EU) No. 454/2011.



Amadeus' collaboration with UN agencies: making the travel and tourism industry more sustainable and socially and environmentally responsible



Tourism education

United Nations World Tourism Organization (UNWTO)

Participated in the UNWTO Conference and pilot project to launch the Forum on Talent Development and Education in Tourism



Innovative technology

United Nations World Tourism Organization (UNWTO)

Demonstration project to educate the industry and identify key barriers for the deployment of a seamless transport multimodal solution, leveraging the All Ways Travelling project and taking into account local market requirements

United Nations Children's Fund (UNICEF)

The Amadeus Donation Engine facilitates micro-donations for UNICEF in partnership with the travel industry

International Civil Aviation Organization (ICAO)

CO₂ emissions per passenger displayed on Amadeus platforms



Ethics and social responsibility

United Nations World Tourism Organization (UNWTO)

Provided input for the Global Code of Ethics for Tourism review by UNWTO

Provided expert contribution for UNWTO's Recommendations on Accessible Information in Tourism

Developed joint pilot project to contribute to inclusive local economic growth through entrepreneurship and employment in travel and tourism



Joint seminars and general events

United Nations World Tourism Organization (UNWTO)

Participated in the Regional Commission of Middle East Ministers of Tourism

Invited UNWTO to the Amadeus event on multimodality held at the European Parliament

Sponsored the UNWTO Ulysses Awards for Excellence and Innovation in Tourism

Participated in the FITUR panel: 'Turismo Accesible: una apuesta empresarial estratégica'

International Civil Aviation Organization (ICAO)

Sponsored and participated at the ICAO Seminar on Global Aviation Partnerships for Emissions Reductions (E-GAP)



Sustainability

United Nations World Tourism Organization (UNWTO)

Provided expert support to UNWTO in the definition of standards to measure and report sustainability

International Civil Aviation Organization (ICAO)

Carbon offset programme

3. Supporting national governments' transport and tourism initiatives

Amadeus' collaborative working model offers a solid value proposition to national governments' transport and tourism initiatives. Our scope of collaboration focuses on the areas of technology for travel and tourism, transport, economic diplomacy, innovation and entrepreneurship.

In terms of travel technology, Amadeus offers business intelligence solutions that allow tourist destinations to monitor, track and benchmark tourism traffic flows, as well as digital products for the marketing and promotion of destinations through offline and online channels. In terms of transport, Amadeus delivers technology solutions used by both public (airport, railways) and private (airlines, car rental companies, buses) transport service providers.

As we work to shape the future of travel, innovation is one of our key assets, and we engage in a number of joint initiatives with public and trade industry stakeholders to open fruitful dialogue and identify areas of mutual co-operation. We actively participate in conferences and events to promote innovation and entrepreneurship, such as the T3 Business Forum in France (sponsored by Amadeus, Air France, Aéroports de Paris and Skyboard).

We collaborate with the French Tech Initiative to stimulate a start-up ecosystem, as well as with SEGITTUR (the Spanish public entity that promotes innovation in tourism technology) to support and upskill travel entrepreneurs.

Amadeus also joins other private-public organisations in their initiatives at a local level. Amadeus is a current member of the US Chamber of Commerce, the Spanish-Turkish Chamber of Commerce and Industry, the Spanish Chamber of Commerce in South Africa and the European Chamber of Commerce in Taiwan.



4. Participation in industry conferences and events

Amadeus participates actively in relevant public and private industry events with different objectives:

- _ To learn and exchange views on key trends affecting travel and tourism
- _ To represent Amadeus in industry forums and groups
- _ To stimulate an open debate around key industry issues

Examples of such events that took place in 2015 are as follows.



Global Travel and Tourism Partnership (GTTP) Annual Student and Teacher Awards

More than 120,000 students competed to represent their countries, with 22 students from 11 GTTP member countries selected to present their research findings on 'Sustainable Adventure Tourism' at the conference held at the Amadeus R&D centre in Nice. These potential industry leaders investigated whether adventure tourism has a strong attraction for visitors to their respective countries and what further sustainability actions should be adopted, using local travel industry role models as case studies.



UNICEF's Global Innovations for Children and Youth Summit

Amadeus highlighted the possibility of using travel-related data to guide decision making when planning campaigns to protect children from exploitation through tourism.



General Assembly of the UNWTO

Amadeus participated in the 21st General Assembly of the United Nations World Tourism Organization (UNWTO), in one of the panels dedicated to talent development initiatives in tourism. Attendance at this conference was an opportunity to exchange ideas with other public and private tourism industry stakeholders, as well as to present how Amadeus may contribute in this field.



European Day for People with Disabilities Conference

At this conference, organised by the European Commission and the European Development Fund, Amadeus explored the different accessibility requirements of people with disabilities in Europe. We also shared views on possible opportunities for collaboration with the European Commission and non-governmental organisations in the areas of accessible travel and tourism.



Strategic Attractiveness Council

Amadeus' CEO participated in this event, organised by the French government. Representatives of 22 major multinationals met with the French Head of State, the Prime Minister and members of the government with the aim of building sustainable dialogue with CEOs and investors from around the world. This event is of paramount importance in terms of international investment and serves to highlight France's economic attractiveness. Invitation to this council is evidence of the significance of the activities that we undertake in France.



ICAO Seminar on Global Aviation Partnerships for Emissions Reductions (E-GAP)

Amadeus' presentation at the E-GAP event promoted the dissemination of information on travel-related emissions among travellers, to foster carbon offsetting options as a means to neutralise unavoidable emissions. We explained our initiative in the Japanese market, supporting online travel agencies to provide their customers with information on CO₂ emissions related to their trips, as well as offering the possibility of opting for carbon offsetting, all of which can be performed during the booking phase.



The Future of Seamless Travel: Towards an Effective Deployment of a Multimodal Transport System for Passengers in Europe

This conference, organised by Amadeus, was held at the European Parliament and sponsored by three members of the largest political groups in the EU. This event aimed at fostering the debate among private and public transport and trade industry stakeholders on how to effectively deploy a multimodal transport system in the EU – one of its key priorities going forward. The conference was attended by over 70 participants from the European Parliament, the European Commission and the trade industry.



5th International Congress on Tourism for All

Organised by Fundación ONCE, Amadeus participated in the panel 'Business perception of accessibility', offering an insight into the business value and operability of accessibility in travel and tourism.

Airfare transparency and industry collaboration: the total price of air travel

Shopping for air travel has become increasingly complex as airlines have unbundled their offering by separating the base fare of a ticket from a growing list of ancillary services. Certain types of ancillary services (referred to as core ancillary services) – such as advanced seat assignment, baggage priority, check-in and priority boarding – are directly associated with air travel. Conversely, other non-core ancillary services such as lounge access, on-board meals or in-flight Wi-Fi access can be purchased at any time before or even during the flight, with relatively minimal impact on consumer choice, quality of service and overall value of air travel.

As airlines have introduced this new way of marketing their products and services, not all of the information has been made available across all distribution channels. This has made it difficult for consumers to gain visibility on the total price of air travel. In addition, not all carriers offer comparable services, making it even harder for travellers to make informed choices.

As noted in a study on the benefits of consumers' ability to compare airline fares, 'the most significant of these in competitive terms is the ability (or lack thereof) of consumers to compare prices across airlines. Transparent and easily accessible comparison shopping for airline prices enhances competition between airlines and ultimately benefits consumers'.²

This view seems to be reinforced by a statement made by Northwest Airlines during testimony before the US Senate to support the Delta-Northwest merger as early as 2008:

'Over the past several years, online sites such as Orbitz, Expedia and Travelocity have been created

to enable customers to compare airline offerings directly [...] These tools have provided enormous benefits to consumers and have increased the price competitiveness of the airline industry. In fact, there are few businesses in which there is as much pricing transparency.'³

In the US today, approximately half of all air tickets are processed by indirect distributors. In the absence of clear regulatory guidance, ancillary services information, as opposed to base air fares, has not been generally available to travel agencies. The US Department of Transportation is preparing a Notice of Proposed Rulemaking that contemplates requiring airlines to make core ancillary services available in all channels where they choose to distribute their base fares.

Amadeus, in support of its Distribution customers and in collaboration with key independent distribution and consumer advocacy groups, is a strong proponent of airfare transparency, fair competition and consumer choice. We respect the airlines' choice and right to market their products and services as they see fit, and we have made significant investments in our technology to ensure that our distribution platform can accommodate their requirements. We strongly believe in the value and benefits provided by our Global Distribution System to the provider community, to distributors and to the travellers they serve.

We are confident that by working together with all our partners, industry stakeholders and regulators, the relevant information will be made available, the consumer will be better served and as a result, airlines and the travel industry will continue to thrive.

² Morton, F. S., & Romaine, R. C. (2015). *Benefits of Preserving Consumers' Ability to Compare Airline Fares*. Washington DC, Travel Technology Association and Charles River Associates.

³ Statement of Douglas M. Steenland, CEO of Northwest Air Lines, Inc., before the Senate Judiciary Committee Subcommittee on Antitrust, Competition Policy and Consumer Rights, 24 April 2008.