



Royal Caribbean Group

# 2020 SEASTAINABILITY



“We often say that what gets measured, gets better. This report not only reflects our successes and our challenges, but it also tracks the progress that the creative, resourceful, and ambitious team at Royal Caribbean Group is making in its never-ending quest for improvement.”

– Richard Fain  
Chairman and CEO, Royal Caribbean Group

## About This Report

This report is organized into four main sections that convey our approach to sustainability. The sections – Purpose, Places, People and Reporting – highlight our most compelling stories that exemplify our drive to innovate and think beyond the here and now.

On the following pages you’ll find in-depth background information, including our Global Reporting Initiative (GRI) Index, 2020 Performance Tables and the Methodology used in this report which was updated to reflect current trends and priorities for our business and the world.

Additionally, we have enhanced our reporting by aligning our performance data table with the recommendations of the Sustainable Accounting Standards Board (SASB).

We are committed to transparently reporting our ongoing progress and invite you to visit [www.royalcaribbeangroup.com](http://www.royalcaribbeangroup.com) periodically for updates throughout the year.





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## Charting a Course for a Strong Comeback

To say 2020 was challenging is an understatement.

The pandemic tested and changed our lives in countless ways. What it didn't change for Royal Caribbean Group is our deep commitment to meet the environmental, social and governance (ESG) challenges of our time.

ESG is core to our business strategy. Our foundational values of integrity and continuous improvement fuel our commitment for the long-term success of our company, the countries where we operate and the communities we visit, as well as the health, safety and well-being of our employees and our guests.

Continuous improvement is the persistent wave that drives our work, the ships we build, the infrastructure we develop in coastal communities, and the ESG targets we aim to achieve.

This past year, we safely repatriated more than 45,000 employees to their home countries, established programs to assist our travel partners, offered financial relief to our employees, and worked with key cruise ports to offer small business grants and aid to organizations like food banks and community centers.

We focused on the industry's healthy return to service. Together with Norwegian Cruise Line Holdings Ltd., we assembled a leading group of public health experts to establish a Healthy Sail Panel, which was charged with developing science-based cruise line health and safety practices to protect our customers, crew and local communities. This work resulted in a robust and multi-layered approach to put our cruises in the forefront of healthy sailing.

Setting targets and reporting on progress is critical to our ESG focus. Our ESG targets were met, and in some cases, exceeded, and they are aligned with 14 of the 17 United Nations' Sustainable Development Goals that are relevant to the risks and opportunities in our operations. Some of our accomplishments include:

- We achieved our carbon reduction target of 35% and committed to further reduce emissions 25% by 2025.
- Our wind farm in Kansas, developed in partnership with Southern Power, began operations, and generated approximately 242,000 tons of CO2 offsets. It is expected the wind farm will produce enough annually to offset up to 12% of the company's global emissions each year.
- Celebrity Apex joined the fleet with shore power connectivity and with an energy efficiency standard (EEDI) 39% more efficient than the current International Maritime Organization (IMO) requirement.
- We surpassed our target, set in partnership with World Wildlife Fund (WWF), and now offer guests more than 2,000 sustainable, GSTC-certified tours.

To learn from this unprecedented crisis and how it may have impacted our ESG work, we conducted a comprehensive Materiality Assessment. This assessment, and work on additional disclosures in line with the Sustainability Accounting Standards Board (SASB) reporting metrics delayed the publication of our report.

You will find our refreshed material ESG issues laid out across four sections of our report: Purpose, People, Places and Reporting and our SASB table.

We welcomed our first Chief ESG Officer, Silvia M. Garrigo, who will work across our organization to develop a unifying, strategic ESG framework with new goals and targets. We are also in the process of developing a decarbonization strategy and targets to reduce our absolute GHG emissions, and purchase carbon offsets.

I'm proud of the progress and upward momentum we have shown throughout the year. But there is more work to do. Climate change is one of the defining issues of our time. We are working toward providing additional climate-related disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD). I look forward to sharing this strategy soon and reporting subsequent progress in the years to come.

The drive and passion our people demonstrate year over year always astounds me. I am deeply proud and grateful for their hard work and dedication. We bet on their resilience, their innovative spirit, and their world-class performance to give us the confidence to resume our operations safely, to come back stronger than ever — as we expected, that was a winning bet.



**Richard Fain**  
Chairman & CEO  
Royal Caribbean Group



## Message from our Board of Directors' Chair of Safety, Environment and Health Committee

2020 and much of 2021 were a time like no other, in the universal suspension of human activity and progress, as in the history of the cruise industry. For the company, the health and safety of passengers and crew became a consuming, daunting preoccupation. In March 2020, the immediate challenge was to discontinue cruising, berth ships indefinitely, and return 45,000 crew to their home countries. The unfolding future looked bleak and foreboding, logistically, financially, and in public confidence and reputation. In a year of uniquely compelling distractions senior management nevertheless took the long view by electing to equip new ships with much more climate friendly fuels. The decision was in keeping with a widely shared pride in the environment notable among staff throughout the company. An increase in public and investor interest in ESG bodes well for a culture with a long history of leadership on the issue.

Reflecting now on that period the message of this Sustainability Report is notable for the consistent and uninterrupted progress the company achieved. A major new course was decided to introduce fuel cells and liquid natural gas in some of the 13 ships now in planning or under construction.

Stocktaking of ambitious environmental commitments revealed that a full agenda of nature protecting measures identified in partnership with World Wildlife Fund and set five years ago were achieved, several before the dates promised.

Royal Caribbean Group took a leading role for the cruise industry in engaging with the US Centers for Disease Control. The company collaborated with government regulators and proposed a comprehensive scenario for safe and healthy resumption of cruising. Protocols for rigorous protection of passengers and crews and involving testing, spacing, food handling, contact tracing, and care and transport of anyone testing positive—all were negotiated and agreed. A safe sailing charter has reassured regulators whose initial impression of the cruise industry had left them wary, skeptical whether cruising had a future during a pandemic. In the months since sailing has resumed the protective measures and controlled shipboard experience have been reassuring.

The body of this Sustainability Report details steady progress in a serious and ambitious commitment to preserve the allure of the sea and the beauty of the oceans, for these remain the basis of pleasure for the passengers and for the success of the company.

Along with our entire Board, I have always valued how Royal Caribbean Group employees rise to meet every challenge and opportunity and feel confident that we will come back stronger than ever.

**William K Reilly**  
Chairman  
Board Committee on Safety, Security and Health  
RCG Board of Directors





# SUSTAINABILITY HIGHLIGHTS



We were named one of **AMERICA'S BEST EMPLOYERS FOR DIVERSITY** by Forbes as well as adopted the United Nations LGBTI Standards of Conduct for Business.

Set a new target to further **REDUCE EMISSIONS BY 25% BY 2025.**

**OUR WIND FARM PROJECT** BEGAN OPERATIONS IN MAY AND **OFFSET 242,000 TONS OF CO<sup>2</sup>.**



We produced **90% of our freshwater on board** and reduced our average guest daily water consumption to **66 gallons per day.**



**WE'VE REMOVED 60% OF OUR SINGLE USE PLASTICS FROM OUR SUPPLY CHAIN.**



**100% OF THE FLEET** IS EQUIPPED TO BE **LANDFILL FREE.**



**4 SHIPS WERE EQUIPPED WITH SHORE POWER CONNECTIVITY, REMOVING EMISSIONS WHILE AT PORT.**



OUR WASTE-TO-LANDFILL AVERAGE ON BOARD IS **OVER 80% LESS THAN THE U.S. AVERAGE.**

**0.5 lbs. per day** 

**2.8 lbs. per day** 

Supported development of DNA tracker tool to help **STOP HAWKSBILL SEA TURTLE POACHING.**



**Surpassed target** set in partnership with WWF to conduct 3 GSTC Destination Assessments.



**SUSTAINABLE TOURISM:** We offer over **2,000** GSTC-certified tours.



**EMPLOYEE FUNDS: 22,000 GRANTS** provided to employees experiencing hardship due to COVID-19.



**\$10M IN COMMUNITY SUPPORT** to hard-hit cruise-dependent communities like Alaska and the Caribbean affected by COVID-19.

# A Partnership for Change

Royal Caribbean Group and World Wildlife Fund (WWF) in 2016 began a five-year partnership to ensure the long-term health of the oceans. With WWF's help, we set ambitious and measurable 2020 targets to reduce our environmental footprint, raise awareness about ocean conservation and support WWF's global ocean conservation work. We also align our targets and objectives with 14 of the 17 Sustainable Development Goals.



## ROYAL CARIBBEAN GROUP 2020 SUSTAINABILITY TARGETS

| 2020 ENVIRONMENTAL GOALS  | TARGET   | PROGRESS   | SUSTAINABLE DEVELOPMENT GOALS   |
|---|--|--|---|
|  <b>Emissions Reduction</b>                  | Reduce greenhouse gas emissions 35% below 2005 levels  | We achieved our target ahead of schedule. From 2019-2020 our emissions intensity increased due to changes in our organizational structure, acquisitions, as well as our suspension of operations due to COVID-19 |    |
|  <b>Sustainable Tours</b>                    | Offer 1,000+ sustainable tours   | Goal achieved ahead of 2020 target. Currently offering over 2,000 GSTC-certified tours to guests   |    |
|  <b>Sustainable Seafood Sourcing</b>         | Source 90% of wild-caught seafood from MSC-certified fisheries<br><br>Source 75% of farmed seafood from ASC-certified farms in North America and Europe. Both targets include fisheries and farms in process toward certification<br><br>Obtain chain-of-custody certification from fishery or farm to table | Goal was delayed due to global suspension of service and will be resumed as cruise operations begin  |    |
|  <b>Sustainable Destinations (Public)</b>  | Support GSTC Destination Assessment at two destinations  | Royal Caribbean Group helped support GSTC Destination Assessments in Cozumel, Mexico; Roatán, Honduras and Belize  |  |
|  <b>Sustainable Destinations (Private)</b> | Create plan to certify Royal Caribbean Group's private destinations  | Royal Caribbean Group has completed GSTC Destination Assessments in CocoCay and Labadee and has planned to have its private destinations certified to GSTC's destination standard                                |  |
|  <b>Sustainable Sourcing</b>               | Develop strategies to improve sustainable sourcing practices on commodities with the highest environmental impact  | Identified coffee, tea and sugar as key commodities to develop improvement strategies  |  |
|  <b>Plastics Reduction</b>                 | Reduce single-use plastics fleetwide   | Plastic straws, stirrers and picks have been removed fleetwide. We continue to pursue alternatives to condiment packages, plastic bags and water bottles   |  |
|  <b>Waste</b>                              | Reduce waste to landfill by 85% from 2007 baseline   | Goal achieved ahead of 2020 target   |  |



# Royal Caribbean Group Company Profile

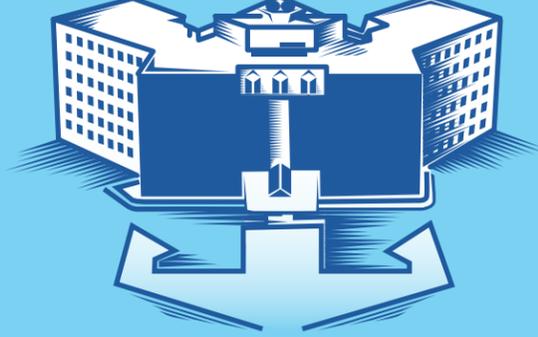
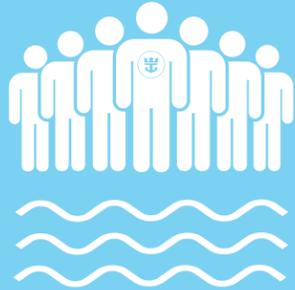
STARTED IN 1969

OVER APPROXIMATELY

85,000

EMPLOYEES

..... FROM .....  
126 COUNTRIES



GLOBAL HEADQUARTERS  
MIAMI • FLORIDA

5  
BRANDS



60 SHIPS



FROM OUR SMALLEST SHIP  
**CELEBRITY FLORA**  
TO WORLD'S LARGEST  
CRUISE SHIP  
**SYMPHONY OF THE SEAS**



6 MILLION  
GUESTS  
PER YEAR



500+  
DESTINATIONS  
ON ALL 7 CONTINENTS



These guest and destination numbers indicate an average year of operation and do not reflect our global suspension of service during the COVID-19 health pandemic.

## About Us

Royal Caribbean Group (NYSE: RCL) is the operating business name for Royal Caribbean Cruises Ltd. Royal Caribbean Group is the owner and operator of three global cruise vacation brands: **Royal Caribbean International**, **Celebrity Cruises**, and **SilverSea**. Royal Caribbean Group is also a 50% owner of a joint venture that operates TUI Cruises and Hapag-Lloyd Cruises. Together, our brands operate 60 ships with an additional 13 on order as of June 30, 2021. Learn more at [www.royalcaribbeangroup.com](http://www.royalcaribbeangroup.com) or [www.rclinvestor.com](http://www.rclinvestor.com).



We have a responsibility to the guests who sail with us, the people who work for us and the communities we visit, but most critically we have a responsibility to the oceans — they are not only at the heart of our business, but connect each and every one of us.

## Purpose

Oceans are 71% of the planet and 100% critical to our business. Conserving their health is paramount.

- > Strategy and Governance
- > Climate Change
- > Energy and Air Emissions
- > Waste Management
- > Water Management
- > Supply Chain



## Strategy and Governance

Our vision is to generate superior returns for our shareholders by empowering and enabling our employees to deliver the best vacation experiences and enhancing the well-being of our communities. Common threads emerge in how we execute on our vision and principal operating strategies:

### ABOVE AND BEYOND COMPLIANCE

By following strict company policies and practices and using innovative technologies, we strive to conduct our business Above and Beyond Compliance with existing laws and regulations. We use management systems that meet voluntary international standards, including ISO 9001 quality and ISO 14001 environmental standards.

### SAFETY, QUALITY AND ENVIRONMENTAL MANAGEMENT

Our strict adherence to company principles is written into our comprehensive, company-wide Safety, Quality and Environmental Management system (SQM), which helps to ensure that ships follow safe, standardized and consistent operations that protect our employees, our guests and the environment.

### CULTURE

We maintain a corporate policy that emphasizes the Safety of Life and Safety of the Ship and sustains a company-wide culture where focus on prevention of safety and security incidents is a way of life. We strive to maintain a work environment that reinforces collaboration, and believe that maintaining our vibrant and distinctive culture is critical to the growth of our business. We also strive to use natural resources efficiently and responsibly, and incorporate sustainability into design and development projects.

### COMMITMENT

Our commitment to the environment and communities extends throughout our organization, from senior management to our newest crewmembers onboard our ships. We strive to inspire our guests to share our commitment.

### CONTINUOUS IMPROVEMENT

We implement practices and programs that promote our Company's commitment to continuously improve. Innovation is encouraged and rewarded.

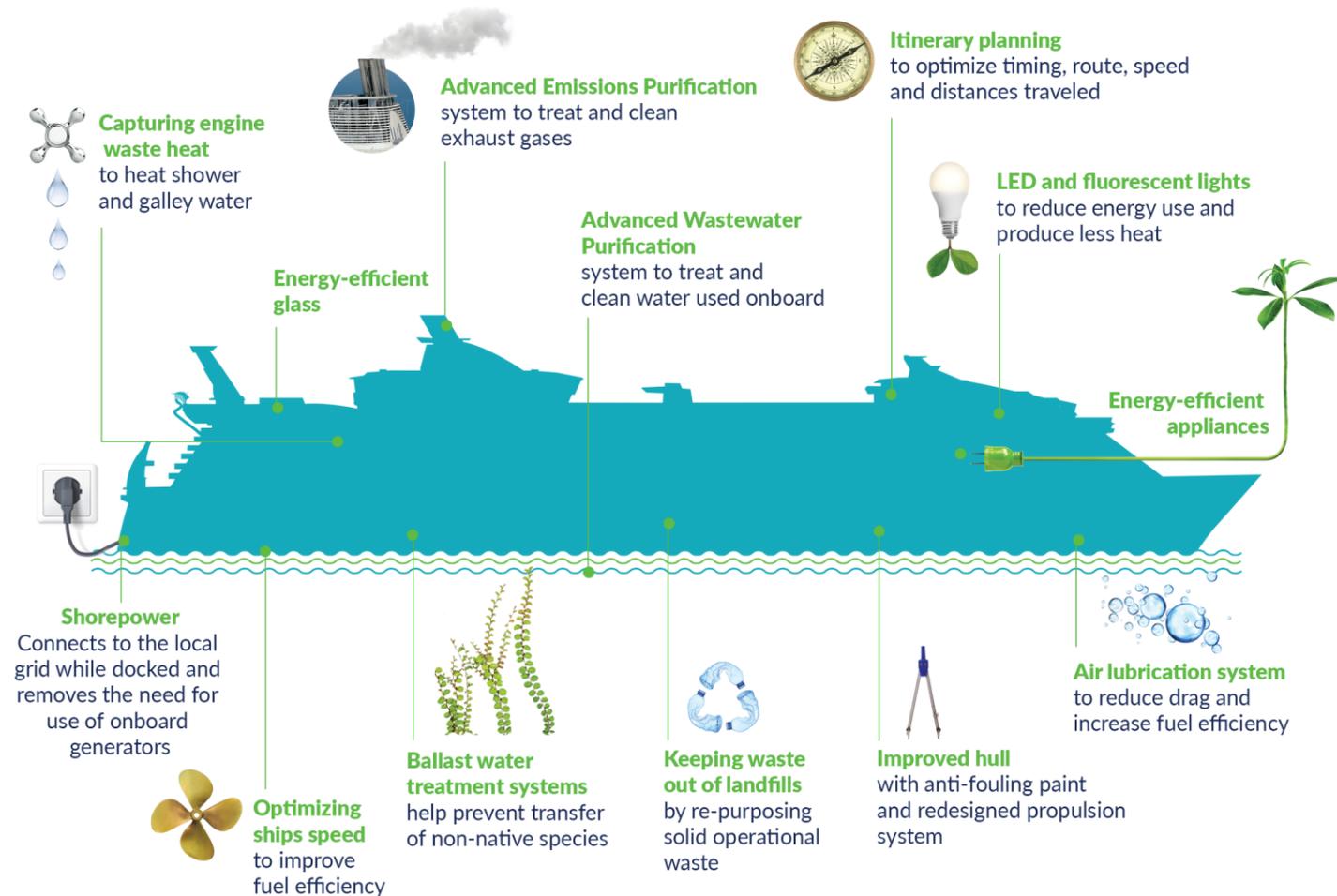


The health of our planet is dependent upon the health of our oceans. As climate change continues to wreak havoc on ocean habitats it is our responsibility to play a part in reducing our impacts.

## Designing For A More Efficient Future

Cruise ships may come with a long operating life, but to achieve that there are years of intense brainstorming, design, and construction done by a small army of people. This extended lifespan presents both a challenge and an opportunity for us. The challenge is retrofitting for innovations developed after a ship is in operation. The opportunity is offering our team the ability to look far into the future. Our next class of ships, for example, will be primarily powered by liquefied natural gas (LNG) and fuel cells. As the technology becomes smaller and more efficient, the possibility increases of using fuel cells in a significant way to power the ship's hotel functions, increasing energy efficiency and reducing emissions.

With every class of ships our teams push the envelope, using technology and ingenuity with the common goal of reducing our impact, our energy consumption and our overall GHG emission, outlined below are just a few.



## Complying With International Regulations

Exploring alternative fuel solutions is a major priority for us and our industry. Our teams are constantly exploring decarbonization solutions while also continuing to increase our energy efficiency. This places us on the path to achieving the international targets of 40% reduction by 2030 from a 2008 baseline.

## A Collective Push For Action

**CLIA** Moving the needle on climate change can't be done by one company alone. That's why we have supported movements like We Are Still [in], upholding the 2016 Paris Agreement and our industry association, CLIA's, commitment to reduce the carbon emission rate industry-wide by 40% by 2030.

We also are working with CLIA and other organization to propose a \$5 billion collaborative shipping research and development fund dedicated to eliminating Co2 from the shipping industry.

[Download the Standards and Regulations Fact Sheet](#)

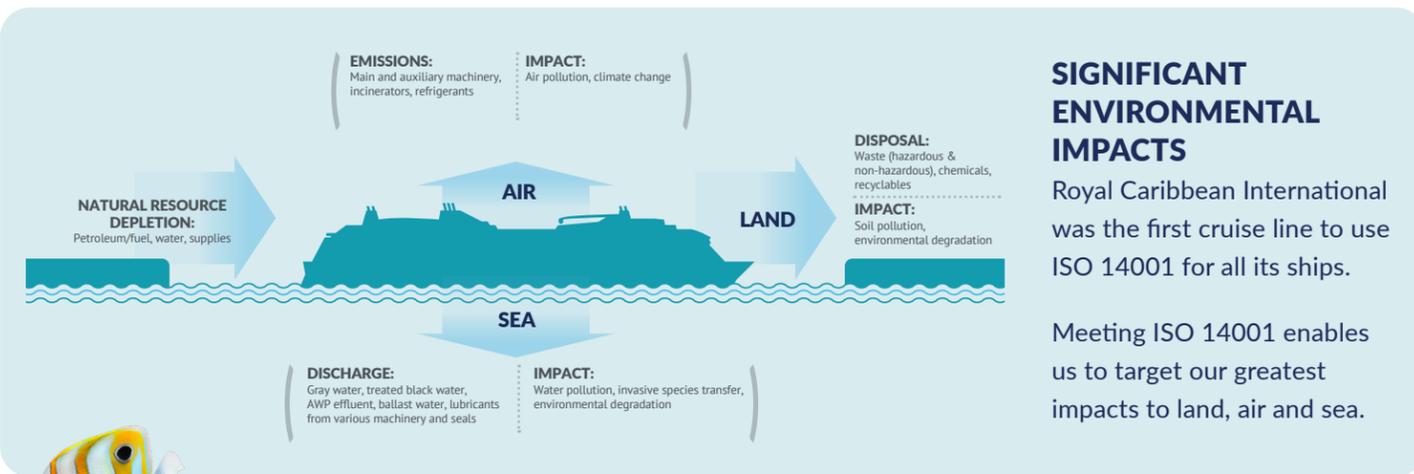
## HELPING SET STANDARDS

We support accountability for our sector and have participated in the working group in the creation of the Cruise Line Sustainability Accounting Standard within SASB, which we are reporting out in this report for the first time. And, most recently, with the creation of the Marine Shipping sector creation for the Science Based Target Initiative (SBTi) which is currently under review.



Our company generates a significant amount of emissions from our operations. Naturally, reducing our emissions of greenhouse gases and other air pollutants is a critical part of our environmental stewardship strategy.

We take a holistic approach to reducing our environmental impacts. It focuses on four key areas; air, sea, land and natural resources. This strategy is fundamentally connected to ISO 14001 – the leading international environmental management standard.



**SIGNIFICANT ENVIRONMENTAL IMPACTS**

Royal Caribbean International was the first cruise line to use ISO 14001 for all its ships.

Meeting ISO 14001 enables us to target our greatest impacts to land, air and sea.



In 2020 we introduced a new target to **REDUCE OUR EMISSIONS INTENSITY AN ADDITIONAL 25% FROM 2019 LEVELS BY 2025 AFTER ACHIEVING OUR 35% REDUCTION FROM A 2005 BASELINE.**



In 2018 we achieved our 35% emissions reduction target ahead of schedule. Then from 2019-2020 our emissions intensity increased due to changes in our organizational structure, full year of the Silversea Cruises acquisition, the addition of 12 ships, as well as our suspension of operations due to COVID-19.



**4 SHIPS WITH SHORE POWER CONNECTIVITY.**



Our next class of ships – *Icon* – will be powered by **LIQUID NATURAL GAS (LNG) AND FUEL CELL.**



are equipped with emissions purification systems **THAT REMOVE 98% OF SULFUR DIOXIDES.**



Our newest ships are designed with **SCR (SELECTIVE CATALYTIC REDUCTION)** to reduce NOx.



On average a guest on a seven-day RCG cruise consumes **117KG/APCD OF CARBON.**



Waste heat recovery helps us capture and **REUSE ENERGY.**

**Fleetwide Retrofits Advance Our Sustainability Goals**

Guests may not notice the hundreds of energy-saving technologies embedded on our ships, ranging from AC chillers and LED lighting to waste heat recovery systems, but an ever-increasing portfolio of proven shipboard energy projects is helping us achieve a greener fleet.

Our Corporate Energy Program was launched as an aggressive, multi-million-dollar investment to cut carbon emissions and increase fuel efficiencies fleetwide. Since 2014, the Global Marine Operations team has installed hundreds of energy-saving upgrades and new technologies in existing and newbuild ships, helping us reduce our emission by 35% from our 2005 baseline. As onboard efficiencies are introduced, elements of pollution are also reduced because of a simple formula: less fuel burned = less emissions. Almost 500 projects have been completed across an array of disciplines including electrical, mechanical, hydrodynamic, and HVAC upgrades.

One of the most common retrofits is the Variable Frequency Device. The VFD reduces energy consumption in air conditioning units, engine rooms, and galley ventilation units by controlling pumps, fans, and motors so that output matches demand. AC chiller upgrades are showing dramatic performance results with more efficient, multi-modular systems that slash a chiller's energy consumption by 30 to 40%.

Another energy-saving technology is waste heat recovery. "It's basically free to use," shared Anshul Tuteja, associate vice president, Global Fleetwide Optimization. "We use all possible waste streams on board, even recycling waste heat to heat water for everything from guest jacuzzis to bathroom showerheads."

Our fleet also uses waste heat to produce potable water from seawater on board. If the waste heat is insufficient, the demand for daily water production is met through an alternate energy-saving technology called reverse osmosis, which desalinates the seawater using permeable membranes. This allows us to produce potable water without having to burn fuel.

These new projects typically begin as a pilot program, on one or two ships but we also co-develop with vendors to tailor retrofits and further develop efficiencies, learning with each installation to improve the next.

The process is fundamentally data driven. Before proceeding beyond a pilot we remotely collect the data from the ships to verify the savings of all our retrofits. If the data proves that the technology is working, we proceed to further optimize the operations and design.

Our team's drive to improve efficiencies is relentless. We have already invested hundreds of millions of dollars into these projects. Many more are currently in progress, and another set are in the pipeline over the next few years. It's a serious investment and one that will continue to produce both economic and environmental gains.

[Download Energy and Air Emissions Fact Sheet](#)



**A GUST OF ENERGY**

Royal Caribbean Group's wind farm in Kansas is now operational. Part of a virtual power purchase agreement, the Reading Wind Facility includes 62 wind turbines that will generate about 760,000-megawatt hours per year. RCG employees were on hand before the turbine blades were hoisted into place and were able to mark the occasion by signing their names on one of three 178-foot turbine blades that are part of Southern Power's 200-megawatt Reading Wind Facility in Reading, Kansas. The blades were signed by our Wichita-based employees before being attached to the nacelle and erected onto the tower. The facility is expected to offset up to 12% of our direct carbon emissions.

## Environmental Officer Joins Perfect Day

When you apply to become a cruise ship Environmental Officer, you expect days navigating the high seas. That job description is changing at Royal Caribbean following the debut of Perfect Day at CocoCay. The multi-million-dollar project revamped CocoCay, our private destination in The Bahamas, featuring a wide array of amenities for Royal Caribbean guests to enjoy.

Behind the scenes, our private destinations bring our on board Save the Waves sustainability principles land-side. All under the direction of a dedicated Environmental Officer for the first time.

Like on board, the Environmental Officer at Perfect Day is responsible for ensuring we are compliant with all local and international regulations. They have oversight of the island's day-to-day functions and oversee waste management and water treatment on the island.

On Perfect Day at CocoCay, they are also responsible for Royal Caribbean's first bio-thermic digester – which is designed to process organic waste, reducing it by up to 95%.

The island, like our ships, is equipped with a state-of-the-art water treatment plant that treats water to be twice as stringent as U.S. federal standards for wastewater discharge, as well as a reverse osmosis plant that allows us to produce our own potable water.

Operating our private destinations much like our ships not only allows us to run autonomously, but allows us to offer a more sustainable experience to our guests while protecting the beautiful Bahamian waters and environment.

Learn more about our [Waste Management](#) or [Water Treatment](#).

[Download the Waste Management Fact Sheet](#)

### SHIPBREAKING: RESPONSIBLE RECYCLING

The lifespan of a cruise ship is upwards of 30 years. In its 51 years Royal Caribbean Group has at times sold ships to smaller operators and in rare cases has sent a ship for "breaking." In those instances — such as recently with two of our Pullmantur ships — our policy requires that the yard conducting the process follows the European Union regulations and the not yet ratified IMO Hong Kong Convention for the safe and environmentally sound recycling of ships.



Waste from our ships follows a rigorous waste management program called Save the Waves. Since its creation, nearly 30 years ago, the program's number one priority has been no solid waste goes overboard. It evolved through the years to include policies of reduce, reuse, recycle and no untreated waste is discharged.



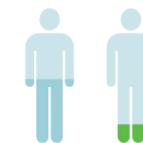
### Where does our waste go?



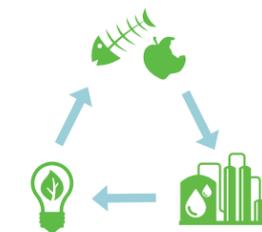
Target achieved: reduce waste-to-landfill by **85%**



of our fleet is equipped to be **landfill free**.



Our average waste-to-landfill per guest is **.5 lbs per day**  
(U.S. average is 2.8 lbs per day.)



We installed a prototype for waste treatment — **Hydrothermal Oxidation Technology** on *Celebrity Apex*. This innovative waste treatment method increases energy efficiency and ensures our food waste is treated without discharge to sea.

**GREEN HUBS ACROSS THE GLOBE** LET US VERIFY WASTE FROM OUR SHIPS IS **DIVERTED FROM LANDFILLS** BY LOCAL WASTE VENDORS.



Fresh water on a ship is a precious commodity.

We go to great efforts to ensure it is used most efficiently and treated properly.

## How We Provide Potable (Fresh) Water



**On average, we produce 90% of our fresh water**

on board via desalination or reverse osmosis.



Our average guest water consumption is **66 gallons per day** – 34 gallons less than the U.S. average.



**Condensation from air conditioning units** is collected and then used in laundry areas.

## How We Handle Wastewater

Wastewater on board is handled much like it would be on land. All of our ships are equipped with a water treatment plant and it is our policy that no untreated waste goes overboard. This takes into account all international and maritime standards and law, and in many instances, takes us above and beyond what is mandated. In 2004, we made a commitment to install Advanced Wastewater Purification (AWP) systems which treat water to be twice as stringent as U.S. federal standards. To date, 87% of our capacity is equipped with this wastewater treatment system.

**87% of our capacity**

is equipped with

**Advanced Wastewater Purification (AWP) systems.**

Wastewater is treated to levels **twice as stringent as U.S. federal standards.**

Our private destination in The Bahamas **has its own AWP treatment system.**

## How a White Box Protects Our Seas

There's no denying water is an essential element. It is 70% of the earth and 70% of each and every one of us. On a ship, water is top of mind. It allows us to navigate from place to place, it hydrates us, cleans us and entertains us. The mechanics to make all of the above happen sometimes result in what the marine world calls bilge water or, in layman's terms, water that has run down and collected at the lowest point inside a ship.

On a cruise ship, this is mostly condensation water mixed with oil, cleaners and other fluids that make their way to the bilge from the ship's mechanical operations and some onboard drains. Buildup of bilge water is intensely monitored by marine teams, as too much can cause stability problems or give off potentially toxic fumes. Removing of this bilge is governed by the International Maritime Organization (IMO), who has decreed that bilge discharge to sea cannot be untreated and may not exceed 15 parts per million (0.002405 oz per gallon).

Our policy is considerably more stringent at 5 parts per million (0.000802 oz per gallon), or three times less than what's required by law.

To ensure compliance and environmental safety, our ships are equipped with an oily water separator (OWS) that treats onboard bilge using different filtering processes. After most of the oily content rises to the top of the bilge water in treatment holding tanks, it's skimmed off into separate sludge tanks. Once in a port with an approved waste contractor, the ship offloads this sludge for reuse in pavement, as fuel for energy generators, or for other recycling processes.

Before the sludge-free water is released from the OWS, it passes through three progressively finer filters, the last of which is activated carbon, which will remove more pollutants.

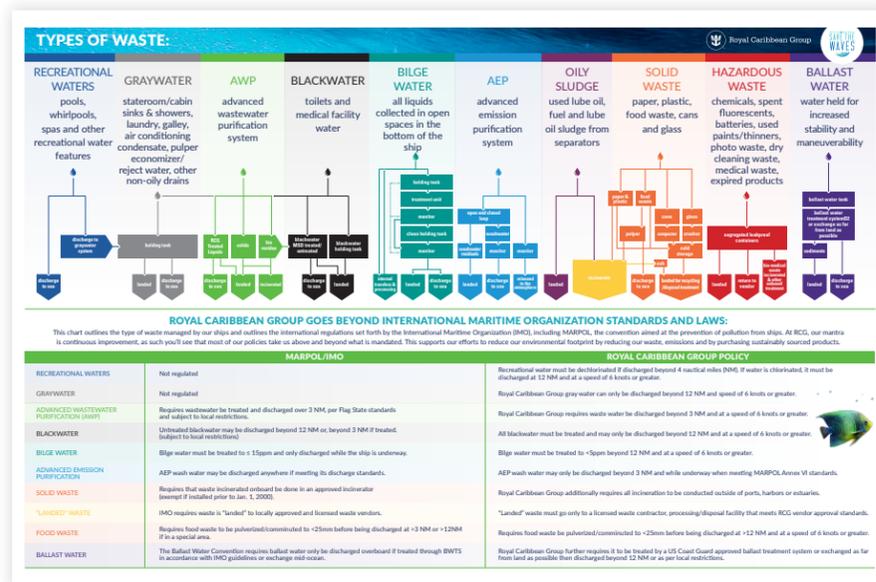
After it goes through these levels of filtration media, if it meets company standards, it is then sent either overboard through another monitoring device called the "white box," or it is stored on board until it is ultimately discharged through the "white box" or landed ashore if needed.

Fleetwide installation of this "white box," the final component of RCG's bilge water treatment protocol, was completed in 2009. The computer-controlled device, locked in a cage to prevent tampering, is set to release bilge water only if it meets or beats RCG's stringent standard of 5 parts per million or less oil content.

Processed bilge water discharged from RCG ships averages less than 1.5 parts per million (.048 oz) of contaminants.

[Download the Water Management Fact Sheet](#)

This chart outlines the **wastewater streams on board**, their treatment and the international regulations by which they are governed.



[Download the Wastewater Stream Chart](#)

## BALLAST WATER TREATMENT

Early ships needed a lower center of gravity to avoid heeling over and foundering, their crews loaded anything handy and heavy deep down in their keel. Then adjust for the dynamics of loading and unloading cargo, passengers or anything else affecting the ship's weight and maneuverability.

About a century ago, with the development of steel-hulled ships, water replaced solid materials as the ballast of choice, pumped into and out of holding tanks as needed to provide stability. With this change came an unanticipated problem – microscopic organisms – that can potentially be brought into and pumped out of a ship's ballast tank. And if the ballast water is not returned to the same place it was acquired, those life forms may invade places they do not belong and impact the environment.

To avoid this problem we retrofitted and installed our ships with purpose-built ballast water treatment systems. Water is brought on and sent through multiple layers of filter disks. Whatever is filtered out is automatically backwashed into the same coastal waters where it was picked up, so there's no transfer of organisms from one area to another. After filtering, the ballast water is sent through a UV system that renders nonviable or kills any organisms that have made it through, and from there it is stored in the ballast tanks. Once that ballast water is ready to be discharged, it's then sent back through the UV system for final filtration.

We are also addressing the issue in new-build design in hope of maintaining stability without taking on or discharging ballast water while taking on fuel and other materials in port.

## Sustainable Seafood on Every Plate

Off the coasts of Peru and Ecuador lie some of the world’s most productive and vital fisheries, yet warming oceans and dwindling stocks are putting this critical source of nutrition and livelihoods at risk. Sustainable seafood is one major commodity group we are working to tackle in our efforts to improve our supply chain and conserve the long-term viability of global fish stocks.

By partnering with World Wildlife Fund (WWF) and a growing number of seafood buyers, retailers, and other businesses to advance more sustainable practices We hope to ensure a future for the hundreds of thousands of people including fishers and the livelihoods of people across their communities. Through multi-stakeholder-based approaches, these Fishery Improvement Projects, or FIPs, are implementing changes that will enable fisheries to become Marine Stewardship Council (MSC) certified and better protect the ecosystems and the livelihoods of people who depend on these resources.

By engaging fishers and aquaculture farmers in strengthening their practices, we are not just increasing the number of certified sources that will help us meet our goal, but also boosting the overall supply of more sustainably and responsibly produced seafood.

Our goal is ambitious and a first for our industry. We aim to source 90% of wild-caught seafood from MSC-certified fisheries and 75% of farmed seafood from Aquaculture Stewardship Council (ASC) -certified farms in North America and Europe. Additionally, we will soon achieve chain of custody certification for our global fleet, confirming that our sourced seafood is traced all the way back to a more sustainable MSC-certified fishery or a more responsible ASC-certified farm.

We were on track to complete our 2020 target, however, due to suspension of service during the COVID-19 health pandemic our target has been delayed. We will resume improving our procurement practices and reevaluate our sourcing as our fleet returns to service.

### SCALING UP FISHERY IMPROVEMENT PROJECTS

We are focused on improving the full supply chain through our WWF partnership. This includes a total of 22 Fishery Improvement Projects (FIPs) supported since 2014, which lines up with our 2020 Sustainable Seafood targets and our ambition to improve the long-term health of the ocean. Our support has helped develop an electronic fishing logbook app, or e-logbook, to help shrimp fishers in Ecuador report capture data. Due to the pilot’s success, WWF shared the e-logbook technology with the Government of Chile, which manages one of the world’s largest fishing economies. Sernapesca (National Service of Fishery and Aquaculture), the government agency that oversees the country’s fishery resources, modified and adapted the e-logbook to fit the needs of the country’s industrial fishing fleets.

Additionally, WWF worked in Ecuador to scale up a community-led pilot project to reform small-scale fisheries. Now, more than 575 fishers, who belong to more than two dozen associations, have a ministerial agreement to reduce the negative effects of fishing through community-based management and tenure rights and cutting-edge technology to monitor fishing activities.



Our supply chain, through a large and diverse network of suppliers, fuels everything we do, from food and beverage and information technology providers to the manufacturers of components for our ships.

Royal Caribbean supports the movement in the food industry towards sustainable sourcing and the improvement of animal welfare throughout the food supply. Our global suspension of service, due to the COVID-19 health pandemic, impacted our targets.

**WE REMAIN COMMITTED TO ACHIEVING THESE TARGETS AND HAVE OUTLINED PATHS BELOW FOR EACH.**

| Target   | Updated Timeline   |
|--|--|
|  <b>Source 90% of wild-caught seafood</b> from MSC-certified fisheries.         | Target work to resume as our ships return to service and sourcing is reevaluated.  |
|  <b>Source 75% of farmed seafood</b> from ASC-certified farms in North America. | Target work to resume as our ships return to service and sourcing is reevaluated.  |
|  <b>Obtain Chain of Custody Certification</b> for our ships for MSC and ASC.    | Target work to resume as our ships return to service and sourcing is reevaluated.  |
|  <b>Source pork from gestation crate-free producers</b> by 2022.              | Target to resume upon returning to service and to be complete by 2025 with incremental progress to be reported annually. |
|  <b>Source 100% cage-free eggs</b> by 2022.                                   | Target to resume upon returning to service and to be complete by 2025 with incremental progress to be reported annually. |
|  <b>Source 100% of whole broiler chicken</b> from GAP-certified sources.      | Target to resume upon returning to service and to be complete by 2025 with incremental progress to be reported annually. |



We have **REMOVED 60% OF SINGLE-USE PLASTIC** from our supply chain.



We have signed onto **WWF'S CASCADING MATERIALS VISION.**



**SUPPLIER GUIDING PRINCIPLES**

screen against human rights, labor and environmental expectations.

[Download the Supply Chain Fact Sheet](#)

“Behind the scenes, our private destinations bring the sustainability principles found on board our fleet land-side. All under the direction of a dedicated Environmental Officer for the first time.”

- Royal Caribbean Group

## Places

At its core, tourism depends on the beauty of the environment. Ensuring the destinations we visit are vibrant and healthy far into the future is critical to the success of our business.

- > Sustainable Tourism
- > Ocean Conservation
- > Disaster Relief

At its core, tourism depends on the beauty of the environment. Our guests want to explore and discover new cultures and locations and we want to do our part to make sure that these destinations continue to thrive. We do that by working with local governments, tourism businesses, communities, and our guests. Through this multi-stakeholder approach, we are collectively moving towards more sustainable business practices and in turn destinations.



**Our Private Destinations will be GSTC-certified by 2022.**

**Goal achieved: over 2,000 GSTC-certified tours available to guests.**

**3 GSTC Destination Assessments completed:** Belize, Roatán, Cozumel.



**Removed elephant and tiger tours**

from our portfolio as of 2018.



Perfect Day at Lelepa will be the **first carbon-neutral private cruise destination.**



First dedicated **private destination environmental officer.**



## RCG COLLABORATES ON ASSESSING SUSTAINABILITY IN CRUISE DESTINATIONS

Hugging the Mesoamerican reef — the largest reef system in the Americas — are three destinations — Cozumel, Mexico; Roatán, Honduras and Belize. The reef plays a pivotal role in the ecosystem of these countries and is at the heart of their thriving tourism. Protecting it is a top priority, but where to start and how? Enter in Global Sustainable Tourism Council's Destination Assessment which takes a holistic look at coastal communities in order to give them a starting point to take action with a post-assessment plan.

As a key stakeholder of the great tourism community, RCG in collaboration with World Wildlife Fund and Germany's Deutsche Gesellschaft für

## Increasing the Pool of Sustainable Tours

Cruising, some will say, is all about the destination and yet others assert, a destination is all about its people. The reality is it all goes hand in hand. The important part is making sure that both are vibrant, healthy and around for countless generations to enjoy.

As a key player in the tourism food chain, about five years ago we took a hard look at our tour operations and knew we needed to bring our sustainability philosophy to that area of the business.

To begin with, we needed to identify the leading Sustainable Tourism organization to ensure we were on the right path and holding ourselves accountable. With the help of our partner World Wildlife Fund, the Global Sustainable Tourism Council (GSTC) was a clear front runner. Recognized by the United Nations, GSTC became the standard we endorsed, and we set off to set a lofty and ambitious target of offering 1,000 tours provided by operators that have been third-party certified to meet the Global Sustainable Tourism Council's Criteria for Tour Operators.

At times, this seemed a daunting task. But our team's patience and perseverance paid off. **We began 2020 with over 2,000 tours certified to the GSTC standard — surpassing our goal by more than 50%.**

Contributing to that achievement was our tour operators' participation in several capacity-building sessions that introduced the importance of sustainability and the GSTC-accredited certification process. The sessions included: webinars, one-on-one information sessions and presentations at key industry events.

Sustainability applies to every aspect of a certified tour company, more than simply using electric-powered vehicles, for instance. Among them is ensuring it provides healthy and safe working conditions, without child labor, in keeping with human rights.

Our efforts to increase our sustainable tour offerings not only promotes such travel options, but also supports jobs and livelihoods at RCG destinations.

These tours are now available globally for booking through Royal Caribbean International and Celebrity Cruises – and more importantly for the entire travel industry.

Internationale Zusammenarbeit (GIZ) sponsored assessments in each destination. The last was completed in 2019 in Roatán.

These Destination Assessments aim to unite stakeholders – local communities, the travel and hospitality industries, environmentalists, federal officials – to identify and collaborate on specific sustainability priorities.

The process identifies the destination's sustainability risks according to the GSTC's Criteria for Destinations plus supplemental indicators reflecting WWF's Marine and Coastal Tourism Strategy. Further, the GSTC Destination Assessment then outlines a five-point action plan, designed by stakeholders, for destination management improvements in their community based on the assessment findings.

One of the priorities identified by Cozumel stakeholders was the creation of a **destination management organization (DMO)** based on the GSTC Criteria for Destinations that included participation from the public and private sectors. **Recently, Cozumel, through the MAR Network, formalized the creation of this DMO to help drive forward sustainable development on the island.**



## A Partnership For Our Oceans

Five years ago, WWF and Royal Caribbean joined forces to help ensure the long-term health of the oceans by setting, and achieving, ambitious sustainability targets to reduce the company’s environmental impact, raise awareness of ocean conservation for our guests and crew, and support ocean conservation projects around the world.

Our partnership stems from the recognition that the environmental challenges that we face, particularly for a borderless ecosystem like the ocean, cannot be tackled alone. We all have a role to play in conserving and safeguarding this critical ecosystem and both organizations bring different strengths and perspectives to this partnership.

While partnerships are critical in achieving our vision, they are hard work and over the last five years we have certainly had challenges. We are two different organizations, and we had and continue to have the difficult conversations to push forward an ambitious conservation agenda. Most importantly, we listened, really listened, to each other. Both organizations came into the partnership with assumptions about each other. We both had a lot to learn, and taking the time to understand each other’s perspectives and expectations made our partnership stronger. There is no end date for this lesson. There are always new challenges and complexities that arise, and finding solutions requires us to stretch and change our frame of mind, and it all starts with listening. Ultimately it was our mutual understanding and appreciation that we were both working towards common conservation goals that helped us resolve issues when they arose.

Throughout our partnership we have never stopped looking for ways to raise the bar with respect to our goals. As two global organizations, we have come across multiple opportunities to amplify the impact of our work together in the environments we care about, and we’ve seized unexpected opportunities to go even bigger too, influencing outcomes beyond what our two organizations can touch.

We have supported WWF’s initiatives on wildlife trafficking, committed to delivering on the promise of the Paris Agreement through the We Are Still In coalition, and signed on to the Cascading Materials Vision for a more sustainable supply chain. We continue to make strides in our sustainable destination work and introduced the Global Sustainable Tourism Council (GSTC) to our industry association, Cruise Line International Association (CLIA), which has now launched a series of GSTC Destination Assessments in key cruise destinations.

Our conservation efforts continue with projects such as the creation of a DNA tracker that will help combat the illegal trade of hawksbill sea turtles in the South Pacific.

We are proud of the success we have achieved together over the last five years, but we are not done. We know we have many challenges ahead of us, but we roll up our sleeves, sit down together, and get back to work.

### INSPIRING FUTURE CONSERVATIONISTS

In the Philippines, the small municipality of Donsol is home to the largest fish found in the sea—whale sharks. WWF is working to protect these endangered gentle giants, with our support, by helping ensure water quality in the surrounding rivers, supporting sustainable tourism, and educating local schoolchildren and communities about the importance of protecting the whale sharks and the environment.

WWF has been able to expand conservation projects and tourism support beyond Donsol across the Ticao-Burias Pass Protected Seascape, a critical ecosystem located off the coast of Bicol, a region of the Philippines. WWF has completed an underwater assessment of four Marine Protected Areas within the Ticao-Burias Pass Protected Seascape, with a combined area of approximately 700 hectares. A total of 25,000 mangrove seedlings have been planted since 2017. Upstream river management is being addressed after water quality and plankton research on rivers and Donsol Bay indicated the need. And the whale shark population is being tracked with the help of students and employee volunteers, who capture photos annually.

Protecting the environment has been a longstanding core value for us. Thriving, healthy and sustainable oceans are inextricably tied to the health of our business. That is why five years ago we set ambitious and measurable sustainability targets to reduce our environmental footprint and raise awareness about ocean conservation with our partner, WWF. A full list of our 2020 Sustainability Goals is available [here](#).



### Goals in 3 Key Areas:



**Emissions Reduction**



**Destination Stewardship**



**Sustainable Sourcing**



Royal Caribbean Group supports WWF’s conservation projects such as:  
**POLAR BEAR TRACKING, TRACING ILLEGAL HAWKSBILL TURTLE PRODUCTS AND PROMOTING EDUCATION FOR WHALE SHARK ECOTOURISM.**

**\$8.4 MILLION** raised and donated to WWF ocean conservation programs since 2016.

**25,000 MANGROVE SEEDLINGS** have been planted since 2017 in the Philippines.

**6 MILLION** guests and crew learning about ocean conservation annually.

#### EDUCATION MATERIALS INCLUDE:

- > WWF conservation-themed television
- > Special Edition WWF magazine
- > Ocean-conservation themed children’s programming
- > Fund- and awareness-raising walks for conservation



## Surrender Your Shell

### How DNA is Helping the Hawksbill Turtle

WWF-Australia, Australian Museum Research Institute and Royal Caribbean International joined forces to launch “Surrender Your Shell” in 2020. The program uses cutting-edge technology developed with Royal Caribbean Group’s support to extract DNA from products to track the illegal trade of tortoiseshell.

Researchers will use this DNA to trace tortoiseshell products back to the turtles’ nesting beach and develop a database or “ShellBank” for the first time in the Asia-Pacific. This information will help identify vulnerable turtle populations, so WWF-Australia can work with local communities, governments and the tourism industry to improve turtle protection.

To support this initiative, the Australian Government adopted a policy that for six months will allow Australians to send historically purchased tortoiseshell products to WWF-Australia, along with details of where and when they were purchased, without the risk of facing prosecution.

To participate, Australians just need to track down any tortoiseshell products they have collected, or been gifted, over the years. Real tortoiseshell items are brown, orange, amber and yellow in color and feature irregular patterns.

A DNA extraction test offers scientists and conservationists vital information to track – and ultimately help end – the illegal trade of hawksbill turtle products. This is a significant breakthrough led by WWF Australia, Royal Caribbean, and the NOAA Fisheries’ Southwest Fisheries Science Center (SWFSC), in California, USA.

Hunted for their beautiful shells, the Hawksbill sea turtles are now listed as critically endangered by the International Union for the Conservation of Nature (IUCN), with the scientific community estimating as few as 4,800 breeding females remain in the Indian and Pacific Oceans.

This novel DNA test and database is a significant achievement in our partnership with WWF, giving authorities and researchers vital information to protect the species. Our vision is for a future in which hawksbill turtles return to their former numbers to perform their crucial role in maintaining coral reefs.

Hawksbill turtles from different regions, or even some countries, are genetically distinct, and their DNA signatures can be used to identify different nesting areas. The new test will allow scientists and marine conservationists to identify where tortoiseshell products have come from and pinpoint hawksbill turtle populations to allow for targeted conservation efforts.



For a cruise line, the oceans are core to our purpose. They are our way of life, and respecting them is not a choice, but a responsibility – a responsibility we take very seriously.



RCG employees were responsible for the recovery of **1,000+ coral colonies**.



**4 ships collect oceanographic data** critical to climate change.



Oceans are **71% of the planet** and **100% critical** to our business.



We replaced all our sunscreen with **biodegradable sunscreen**.



Our sustainable seafood target supports **healthy fish-stocks**.



Crewmembers routinely conduct **beach clean-ups while at port**.



We support **loggerhead turtle research at FAU**.



### TRAINING A NEW GENERATION OF ARCTIC ADVOCATES

Royal Caribbean Group through WWF continues to support the Arctic Youth Ambassadors program, which began a new cohort in the first half of 2020. Kicking off the next generation was challenging due to pandemic-related travel restrictions. Youth ambassadors represent their communities and the United States, raising awareness about life in the Arctic. Our most recent cohort completed the two-year program. They studied and discussed climate change, indigenous cultures and rights, issues related to community health, and policy solutions.



Tourism and hospitality are synonymous with good times and smiling faces, but the industry and those destinations heavily supported by it, are not immune to mother nature's and life's unpredictable situations. We have a strong sense of responsibility to our employees, their friends and families, our guests and the affected communities and so in those times when our communities and employees need us, we are there.

### Being a Good Neighbor

The COVID-19 health pandemic challenged us all. Cruise dependent business were especially impacted by our global suspension of service. We felt those businesses and individuals still needed financial wherewithal during this intervening period of slower-than-usual business and have stepped in where we can to support.

**\$21M**  
Employee Relief  
during COVID-19

**\$40M**  
Travel Partners  
support program

**\$10M**  
In-kind Donations and  
Small Business Grants  
for key cruise ports



### Go Team

Go Team are our employee volunteer army, trained, poised and ready to respond to a situation anywhere in the world where we need additional resources. They have rolled up their sleeves to deliver life-saving meals and supplies to Grand Bahama and assisted with evacuees heading from Freeport to Nassau on our ships. Most recently, they have supported our employee relief efforts due to COVID-19.

### Supporting Our Own

Employees who experience natural disasters and personal crises also may receive relief and assistance through the Royal Caribbean Crew and Employee Disaster Relief Fund administered by The Miami Foundation.

### Long-Term Recovery

Recovery comes far slower than relief. We believe in being long-term partners to the communities we visit. For example, following Hurricane Dorian, which devastated Grand Bahama Island, Hugh Campbell Primary School was left with extensive damage. Our teams and ships were on hand to provide immediate support to the community following the storm. And our team was on hand again in 2020 with a \$50,000 donation of supplies and equipment to repair the primary school.

Over 700 pieces of equipment and supplies were a part of the donation aimed at bringing normalcy back to the children of the island community. Including in the donation were 234 student desks, 88 bookcases, 60 teachers' desks, 59 swivel chairs for teachers' desks and 18 TVs (32-inch).

We are committed to the revitalization of tourism in these vulnerable communities and believe long term solutions are critical. Additional examples of long-term projects include regrading and restoring St. Thomas' acclaimed Magen's Beach and developing a grade school in Haiti, following the devastating 2010 earthquake.



### A Royal Thank You for First Responders

*Spectrum of the Seas* became a regular sight in Sydney Harbour in early 2020 during our series of four-night humanitarian cruises for first responders. Working with over 200 state-based agencies, we were able to host our first responders who helped fight the wildfires that devastated the country. We were privileged to be able to express our gratitude by hosting over 8,000 first responders and their families onboard *Spectrum of the Seas* for short cruises.

### From Wildfire Refugee to Koala Mama

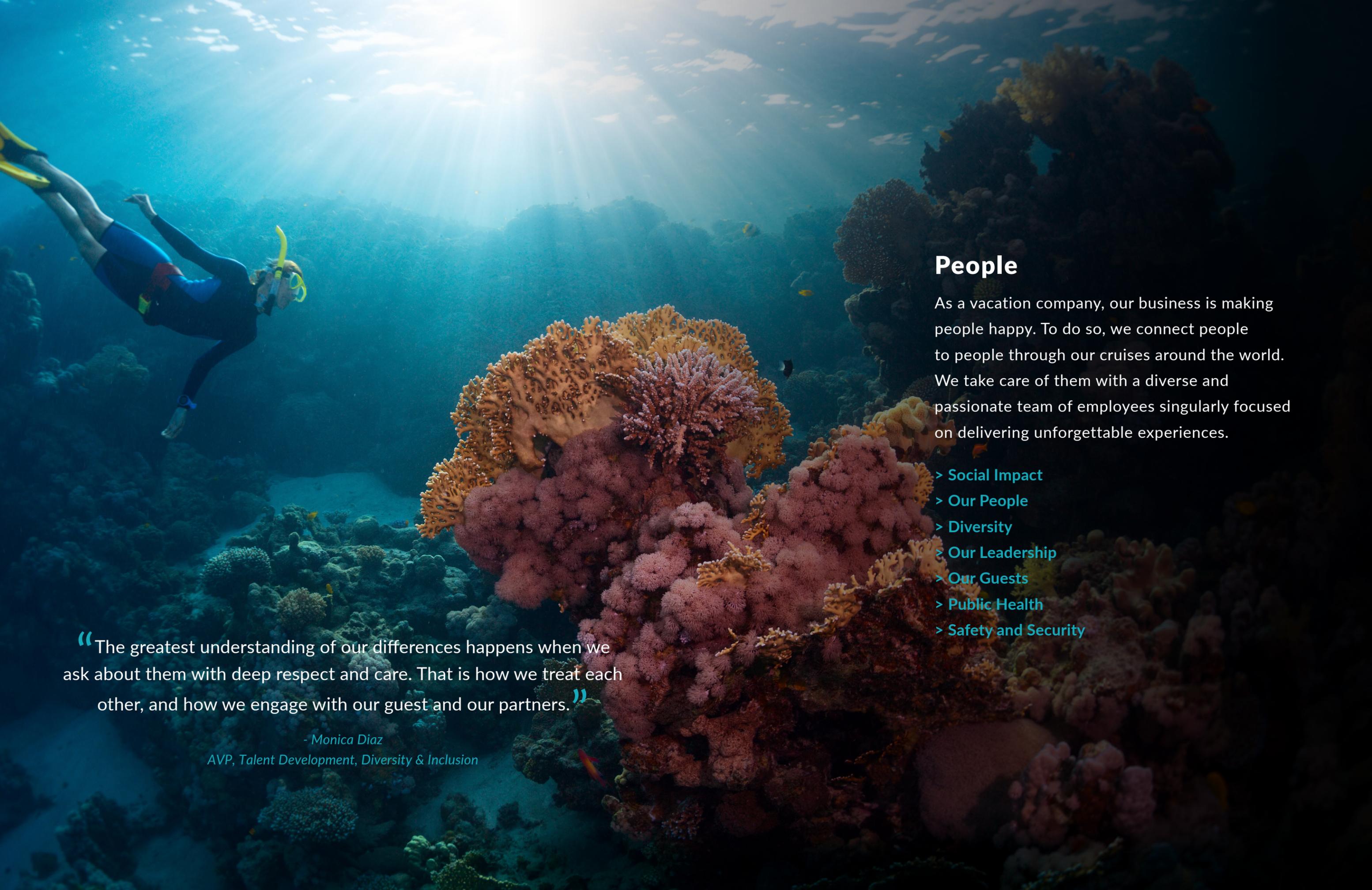
Our guests also were able to express their gratitude and support following the wildfires. When our ships deployed on Australian itineraries over Australia Day (January 26) 2020, they couldn't have guessed that the festivities would also bring joy and assistance to animals in need. Funds raised from an onboard fundraiser, also matched by Royal Caribbean Group, went on to support Taronga Zoo's efforts to tend to animals wounded during the devastating Australian bushfires, animals like "Bub."

Bub is a koala who was brought to the Wildlife Hospital at Taronga Western Plains Zoo in early January. After a veterinary assessment and receiving treatment, she went back with her wildlife caretaker. Bub then returned to the Wildlife Hospital for a check-up in early February and stayed for ongoing monitoring and assessment until early March, when she was given the all-clear to be released. Two days later, her caretaker released her back into the Gunnedah region near where she was found.

Bub gave birth to a joey while in care and was released with the baby still in her pouch.

Bub is a testament to the hard-working team at the Wildlife Hospital at the Zoo who were able to care for and rehabilitate her back to good health despite the challenge of the wildfires. Releasing her while knowing she is carrying hope for a species in crisis, and understanding our role in making this happen, is something we can all be proud of.





## People

As a vacation company, our business is making people happy. To do so, we connect people to people through our cruises around the world. We take care of them with a diverse and passionate team of employees singularly focused on delivering unforgettable experiences.

- > [Social Impact](#)
- > [Our People](#)
- > [Diversity](#)
- > [Our Leadership](#)
- > [Our Guests](#)
- > [Public Health](#)
- > [Safety and Security](#)

“The greatest understanding of our differences happens when we ask about them with deep respect and care. That is how we treat each other, and how we engage with our guest and our partners.”

- *Monica Diaz*

*AVP, Talent Development, Diversity & Inclusion*

We believe that for a business to thrive, its place is not just to be in a community, but to be a part of it.

At Royal Caribbean Group, we are passionate about protecting the oceans we sail, the communities we visit and about educating future generations to be the change. Sometimes when a destination's most critical need is not education or conservation, but necessities like clean water or a community center, we support those initiatives through community partnerships and social impact projects to enhance the lives of those within the community.



### Education

We firmly believe that a good education can change lives, and we focus a good deal of our contributions to supporting programs that align with our philosophy.

- > Continued to support 310 students at L'Ecole Nouvelle, our primary school in Haiti, through the COVID-19 pandemic
- > In the Philippines, we support a mobile oceans education vehicle
- > 16 years mentoring with Big Brothers Big Sisters
- > We support scholarships to the Caribbean Maritime University



### Ocean Conservation

As a cruise line, the oceans are core to our purpose. They are our way of life, and respecting them is not a choice, but a responsibility – a responsibility we take very seriously.

- > RCG employees were responsible for the recovery of 1,000+ coral colonies
- > We have raised and supported WWF's conservation work with \$8.4M
- > 4 Royal Caribbean Group ships collect oceanographic data critical to climate change



### Social Impact Projects

We think of our local communities like our neighbors. We're in close contact and understand that the best way to support our destinations' most critical needs may not always align with our focus of education and conservations.

- > Our employee volunteer program G.I.V.E. Day is nearly 25-years strong
- > 100% of our executives serve on community boards



### In Times of Need

We have a strong sense of responsibility to our employees and affected communities. So in the times when our communities and employees need us, we are there.

- > \$21M in Employee Relief Fund during COVID-19 health pandemic
- > Australian Fires support
- > \$40M in Travel Agent support during COVID-19 health pandemic

[Download the Social Impact Fact Sheet](#)

## Stronger Together: Supporting the Cruising Community

In March of 2020 we announced our first global suspension of service due to the COVID-19 health pandemic. The pause in cruising has put a financial strain not only our business but on the full cruising network – the people and places – that make cruising such a popular vacation choice. And while there is optimism that the travel industry will recover strongly post-pandemic, we felt businesses and individuals still needed financial wherewithal during this intervening period of slower-than-usual business.

### OUR DESTINATIONS

It's no secret that cruising and destinations go hand-in-hand. For us, those destinations are more than a stop on our itineraries, they are the heart of our industry. They are also our friends and partners for more than 50 years. During the COVID-19 health pandemic we have been working closely with destination communities from the Caribbean to Alaska to support them via food donations, community well-being, and small business grants.

For example, in The Bahamas, our partner, The Bahamas Feeding Network, does incredible work serving 2 million meals annually. Our donation of meat, chicken, fish, vegetables, and rice has allowed the Network to create care packages that are feeding approximately 500,000 families this year.

In Alaska, gyms and community centers are the lifelines of small communities, like Huna near Icy Strait Point. This past winter, we matched a donation from the Alaska Native community to extend the hours and number of days the Huna Community Center was open through the pandemic.

Our small business grants are also making a difference for small entrepreneurs with shops and tours at our private destinations Labadee, Haiti and Perfect Day at CocoCay.

### OUR PEOPLE

The COVID-19 health pandemic is the most unprecedented and difficult situation our company has ever faced. What remains constant is that we are one RCG family. That's why we activated our Employee Support Program to provide additional help to our employees facing significant hardships related to COVID-19. The program included financial support for those most severely impacted including death, hospitalizations or housing restraints. To date, we have provided grants to over 33,000 employees. Additionally, we offer an Employee Assistance Program (EAP). This program provides counseling to employees and their immediate families in times of crisis or need. Free, confidential counseling is available to address a variety of problems such as marital or family conflicts, emotional problems, stress, alcohol or drug abuse, and a variety of other concerns.

### OUR NETWORK

The COVID-19 crisis hit small businesses hard, from the local restaurant to the corner hardware store—and travel advisors are no exception. In March of 2020, we launched RCL Cares to show support of our travel agent community. The program aims to assist thousands of travel professionals dealing with the negative impacts of the COVID-19 health pandemic. It offered a variety of services to help educate travel partners as they navigated the myriad of government benefits, including one-on-one assistance and access to key resources. Then in December after an unprecedented nine months without sailing when travel advisors knew that their clients were eager to return to cruising, we announced, "Pay It Forward," a second phase of RCL Cares to support travel advisors as they look to rebuild their businesses after a challenging 2020.

The program makes a \$40 million pool of funds available to qualifying travel advisors, who can apply for three-year, interest-free loans of up to \$250,000 to keep their businesses focused on a return to growth at a time when the pandemic shows increasing prospects for coming under control.



## Royal Caribbean Supports Employees During the COVID-19 Pandemic

In March 14, we made the difficult decision to suspend operations around the world. This set into motion a series of events that impacted every single employee.

As it became clear that the COVID-19 pandemic was not slowing down, and that sailing wouldn't return any time soon, we made the difficult decision to cut down on crew, keeping our ships at the minimum staffing level to maintain their operations and reduce our shoreside staff by 23%.

Returning crew members to their home countries became our priority. This came with many unexpected legal and geo-political hurdles along the way that slowed down the repatriation process.

To do so, we worked with local and international governments from more than 60 countries to ensure we complied with all local policies and health regulations. This work was very complex and required great effort to navigate the ever-changing situation, bringing crew members home on chartered aircrafts and even our own cruise ships.

This Herculean effort took months of overcoming challenges and solving complicated problems as a collaborative team. In September 2020, after six long months, all 46,000+ crew members had returned to their homes safely.

During this time, we also focused on the comprehensive wellness of our employees and helping them be their best. Under the pillars of Connection, Agility, Resilience, and Energy, CARE initiatives are meaningful, actionable, and designed to revitalize The Group's engagement and wellbeing of our people.

We developed a set of guiding principles under the CARE acronym that lead our efforts in a series of key initiatives with tangible and positive impact in our work environment.

- **Connection** – Develop an open and inclusive work environment through a culture of conversations that connect, where managers connect with employees on performance and wellbeing.
- **Agility** – Enable our people at all levels to practice nimble continuous improvement approach toward their responsibilities.
- **Resilience** – Empower our people to withstand and thrive in an ever-changing environment.
- **Energy** – Fuel our people with steady, sustained, and positive energy that can meet and exceed the demands of the business.

Some of these initiatives included things like listening sessions hosted by our Executive Committee members and senior executives in an intimate setting with our employees where they discussed topics like inclusion and career growth. We also kicked off a series of Desk Side Chats where a guest speaker is invited to connect with our Chief HR Officer to have a conversation about topics like mental health, safety during COVID, and navigating a successful career. These types of initiatives along with many others were dedicated to helping our employees find different ways to connect during a time where isolation and quarantines were the norm.

As cruising began to resume, we also worked with partners on the ground to offer vaccinations to employees in countries like the Philippines, India, and Indonesia that otherwise would not have had it. These efforts will continue into 2021 and include our shoreside population.

Great vacations begin with great employees. Each day, our employees go above and beyond to deliver exceptional vacations to our guests. We promote a work environment that reinforces collaboration, motivation, and innovation, and believe that a strong employee-focused culture is essential to good business. Our employee's wherewithal and ability to pivot carried us through 2020 and into 2021 positioned to welcome guests and employees safely back to cruising.



In 2020, we  
**EMPLOYED APPROXIMATELY  
85,000 PEOPLE.**



**FROM 60% OF WORLD  
NATIONALITIES.**



**Average tenure**  
for shipboard employees is  
**6 YEARS.**

| EMPLOYEE LOCATION       | MALE | FEMALE | UNIDENTIFIED |
|-------------------------|------|--------|--------------|
| Shoreside U.S.          | 43%  | 57%    |              |
| Shoreside International | 47%  | 52%    | 1%           |
| Shipboard               | 79%  | 21%    |              |

### FOCUSED ON HEALTH:

- > Launched **Vaccines in Fifteen**: a series of question-and-answer sessions with our Chief Medical Officer, allowing employees to learn more about vaccinations
- > Over 40,00 employees vaccinated and our efforts continue
- > Offered **free testing** for employees and their family
- > Our **Employee Assistance Program** provides 24-hour access to free counseling to address problems such as marital or family conflicts, stress, alcohol, or drug abuse, etc.
- > Developed and introduced an industry leading Depression Awareness and Suicide prevention program to all shipboard crew members during a time where mental health concerns were on the rise
- > Introduced **Employee Appreciation Days**, or surprise days off, to brighten employee spirits during the COVID-19 health pandemic and allow them time to focus on themselves and their families



Our business is built on enabling people to meet other people, explore different places, and experience other cultures. This means we have an opportunity to be an example of curiosity and appreciation for others.

We listen, we learn and we take action to be better every day.



WE FOLLOW THE UNITED NATIONS STANDARDS OF CONDUCT FOR BUSINESS.



2020 BEST PLACES TO WORK FOR DISABILITY INCLUSION.



| U.S. SHORESIDE REPRESENTATION BY ETHNICITY | % OF TOTAL U.S. SHORESIDE POPULATION |
|--|--------------------------------------|
| White                                      | 46%                                  |
| Hispanic                                   | 37%                                  |
| African American                           | 11%                                  |
| Asian                                      | 5%                                   |
| Others                                     | 1%                                   |

Our U.S. shoreside workforce is ethnically diverse with 54% of our employees comprised of non-white ethnic groups.

### Employee Voice/Listening

COVID-19 had a tremendous impact on our business. Our offices closed and our crew were repatriated off the ships and to their home countries during 2020. In response, we ramped up our listening strategy through frequent pulse surveys in order to understand their needs and concerns and help them navigate the crisis. We continue to run our pulse surveys every quarter to understand & positively impact our employees' experience. In 2020 we captured the following insight:

- > **93%** of our crew was satisfied with how RCG is caring about their health
- > **94%** of our crew was satisfied with how RCG is caring about their safety
- > At the end of 2020 **95%** of our workforce was proud to work for RCG
- > At the end of 2020 **76%** of our workforce was feeling hopeful

### ACCESSIBLE CRUISING



In addition to our internal efforts, we are an industry leader in providing accessible cruise vacations for people with disabilities. We offer a wide variety of accessible products and services designed to meet the needs of guests with mobility, hearing, visual and other disabilities. Our Access Department has 20 employees dedicated to the disability market and offers pre-cruise guest support service centers which provide guests and travel advisors assistance in planning accessible cruise vacations and shore excursions. They also collaborate with our brands in developing disability inclusion strategies and standards in marketplace, workplace, digital accessibility, and supply chain.

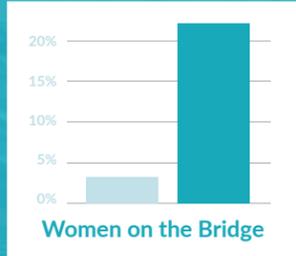
Our Disability Employee Resource Group – ROAR (Royal Organization for Abilities Resources) also brings employees virtual webinars called “Everyday Accessibility” and guest speakers discussing important topics like, “My Child Has Autism” during Autism Awareness Month in April, and “I’m Fine” during Mental Health Awareness Month in May.



### Bridging the Gap

On International Women’s Day, March 8, 2020, history happened. We set sail with the first-ever entirely all-female bridge and officer leadership crew in maritime history. Captain Kate McCue, the first American female cruise ship captain, accompanied by 26 other women representing 16 different countries, led the momentous sailing.

Celebrity Cruises has made it a priority to lead the industry into a more diverse future by growing the number of women on our bridge teams from 3% to nearly 25% over the last few years. Around the world, only 2% of the world’s mariners are women.



Celebrity’s President and CEO, Lisa Lutoff-Perlo, shared, “advancing gender equality in our industry takes a purposeful and focused commitment because it is not easy. This is such meaningful progress and we’re just getting started.”

To complete the historic day, retiring Pilot Boat Captain Cheryl Phipps, one of only a few female pilot boat captains in the country, led the ship out to sea.

### Employee Resource Groups

Diversity and Inclusion at RCG is supported by our six Global Employee Resource Groups that provide personal and professional development for their membership. Each Employee Resource Groups is essential to bring our diversity strategy to life at the local level and have helped us to imbed our inclusion messages within our operations. In addition to being a powerful support forum for our employees, Employee Resource Groups are also active within their local communities around the globe.



### Learning and Development

We offer a variety of learning and development programs to our workforce which includes a combination of instructor led (classroom and virtual) and web based (self-learning) courses. In 2020, our workforce spent approximately 1 million hours in training across a variety of areas ranging from Ethics, Compliance, Data Analysis, Business Software & Tools, Finance/Accounting, Professional Development, Project Management Skills, Leadership and Safety/Security. In total, our workforce completed over 560,000 courses within our learning management systems.

- > **96%** of our shoreside workforce completed Ethics compliance training in 2020
- > **90%** of shoreside workforce has completed D&I unconscious bias training in 2021 with the expectation of 100% completion by year end
- > **Healthy Return to Service** training provided to the crew to prepare and protect them and our guests. These assessments not only train the crew members on how to be safe, but give them tools and resources if they need help managing their own wellbeing, such as mental health awareness tools

## Lending Our Voices During Key Moments



### VIRTUAL VOICES

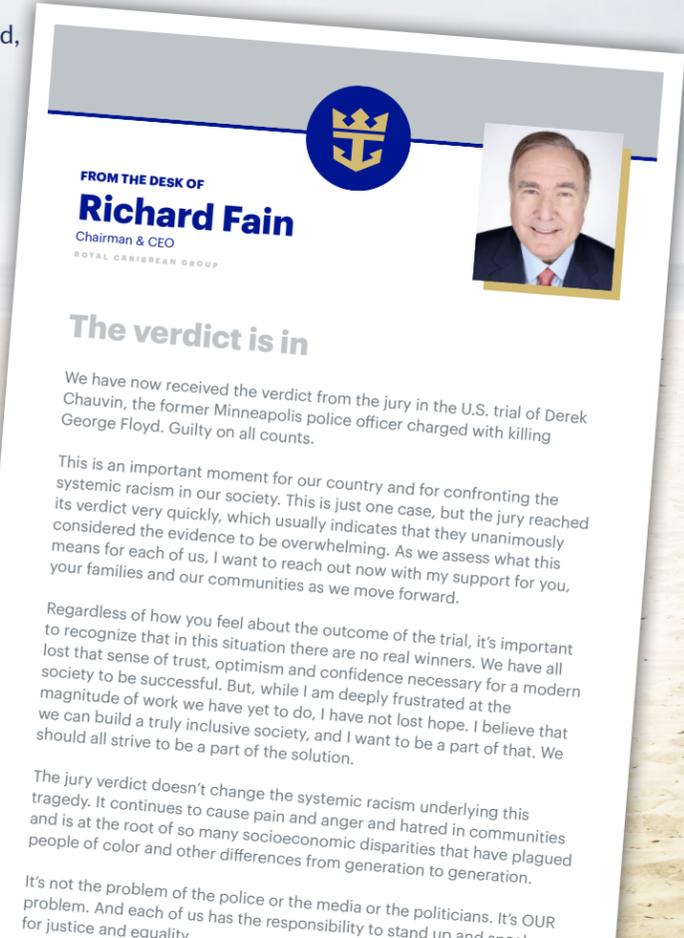
We have always felt it's important to speak directly to our partners, our guests, and our industry. And so, in March of 2020 the first video on what would escalate into the COVID-19 health pandemic was distributed to our travel partners. The series, casually referred to as "Richard's videos," became a voice for the industry, while at the same time, sharing news and providing hope for the cruise and travel community. The videos covered business topics, information on how we're keeping guest and employees safe and forward momentum and outlook. Additional leaders, such as Vicki Freed, Senior Vice President Sales and Trade Support, Royal Caribbean International, regularly implement similar initiatives with travel partners, having now hosted over 67 Weekly Coffee Chats.

## CEO ACTION FOR DIVERSITY & INCLUSION

In order to enact change you first must pause and listen. Our Executive Committee and other leaders did just that – they invited employees from diverse backgrounds and perspectives to tell their story. What it's like to be themselves at Royal Caribbean Group and in their everyday life. We learned a lot about how we can give our people a more fertile place to grow, contribute and succeed. We started acting on these by offering every employee unconscious bias training. Our Chairman and CEO also signed the CEO Action pledge for diversity and inclusion. Through it we are committing to cultivating a trusting environment where all ideas are welcomed, where everyone feels comfortable and empowered to have meaningful discussions, a place where employees know they belong.

### SPEAKING UP

Keeping our employees, informed is always top of mind, from daily newsletters to regular check in between employees and managers. But some moments go beyond the confines of our offices (or ships) and require a pause to address important issues happening in the world. 2020 was no doubt one of those years, and we maintained regular cadence of Town Halls to listen and inform our employees. We also spoke directly to employees on critical topics such as social injustice and committed to do better by joining the CEO Action Pledge.



Integrity and responsibility guide our actions and position us to be a leader in our industry. We believe in fostering collaboration and innovation across the spectrum of our operations and beyond our industry.



Ethisphere  
Most Ethical Company  
5 years in a row.



HIGH LEVEL PANEL for  
A SUSTAINABLE  
OCEAN ECONOMY

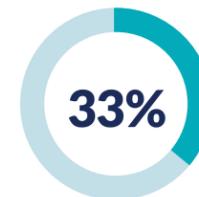
Royal Caribbean Group is a member  
of UN's High-Level Panel for a  
Sustainable Ocean Economy's  
Advisory Network.



Proposed our industry  
association support  
Global Sustainable Tourism  
Council (GSTC)  
destination assessment  
in key cruise ports.

## Our Board of Directors

Our Board of Directors is currently composed of twelve directors with diverse skills and professional backgrounds, which provides our Board with an effective mix of experiences and perspectives.



4 OUT OF 12  
DIRECTORS ARE GENDER/  
ETHNICALLY DIVERSE.



25%  
OF DIRECTORS ARE  
WOMEN.



17%  
OF DIRECTORS ARE  
RACIALLY/ETHNICALLY  
DIVERSE.

RCG's Board of Directors ("the Board") and its committees dealt with many significant strategic, financial and operational matters in 2020. These included:

- > Analysis and oversight of the impacts and consequences of COVID-19, including financial structure, cash flow preservation and the health & safety of our crew and workforce.
- > Our work with the Healthy Sail Panel (HSP), comprised of 11 globally recognized public health experts and the private sector, to develop a science-based plan for a safe and healthy return to cruising.
- > Review and confirmation of strategic direction, and related risks and opportunities.
- > Human capital management and employee retention in times of uncertainty.
- > Overseeing ESG risks and opportunities, including our targets for emissions reductions, and certifications for sustainable tourism programs, destination stewardship and responsible sourcing of commodities.

The Board oversees ESG, Safety, Environment and Health functions. The SVP and Chief ESG Officer and the SVP of Security, Health and Environment report directly to the CEO and are accountable for delivering updates on the corporate responsibility strategy to the Board.

RCG's ESG team sets ESG strategy, drives best-in-class policies and processes for ESG governance, sets our ESG targets, guides and coordinates ESG performance across business functions; and publishes ESG related performance data and information in our annual report. Our goal is to promote transparency with investors and other key stakeholders on ESG risks and opportunities. The ESG team engages with internal and external stakeholders to ensure RCG understands and addresses ESG issues that are important to our business and relevant to our stakeholders.

[Download the Ethics and Compliance Fact Sheet](#)

Enabling our guests to have the best possible vacation experiences drives everything that we do. We are dedicated to continuously innovating, raising the bar and providing personalized service across all touch points in the guest experience.



**LOYALTY PROGRAMS**  
REWARD GUESTS WITH DISCOUNTS AND EXCLUSIVE EVENTS.



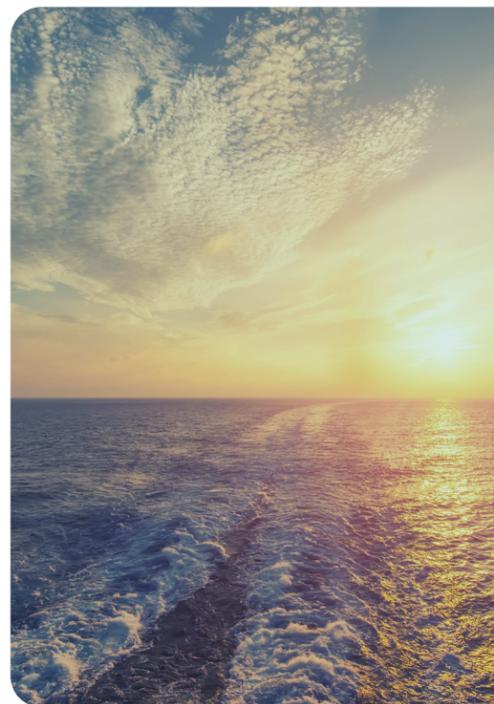
**WELLNESS**  
IS INTEGRATED INTO THE GUEST EXPERIENCE.



**DATA PRIVACY.**



OUR GUEST CONDUCT POLICY EMPHASIZES THE IMPORTANCE OF PROTECTING AND RESPECTING LOCAL CULTURE AND HERITAGE.



### INTRODUCING “CRUISE WITH CONFIDENCE” POLICY

As COVID-19 added uncertainty to travel plans around the world, we introduced “Cruise with Confidence” in 2020 giving guests greater control over their vacation decisions, allowing them to cancel cruises as late as two days before departure. Guests will receive a full credit for their fare, usable on any future sailing of the guest’s choice in 2020 or 2021. The policy applies to both new and existing cruise bookings.

The decision put more control in our guests’ hands during an already uncertain time, helping to ease concerns for booked guests and foster confidence for those booking ahead.

## A Service-Focused Mindset



Our cruise brands embody a service culture unique to themselves. This shared purpose can be seen across their employees and create a unique experience for its guests. Focused on creating value for others inside and outside the organization. For Royal Caribbean International, that’s The Royal Way’s “friendly, passionate, committed” mission; for Celebrity, it’s “personalized, knowledgeable, genuine” with The World at Your Service (WAYS). That singular focus can often be measured through our Net Promoter Score (NPS). NPSs are immediate evidence of how an individual cruise went. After our guests have disembarked from a sailing, they receive an emailed survey that helps us calculate NPS. The survey is

an opportunity for them to share their thoughts and individually recognize shipboard crew, but for us it’s also a way to listen and see what works and improve in a more focused way.

To calculate the score, guests respond to the following question on a scale of 1-10, with 10 meaning that they’re extremely likely to recommend.

“If asked for your opinion, how likely would you be to recommend us to a friend, family member, or colleague?”

### THE RATING THEN PLACES THEM INTO ONE OF THREE GROUPS:

- > **Promoters** (score 9-10) are loyal enthusiasts who will keep booking and refer others.
- > **Passives** (score 7-8) are satisfied but unenthusiastic guests who are vulnerable to competitive offerings.
- > **Detractors** (score 0-6) are unhappy guests who can impede growth through negative word-of-mouth.

To determine NPS, the percentage of detractors is subtracted from the percentage of promoters. The lowest score possible is a -100, and the highest score possible is a 100. The movement, up or down, of even one point is extremely significant.

It may seem that there’s a lot riding on only one question, but how a guest answers it is representative of their whole experience—from pre-cruise sales, to booking, to pier check-in, to onboard, to destination, to social interaction, to disembarkation, to post-cruise—and it improves our understanding of what drives guest satisfaction.

We are committed to creating a safe and healthy environment where our guests can enjoy themselves, and our employees can thrive. This commitment extends to our land-based facilities, ships and private destinations, as well as seaport terminals and ports-of-call worldwide.

Spurred by the COVID-19 health pandemic and 50 years of continuous improvement, we have raised the bar again and again on safety standards in the industry. Together with experts on the Healthy Sail Panel, regulators like the U.S. Centers for Disease Control and Prevention, and destination partners around the world, we applied the best available science, technology, engineering and public health principles to develop our Healthy Sailing program.



ALL CRUISES  
WILL DEPART WITH  
**ALL CREW BEING  
VACCINATED**



**MOBILE APP** has allowed us to accelerate game-changers, such as **MUSTER 2.0™**, that will add to the guest experience and encourage **HEALTHY AND SAFE PRACTICES**

**MITIGATION PRACTICES HAPPENING "BEHIND THE SCENES"**

- > 100% fresh, filtered air with maximum ventilation.
- > Enhanced cleaning standards.
- > Expanded expert medical care and agreements to deliver on our promise for a timely, safe trip home.



### Welcome Dr. Calvin Johnson

Dr. Calvin Johnson joined our team in 2020 in a new role as Global Head, Public Health and Chief Medical Officer. In this new role, Johnson leads the Group's global health and wellness policy, manage its public health and clinical practice, and determine the strategic plans and operations of its global healthcare organization. Johnson also collaborates with the Healthy Sail Panel to ensure the company establishes and implements its protocols and recommendations.

### 5 AREAS OF FOCUS:



## Introducing the Healthy Sail Panel

As we assessed the worldwide health situation in 2020 we took action, turning to science and the guidance of experts to help develop enhanced cruise line health and safety standards. Together with Norwegian Cruise Line Holdings Ltd, we commissioned a collaboration to develop enhanced cruise health and safety standards in response to the global COVID-19 pandemic and achieve readiness for the safe resumption of operations.

The panel is co-chaired by Governor Leavitt, former Secretary of the U.S. Department Health and Human Services (HHS), and Dr. Scott Gottlieb, former commissioner of the U.S. Food and Drug Administration (FDA). The panel's members are globally recognized experts from various disciplines, including public health, infectious disease, biosecurity, hospitality and maritime operations.

Following months of review and collaboration the panel published detailed steps to safeguard the health of guests, crew and communities and identified five areas of focus every cruise operator should address to improve health and safety for guests and crew, and reduce the risk of infection and spread of COVID-19 on cruise ships:

- > Testing, Screening and Exposure Reduction
- > Sanitation and Ventilation
- > Response, Contingency Planning and Execution
- > Destination and Excursion Planning
- > Mitigating Risks for Crew Members

The panel's findings are open source and available for other cruise lines or industry to review and implement. Read the full recommendations here.

### MEET THE PANEL:



**CO-CHAIR, Governor Michael Leavitt**  
Leavitt Partners, Founder, Former Governor of Utah and Secretary of Health and Human Services under President George W. Bush



**CO-CHAIR, Dr. Scott Gottlieb**  
Resident Fellow at AEI, Contributor at CNBC and Former Commissioner of the U.S. Food & Drug Administration



**Helene Gayle, M.D., M.P.H.**  
CEO, Chicago Community Trust



**Julie Gerberding, M.D., M.P.H.**  
EVP/Chief Patient Officer, Merck



**Steven Hinrichs, M.D.**  
Chair of the Department of Pathology and Microbiology at the University of Nebraska Medical Center



**Michael Osterholm, M.D., Ph.D.**  
Director, Center for Infectious Disease Research at the University of Minnesota



**Stephen Ostroff, M.D.**  
Former Acting Commissioner, FDA ('15 to '16), and FDA chief scientist



**William Rutala, Ph.D., M.S., M.P.H.**  
Researcher



**Kate Walsh, Ph.D.**  
Dean and E.M. Statler Professor School of Hotel Administration at Cornell University



**Patrick Dahlgren, S.V.P. of Global Marine Operations and Fleet Optimization,**  
Royal Caribbean Group



**Robin Lindsay, E.V.P. of Vessel Operations,**  
Norwegian Cruise Line Holdings Ltd.



## A Breath of Fresh Air: Science Leads the Way for HVAC System

There's nothing like breathing fresh air while cruising the open ocean. But what happens once you step inside a cruise ship – how does air flow into a stateroom, a restaurant and other spaces on board? This is what we wanted to confirm and understand in detail.

At the recommendation of our Healthy Sail Panel, we worked with the University of Nebraska Medical Center (UNMC) and National Strategic Research Institute (NSRI), which specializes in bioaerosols (the study of airborne particles). The independent assessment called for billions of microspheres – simulating SARS-CoV-2 aerosols – to be released in separate locations across one of our ships.

The teams' work confirmed that the existing system's air handling units reduces the transmission of aerosol particles between spaces, so much so that it's exceptionally low and undetectable on surfaces and in the air in most test cases. This is thanks to the robust and efficient system originally designed into the ship for maximum ventilation, continual fresh air intake and filtration. To add layers of safety and further minimize the possibility of spread, the team from UNMC and NSRI recommended adjusting shipboard settings to allow for the maximum air changes per hour and upgrading to MERV 13 filters throughout the system. In the medical facility, already equipped with an independent ventilation system, HEPA filters have been added for extra precaution.

### How Does the System Work?

#### AIR FILTRATION

The HVAC systems on Royal Caribbean Group ships have frequent layers of filtration. Incoming air is filtered twice when it comes into the ship, including through a MERV 13 filter. It then branches out across the ship through the system to be filtered again in local areas, say your stateroom or the theater.

#### AIR VENTILATION

The ocean air is continuously drawn in from one side of the ship for cooling and ventilation as the existing air is exhausted on the opposite side of the ship. This constant intake of fresh air, combined with the other robust components of the HVAC system, allows for up to 12 air changes an hour in staterooms and 15-20 changes in public venues. This frequency is twice more than what is recommended for land-based public venues by ASHRAE, the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

We are committed to creating a safe and healthy environment where our guests can enjoy themselves, and our employees can thrive. This commitment extends to our land-based facilities, ships and private destinations, as well as seaport terminals and ports-of-call worldwide.



Our medical facilities at sea are staffed by doctors and nurses and are equipped with:



Pharmacy



Laboratory



X-Ray Machine



Ventilator



ICU Capability



Primary Caregivers for approximately **80,000** Crewmembers



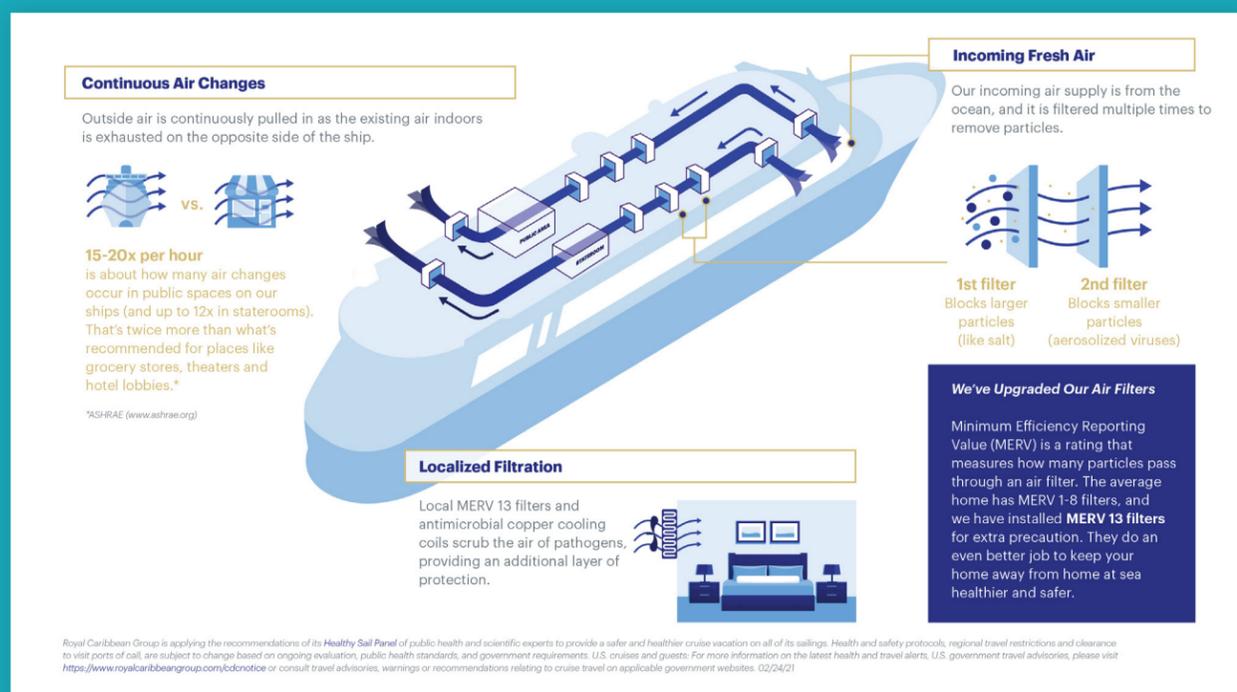
on their **USPH** inspections.

### The result of all of this focus and scientific methodology?

#### A FLEET OF SHIPS ON WHICH OUR GUESTS AND CREW CAN BREATHE EASY.

Royal Caribbean Group is built on innovation, relentless attention to detail and commitment to exceeding guests' expectations. With effective air management and by upgrading supply and exhaust filters to MERV 13 – coupled with everyone taking part in keeping each other as safe as possible by adopting today's common best practices – the potential of a virus like COVID-19 spreading on board is even lower. There's no more important investment in this ever-changing world than the health and safety of our guests, crew and the communities we visit.

Download the HVAC Air Quality Graphic



## Reinventing the Cruise Industry's Safety Drill

Gone are the day of a collective safety drill, one of the least-loved but most important parts of a cruise vacation. With our new Muster 2.0™, we introduced an entirely new approach to delivering safety information to guests. The innovative program, the first of its kind, reimagines a process originally designed for large groups of people into a faster, more personal approach that encourages higher levels of safety.

With Muster 2.0™, the key elements of the safety drill – including reviewing what to expect and where to go in case of an emergency, and instructions on how to properly use a life jacket – are accessible to guests on an individual basis instead of a group approach that has been followed historically.

New technology, eMuster™, will be used to help provide the information to guests via their mobile devices and interactive stateroom TVs. Travelers will be able to review the information at their own time prior to setting sail, eliminating the need for the traditional large group assemblies. The new approach also enables everyone on board to maintain better spacing as guests move about the ship, and it allows guests to enjoy more of their vacation with no interruption.

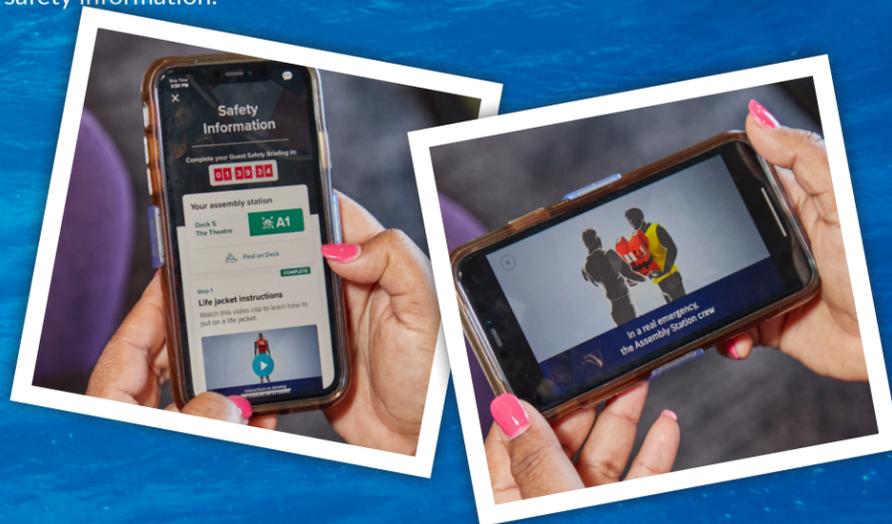
After reviewing safety information individually, guests will complete the drill by visiting their assigned assembly station, where a crew member will verify that all steps have been completed and answer questions. Each of the steps will need to be completed prior to the ship's departure, as required by international maritime law.

More than a year in the making, Muster 2.0™ marks the first dramatic change to the safety drill process in a decade, since Royal Caribbean's *Oasis of the Seas* moved the life jackets from guest staterooms to the muster stations, which improved the evacuation process and has been widely followed throughout the industry.

We worked with international regulators, the U.S. Coast Guard and other maritime and government authorities to ensure it meets all safety requirements.

In addition to introducing the new process on the ships of its own cruise lines, Royal Caribbean Group is offering to license the patented technology to interested cruise operators and will waive patent license fees during the time the world and industry battle the global pandemic.

Muster 2.0™ was first tested on Royal Caribbean's *Symphony of the Seas* in January 2020. Guests who took part in the mock process indicated a strong preference for the new approach and also reported better comprehension and retention of the safety information.



[Download the Safety and Security Fact Sheet](#)

Whether at sea or on land, our goal is to keep our guests and employees out of harm's way and ensure that they are prepared in the event of an emergency or security incident.



**Safety First**  
is our top priority.



Royal Caribbean Group  
is certified by **RAINN**.



We adhere to **Cruise Vessel  
Security and Safety Act**  
(CVSSA).



All shipboard  
security are equipped  
with **body cameras**.



A dedicated  
meteorologist is focused  
on **weather safety**.



We adhere to **IMO SOLAS**  
(Safety of Life at Sea).

All guests participate in a  
**safety "Muster" drill.**

**Crew members drill regularly**  
on fire, evacuation and medical.

### THE SAFETY COMMAND CENTER

Safety at sea evolved with the introduction of the Safety Command Center (SCC) on *Quantum of the Seas* and then again on *Celebrity Edge*. A direct result of RCG's Maritime Safety Advisory Board the SCC addresses the problem of an emergency distracting the ship's master from safely navigating the ship.

Its guiding principle, "partition to understand and integrate to solve," resulted in a design that breaks down incident response, physically and functionally, into a collection of "pods." Each pod, with its own specialty can act separately or as part of an integrated response depending on the incident. The "pods" include:

- > An Incident Pod, providing an overview of the problem and the necessary tools for fire safety, stability, HVAC, flood detection and automation as well as the necessary means to mobilize group coordinators.
- > An Evacuation Pod, linking the ship's master and staff captain to a dedicated team managing and carrying out any orders to leave the ship.
- > A Communication Pod to manage the vital task of external communication with outside support services.
- > A Command Pod, which can be isolated behind sliding glass doors that lead to the bridge, which allows the bridge to monitor crisis response as necessary or shut out distracting noise or activity to concentrate on navigation.

This configuration provides dedicated spaces for the various tasks that may be required by a safety incident, all funneling to a command space where the responders can gather, share damage assessments, view video evidence and drawings of affected areas and anything else required of a true incident command center from the start of the trouble until the ship returns to port. The innovative approach won the prestigious Royal Institution of Naval Architects (RINA) Maritime Safety Award.





## Reporting

Within our this section you will find in depth information, performance tables, policies and assurances which supports the contents of this report. For ongoing progress we invite you to visit [www.royalcaribbeangroup.com](http://www.royalcaribbeangroup.com).

- > [Scope](#)
- > [Our Methodology](#)
- > [Enterprise Risk Management](#)
- > [Stakeholder Engagement](#)
  
- > [Performance Tables](#)
- > [SASB Table](#)
- > [Assurance Statement](#)
- > [Ship Recycling Policy](#)
  
- > [Environmental Policy](#)
- > [Water Policy](#)
- > [GRI Content Index](#)

## Scope

This report represents Royal Caribbean Group's global operation as of FY 2020. Unless noted, goals and other data within the report reflect the following brands: Royal Caribbean International, Celebrity Cruises, Azamara and Silversea Cruises. This report was published in September 2021 and reflects our activities and performances for FY 2020.

This report uses terms, including those that the GRI Guidelines or SASB Index refer to as "material" topics, to reflect certain issues of importance. Used in this context, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting.

\*This report contains forward-looking statements, and actual results could differ materially. Past performance does not guarantee future results. Risk factors that could affect Royal Caribbean's results are included in our filings with the Securities and Exchange Commission, including our most recent reports on Form 10-Q and Form 10-K and earnings release.

## Our Methodology

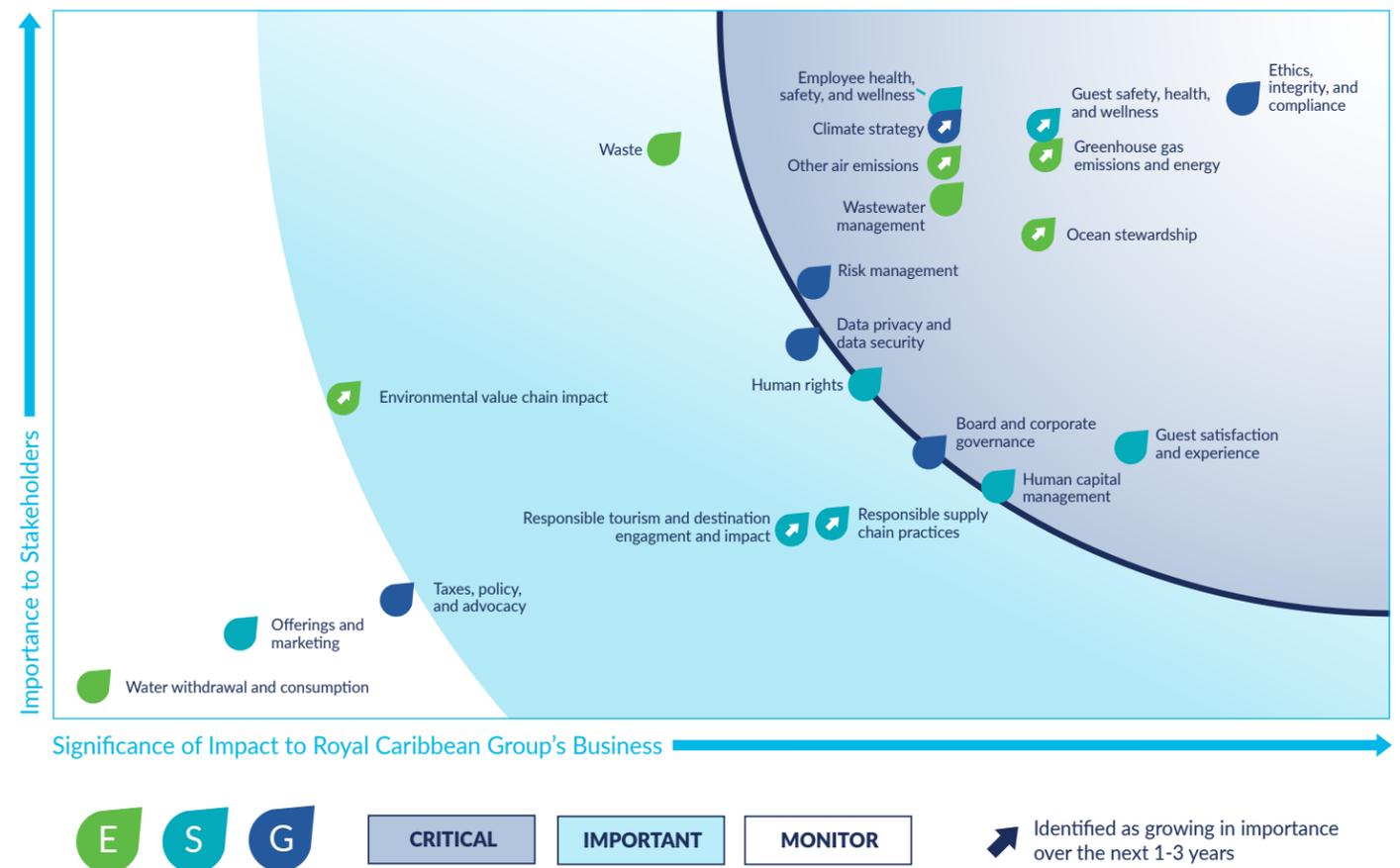
In 2020 we reassessed our most pressing Environmental, Social and Governance topics taking into account changing world views. In order to do so we identified key stakeholders and a set of more than 40 topics to evaluate across the following categories: Economic, Environmental, Labor Practices, Human Rights, Society and Product Responsibility.

We then conducted an internal assessment where, together with company leadership, including our Board of Directors, we considered the degree of both our actual and potential environmental, social and governance impacts; in addition to the level of stakeholder concern for the topics identified. Additionally, we engaged with external stakeholders to validate the preliminary findings from our internal assessments. This included surveying sample groups of our guests and employees; and conducting stakeholder interviews with non-governmental organizations, industry peers, suppliers and representatives from our destination communities. Based on the findings of the sustainability materiality matrix, we have structured the report to include disclosures on our management approach for topics of at least medium impact or concern.

### SUSTAINABILITY MATERIALITY MATRIX:

The following matrix serves as the foundation from which the report's content has been developed and provides a structure from which we can continue to expand upon our commitments to sustainability and sound stewardship.

*TOPICS GROUPED AND SCORED: Topic level results were grouped to arrive at a summarized view of the results. The groupings utilized the proximity of topics and the qualitative overlap of each topic.*



This Sustainability Materiality Matrix maps the issues that are most important for sustainability management and reporting based on the deemed level of concern to our stakeholders and the degree of Royal Caribbean Group's environmental, social and economic impacts.

## Enterprise Risk Management

As a leader in the industry, we provide millions of people with the greatest vacation experiences in an environmentally and socially responsible way. Our mission statement requires us to strive for continuous improvement in everything we do – and our approach to assessing and responding to risks and opportunities supports this mission. While our management team is responsible for the implementation and execution of risk management strategies, our Enterprise Risk Management (ERM) function within our Audit and Advisory Services department performs periodic enterprise-wide risk assessments (ERA) to identify and evaluate significant risks and opportunities that could impact the achievement of our business objectives. The ERA results are reported to Management, our Chief ESG Officer, the Executive Committee, and the Board of Directors for effective risk oversight and to promote an appropriate culture of risk management throughout the organization.

### The ERM function performs weekly monitoring of developments that could affect our top risks.

Our ERM function is led by our Chief Risk Officer who regularly updates the full Board and the Audit Committee with developments impacting our top enterprise risks. Our ERA includes a dynamic and global enterprise risk survey taken by over 100 leaders across the business, including the Audit Committee and individuals with health, safety, environmental, social, and governance responsibilities to measure risks across multiple risk dimensions. In addition, a series of cross-functional round-table discussions are held with participants to candidly discuss survey results and assess our current state of risk management capabilities. ERA findings are reported to the Executive Committee and Board of Directors.

We group our inventory of specific risks, sub-risks, and risk drivers, into broad categories that relate to risk types including but not limited to our financial performance, business operations, compliance with laws and regulations, corporate strategy, ESG topics, and cybersecurity & IT reliability. In addition, the ERM function performs weekly monitoring of developments that could affect our top risks, quarterly risk ecosystem check-ins with leaders of significant business areas; and, as needed, topic-specific risk management reviews are conducted together with teams across the organization. For example, to ensure ERM is integrated into the core of our ESG strategy, we assisted with our recent refresh of our ESG materiality matrix and incorporated the findings into our ERM program. Furthermore, a Risk Council is convened regularly to discuss emerging risks and ensure appropriate actions are being taken. The components of our ERM framework are informed by generally accepted components from widely used ERM frameworks and further enhanced by widely recognized ESG frameworks.



## Stakeholder Engagement

At Royal Caribbean Group, we serve a varied group of stakeholders, which include shareholders, guests, employees, suppliers, destination communities, policy makers, shoreside communities, travel agents, industry associations, non-governmental organizations and research institutions.

We prioritize and engage with our stakeholders in consideration of our respective economic, environmental and social impacts and dependencies. We utilize a variety of mechanisms to solicit feedback and respond to key topics and concerns from our stakeholders:



## 2018-2020 Performance Tables

### ECONOMIC

| KEY PERFORMANCE INDICATORS              | 2020      | 2019       | 2018      |
|---|-----------|------------|-----------|
| Revenues (in millions)                  | \$2,208.8 | \$10,950.6 | \$9,493.8 |
| Cruise operating expenses (in millions) | \$2,765.1 | \$6,062.7  | \$5,262.2 |

### ENVIRONMENTAL

| KEY PERFORMANCE INDICATORS  | 2020      | 2019      | 2018      |
|---|-----------|-----------|-----------|
| Greenhouse Gas (GHG) emissions (metric tonnes CO <sub>2</sub> e) <sup>1</sup> | 2,502,144 | 4,834,768 | 4,382,880 |
| Scope 1   | 2,493,579 | 4,820,278 | 4,369,021 |
| Scope 2 <sup>2</sup>  | 8,565     | 14,490    | 13,859    |
| Emissions intensity in kilograms of CO <sub>2</sub> e per ALB-km              | 0.334     | 0.244     | 0.228     |
| Energy consumption non-renewable fuels MWh                                    | 3,832,898 | 6,524,004 | 6,446,840 |
| Energy intensity per Available Passenger Cruise Days (APCD)                   | 0.449     | 0.157     | 0.168     |
| Emissions intensity per kg/APCD   | 292.9120  | 116.6904  | 114.0623  |
| Total SO <sub>x</sub> emissions (metric tonnes)                               | 103,215   | 285,167   | 260,628   |
| Total NO <sub>x</sub> emissions (metric tonnes)                               | 30,326    | 67,522    | 61,601    |
| Total Particulate Matter emissions (metric tonnes)                            | 3,133     | 7,453     | 6,807     |
| Solid waste-to-landfill (pounds per available cruise passenger day)           | 0.5       | 0.32      | 0.34      |
| Food waste (cubic meters)   | 28,141    | 75,520    | 74,193    |
| Total waste recycled (pounds in millions)                                     | 11.5      | 46.9      | 43.7      |
| Effluent quality for discharged process bilge water (parts per million)       | 1.5       | 1.5       | 1.5       |
| Number of ships with Advanced Water Purification Systems                      | 41        | 38        | 36        |

### SOCIAL

| KEY PERFORMANCE INDICATORS                       | 2020        | 2019   | 2018        |
|--|-------------|--------|-------------|
| Total number of employees                        | 85,396      | 82,319 | 76,708      |
| Total number of supervised workers <sup>3</sup>  | 5,525       | 5,737  | 12,371      |
| Employees working onboard our ships              | 78,453      | 74,240 | 69,492      |
| Employees working at our corporate offices       | 6,943       | 8,400  | 7,216       |
| Full-time employees                              | 85,315      | 82,194 | 76,607      |
| Part-time employees                              | 81          | 108    | 101         |
| Male employees                                   | 60,843      | 60,533 | 56,500      |
| Female employees                                 | 19,183      | 21,728 | 17,619      |
| Voluntary employee turnover                      |             |        |             |
| Employees working onboard our ships <sup>4</sup> | 3%          | 7%     | 5%          |
| Employees working at our corporate offices       | 9%          | 12%    | 12%         |
| Average training hours per employee              |             |        |             |
| Employees working on our ships                   | 11 hrs/year |        | 60 hrs/year |
| Employees working at our corporate offices       | 19 hrs/year |        | 24 hrs/year |

<sup>1</sup>Emissions are calculated using The Greenhouse Gas Protocol. Scope 1 emissions include fuels used to operate our ships. Emissions factors can be found in our annual responses to the CDP Climate Change Information Request.

<sup>2</sup>In 2013, we added offices that are leased but that we have direct control of energy management (consumption and payment) to our boundary based to our GHG emission consolidation method of "financial control".

<sup>3</sup>Supervised workers includes shipboard concessionaires workers, and does not include information technology contractors.

<sup>4</sup>Includes training specific to an employee's role in addition to Human Resources and Safety training.



## SASB Performance Tables

The Sustainability Accounting Standards Board (SASB) Standards guide the disclosure of financially material sustainability information by companies to their investors. We are using SASB to guide reporting on ESG topics that are relevant to our business.

| SASB CODE    | INDICATORS   | 2020   | NOTES  |
|--------------|--|--|--|
|              | <b>GREENHOUSE GAS EMISSIONS</b>  |  |  |
| TR-CL-110a.1 | Scope 1  | 2,493,579 metric tonnes of CO <sub>2</sub> e   | Our emissions are calculated using The Greenhouse Gas Protocol. Scope 1 emissions include fuels used to operate our ships. Emissions factors can be found in our annual responses to the CDP Climate Change Information Request. |
| TR-CL-110a.2 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | Reducing our emissions of greenhouse gases and other air pollutants is a critical part of our environmental stewardship strategy. Our strategy is to set ambitious internal objectives conform to our "above and beyond" approach to environmental regulations and sustainability matters. Both our long term and short term climate change strategy relies on (1) improving our operational efficiency and (2) use innovative approaches to address climate change related issues. Finally, our holistic approach to reducing our environmental impacts is fundamentally connected to ISO 140001. |  |
| TR-CL-110a.3 | Total Energy Consumed  | 13,798,433 GJ  | See energy conservation section of this report, pg 20  |
| TR-CL-110a.4 | Average EEDI for New Ships   | 14   |  |
|              | <b>AIR QUALITY</b>   |  |  |
| TR-CL-120a.1 | Total SO <sub>x</sub>  | 103,215 metric tonnes  | See Energy and Emissions section, Pg 18  |
| TR-CL-120a.1 | Total NO <sub>x</sub>  | 30,326 metric tonnes   | See Energy and Emissions section, Pg 18  |
| TR-CL-120a.1 | Total PM   | 3,133 metric tonnes  | See Energy and Emissions section, Pg 18  |
|              | <b>DISCHARGE MANAGEMENT AND ECO IMPACTS</b>  |  |  |
| TR-CL-160a.1 | Total Amount Discharged  | 5,444,800 cubic meter  | See our Waste and Water Fact Sheets in the Reporting section of this report.   |
| TR-CL-120a.1 | Treated  | 3,749,850 cubic meter  | See our Waste and Water Fact Sheets in the Reporting section of this report.   |
| TR-CL-120a.1 | %  | 69%  | See our Waste and Water Fact Sheets in the Reporting section of this report.   |
| TR-CL-160a.2 | % of Fleet with BWMS installed   | 81%  | This is inclusive of our wholly owned and operated brands.   |
| TR-CL-160a.3 | Number of Days sailing within marine protected areas   |  | We do not have a standardized method for capturing this data across our fleet. However, we are evaluating methods that will allow us to report this in the coming years.   |
| TR-CL-160a.4 | Number of notices of violations received for Dumping   | 0  | We received no notices of violations   |

## SOCIAL

| SASB CODE    | INDICATORS   | 2020   | NOTES  |
|--------------|--|--|--|
|              | <b>CUSTOMER HEALTH AND SAFETY</b>  |  |  |
| TR-CL-250a.1 | Number of alleged crime incidents involving passengers or employees  | 8  | All crimes reported using the CVSSA definition for reportable crimes for all RCG vessels regardless of the jurisdiction in which the ship was sailing or crime occurred.                 |
| TR-CL-250a.2 | Fleet average CDC Vessel Sanitation Program inspection score, percentage of inspections failed                           | 95   | See the Public Health section of this report, Pg 52  |
| TR-CL-250a.3 | (1) Serious injuries per million passengers and (2) number of voyages with a gastrointestinal illness count exceeding 2% | (1) Information not currently disclosed. (2) Zero voyages exceeding 2% | See the Public Health section of this report, Pg 52  |
|              | <b>LABOR PRACTICES</b>   |  |  |
| TR-CL-310a.1 | Average hourly wage for seafarers, by region   |  | Our shipboard teams have competitive compensation programs, many negotiated in collective bargaining agreements.   |
| TR-CL-310a.2 | Percentage of seafarers working maximum hours  |  | We follow the Maritime Labor Convention (MLC), an international standard which sets seafarers' rights to minimum working and living conditions.  |
| TR-CL-310a.3 | Percentage of seafarers paid for overtime  | Information not currently disclosed.                                   |  |
| TR-CL-310a.4 | Total amount of monetary losses as a result of legal proceedings associated with labor law violations                    |  | Our material legal proceedings are disclosed in our SEC reports. In 2020, we did not disclose any monetary losses as a result of legal proceedings associated with labor law violations. |
|              | <b>EMPLOYEE HEALTH &amp; SAFETY</b>  |  |  |
| TR-CL-320a.1 | Seafarer lost time incident rate (LTIR)  | Information not currently disclosed.                                   |  |
|              | <b>ACCIDENT MANAGEMENT</b>   |  |  |
| TR-CL-540a.1 | Number of Conditions of Class or Recommendations   | 219  |  |
| TR-CL-540a.2 | Number of port state control (1) deficiencies and (2) detentions   | 0  | This number reflects our global suspension of service which began March 2020 due to COVID-19.  |
| TR-CL-540a.3 | Number of marine casualties, percentage classified as very serious   |  |  |
|              | <b>ACTIVITY METRIC</b>   |  |  |
| TR-CL-000.A  | Available lower berth kilometers (ALB-km)  | 7,484,211,023  |  |
| TR-CL-000.B  | Available Passenger Cruise Days (APCD)   | 8,539,903  |  |
| TR-CL-000.C  | Number of shipboard employees  | 78,453   |  |
| TR-CL-000.D  | Cruise passengers  | 1,295,144  | Due to COVID-19 we suspended service in March 2020.  |
| TR-CL-000.E  | Number of vessel port calls  | 1,755  | Due to COVID-19 we suspended service in March 2020.  |





# STATEMENT

## Introduction

**DNV Business Assurance USA, Inc. (DNV)** has been commissioned by the management of Royal Caribbean Cruises Ltd. (RCL) to carry out an independent verification of its GHG emissions (Scope 1 and 2). These assertions are relevant to the 2020 calendar year.

## Verification Objective

The objective of this verification is to verify conformance with applicable verification criteria, including the principles and requirements of relevant standards or GHG programmes, within the scope of the verification; The organization's GHG inventory of GHG emissions; any significant changes in the organization's GHG inventory since the last reporting period; and the organization's GHG-related controls.

## Verification Scope

2020 Greenhouse Gas (GHG) emissions inventory Scope 1 and 2,  
Available lower berth double occupancy  
Distance travelled in kilometers for 2020

## Verification Level of Assurance

The verification was conducted by DNV to a limited level of assurance with the qualification reported in the below Verification Conclusions.

## Materiality Level

Errors / omissions which represent, single or aggregated, the 5% of total emissions are considered material.

## Verification Criteria



- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Scope 1 & 2)
- ISO14064-1:2006 - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

## Verification Protocols

- ISO 14064-3: 2006: Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

## Operational Boundary

- Financial control
- Global sites/Vessels
- Reporting Period: 1 January 2020 to 31 Dec 2020

## Data Verified

| Greenhouse Gas Emissions                          |                                 |
|---|---------------------------------|
| Scope 1 Emissions                                 | 2,493,579 (MtCO <sub>2</sub> e) |
| Scope 2 Emissions (Location based)                | 8,565 (MtCO <sub>2</sub> e)     |
| Scope 2 Emissions (Market based)                  | 8,690 (MtCO <sub>2</sub> e)     |
| Number of Available lower berth double occupancy: | 122,172                         |
| Distance travelled in kilometers for 2020:        | 2,967,473                       |

## Assurance Opinion

Based on the verification process conducted by DNV, we provide a Limited Assurance of the GHG Emissions Inventory for RCL. DNV found no evidence that the assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions information; and
- is not prepared in accordance with the *Reporting Criteria*

## Independence

DNV was not involved in the preparation of any part of RCL's data or report. We adopt a balanced approach towards all stakeholders when performing our evaluation.



DNV Business Assurance USA, Inc.  
July 13, 2021

Lead Verifier  
**Shruthi Poonacha Bachamanda**

Technical Reviewer  
**Weidong Yang**

Approver  
**Kathleen Wybourn**  
Director Supply Chain & Assurance Services

The purpose of the DNV group of companies is to promote safe and sustainable futures. The USA & Canada Sustainability team is part of DNV Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnvgl.com/sustainability](http://www.dnvgl.com/sustainability)



Royal Caribbean Group

## Ship Recycling Policy

Royal Caribbean Group recognizes that proper ship recycling is fundamental to the safety of personnel, protection of the environment and proper waste management policies. The Group identifies best-in-class certified maritime vessel retirement solutions worldwide for recycling retired ships, further supporting the commitment to a sustainable cruise industry.

Royal Caribbean Group commits to recycle each of its ships in line with the highest global standards established regardless of flag or operational area. We recognize the relevant provisions of the International Maritime Organization's (IMO) Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, the standards set forth by the European Union's (EU) Ship Recycling Regulations, and the International Labor Organization (ILO). Regardless of flag or area of operations, each of the Group's ships will comply with the requirements of EU Ship Recycling directive, including completing an Inventory of Hazardous Materials (IHM) Part I survey, which will be maintained through the life of the ship.

For ships that are being considered for recycling, Royal Caribbean Group commits to utilize an EU-Approved ship recycling facility and adhere to the additional requirements of the EU Directive. Requirements include a completed IHM Parts II and III and providing other relevant certificates and procedures pertaining to ship recycling including safety, labor and environmental requirements prior to delivery to the contracting recycling shipyard. During the recycling process, a third-party supervisor will be on-site to ensure compliance with all safety and environmental requirements.

**Richard Fain**  
Chairman & CEO  
Royal Caribbean Group





Royal Caribbean Group

## Environmental Policy

We are a global cruise company. We control and operate four global cruise brands: Royal Caribbean International, Celebrity Cruises, Azamara and Silversea Cruises (collectively, our "Global Brands"). We also own a 50% joint venture interest in TUI Cruises GmbH ("TUIC"), that operates the German brands TUI Cruises and Hapag-Lloyd Cruises (collectively, our "Partner Brands"). Together, our Global Brands and our Partner Brands operate a combined total of 61 ships in the cruise vacation industry with an aggregate capacity of approximately 137,930 berths as of December 31, 2020.

We have a responsibility to the guests who sail with us, the people who work for us, and the communities we visit, but most critically we have a responsibility to the oceans, which are at the very essence of our business. We recognize that environmental degradation and climate change is a serious global problem. Our Save the Waves® program, which was established in 1992 is our company-wide philosophy of social responsibility and sustainability practices that guide many facets of our business and rests on four key principles:

- (1) RRR- Reduce the generation of waste material, Re-use and Recycle wherever possible, and properly dispose of waste;
- (2) PPP Practice Pollution Prevention such as strictly forbidding employees and guests from throwing anything overboard,
- (3) ABC- go Above and Beyond Compliance requirements – doing more than regulations require and
- (4) CI Continuously Improve – encouraging and rewarding innovation.

### SCOPE

Our environmental policy is applicable to the following:

- Our own operations.
- Our supply chain.
- Our partners.
- Our customers.

### GOVERNANCE

- Our Safety Environment and Health Committee oversees the implementation and monitoring of our environmental performance and progress and reviews our programs and policies relative to sustainability and our environmental sustainability reporting.
- We measure and manage our environmental impact throughout our operations.
- We set and review annual targets to achieve long-term objectives.
- We conduct external third party and internal audits of our EMS and seek external third-party validation. 75% or our ships are accredited to ISO 14001 (Environmental management), ISO 9001 (Quality Management) and ISO 50001 (Energy Management).

### ENVIRONMENTAL OBJECTIVES

We commit to achieve the following objectives to reduce our impact on the environment and take action on climate change.

- Integrate environmental risk in our corporate risk identification and management
- Review and update our materiality assessment periodically to consider new or emerging significant issues
- Exceed or comply with Regulations requirements <https://www.rclcorporate.com/environment/>
- Reduce our carbon footprint intensity by 25% from our 2019 baseline <https://sustainability.rclcorporate.com/purpose/>
- Treat our waste water with the highest standards <https://sustainability.rclcorporate.com/reporting/>
- Achieve a goal close to zero landfill <https://sustainability.rclcorporate.com/purpose/>
- Preserve Biodiversity <https://sustainability.rclcorporate.com/stories/ocean-and-wildlife-conservation/>
- Reduce our water usage and bunkering whenever possible <https://sustainability.rclcorporate.com/reporting/>
- Focus on continuous improvement <https://www.rclcorporate.com/environment/>
- Commit to more efficient ship designs <https://sustainability.rclcorporate.com/purpose/>

### TRACKING AND MEASURING

We report our progress on our sustainability report which is publicly available at <https://sustainability.rclcorporate.com/reporting/> and includes 8 targets and metrics critical to our "Save the Waves" program for 2020 and our alignment with 14 SDN goals.

We have set out these objectives which is communicated to our staff members, suppliers, partners through our website and intranet. To ensure that we deliver or exceed our environmental objectives, we have setup an internal quarterly review of our progress. The Environmental Stewardship team is responsible for the implementation of our environmental actions.

**Richard Fain**  
Chairman & CEO  
Royal Caribbean Group



Royal Caribbean Group

## Water Policy

We are a global cruise company. We control and operate four global cruise brands: Royal Caribbean International, Celebrity Cruises, Azamara and Silversea Cruises (collectively, our "Global Brands"). We also own a 50% joint venture interest in TUI Cruises GmbH ("TUIC"), that operates the German brands TUI Cruises and Hapag-Lloyd Cruises (collectively, our "Partner Brands"). Together, our Global Brands and our Partner Brands operate a combined total of 61 ships in the cruise vacation industry with an aggregate capacity of approximately 137,930 berths as of December 31, 2020.

We have a responsibility to the guests who sail with us, the people who work for us, and the communities we visit, but most critically we have a responsibility to the oceans, which are at the very essence of our business. Our Save the Waves® program, which was established in 1992 is our company-wide philosophy of social responsibility and sustainability practices that guide many facets of our business and rests on four key principles:

- (1) RRR- Reduce the generation of waste material, Re-use and Recycle wherever possible, and properly dispose of waste;
- (2) PPP Practice Pollution Prevention such as strictly forbidding employees and guests from throwing anything overboard,
- (3) ABC- go Above and Beyond Compliance requirements – doing more than regulations require and
- (4) CI Continuously Improvement – encouraging and rewarding innovation.

We recognize that water scarcity and water quality is a serious global problem. Our water goal strategy is to focus on improving our water use efficiency, reducing water bunkering and encouraging onboard water production.

### OUR OBJECTIVES ARE

To reduce or avoid water bunkering in areas presenting an "extremely high" water risk by 2020 and include areas presenting a "high" water risk in subsequent years. The risk level is based on the water risk indicator developed by the World Resources Institute Aqueduct Project <https://www.wri.org/applications/aqueduct/country-rankings/>.

- Implement technologies that will improve our onboard water production capabilities
  - > Install high efficiency Reverse osmosis plants
  - > Upgrade existing plants with more efficient ones
- Implement technologies that will improve our water use efficiency
  - > Additional water saving shower heads and aerators for faucets
- Foster the use of techniques that will optimize water cycles onboard our ships
  - > Utilizing waste water from AWP as a substitute for technical water on non-critical systems for example
    - Use AWP water as closed loop scrubber water
  - > Utilize A/C condensate for laundry water

### SCOPE

Our water policy is applicable to water production, consumption and bunkering onboard our ships.

### TRACKING AND MEASURING

We report our progress on our sustainability report which is publicly available at <https://sustainability.rclcorporate.com/reporting/>

We have set out these objectives which is communicated to our staff members, suppliers, partners through our website and intranet. To ensure that we deliver or exceed our environmental objectives, we have setup an internal annual review of our progress. The Environmental Stewardship team is responsible for the implementation of our water actions.

**Richard Fain**  
Chairman & CEO  
Royal Caribbean Group





## GRI Content Index

To facilitate stakeholders in understanding and benchmarking our corporate responsibility performance, our reporting follows the Global Reporting Initiative disclosure framework, which is an internationally recognized set of indicators for economic, environmental and social aspects of business performance. GRI guidelines help companies in selecting material content and key performance indicators. For additional information, please visit [www.globalreporting.org](http://www.globalreporting.org).

Please note that the GRI Content Index directs readers to sections within our 2020 Sustainability Report in addition to our 2020 Annual Report, CDP 2020 Climate Change Information Request response, Corporate Governance website and other relevant public documents and websites. We also provide direct answers to further assist the reader.

### I. GENERAL STANDARD DISCLOSURES:

| INDICATOR                     | DESCRIPTION   | LOCATION   |
|-------------------------------|---|--|
| <b>Strategy and Analysis</b>  |   |  |
| GRI 102-14                    | Statement from the most senior decision-maker about the relevance of sustainability and organization's strategy             | <a href="#">Message from our CEO</a>   |
| <b>Organizational Profile</b> |   |  |
| GRI 102-1                     | Name of the organization  | Royal Caribbean Cruises Ltd.   |
| GRI 102-2                     | Primary brands, products and services   | <a href="#">2020 Annual Report</a>   |
| GRI 102-3                     | Location of the organization's headquarters   | Our corporate headquarters are located at 1050 Caribbean Way; Miami, Florida 33132.  |
| GRI 102-4                     | Number of countries where the organization operates   | Our ships offer a wide selection of itineraries that call on approximately 535 destinations in 105 countries, spanning all seven continents. |
| GRI 102-5                     | Nature of ownership and legal form  | Royal Caribbean Cruises Ltd. is a publicly-traded company.   |
| GRI 102-6                     | Markets served, and types of customers and beneficiaries  | <a href="#">2020 Annual Report</a> ("Our Six Brands", p.7)   |
| GRI 102-7                     | Scale of the organization   | <a href="#">Who We Are</a>   |
| GRI 102-8                     | Total number of employees by employment contract and gender   | <a href="#">2018-2020 Performance Tables</a>   |
| GRI 102-41                    | Percentage of total employees covered by collective bargaining agreements   | As of December, 2020, approximately 85% of employees were covered under collective bargaining agreements.                                    |
| GRI 102-9                     | Description of supply chain   | <a href="#">Supply Chain</a>   |
| GRI 102-10                    | Significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain | There were no significant changes during the reporting period.   |
| GRI 102-11                    | Whether and how the precautionary approach or principle is addressed by the organization                                    | <a href="#">Risk Management</a><br><a href="#">Environment</a><br><a href="#">Oceans</a>   |

| INDICATOR   | DESCRIPTION  | LOCATION  |
|---|--|---|
| GRI 102-12  | Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses  | <a href="#">Our Employees</a>   |
| GRI 102-13  | Memberships in associations and national/international advocacy organizations  | <a href="#">Stakeholder Engagement</a><br><a href="#">Our Leadership</a>  |
| <b>Identified Material Aspects and Boundaries</b> |  |   |
| GRI 102-45  | All entities included in the organization's consolidated financial statements or equivalent documents  | <a href="#">2020 Annual Report</a> ("Our Six Brands", p. 1)   |
| GRI 102-46  | Process for defining the report content and the Aspect Boundaries; and how the organization has implemented the Reporting Principles for Defining Report Content   | <a href="#">Materiality</a>   |
| GRI 102-47  | All the material aspects identified in the process for defining report content   | Material aspects and boundaries are disclosures in the Specific Standard Disclosures within the GRI Content Index. ("Materiality Matrix", p. 45)  |
| GRI 103-1   | The aspect boundary for each material aspect within the organization and whether the aspect is material for all entities within the organization. Our reporting boundaries only include entities for which we have financial control | Material aspects and boundaries are disclosures in the Specific Standard Disclosures within the GRI Content Index.  |
| GRI 103-1   | Whether the aspect boundary for each material aspect outside the organization  | Material aspects and boundaries are disclosures in the Specific Standard Disclosures within the GRI Content Index.  |
| GRI 102-48  | Effect of any restatements of information provided in previous reports, and the reasons for such restatements  | There were no known, material restatements of information in our 2020 Sustainability Report.  |
| GRI 102-49  | Significant changes from previous reporting periods in the Scope and Aspect Boundaries   | There were no significant changes during the reporting period.  |
| <b>Stakeholder Engagement</b>                     |  |   |
| GRI 102-40  | List of stakeholder groups engaged by the organization   | <a href="#">Stakeholder Engagement</a>  |
| GRI 102-42  | Basis for identification and selection of stakeholders with whom to engage   | <a href="#">Stakeholder Engagement</a>  |
| GRI 102-43  | Organization's approach to stakeholder engagement  | <a href="#">Stakeholder Engagement</a>  |
| GRI 102-44  | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns  | <a href="#">Stakeholder Engagement</a><br><a href="#">Materiality</a>   |
| <b>Report Profile</b>                             |  |   |
| GRI 102-50  | Reporting period for information provided  | Our reporting period is calendar year 2020.   |
| GRI 102-51  | Date of most recent previous report  | <a href="#">2019 Sustainability Report</a>  |
| GRI 102-52  | Reporting cycle  | Annual  |
| GRI 102-53  | Contact point for questions regarding the report or its contents   | <a href="mailto:sustainability@rccl.com">sustainability@rccl.com</a>  |
| GRI 102-54  | GRI Index with "in accordance" option chosen and references to External Assurance Reports  | We have self-reported in accordance with the GRI Standards.   |
| GRI 102-56  | Organization's policy and current practice with regard to seeking external assurance for the report  | We received assurance for our greenhouse gas emissions during the reporting period for Scope 1 and 2 greenhouse gas emissions. (Additional information can be found in our 2020 report <a href="#">Climate Change Investor response</a> , Questions CC8.6, 8.7 and 8.8) |
| <b>Governance</b>                                 |  |   |
| GRI 102-18  | Governance structure of the organization, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts  | <a href="#">Strategy and Governance</a><br>Additional information on our Corporate Governance Website (" <a href="#">Committee Composition</a> .")  |
| <b>Ethics and Integrity</b>                       |  |   |
| GRI 102-16  | Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics   | <a href="#">Compliance and Ethics</a>   |



II. SPECIFIC STANDARD DISCLOSURES:

A. DISCLOSURES ON MANAGEMENT APPROACH

| MATERIAL ASPECTS                          | LOCATION   | MATERIAL WITHIN THE ORGANIZATION | MATERIAL OUTSIDE THE ORGANIZATION | RELEVANCE OUTSIDE THE ORGANIZATION   |
|---|--|----------------------------------|-----------------------------------|--|
| <b>1. Economic Boundaries</b>             |  |                                  |                                   |  |
| Economic Performance                      | <a href="#">2020 Annual Report</a>                   | ●                                | ●                                 | Our economic performance is relevant to our investors, employees, communities and suppliers.   |
| Market Presence                           | <a href="#">Our Employees</a>                        | ●                                | ●                                 | Our presence as a local employer is relevant to our employees and communities of operation.  |
| Indirect Economic Impacts                 | <a href="#">Introduction Where We Operate</a>        | ●                                | ●                                 | Our indirect economic impacts are relevant to our guests and destination communities.  |
| Procurement Practices                     | <a href="#">Supply Chain</a>                         | ●                                | ●                                 | Our procurement practices are relevant to our guests, suppliers and destination communities.   |
| <b>2. Environmental</b>                   |  |                                  |                                   |  |
| Energy                                    | <a href="#">Environment</a>                          | ●                                | ●                                 | Our energy consumption is relevant to all stakeholders including the destinations communities that our ships visit.  |
| Water                                     | <a href="#">Environment</a>                          | ●                                | ●                                 | Our water stewardship measures are relevant to all stakeholders including the destinations communities that our ships visit.                                       |
| Biodiversity                              | <a href="#">Introduction Our Destinations Oceans</a> | ●                                | ●                                 | Biodiversity relevant to all stakeholders including the destinations communities that our ships visit.   |
| Emissions                                 | <a href="#">Environment</a>                          | ●                                | ●                                 | Our emissions from operations are relevant to all stakeholders including the destinations communities that our ships visit.  |
| Effluents and Waste                       | <a href="#">Environment</a>                          | ●                                | ●                                 | Our handling of effluents and waste is relevant to all stakeholders including the destinations communities that our ships visit.                                   |
| Compliance                                | <a href="#">Compliance and Ethics</a>                | ●                                | ●                                 | Environmental compliance is relevant to all stakeholders including the destinations communities that our ships visit.  |
| Supplier Environmental Assessment         | <a href="#">Supply Chain</a>                         | ●                                | ●                                 | Our environmental assessments of suppliers are relevant to our guests, suppliers and communities.  |
| <b>3. Labor Practices and Decent Work</b> |  |                                  |                                   |  |
| Employment                                | <a href="#">Our Employees</a>                        | ●                                | ●                                 | Our employment practices are relevant to our investors, guests and communities.  |
| Labor and Management Relations            | <a href="#">Our Employees</a>                        | ●                                | ●                                 | With approximately 86% of our workforce covered by collective bargaining agreements, labor and management relations are relevant to our investors and communities. |
| Occupational Health and Safety            | <a href="#">Health &amp; Safety</a>                  | ●                                | ●                                 | Occupational health and safety is relevant to our investors and communities.   |
| Training and Education                    | <a href="#">Our Employees</a>                        | ●                                | ●                                 | Training and education is relevant to our investors and communities.   |
| Diversity and Equal Opportunity           | <a href="#">Our Employees</a>                        | ●                                | ●                                 | Diversity and equal opportunity is relevant to our investors and communities.  |
| Supplier Assessment for Labor Practices   | <a href="#">Supply Chain</a>                         | ●                                | ●                                 | Our assessments of supplier labor practices are relevant to our guests, suppliers and communities.   |
| <b>4. Human Rights</b>                    |  |                                  |                                   |  |
| Supplier Human Rights Assessment          | <a href="#">Supply Chain</a>                         | ●                                | ●                                 | Our human rights assessments of suppliers are relevant to our guests, suppliers and communities.   |

| MATERIAL ASPECTS                 | LOCATION   | MATERIAL WITHIN THE ORGANIZATION | MATERIAL OUTSIDE THE ORGANIZATION | RELEVANCE OUTSIDE THE ORGANIZATION  |
|----------------------------------|--|----------------------------------|-----------------------------------|---|
| <b>5. Society</b>                |  |                                  |                                   |   |
| Local Communities                | <a href="#">Our Offices Our Destinations</a>                             | ●                                | ●                                 | Local community impacts are relevant to all stakeholders, particularly the communities where we operate.              |
| Anti-Corruption                  | <a href="#">Compliance and Ethics</a>                                    | ●                                | ●                                 | Anti-Corruption is relevant to our communities, investors and guests.   |
| Public Policy                    | <a href="#">Our Leadership Cruise Industry Regulations and Standards</a> | ●                                | ●                                 | Public policy engagement is relevant to all stakeholders including the destinations communities that our ships visit. |
| <b>6. Product Responsibility</b> |  |                                  |                                   |   |
| Customer Health and Safety       | <a href="#">Health, Safety and Security</a>                              | ●                                | ●                                 | In our materiality assessment, we learned food safety was increasingly a topic of stakeholder concern.                |
| Product and Service Labeling     | <a href="#">Our Guests</a>   | ●                                | ●                                 | Customer satisfaction is relevant to guests and investors.  |
| Customer Privacy                 | <a href="#">Risk Management</a>  | ●                                | ●                                 | The protection of customer data privacy is relevant to guests and investors.  |
| Compliance                       | <a href="#">Compliance and Ethics</a>                                    | ●                                | ●                                 | Compliance is relevant to our guests, investors and communities.  |

B. PERFORMANCE INDICATORS

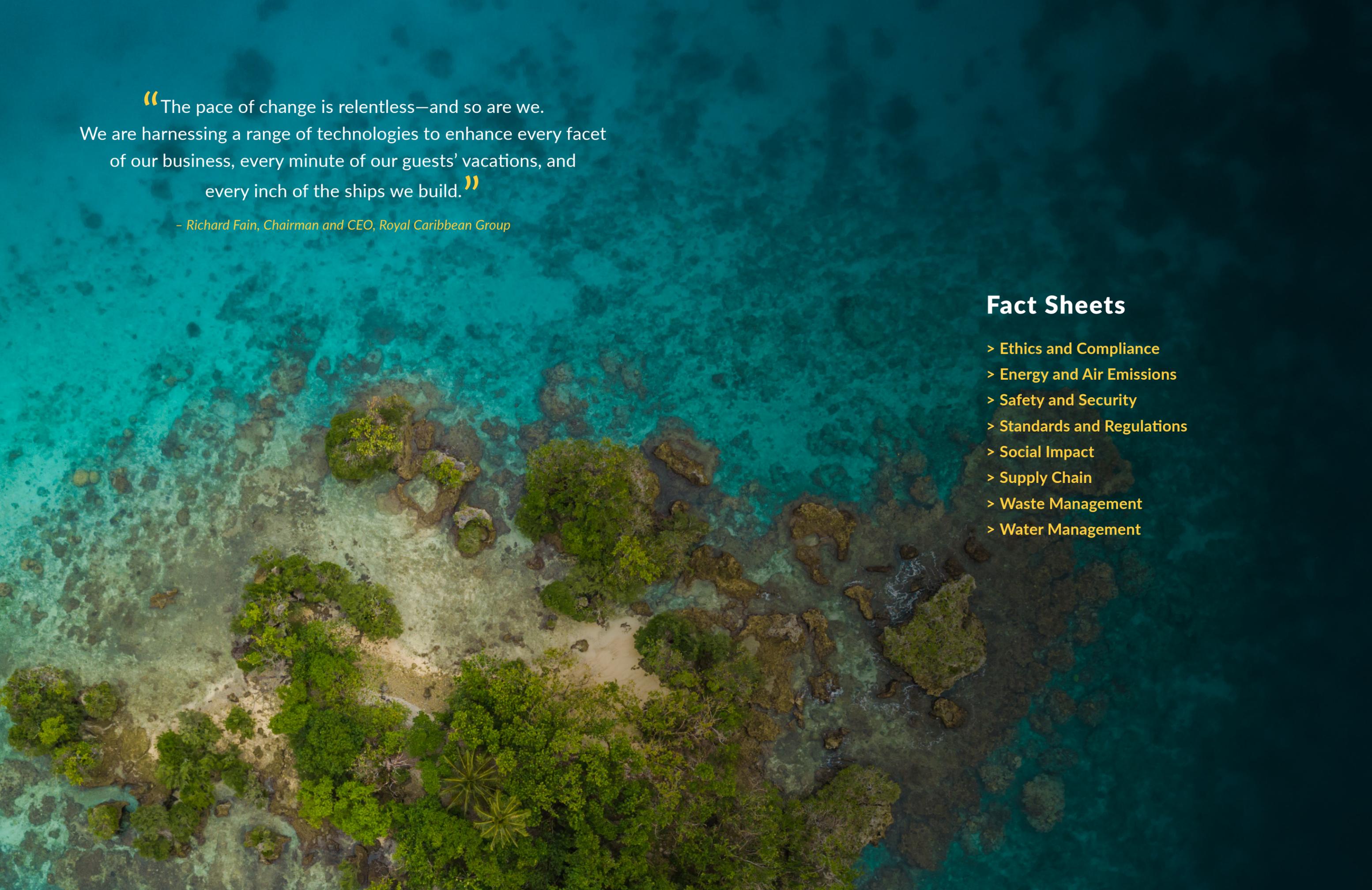
| MATERIAL ASPECTS          | GRI INDICATORS |  | LOCATION  |
|---------------------------|----------------|--|---|
| <b>1. Economic</b>        |                |  |   |
| Economic Performance      | GRI 201-1      | Direct economic value generated and distributed  | <a href="#">2018-2020 Performance Tables</a><br>This indicator is partially reported.   |
|                           | GRI 201-2      | Financial implications and other risks and opportunities for the organization's activities due to climate change | <a href="#">CDP 2020 Climate Change Investor Response</a> , Questions CC5 and CC6   |
|                           | GRI 201-3      | Coverage of the organization's defined benefit plan obligations  | Benefits vary across countries and brands. Information on annual pension expenses can be found in our <a href="#">2020 Annual Report</a> ("Note 11. Retirement Plan", p. 83)<br>This indicator is partially reported. |
| Market Presence           | GRI 202-2      | Proportion of senior management hired from the local community at significant locations of operation             | <a href="#">Our Employees</a><br>This indicator is partially reported.  |
| Indirect Economic Impacts | GRI 203-1      | Development and impact of infrastructure investments and services supported                                      | <a href="#">Introduction Our Employees Our Destinations</a>   |
| Procurement Practices     | GRI 204-1      | Proportion of spending on local suppliers at significant locations of operation                                  | <a href="#">Supply Chain</a><br>This indicator is partially reported.   |



| MATERIAL ASPECTS                          | GRI INDICATORS |  | LOCATION   |
|---|----------------|--|--|
| <b>2. Environmental</b>                   |                |  |  |
| Energy                                    | GRI 302-1      | Energy consumption within the organization   | <a href="#">2018-2020 Performance Tables</a>   |
|   | GRI 302-3      | Energy intensity   | <a href="#">2018-2020 Performance Tables</a>   |
| Water                                     |                | Total water withdrawal by source   | <a href="#">2018-2020 Performance Tables</a><br>This indicator is partially reported.  |
| Biodiversity                              | GRI 304-4      | Habitats protected and restored  | <a href="#">Our Destinations</a><br>This indicator is partially reported.  |
| Emissions                                 | GRI 305-1      | Direct greenhouse gas (GHG) emissions (Scope 1)  | <a href="#">2018-2020 Performance Tables</a><br>✓ Assured by third-party verifier  |
|   | GRI 305-2      | Energy indirect greenhouse gas (GHG) emissions (Scope 2)   | <a href="#">2018-2020 Performance Tables</a><br>✓ Assured by third-party verifier  |
|   | GRI 305-3      | Energy indirect greenhouse gas (GHG) emissions (Scope 3)   | <a href="#">CDP 2018 Climate Change Investor Response, Question CC14.1</a>   |
|   | GRI 305-4      | Greenhouse gas (GHG) emissions intensity   | <a href="#">2018-2020 Performance Tables</a><br><a href="#">Environment</a>  |
|   | GRI 305-5      | Reduction of greenhouse gas (GHG) emissions  | <a href="#">CDP 2018 Climate Change Investor Response, Question CC3.3b</a>   |
|   | GRI 305-7      | NOx, SOx and particulate matter emissions  | <a href="#">2018-2020 Performance Tables</a>   |
| Effluents and Waste                       | GRI 306-2      | Proportion of spending on local suppliers at significant locations of operation  | <a href="#">2018-2020 Performance Tables</a><br>This indicator is partially reported.  |
| Compliance                                | GRI 307-1      | Proportion of spending on local suppliers at significant locations of operation  | There were no significant fines or non-monetary sanctions for non-compliance recorded in 2020.   |
| Supplier Environmental Assessment         | GRI 308-1      | Proportion of spending on local suppliers at significant locations of operation  | <a href="#">Supply Chain</a><br>This indicator is partially reported.  |
| <b>3. Labor Practices and Decent Work</b> |                |  |  |
| Employment                                | GRI 401-1      | Employee turnover  | <a href="#">Supply Chain</a><br>This indicator is partially reported.  |
|   | GRI 401-2      | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations  | <a href="#">Royal Corporate Careers</a> website (containing information on benefits provided to part-time and temporary employees)<br>This indicator is partially reported.          |
| Labor and Management Relations            | GRI 402-1      | Minimum notice periods regarding operational changes   | Minimum notice periods vary across collective agreements.  |
| Occupational Health and Safety            |                | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | 100% of our at sea employees are represented by formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. |

| MATERIAL ASPECTS                        | GRI INDICATORS     |   | LOCATION  |
|---|--------------------|---|---|
| Training and Education                  | GRI G4-LA9         | Average hours of training per employee  | <a href="#">2018-2020 Performance Tables</a>  |
|   | GRI G4-LA11        | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category  | Managers were expected to conduct performance and career development reviews with all of their employees during the reporting period.   |
| Diversity and Equal Opportunity         | GRI G4-LA12        | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity | <a href="#">2018-2020 Performance Tables</a> (Employees) This indicator is partially reported.<br><a href="#">2020 Proxy Statement</a> (Board of Directors) This indicator is partially reported. |
| Supplier Assessment for Labor Practices | GRI G4-LA14        | Percentage of new suppliers that were screened using labor practices criteria   | <a href="#">Supply Chain</a><br>This indicator is partially reported.   |
| <b>4. Human Rights</b>                  |                    |   |   |
| Supplier Human Rights Assessment        | GRI 414-1          | Percentage of new suppliers that were screened using human rights criteria  | <a href="#">Supply Chain</a><br>This indicator is partially reported.   |
| <b>5. Society</b>                       |                    |   |   |
| Local Communities                       | GRI 413-1          | Percentage of operations with implemented local community engagement, impact assessments and development programs   | All operations had local community engagement programs during the reporting period.   |
| Anti-Corruption                         | GRI 205-2          | Communication and training on anti-corruption policies and procedures   | <a href="#">Compliance and Ethics</a>   |
| Public Policy                           | GRI 415-1          | Total value of political contributions by country and recipient/beneficiary   | <a href="#">Political Contributions Policy</a><br>This indicator is partially reported.   |
| <b>6. Product Responsibility</b>        |                    |   |   |
| Customer Health and Safety              | GRI 416-1          | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement   | Health and safety impacts are assessed for improvement for all products and services.   |
| Product and Service Labeling            | GRI 102-43, 102-44 | Results of surveys measuring customer satisfaction  | <a href="#">Our Guests</a>  |
| Customer Privacy                        | GRI 418-1          | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data   | <a href="#">Risk Management</a><br>This indicator is partially reported.  |
| Compliance                              | GRI 419-1          | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services                                    | There were no significant fines during the reporting period.  |





“The pace of change is relentless—and so are we.  
We are harnessing a range of technologies to enhance every facet  
of our business, every minute of our guests’ vacations, and  
every inch of the ships we build.”

– Richard Fain, Chairman and CEO, Royal Caribbean Group

## Fact Sheets

- > Ethics and Compliance
- > Energy and Air Emissions
- > Safety and Security
- > Standards and Regulations
- > Social Impact
- > Supply Chain
- > Waste Management
- > Water Management



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