



## 2014 SUSTAINABILITY REPORT



## MESSAGE FROM OUR CEO



At Royal Caribbean Cruises Ltd., the oceans are part of who we are.

On our 43 ships, 60,000 crew members host more than 5,000,000 guests on cruise vacations each year.

Earning our living at sea gives us all a sense of responsibility about sustainable business practices.

The focus is not new: our mantra is continuous improvement and we continuously seek to advance our safety and environmental practices. We have made real progress – but the journey is never-ending.

This is our seventh annual sustainability report, and this is our second year adopting the internationally recognized GRI G4 reporting guidelines. It reflects input from both internal and external experts, who helped us prioritize reporting of social, economic and environmental topics that are deeper and broader than ever before. It contains detailed information on our 2014 results; I will call out a few of the most pertinent ones here.

- In November 2014, we launched *Quantum of the Seas*, our 43rd ship, which incorporated the most advanced design practices for environmental efficiency ever. Quantum offers best-ever energy efficiency, state-of-the-art waste treatment – and not a single incandescent light bulb.
- Our advanced emissions purification project got underway in 2014 – a process that will result in the retrofitting of 19 older ships with innovative technology that removes up to 97 percent of sulfur dioxide emissions before they can be released into the air.
- We also continued to make progress toward our 2015 Save the Waves goals: exceeding our waste-to-landfill reduction target one year ahead of schedule and achieving an additional 1.3% reduction in greenhouse gas emissions per available cruise passenger days.
- And we advanced our commitment to destination stewardship with the launch of the Sustainable Destinations Alliance for the Americas – the largest public and private effort to focus on destination sustainability in the Americas and the Caribbean.

But even as 2014 goes into the books, we must continue to challenge ourselves to do better. As of this writing we are planning new ways to reduce greenhouse gas emissions and designing updated Save the Waves goals for the next decade.

Delivering on these commitments is a technical challenge. More importantly, it is a call to action for all of the dedicated men and women of RCL, who must bring our determination to life every day, everywhere we sail. I invite you to learn more.

Every day, around the world, our highly capable men and women from more than 137 countries work hard to deliver unforgettable vacation moments to our guests onboard our 43 ships and across nearly 500 destinations. It is the steadfast commitment of our employees that make all efforts described in the Report possible.

I invite you to learn more about our progress and ongoing efforts on our journey to truly make a difference and achieve measurable impact.

**Richard D. Fain**  
Chairman & Chief Executive Officer  
Royal Caribbean Cruises Ltd.



## MESSAGE FROM A BOARD MEMBER

As a member of the Board of Directors of Royal Caribbean for more than a decade and as Chairman of the Board's Safety, Environment and Health Committee, I have a clear window into the company's history of deepening commitment, careful stocktaking and goal setting. More than most businesses, the cruise industry owes its success to its passengers' encounter with unspoiled nature, healthy seas, ecosystems and clean air. Royal Caribbean's leadership is profoundly conscious of that dependence and determined to ensure that its impact is positive on the waters its ships ply and on the destinations they visit.

The significant progress in defining ambitious metrics of environmental stewardship, guest and crew health and safety regimes has occurred after a rigorous assessment of optimal best practices and the path to reach them. The Board and management have been deeply involved in pursuing the achievements recorded in this report. The trajectory set out in the pages that follow is one of continuous expansion as new areas of effort are identified and then progress within them is measurably improved. RCL's Save the Waves progressed from a recycling program to a company-wide philosophy leading the way in environmental stewardship. The 2015 Save the Waves goals, which are ahead of schedule in several areas, have stretched the ambitions and ingenuity of the company's employees.

We have taken the long view and the record is one of continuous improvement, reduction of greenhouse gases, addition of pollution control systems and carefully considered operational improvements to provide a safe and healthy guest and crew experience, as well as a rewarding and positive impact on the destinations we visit.

Measures listed in this report are integral to the company's business strategy. Energy efficiency saves money. So does waste reduction and recycling. They require resourceful and creative thinking to accomplish and are not simple nor always easy to achieve. Stretch goals demand sustained effort and it is a matter of pride to those working to achieve them.

My window is not the only way to look in on RCL, which prides itself on the transparency it provides to everyone who wants to learn more about the company, its ships, its practices, its footprint and its people. I encourage you to delve into this report, written to the internationally recognized GRI G4 standard, to gain insight on work the team at RCL delivers on a daily basis. It is that passion for doing the right thing, which can be found everywhere within the company, that I have come to admire.

**William K. Reilly**  
Chairperson Safety, Environment and  
Health Committee  
RCL Board of Directors



# Report Highlights



## 17 Partnering for Sustainable Destinations

The largest-scale effort to date, bringing public and private entities together to focus on destination sustainability in the Americas launched in 2014.



## 18 Career Training Center in China

Royal Caribbean International has partnered to open a state-of-the-art Cruise Talent Development Centre in China, and developed a unique, targeted curriculum. The program also connects students with RCL's hiring team in the region in addition to hundreds of hiring offices in China.



## 24 Setting the Right Tone

RCL's Global Compliance and Ethics Program has been designed, not only to comply with the law, but also to address key drivers of compliance such as organizational culture, values, leadership and risk mitigation. Its tone is set from the top down, a philosophy that was recognized by the Federal Maritime Committee in 2014 through the Chairman's Earth Day award.



## 43 Broadening our Reach

Since 2007, RCL has contributed \$1.9 million to the PADF. Through an alliance with the Pan-American Development Foundation (PADF), we have been able to financial support the implementation of 23 projects across 21 countries in Latin America and the Caribbean.



## 60 Cruising into the Future

RCL's decision to retrofit 19 of its ships with leading edge Advanced Emissions Purifications (AEP) systems was unprecedented and underscores the commitment to meet or exceed important environmental standards by removing 97 percent of the ship's sulfur dioxide emissions by using seawater and other additives to clean emissions before they are released.



## 65 On the Right Track

The backbone of RCL's environmental stewardship is Save the Waves. In 2014, we achieved the milestone of having 100% of operational trash re-purposed on 16 of our ships - exceeding our 2015 Save the Waves goal to decrease waste going to landfill by 70% over 2007 levels ahead of schedule.



## 81 Supplier Guiding Principles

To help RCL business partners understand and reinforce our commitment to engage suppliers to act with integrity and share and promote our core values within their own organizations a set of Supplier Guiding Principles was created in 2014.



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## ABOUT THIS REPORT

Our commitment to sustainability and sound stewardship is a journey. This Sustainability Report provides us with the framework in which we reflect on our performance in 2014, and identify opportunities to improve on past successes and create further value for our Company and stakeholders.

This Report was developed in accordance with the Global Reporting Initiative (GRI)'s G4 guidelines. It builds upon the content from our prior years' sustainability reports and disclosures, while incorporating 2014 milestones and performance metrics. It also expands our disclosures on our management approach to material economic, environmental and social topics.

The boundary of our 2014 Sustainability Report is primarily focused on the following three brands: Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises unless otherwise specified. Our environmental performance also includes the energy emissions for Pullmantur Cruises, CDF Croisières de France and those attributable to our 50% ownership interest in TUI Cruises.

We welcome feedback on this Report at [sustainability@rccl.com](mailto:sustainability@rccl.com). We also invite you to learn more about our commitments by visiting the sustainability section of our corporate site ([www.rclcorporate.com](http://www.rclcorporate.com)).

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.

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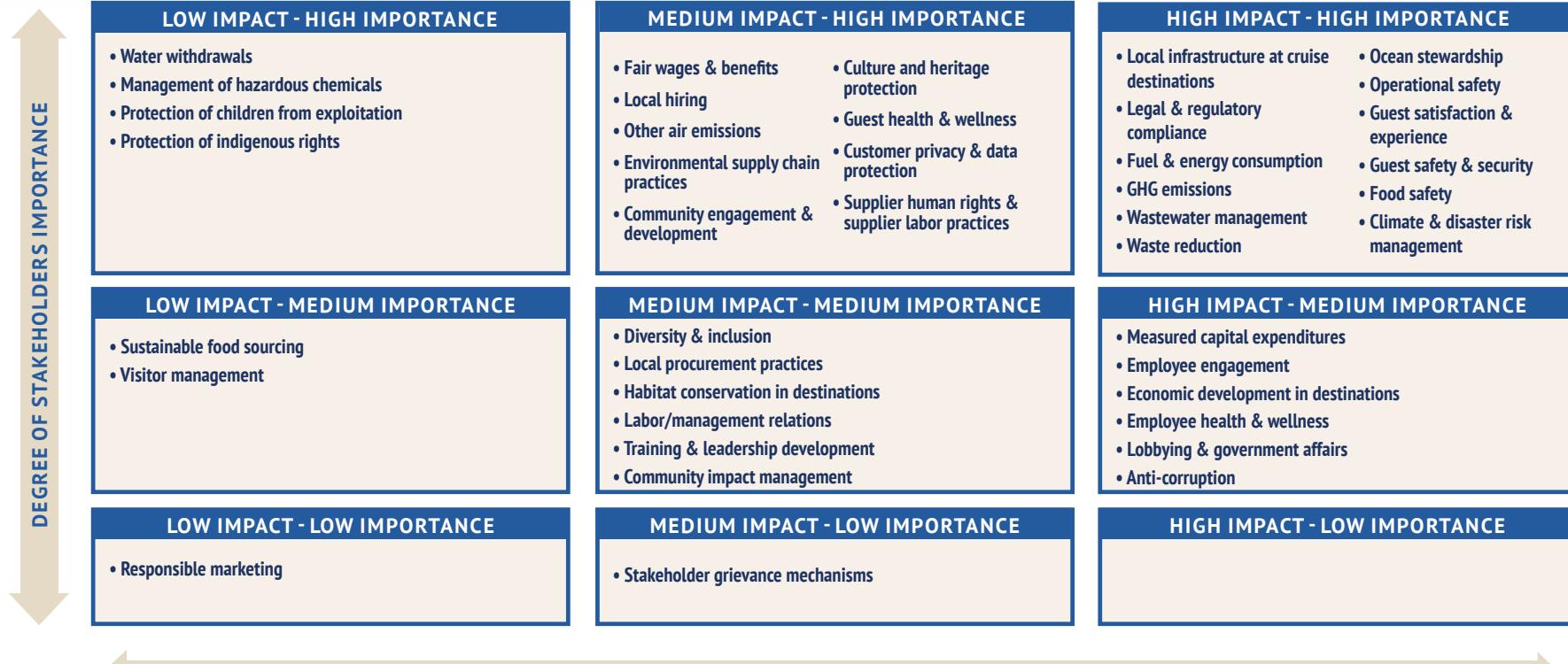




# MATERIALITY AND DEFINING REPORT CONTENT

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.

## RCL'S SUSTAINABILITY MATERIALITY MATRIX



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 RCL's environmental, social and economic impacts.



## OUR PROCESS AND METHODOLOGY

We began the process of developing our sustainability materiality matrix by identifying our stakeholders and selecting a set of more than 40 topics to evaluate across the following categories: Economic, Environmental, Labor Practices, Human Rights, Society and Product Responsibility.

Next, we conducted an internal assessment in which we considered the degree of both our actual and potential economic, social and environmental impacts; in addition to the level of stakeholder concern for the topics identified. Our internal assessment included interviews with company leaders within our Supply Chain Management, Finance, Human Resources, Operations (Marine and Hotel), Corporate Communications, Audit, Government Relations, Legal and Safety, Security, Environment, Medical and Public Health teams.

We also engaged with some of our 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 such as: the Marine Stewardship Council and Fair Trade USA; the Cruise Lines International Association; industry peers; suppliers; and representatives from our destination communities.

The results of our materiality assessment have been reviewed by our cross-functional reporting working group to hone in on critical topics where we can continue to improve and better respond to key topics of stakeholder concern.

## DEFINING REPORT CONTENT

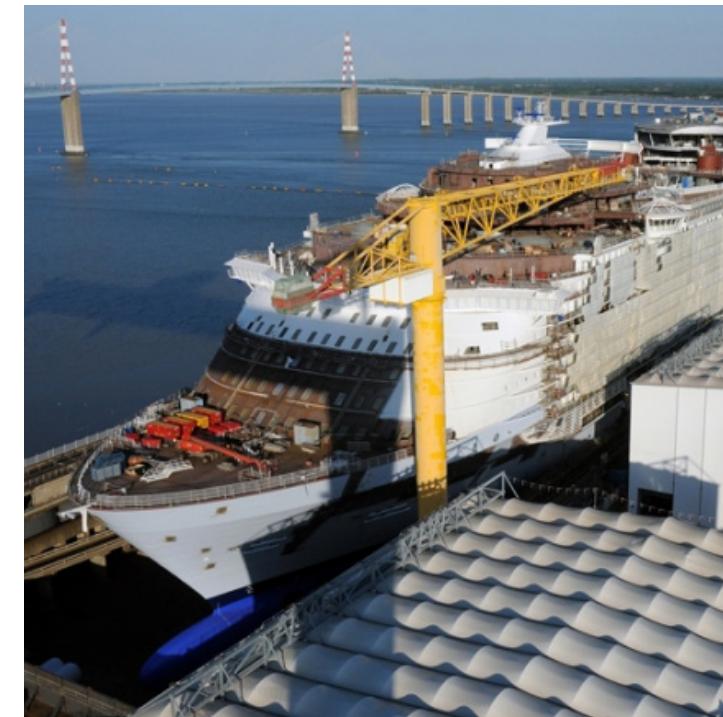
Based on the findings of the sustainability materiality matrix, we have structured the Report to include disclosures on our management approach for topics of at least medium impact or concern.

Disclosures for these topics can be found in the following sections:

Global Compliance and Ethics .....	24
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Conservation and Sustainable Tourism.....	46
Environmental Stewardship.....	55
Health, Safety and Security .....	69
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## BUILDING UPON THE PROCESS

Our Company has gained valuable insights from the development of our sustainability materiality matrix. Each year, we focus our programs and reporting on the matrix's environmental, social and economic topics of highest impact and concern to our stakeholders. In 2014, Supply Chain Responsibility and Conservation and Sustainable Tourism were two notable areas where our materiality assessment helped to facilitate the advancement of our Company's strategy and programs.





# STRATEGY AND ENGAGEMENT

COMPANY OVERVIEW  
STRATEGY AND GOVERNANCE  
STAKEHOLDER ENGAGEMENT



## COMPANY OVERVIEW

Royal Caribbean Cruises Ltd. is a global vacation company that owns and operates Royal Caribbean International, Celebrity Cruises, Azamara Club Cruises, Pullmantur Cruises, CDF Croisières de France and TUI Cruises (through a 50 percent joint venture).

Our six brands operate a combined total of 43 ships with a capacity of approximately 105,750 berths as of December 2014. An additional four ships under construction contracts will join the fleet by 2016.

Our ships operate diverse itineraries around the world calling at approximately 480 destinations on all seven continents. In addition to our headquarters in Miami, Florida, we have offices and a network of international representatives around the world that primarily focus on our global guest sourcing. We employ approximately 64,000 people on our ships and at our shoreside offices (excluding our joint venture with TUI Cruises).

Our common stock is listed on the New York Stock Exchange and the Oslo Stock Exchange under the symbol "RCL".

### INCREASING OUR PRESENCE IN CHINA

In 2014, we formed a strategic partnership with Ctrip.com International Ltd. to operate a new cruise brand known as SkySea Cruises. SkySea Cruises will offer a custom tailored product for Chinese cruise guests. The new cruise line will begin service in 2015, and our company will hold a 35% ownership interest.

### THE WORLD'S FIRST SMARTSHIP

In 2014 Royal Caribbean International's *Quantum of the Seas* was introduced, marking a new class of ships and the industry's first smartship. Quantum's innovative connectivity brings broadband Internet speeds to the high seas through a series of custom-built antennas and low-orbit satellite technology.

### SCOPE OF RCL OPERATIONS IN 2014

6  
brands

43  
ships in service

480  
destinations called at

7  
continents visited

64,000  
employees

5.1 MILLION  
guests from around the world

105,750  
guest berths





## OUR BRANDS



## Royal Caribbean International

[www.royalcaribbean.com](http://www.royalcaribbean.com)

The world's largest cruise brand has developed a storied heritage over the last 45 years. In 2014, the brand operated across six continents, sourced guests from more than 140 countries, and delivered vacations to nearly 3.7 million guests. The recent introduction of *Quantum of the Seas* and sister *Anthem of the Seas*, the world's first "smartships" (including the first and only true, high-speed Internet at sea), have revolutionized the way technology is used during a cruise vacation.

## Celebrity Cruises

[www.celebritycruises.com](http://www.celebritycruises.com)

Celebrity Cruises' 10 ships offer modern luxury vacations visiting all seven continents. Celebrity also presents immersive vacation experiences in Alaska, Australia, New Zealand, Canada, Europe and South America.

## Azamara Club Cruises

[www.azamaracclubcruises.com](http://www.azamaracclubcruises.com)

Azamara Club Cruises is a destination-immersive cruise line for up-market travelers. Azamara Club Cruises' two mid-sized ships offer voyages featuring classic and less traveled destinations in Asia, North and Central America, the West Indies, Northern and Western Europe and the Mediterranean. Azamara also periodically sails to Antarctica, and will begin visiting Australia and New Zealand in late 2015.



## Pullmantur Cruises

[www.pullmanturcruises.es](http://www.pullmanturcruises.es)

Pullmantur Cruises is a contemporary cruise line that began in Spain, where it is the cruise industry's market leader. We are growing its presence in Latin America. Its four ships visit the Mediterranean, Baltic, Caribbean and South America.

## CDF Croisières De France

[www.cdfcroisieresdefrance.com](http://www.cdfcroisieresdefrance.com)

CDF Croisières De France is a contemporary brand serving the French market. Croisières De France has built its success on a unique, innovative concept celebrating an "all-inclusive" French art of living. Established in 2007, its first ship, Bleu de France, began sailing in May 2008.

## TUI Cruises

[www.tuicruises.com](http://www.tuicruises.com)

TUI Cruises is a joint venture, established in 2008, between Royal Caribbean Cruises Ltd. and German-based TUI AG. This contemporary brand welcomed its first newbuild, the 2,500 passenger Mein Schiff 3 in 2014 bringing the TUI Cruises fleet to three ships. The family and couples-focused cruise line takes guests on Nordic, Baltic and Mediterranean cruises as well as the Canary Islands, United Arab Emirates, and the Caribbean in the winter season.



## STRATEGY AND GOVERNANCE

At Royal Caribbean, we believe that companies can be financially successful while also protecting the safety and health of our guests, employees and others working on our behalf, in addition to serving as stewards of the environment and the communities that they serve. We take this responsibility very seriously, and feel it is inextricably linked with our continued success.

### OUR VISION

Our Company's vision is to generate superior returns for our shareholders by empowering and enabling our employees to deliver the best vacation experience and enhancing the well being of our communities.

To deliver on our vision, we must manage and balance a series of important economic, environmental and social considerations in the decisions we make and how we operate every day. As such, sustainability is embedded within our Company's principal operating strategies, which includes the following:

**Protect the health,  
safety and security  
of our guests and  
employees**

**Protect the  
environment in  
which our ships  
and organization  
operate**

**Strengthen and  
support  
our employees**





## A PRINCIPLES-BASED APPROACH

Common threads emerge in how we execute on our vision and principal operating strategies, which reflect the principles of our organization:

### 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 9001:2000 quality and ISO 14001:2004 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.

### Enterprise Risk Management

We engage cross-functionally and across brands to manage potential enterprise risks, such as global pandemics, climate change, resource scarcity and data privacy breaches.





## OUR SAVE THE WAVES PROGRAM

In 1992, we formalized our environmental efforts into a program we call Save the Waves. Since its creation, this program has evolved from a simple focus on reducing, reusing and recycling waste to a company-wide philosophy that is integrated into the daily operations onboard our ships. In keeping with our Above and Beyond Compliance and Continuous Improvement principles, we have established a set of 2015 goals aimed at further elevating our Save the Waves program. These goals will be updated at the end of 2015 to guide our efforts over the next decade.



## 2015 SAVE THE WAVES PROGRAM GOALS

**33%**

reduction in greenhouse gas emissions per available cruise passenger days (from 2005 levels)

**70%**

decrease in waste to landfill (from 2007 levels)

**50%**

of all shore excursions offered by RCL will be third-party verified to an internationally recognized sustainability standard

## 3 TIMES MORE PURIFIED

Our discharged processed bilge water will be purified to an effluent quality three times more stringent than international standards

**125%**

increase in volume of waste recycled from our ships (from 2007 baseline)

**80% 100%**

of guests, crew and key people in our destinations will be familiar with our environmental principles, Save the Waves program, and Ocean Fund



## LEADERSHIP AT THE HIGHEST LEVELS

Our Corporate Sustainability Council provides a company-wide framework and organizational structure to oversee our commitment to environmental stewardship. Established in 2008, the Council includes senior executives from all parts of our company, who champion corporate policies and programs that reduce the impact of our operations in real and measurable ways.

Our Board of Directors' Safety, Environment and Health Committee also provides guidance and oversight on safety, security, environmental stewardship and medical/public health work. As part of its responsibilities, this Committee monitors RCL's overall safety, environment and health compliance performance and reviews safety, environment and health programs and policies onboard our cruise ships.

Our Board of Directors' Audit Committee regularly receives reports about our Global Compliance and Ethics Program, which includes risk assessment and controls, policies and procedures, training and communication, monitoring and testing, and reporting and investigations.

### Our Maritime Advisory Board

In 2006, RCL's Maritime Advisory Board was established to advise our corporate leadership on the development of policies and practices within the areas of operational safety and environment, as well as future ship design and renovation. Each member is selected by a steering committee and has broad maritime and academic expertise and experience. From time-to-time, this board's composition is adjusted to assure that it provides the right expertise to support our evolving maritime strategies and focus areas.

The Maritime Advisory Board meets regularly with RCL's marine safety leadership team, provides advice on technical and operational safety plans and helps us assess new safety, security, environment and operational technologies and strategies. The Board is an incredible asset – providing outside perspectives and decades of best-in-class experience to help us remain progressive and leading edge in our practices in addition to sharing best practices across the industry.



### 2014 Maritime Advisory Board Members

**DR. TOM ALLAN**

Former Director, U.K. Maritime Coastguard Agency

Former Chairman of the IMO's Maritime Safety Committee

**VICE ADMIRAL JAMES C. CARD**

U.S. Coast Guard (retired)

American Bureau of Shipping

**PROFESSOR DRACOS VASSALOS**

Head of the Department of Naval Architecture and Marine Engineering, Universities of Glasgow and Strathclyde

Chairman of Safety at Sea Ltd.

**COLONEL STEVE CHEALANDER**

U.S. Air Force fighter pilot (retired)

Captain for American Airlines

Board Member with the U.S. National Transportation Safety Board

Vice President of Training and Flight Operations Support for Airbus

**DR. TOR SVENSEN**

President, Det Norske Veritas Maritime

Watch Maritime  
Advisory Board Video





## ENTERPRISE RISK MANAGEMENT

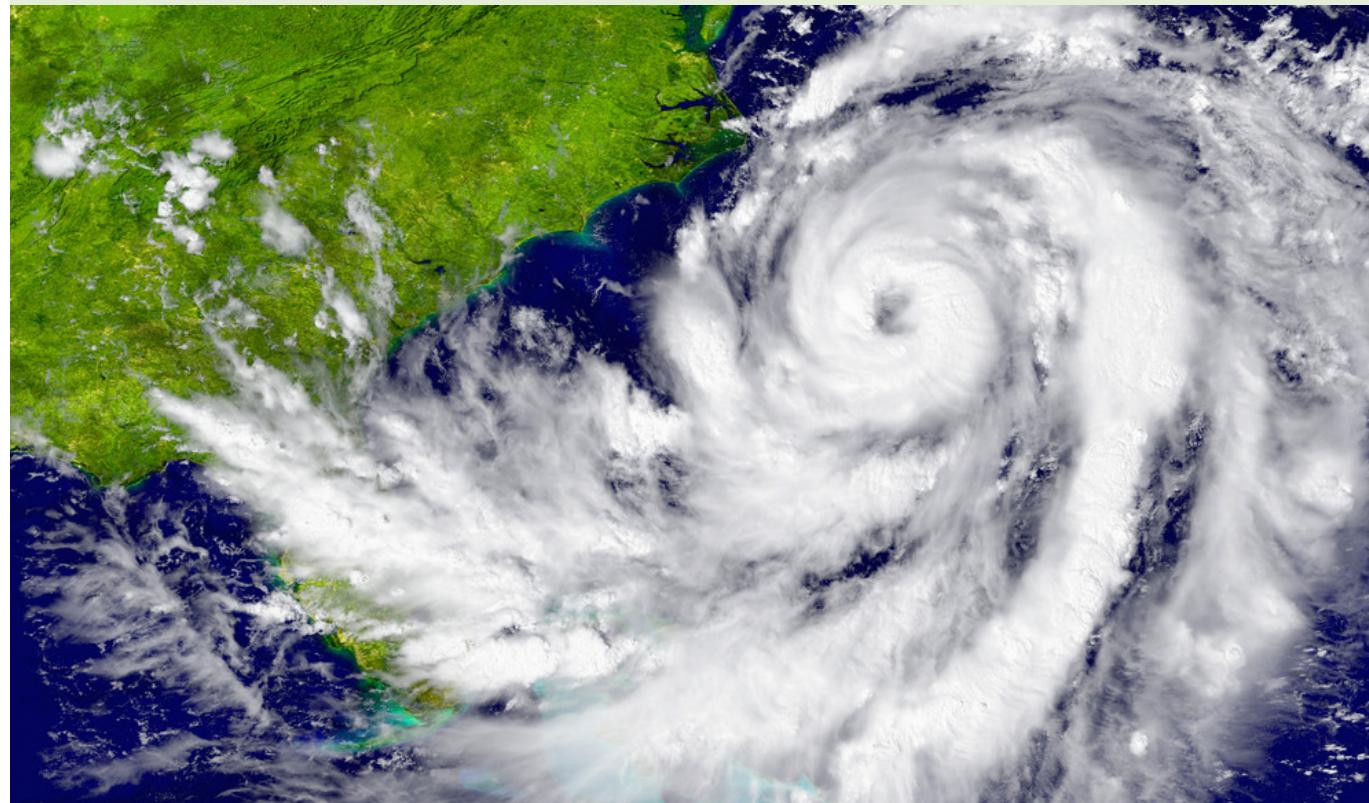
Through our formal enterprise risk management program, RCL's Audit and Advisory department performs an annual company-wide enterprise risk assessment that is updated each quarter. The scope of this assessment includes but is not limited to economic, social and environmental risks. It identifies those risks inherent in our business plans and strategies with the greatest potential to impact the achievement of our business objectives.

Risks are evaluated through input from the corporate leadership team. The Audit and Advisory department then reviews and discusses the risk assessments and reports on key risks to the Audit Committee each quarter. Our full Board of Directors provides oversight of our enterprise risk management and our corporate progress through key performance indicators related to our employee development, customer relationship management and other key strategic functions of our Company.



## Managing Climate Risk and Preparing for Extreme Weather Events

At RCL, we classify risks related to climate and extreme weather as a business interruption risk that is overseen by our Safety, Security, Environment and Medical/Public Health department. To proactively manage these risks, policies and procedures have been developed and incorporated in three defined plans: our Situation Management Plan (which provides a framework to follow should a business interruption occur), our Corporate Hurricane Plan (which addresses the most probable threat as our corporate headquarters is located in South Florida) and our Information Technology Disaster Recovery Plan (which focuses on critical information technology systems and is tested on an annual basis).





## ENABLING RESPONSIBLE GROWTH

It is estimated that the cruise industry contributed \$52.1 billion to the global economy during the 2013 cruise season<sup>1</sup>. The Caribbean is notably the most tourism-dependent region in the world, serving as the single largest contributor to GDP and the biggest employer in the region after the public sector. Additionally, for many countries in Central America, cruise tourism is the fastest growing segment of the tourism sector.

As our Company grows in terms of fleet expansion and geographic reach, we employ an integrated economic, environmental and social management approach. In addition to partnering with our ports of call on locally significant development projects, our guests and crew contribute significantly to local economies by purchasing food, beverage, clothing, jewelry, electronics and items from local artisans.

While the rise in tourism has resulted in many economic opportunities across the globe, including sustaining local economies through job creation and local business expansion, tourism growth must be effectively managed to avoid unintended adverse impacts.

<sup>1</sup>The Global Economic Contribution of Cruise Tourism, 2013.

## Launching A Public-Private Partnership for Sustainable Destinations

RCL believes that well-managed tourism is possible but requires public-private partnerships and a holistic approach that considers environmental, social and economic impacts and respective interdependencies.

RCL's commitment to promoting conservation and sustainable tourism is an important part of our plans for responsible and sustainable economic growth. As a reflection of our long-term commitment to the destinations that our ships visit, we have entered into a historical partnership that will guide and bring to scale our conservation and sustainable tourism initiatives over the next decade.



### Sustainable Destinations Alliance for the Americas

In 2014, the Sustainable Destinations Alliance for the Americas (SDAA) – a partnership between RCL, the Caribbean Tourism Organization, the Organization of American States, US State Department, and Sustainable Travel International – was officially launched.

The SDAA is the largest-scale effort in the world to date through which public and private entities have united to focus on destination sustainability in the

Americas. While the geographic focus for the first two years of our work will be on seven destinations in the Caribbean and Central America, our shared vision is to expand the initiative, over time, to encompass more than 30 tourism destinations in the Americas.

The SDAA represents the beginning of the next era of RCL's work to support sustainable tourism. Beyond the size and scope for this alliance, we believe that the SDAA is also unprecedented due to its triple bottom-line execution approach, addressing environmental, social and economic issues, and the support that has been established from regional institutions in the Caribbean and Latin America.

[Watch Video of UNWTO Endorsement at Launch](#) >

[Watch Video about SDAA Projects](#) >



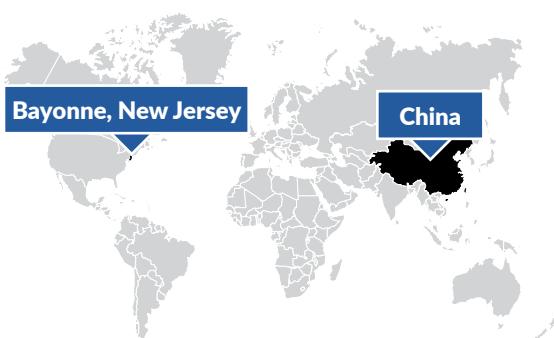


## Investing to Empower Destinations Across The Globe

At RCL, we believe that educating and empowering local stakeholders to drive change presents the greatest long-term opportunity for us to enable responsible and sustainable corporate revenue growth. As the cruise market continues to grow, there are more demands on destinations, which need to be properly managed to ensure they remain viable into the future and that all stakeholders can benefit from the economic development and the opportunities for improved quality of life brought forth by cruise tourism.

For this reason, in 2014, we continued expanding our reach across the globe to fund and support critical economic development projects that also deliver social and environmental returns.

Highlights include the following investments in Asia, the Caribbean, Central America and North America.



### CHINA

Royal Caribbean International has opened a state-of-the-art Cruise Talent Development Centre in collaboration with Tianjin Maritime College and 35 schools of the CACTET alliance.

Chinese students who aspire to a culinary or restaurant service career onboard cruise ships can now engage in a 12-week course, which is fully developed by Royal Caribbean International and certified within the Chinese education network. The program provides students with classroom educational opportunities, hands-on training and on-site guidance.

The program also connects students with the RCL's hiring team in the region in addition to hundreds of hiring offices in China. In 2014, 34 students from the first graduating class set sail aboard Royal Caribbean International ships.

### BAYONNE, NEW JERSEY

In preparation for the launch of *Quantum of the Seas*, we invested in the expansion of Cape Liberty Cruise Port in Bayonne, New Jersey, to promote economic growth opportunities to the community of Bayonne, by enabling sailings out of the tri-state New York area.



## ANTIGUA

The Empowerment of Young Women Project equips young women with the technical, vocational, and life skills needed to develop sustainable livelihoods. The project specifically targeted women between the ages of 16 to 35 who were under or unemployed, lacked the skills to participate in an increasingly service-oriented economy, and had a desire to launch microenterprises. The participants received job training and placement services upon successful completion of the course of their choosing, and were also offered entrepreneurial business development services.

## COSTA RICA

We are connecting the artisan communities of Costa Rica with those in Nicaragua and Honduras to generate opportunity for women and indigenous artisans to create and market their products with higher quality and better design through more efficient production methods. The next phase of the project will be focused on the marketing of the products.

## JAMAICA

Near our port of call in Falmouth, we have funded the establishment of two coral nurseries in Bluefields Bay. The coral nurseries program will train local spear fishers who are typically extremely poor to work as coral gardeners to nurture and grow fragments of climate resilient corals, then transplant them to a damaged reef to rebuild it and protect the shoreline and beaches from the storms and sea level rise likely to result from climate change.

## PANAMA

The Mujeres Coloneses En Camino (MUCEC) Women's Center in Colón, Panama seeks to foster entrepreneurial skills in women through annual training workshops on business management, micro enterprise and cooperative and resource management. Through this project, MUCEC reached over 100 victims of domestic violence and offered them social support, a safe space, and classes in self-esteem, leadership, life plan development, assertive communication, sexuality, and nutrition. MUCEC also offers weekly night classes in sewing and tailoring to provide women with an economic skill and better ensure that they are able to support themselves and be removed from situations of domestic violence.

## BERMUDA

We have partnered with the Bermuda Government to develop a plan and project structure to widen the North Channel and bring larger ships to Bermuda's West End while minimizing the impact to the environment. This project is enabling Bermuda to stay competitive in the cruise destination marketplace while maintaining compliance with global environmental standards and local laws.

Learn more in the Conservation and Sustainable Tourism Section of this Report





# STAKEHOLDER ENGAGEMENT

At RCL, 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:

Learn more about how we engage with guests, employers, suppliers and destination communities in the "Our Practices" sections of our Report





## PARTNERSHIP AND COLLABORATION THROUGH INDUSTRY ASSOCIATIONS

Our Company is an active member of the Cruise Lines International Association (CLIA) and its associations representing North and South America, Europe, Asia and Australia. Our participation with CLIA spans nearly every aspect of our business, and in recent years, we have worked with CLIA and other partners to develop and enhance industry standards for important topics including anti-corruption, public health, environmental stewardship, security, maritime safety and cyber security. In 2014, RCL's president Adam Goldstein was named as CLIA's incoming chairman. Our senior executives have also served on the Board of CLIA's charitable foundation, and we participate in CLIA's local service projects near our corporate headquarters in South Florida.

We are also members of the Canada Cruise Association, the United States Travel Association, the Florida Caribbean Cruise Association where we serve on the Security and Operations Committee, and the Caribbean Tourism Organization where our Associate Vice President of Government Relations serves on its Board of Directors. Additionally, our shoreside employees engage with more than 100 associations pertaining to our industry and specific company functions including the Network of Executive Women in Hospitality, International Association of Privacy Professionals,

Institute of Supply Chain Management, American Society of Training and Development, Society for Human Resources Management, Association of Certified Fraud Examiners, Institute of Internal Auditors and International Association of Chiefs of Police.

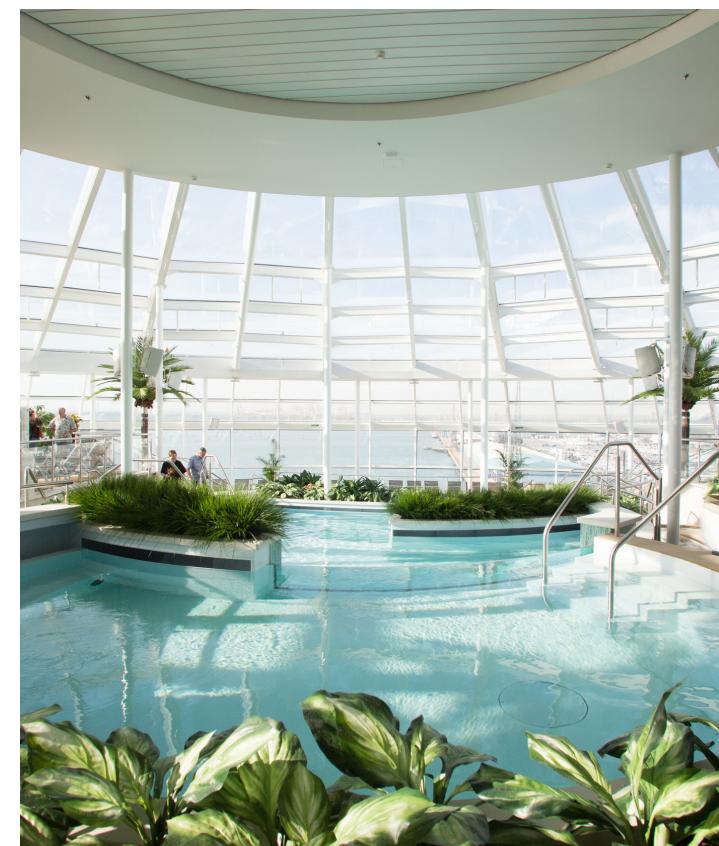
## DIRECT AND INDIRECT ENGAGEMENT WITH POLICY MAKERS

As a CLIA member, RCL sends representatives to International Maritime Organization (IMO) and International Labor Organization (ILO) committee and subcommittee meetings as industry experts. In this role, we participate as a nongovernmental consultative representative, offering our practical experience and perspective on needed safety regulations and standards. We also engage indirectly through other industry associations including the Florida Caribbean Cruise Association and the International Association of Antarctica Tour Operators (IAATO).

RCL also strives to help inform legislative bodies by participating in hearings to provide details about safety and security procedures, providing technical guidance and hosting regulators to tour our ships. RCL's Chief Operating Officer has testified before the United States Senate and the Australian Parliament to inform their review of cruise ship security and medical provisions. In 2013, we also hosted 60 IMO Secretariat and member-state delegates and a U.S. Congressional delegation aboard the *Independence of the Seas*

and *Grandeur of the Seas* ships to review industry safety and security measures.

In the communities where we operate, our Government Relations department works closely with local and national governments to support economic development and review tax regulations and other provisions that may impact our operations. RCL also maintains a [Political Contributions Policy](#) that is available on our Corporate Governance website.





## SUPPORTING OCEAN AND CLIMATE CHANGE RESEARCH

With grants from our Company's Ocean Fund, the University of Miami's Rosenstiel School of Marine and Atmospheric Science (RSMAS) operates labs onboard our ships to capture oceanographic and atmospheric data important to climate change research. Climate change affects sensitive marine ecosystems such as coral reefs, which are critically important habitats for marine species, and an integral provider of countless natural services that support coastal communities. Among these benefits, coral reefs provide coastal protection, help generate income from tourism, and are the source of livelihood and sustenance to some of the poorest populations in the world. The RSMAS labs on Royal Caribbean Cruises Ltd. ships provide important data that has been cited in over 200 academic publications worldwide.

We are currently engaged in a five-year project to fully test, evaluate, and refine the OceanScope program to integrate ocean circulation dynamics data gathering into shipboard observation on our ship, the *Explorer of the Seas* and *Celebrity Equinox*. Additionally, we plan to install systems aboard *Allure of the Seas* and *Liberty of the Seas*.

Over the past three years, RCL has also provided \$650,000 in funding to the OceanScope project.

Watch OceanScope  
Video



UNIVERSITY OF MIAMI  
ROSENSTIEL  
SCHOOL OF MARINE &  
ATMOSPHERIC SCIENCE





# OUR PRACTICES

GLOBAL COMPLIANCE AND ETHICS  
GUEST EXPERIENCE  
EMPLOYEE ENGAGEMENT  
COMMUNITY INVOLVEMENT  
CONSERVATION AND SUSTAINABLE TOURISM  
ENVIRONMENTAL STEWARDSHIP  
HEALTH, SAFETY AND SECURITY  
SUPPLY CHAIN RESPONSIBILITY



## GLOBAL COMPLIANCE AND ETHICS

At RCL, our Global Compliance and Ethics Program has been designed not only to comply with the law, but also to address key drivers of compliance such as organizational culture, values, leadership and risk mitigation.

RCL's Global Compliance and Ethics Program is managed by a multidisciplinary team with a wide-range of skills and expertise that enables efficiency, effectiveness and responsiveness. The Program's structure is supported by the oversight of a committee of RCL's Board of Directors and the Compliance and Ethics Committee, which includes representation from cross-functional leadership and receives input and advice from across our Company.

To respond to emerging needs and remain aligned with the overall Company's strategy, we engage in an iterative management approach that focuses on addressing compliance risk, increasing global outreach, promoting awareness, and engaging in ongoing monitoring of our Global Compliance and Ethics Program.

### CREATING A TONE FROM THE TOP DOWN

Every year, we assess RCL's Code of Business Conduct and Ethics to ensure it stays relevant and accurate. In 2014, we included an introductory letter to the Code from RCL's Chairman and Chief Executive Officer, which reflects our "tone at the top" and communicates our steadfast commitment to our core values and organizational culture.

All employees company-wide must certify annually that they have read, understand and comply with the Code and Employee Ethics and Standards Policy. As part of this process, management is encouraged to discuss the importance of the Code and Ethics Policy with their underlying teams.

In 2014 the Federal Maritime Commission (FMC) recognized the efforts of Chairman and CEO, Richard Fain for his efforts to increase environmental stewardship through innovations in vessel technology, onboard practices and our ongoing partnership with the University of Miami Rosentiel School of Marine and Atmospheric Science (RSMAS) through the Chairman's Earth Day award. The FMC also recognized Royal Caribbean's leadership in the creation of the Ocean Fund which contributes to projects relating to ocean science, marine species preservation and innovative technologies.





## ENGAGING OUR EMPLOYEES ON COMPLIANCE AND ETHICS

We believe that it is critical that all employees regularly refresh their knowledge of our Code and our Employee Ethics and Standards Policy through training courses and ongoing communications. RCL has in place a biennial training requirement for all shoreside employees worldwide. Similarly, employees working on our ships receive Business Ethics and You Compliance and Ethics Training on a rolling annual basis.

RCL also offers blended, interactive training sessions that are targeted to key departments and job positions. These sessions cover a wide range of compliance-related topics, such as anti-bribery, anti-trust, anti-retaliation, and trade sanctions. Additionally, all new hires must take introductory training on the Code and Ethics Policy within 60 days of employment.

RCL's Code is communicated company-wide to all employees via broadcasted e-mail messages, town hall meetings and our Company's intranet. It is also publicly available on our Investor Relations website. Due to our diverse workforce, we recognize the importance of sharing the Code in multiple languages so that our employees from around the world can easily read and understand it. The Code has been translated into eight languages—English, Spanish, Portuguese, Mandarin, Creole, German, Italian and French.

## FOSTERING A “SEE SOMETHING, SAY SOMETHING” CULTURE

RCL has a well-developed whistleblower hotline program entitled “AWARE”: Address Wrongdoing As Responsible Employees, which is administered by an independent third-party and available 24 hours a day, seven days a week for confidential and anonymous reporting via telephone, email and the Internet. RCL advertises the AWARE Hotline Program worldwide to all employees in multiple languages through the use of posters, info-station messages, RCL's intranet, and during training sessions.

The Global Compliance and Ethics Group reviews all reports received from the AWARE Hotline. In addition, we have established designated Compliance and Ethics Contacts to address any ethics questions or concerns, including violations of laws, rules, regulations, this Code, or Ethics Policy. The Global Compliance and Ethics Group also maintains an internal email address where employees can report misconduct, raise concerns, and ask questions about ethics-related matters.

When concerns arise, the Global Compliance and Ethics Group works closely with its business partners (including Legal, Human Resources, Audit and Advisory Services, and Global Security) to review and determine appropriate follow-up measures. Disciplinary action can range from a verbal warning to termination of employment depending on the facts and circumstances of the situation.

## “Your Voice Can Make A Difference”

RCL's Code promotes a speak-up philosophy and zero tolerance approach towards retaliation. We reinforce and promote this message through training efforts and communication initiatives, including our current whistleblower campaign *“Make the Right Call: Your Voice Can Make a Difference”*. This campaign was revamped to promote awareness, engage employees and ensure our workforce know the different avenues RCL offers for reporting concerns and seeking advice. It is publicized company-wide in collateral materials that include guidance on the type of concerns employees should report and the process for contacting the various reporting channels.





## GLOBAL COMPLIANCE AND ETHICS

## ENSURING COMPLIANCE WITH SAFETY AND SECURITY LAWS

The cruise industry is highly regulated, and many important internationally recognized standards guide the industry's safety and security efforts.

### Our ships are subject to the requirements of

- International Maritime Organization
- International Convention for the Safety of Life at Sea
- International Ship and Port Facility Security Code
- Maritime Transportation Security Act
- Cruise Ship Security and Safety Act of 2010

Compliance with international law is verified by ship inspections that are carried out not only by "port states" (nations where a ship calls), but also by classification societies, which are nongovernmental organizations that, on behalf of the flag state, formally evaluate and certify a ship as fit for service. All of our ships are also subject to the regulatory requirements of its designated "flag state" as well as the laws governing the waters through which the ship passes.

To guide compliance with the numerous safety and security regulations that govern our ships around the world, RCL has developed a set of robust corporate safety and security policies, referred to as our Safety and Quality Management System (SQM) that standardizes the means by which safety and security are maintained from ship-to-ship and

person-to-person. Our SQM forms the backbone of our operation and provides the policies, standards and guidance that govern both our strategic planning and our day-to-day operations. The procedures and operations governed by our SQM are subject to ongoing internal and external audits and review by maritime experts familiar with maritime safety and security requirements in order to monitor and evaluate the safe operation of our ships and identify areas where we could make further improvements.

Through audits, open communication with our employees and other means, improvements to our procedures and operations are continually identified and implemented. In keeping with our company philosophy of being "Above and Beyond Compliance", RCL also voluntarily complies with standards established by the International Organization for Standardization.





## GLOBAL COMPLIANCE AND ETHICS

## Training and Ongoing Inspections to Protect Public Health

Public health onboard our ships is also subject to numerous local guidelines and regulations governing shipboard public health, including local, national and international regulations.

The guidelines we follow throughout our fleet are contained in the U.S. Centers for Disease Control and Prevention's Vessel Sanitation Program's comprehensive Operations Manual.

This manual details standards, procedures and inspection criteria related to topics such as:

- Communicable disease prevention and management
- Gastrointestinal illness surveillance
- Potable water
- Recreational facilities (including swimming pools, whirlpools and spas)
- Food safety
- Integrated pest management
- Housekeeping and child activity centers

We also adhere to the guidelines of Brazil's National Health Surveillance Agency and the European Union's Ship Sanitation Strategy and Program. It has been translated into eight languages—English, Spanish, Portuguese, Mandarin, Creole, German, Italian and French.

We work closely with U.S. and other governmental public health authorities where our ships sail to ensure that we comply with their laws and regulations. To measure our compliance,

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governmental authorities, third-party public health experts and our own internal inspectors, including a team of internal public health inspectors visit each ship twice a year to perform inspections. In addition to evaluating the quality and effectiveness of water quality, food safety, pest management and outbreak prevention public health measures, these internal inspectors also provide training to our crew on the best ways to maintain a healthy ship.

[Learn more about our management approach in the Health, Safety and Security Section of this Report](#)

## Planning Ahead to Comply with Environmental Regulations

Our ships are subject to many international, national and local regulations, including the IMO regulations under the International Convention for the Prevention of Pollution from Ships (known as the MARPOL Regulations). MARPOL regulations include requirements to minimize pollution by oil, sewage, garbage and air emissions; and require that the worldwide limitations on sulfur content of fuel be reduced to 0.5% by 2020, and that all new ships having their keel laid on or after March 1, 2016 are built to meet an energy efficiency design index (EEDI).

The MARPOL regulations also establish special Emission Control Areas with stringent limitations on sulfur and nitrogen oxide emissions in these areas, currently in the Baltic Sea, North Sea, North American coast and the waters surrounding Puerto Rico and the U.S. Virgin Islands. In 2015, the fuel

sulfur limit in the North American and other ECAs will be 0.1 percent. The IMO's global sulfur limit in non-ECA areas is currently 3.5% and is expected to lower to 0.5% by 2020.

Consistent with our "Above and Beyond Compliance" principles, we are targeting a 25% efficiency improvement for our ships on order. In addition, we continue to work to improve the efficiency of our existing fleet, including improvements to the electrical generation, propulsion, machinery, HVAC systems and lighting among others. The overall impact of these efforts has resulted in a 21.4% per available passenger cruise day improvement in energy efficiency since 2005.

We have also been actively developing, testing and installing Advanced Exhaust Purification (AEP) systems on our existing fleet. We have received exemptions for 19 of our ships, which will apply while they are sailing in the North American and Caribbean Sea Emission Control Areas. These exemptions delay the requirement to comply with the additional sulfur content reduction pending our continued development and deployment of AEP systems on these ships. We believe that the learning from our existing endeavors, including our newbuild program, as well as our further efforts with regards to this technology will allow us to execute an effective AEP system strategy for our fleet.

[Learn more about our management approach in the Environmental Stewardship Section of this Report](#)



## MONITORING ANTI-CORRUPTION RISK

RCL's global footprint, use of third parties, and the current climate of legal and regulatory activity expose the Company to compliance risks. Our internal control environment aids in enhancing compliance through training and communication efforts, due diligence procedures, debarment checks, certification processes and compliance contract provisions. For certain third-party agents, we have specific invoice review and approval guidelines that are audited to ensure payments made for or on RCL's behalf meet our requirements and applicable anti-bribery laws and regulations. Our annual risk assessment of RCL's global operations for compliance with anti-bribery laws and regulations helps keep our Anti-Corruption Program current and effective by identifying new areas of risk.



### Industry Collaboration on Compliance and Anti-Corruption

Taking an active role in the compliance community, we participated in working groups with membership associations to promote best practices in corporate ethics. In 2014, we joined Trace International's Compliance Clauses Working Group to assist with the creation of uniform contract provisions that would help RCL and other member companies streamline their contract negotiations with third parties and enhance compliance with applicable laws. Also, as part of our affiliation with Trace International, we joined their Anti-Bribery Compliance Training Working Group to assist with the development of a global training module. In addition, we became actively involved in activities sponsored by the Ethisphere Institute, including the Editorial Advisory Board.

RCL's compliance activities go beyond membership associations. Over the past couple of years, RCL has partnered with Carnival Corporation & plc to raise compliance standards as an industry. Most recently, we co-hosted a Global Anti-Corruption Training for agents servicing the cruise industry who attended Cruise Shipping Miami. This event was recognized by the compliance community as opportunistic training to share best practices and send a signal to the industry that compliance is a priority.

### FOCUSING ON CONTINUOUS IMPROVEMENT

RCL's Compliance and Ethics Committee provides a forum to promote an organizational culture that encourages law abiding and ethical conduct. It serves as a sounding board that assists with the implementation of the Global Compliance and Ethics Program by sharing best practices, industry trends, and corporate strategy.

To continually improve RCL's Global Compliance and Ethics Program, we conduct internal and external benchmarking through the collection of risk assessment results, training and certification completion rates, audit findings, employee surveys, and hotline metrics. In addition to the annual corporate Employee Engagement Survey, last year we launched across all brands our Employee Ethics Survey to assess RCL's ethical culture and effectiveness of our Global Compliance and Ethics Program. RCL's employees working on our ships completed this survey, which helped us have a better understanding of the effectiveness of established processes and practices as observed by our crew.



## GUEST EXPERIENCE

To ensure that our guests have the best possible vacation experiences onboard our ships, we continuously evolve and improve through innovation, personalized service and product consistency across our fleet. We place a strong focus on identifying the needs of our guests and creating product features that our customers value. Toward that end, we enrich the guest experience through culinary, entertainment, and technology enhancements.





## MEASURING GUEST SATISFACTION

Following every cruise, guests are provided with the opportunity to complete a satisfaction survey regarding their cruise experience. These surveys contain questions across various categories and are scored on a 1-10 scale. By transitioning to electronic surveys delivered to guest's personal devices we can easily modify questions to reflect program changes due to varying markets or season. Guests have seven days following the cruise to respond, during which time they'll receive two reminders.

The electronic survey methods have tremendously improved our operational team's ability to analyze and take action based on survey findings. We regularly analyze summary reports for each ship to determine which ships exceed, meet, or fall short of targets. For ships that exceed targets, we look to identify best practices that can be incorporated across the fleet. For ships below target, we use the data to implement corrective actions.

Additionally, we seek guest feedback through guest comment cards, onboard surveys and surveys specifically sent to loyalty program members. For Royal Caribbean International, we use this information, along with the electronic survey results, to create proprietary, internal Guest Index Scores for the entire fleet. Over all 2014 was a record year for Royal Caribbean International, areas where Royal Caribbean International continued to receive high scores included issue

resolution and the handling of pier check-in. In addition each ship's entertainment guest satisfaction scores also either met or exceed their annual targets in 2014.

We pride ourselves on responding to concerns raised by guests through surveys and other communications channels to adjust existing policies. Examples include our implementing our health-and-safety-driven Smoking Policy; enhancing our procedures to increase guest comfort and safety; and identifying new services, pricing and promotional opportunities.

Our goal is to maintain our guest satisfaction scores amid increased guest volume and more complex guest experiences.



## LOYALTY PROGRAMS

Our loyalty programs reward guests with discounts, exclusive events, and dedicated venues based on the number of cruise nights sailed with each of our brands. Royal Caribbean International's Crown & Anchor Society, Celebrity Cruises' Captain's Club and Azamara Club Cruises' Le Club Voyage highlight elements that differentiate our brands. These programs provide guests with friendly and personable service and exclusive access to amenities, activities and other benefits to make their cruise more memorable. Additionally, each individual program rewards guest loyalty across RCL's brands.



® Royal Caribbean International  
Crown & Anchor Society ®



® Celebrity Cruises  
Captain's Club



Azamara Club Cruises  
Le Club Voyage



## PROTECTING CUSTOMER DATA

Protecting customer data is a topic of growing international importance due to the proliferation of internet-based cloud computing and online data sharing applications; increased use of smart devices and mobile applications; and the emergence of new laws regulating the processing of personal data. Protection of customer data is a high priority for our Company. We have implemented a Data Leak Prevention Initiative, which involved investment in a sophisticated security technology that monitors and detects credit card and social security numbers either entering or leaving our network.

To reduce the impact in the event of a credit card data breach, we also have instituted a data retention policy where we keep no more than six months of customer credit cards on our reservations system. In 2014, we began to implement a tokenization solution that replaces a credit card number with a token acting as a surrogate value that is useless in the event that the data is stolen or lost. To protect our own network, we have also implemented a network access control solution throughout our corporate offices to enforce integrity checks before allowing a computer onto the network.

In 2014, we did not experience any breaches of customer data, however, our emphasis on data protection continued to remain strong. In 2015, focus areas include the following: Our Data Privacy, Security and Governance Working Group is developing a Personally Identifiable Information framework to enhance our Company's ability to execute on our data governance, data security and data privacy policies and requirements. We will continue to focus on security user awareness, educating employees on the importance of protecting customer information.





## ENGAGING GUESTS ON ENVIRONMENTAL STEWARDSHIP

Recognizing the growing interest from our guests to understand more about our stewardship efforts, we have developed an environmental education and awareness program for guests sailing on our Royal Caribbean International ships. This program, called "Save the Waves – Royal Caribbean International and the Environment", builds on the success of the "Oceans Ahead" program currently offered on our Celebrity Cruises ships, but is designed specifically for Royal Caribbean International guests.

The program offers free presentations to Royal Caribbean International cruisers about our approach to environmental stewardship and programming on the guest TV channels onboard. In addition, each officer, staff and crewmember is encouraged to take time to explain the concept and importance of our Company's Save the Waves program to our guests. The Save the Waves program is a high priority for our Company and has proven a source of significant pride throughout our corporate community. In Australia, we provide weekly All Access tours of our waste management area, for which we have received positive feedback from guests.

Additionally, in 2014 to celebrate World's Ocean Day, Royal Caribbean International provided guests with Adventure Ocean and Family activities designed to make our guests more aware of this important topic.

### Making Sustainability and Conservation Part of the Guest Experience

Celebrity Xpedition provides excursions to the Galápagos Islands where sustainability and conservation are central to the guest experience. Naturalists from Galápagos National Park lead our water and land excursions that wholly immerse guests in the Galápagos ecosystems.

In 2014, we engaged our guests to participate in tree planting to support the Scalescia reforestation effort, preserving an endemic tree that is under threat. This ongoing deforestation is causing ripple effects for other wildlife that live in and around these trees. The project is in collaboration with the Galápagos National Park. In 2014, more than 8,000 Scalescia trees were reforested (exceeding our goal to plant 5,000 Scalesia trees). Additionally, guest participation rate for the project exceeded 90%.

Through the excursions to the Galápagos Islands and our presence in the region, we strive to merge

business with social purpose, and hope to inspire our guests as part of our pursuit to provide them with the experience of a lifetime. Additionally guests also are provided with authentic cultural and culinary experiences.

On the excursions, they visit a local fishing cooperative that Celebrity Cruises helped to establish in order to help local fishing families develop a more reliable livelihood and therefore more sustainable economic independence. Our ship also engages with local artisans by bringing them onboard to sell their wares and by supporting a local social enterprise that sells artisan chocolates and donates a portion of the proceeds to local sustainability efforts.

Surrounded and immersed in the flora and fauna that is so unique to the region, guests are often eager to continue to help with conservation efforts after their cruises. Celebrity Cruises provides guests the opportunity while onboard to donate to the Galápagos Fund, which we manage in partnership with the Virginia-based Galápagos Conservancy.





## PROVIDING GUESTS WITH WELLNESS SERVICES ONBOARD

Onboard our ships, we provide our guests with facilities and programs so they can maintain healthy eating and exercise habits onboard in addition to using the travel experience to reduce stress and enhance overall wellness.

Each Royal Caribbean International ship features a Vitality Spa & Fitness center with cardio equipment, fitness classes and spa services; and provides healthier food options. We also provide a series of wellness activities aboard Celebrity Cruises ships as part of our Celebrity Life program. These include health acupuncture seminars as well as interactive trivia games and cooking demonstrations to encourage guests to make healthier choices onboard and in their daily lives.

Celebrity Cruises ships also provide AquaClass accommodations that infuse guests' stateroom with aromatherapy and spa-like elements. In addition, some of their ships now feature a Canyon Ranch SpaClub to provide best-in-class spa and wellness services onboard. Celebrity's AquaSpa Café has also long offered healthy fare for breakfast and lunch, and Celebrity partners with Sanitas per Escam (SPE) Certified to offer healthy options in its main dining rooms. Additionally, we encourage guests across our brands to spend time on our ships' solarium to promote relaxation.

### Promoting Active-Lifestyle Activities Onboard

Guest wellness is integrated into the guest experience with a full-range of active-lifestyle activities onboard including a rock climbing wall, outdoor running and walking tracks, water aerobics, water volleyball, roller skating, dance classes and ice-skating rinks. Additionally, we provide fitness classes onboard including Yoga, Pilates and Spinning; and offer courts for basketball and volleyball tournaments. With our new Quantum class of ships, we have raised the bar: offering RipCord by iFLY®. On Oasis class, our guests can enjoy a sports pool and lap swimming.





## CREATING AN INCLUSIVE ENVIRONMENT FOR OUR GUESTS

Our Company recognizes the diversity of our guest population and our dedicated Access team aims to create an inclusive environmental for our guests through the development of programs and services that are tailored to specific needs that our guests may have.

We welcome guests with disabilities and special needs and work diligently to assist them throughout their vacation: designing our staterooms and social areas to accommodate all guests including those with mobility disabilities and who are blind or have low vision. For guests with hearing disabilities, we provide assistive listening systems and sign language interpreters. We also welcome service animals onboard.

Royal Caribbean welcomes guests with cognitive, intellectual and development disabilities such as autism, cerebral palsy, Down syndrome and Alzheimer's disease; and offers special accommodations, which includes boarding and departure assistance and the option for early boarding and disembarkation.

We also tailor our Adventure Ocean program to welcome children with disabilities.

### Autism Friendly Vacations

In 2014, Royal Caribbean became the first cruise line to launch the Autism friendly initiative onboard. In collaboration with Autism of the Seas, our Access team has integrated features pre-cruise and onboard, which include autism friendly movie viewing, staff training, age group flexibility, and toy lending. In 2015, we are launching the Autism Channel, which will be available on all Royal Caribbean ships complimentary to guests through our in-stateroom television. The Autism Channel is dedicated to educating the public about Autism and also includes programming specifically for adults and children on the Autism spectrum.



### RESPECTING THE CULTURE AND HERITAGES OF DESTINATIONS

In the nearly 500 destinations across seven continents that our Company's ships visit, we strive to preserve and respect local culture and heritage and integrate the importance of respecting local culture and heritage into the guest experience.

Central to our management approach is guest education on cultural and heritage considerations and the development of excursions that foster a deeper respect of local culture and heritage across destinations – from Falmouth, Jamaica, where we offer a Walking Heritage tour to Bangkok, Thailand, where we offer an excursion to the UNESCO World Heritage Site of Ayutthaya.

### Cultural Integration Experience

In the Galápagos Islands, the Celebrity Xpedition now includes a shore excursion where guests have the opportunity to eat lunch with local families and learn more about the island's culture and heritage through entertainment and other cultural integration activities.





## EMPLOYEE ENGAGEMENT

At Royal Caribbean Cruises Ltd. we believe one of our greatest assets is our people. Our motto is “Great Vacations Begin with Great Employees”, which is central to how we deliver on our vision and values. As our Company grows globally, we believe that workforce engagement is critical to future success and an important part of how we bind the fabric of our culture.

### 2014 EMPLOYEE ENGAGEMENT HIGHLIGHTS

**1.8%**  
increase in employee  
engagement levels

**6**  
new training modules launched for  
Accelerated Leadership Performance Series

**137**  
countries of origin for 2014 new employees

**6 years**  
average employee tenure

**15th**  
annual health and wellness fair

**1,446**  
health risk  
assessments completed

**364**  
pounds lost  
**231,000**  
minutes excercised at annual  
Royal Shape Up competition

Over  
**92 million**  
million steps walked by participants  
of RCL's Walktober program



## UNITING AROUND SHARED VISION AND VALUES

The best way for our Company to communicate our vision and values to all employees is to weave it into everything we do as an organization. It is not about one program or one message – but rather the aggregate of all of our actions. Initially, new hires learn about our Company through our new-hire orientation program. This program clearly communicates our values, vision and corporate culture. Also, our vision and values are displayed throughout our areas at all of our locations and are clearly visible to employees and visitors alike. These visual displays include TV monitors, brochures, and posters that serve as reminders to employees. We also employ other methods such as companywide messages that are broadcasted to all employees, “town hall” or quarterly management meetings, and staff and departmental meetings, to keep employees informed of new policies and procedures, corporate news and events, benefit plans, recognitions and awards, international expansion and other important initiatives.

## RESPECTING AND PROTECTING THE RIGHTS OF OUR EMPLOYEES

At RCL, we are committed to ensuring that all our employees are treated with dignity and respect and in accordance with fundamental fair labor principles, as recognized by the International Labor Organization core conventions on Labor Rights.



We also endorse the principles contained within the United Nations Declaration of Human Rights.

All employees who work on our ships, irrespective of union affiliation, are subject to Maritime Labor Convention 2006 and International Labor Organization standards for wages and benefits. RCL has been certified to be in compliance with these standards.

RCL also has a Shipboard Employee Counseling and Progressive Disciplinary Policy and a Statement of Fair Treatment as part of our Grievance and Dispute Resolution Procedure available to any employee who feels they have not been treated fairly in accordance with collective bargaining agreement or company policies.

As part of our Above and Beyond compliance philosophy, each RCL workplace location has a dedicated Human Resources team that plays an important role in the employee's life. The team is unique in that it impacts every facet of an employee's experience and supports and guides

them throughout their career whether at sea or on land. We also provide a retirement plan, social compensation programs, medical coverage and sick pay, disability coverage, and life insurance for all employees.

## CELEBRATING PERFORMANCE AND TENURE

For all RCL employees, we have targeted programs that celebrate and recognize performance and tenure. Our population keeps growing, as does our diversity, and we have implemented new online systems for Service Award redemptions and our corporate performance programs. All active employees who have completed six months of service are eligible for the discount cruising privilege based on available space. In addition, their immediate family members and other relatives are also eligible. All employees are also eligible for one company paid familiarization cruise after completion of one year of service. We also offer adoption assistance, and supplemental benefits including legal insurance, pet insurance, an onsite medical clinic, onsite fitness centers, onsite daycare, spa services and discount programs.

RCL's culture of recognition and employee engagement has helped us retain top talent and reduce voluntary employee turnover. Our average tenure for employees working onboard is currently six years.



## EMPLOYEE ENGAGEMENT

## EMBRACING DIVERSITY AND CREATING AN INCLUSIVE ENVIRONMENT

Throughout our history, RCL has been dedicated to employing a multicultural shoreside and shipboard workforce. All new employees working onboard are provided with cultural diversity training to help them become acclimated to their new environment with coworkers from all parts of the world. The cultural training sessions educate employees on the cultural differences throughout the fleet in order to increase cross-cultural harmony.

Our diversity inclusive practices include, but are not limited to celebrating holidays, respecting religious beliefs, and offering different cuisines to accommodate dietary preferences among the vast array of nationalities. We strive to instill the importance of teamwork and respect so that all employees understand they need to be productive, treat each other with respect and collaborate with colleagues, regardless of their background.

RCL has a strict non-discrimination policy, and employees who feel they are victims of discrimination have multiple avenues to report their concerns. The first point of contact, if there is no conflict of interest, is the person's immediate supervisor. Employees can also contact Human Resources, Audit and Advisory Services, Global Compliance and Ethics Group, or other Compliance and Ethics Contacts listed in our Company's Code and Ethics Policy. We investigate each report appropriately and treat it confidentially

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to the fullest extent possible. Violators are subject to disciplinary action, up to and including termination.

In 2014, we established a new healthcare option providing equal coverage for transgender employees. In 2015, we now have a Diversity & Inclusion Manager, who will provide direction, structure and oversight as our policies and programs evolve.



## HIRING LOCALLY

At RCL, we strive to have a workforce that reflects a multi-ethnic diverse population. We can only achieve this through our local hiring efforts. For an on-board experience, as part of our involvement in some of the communities we visit and serve, we are proud to offer qualified local residents the opportunity to join our team and enjoy an exceptional professional experience at RCL. In addition, through our partnership with schools in countries like China and Indonesia, we offer educational opportunities to those who want to start a career as part of our crew working on board our ships. These programs offer the finest training curriculum focused on cruise industry service, designed by our very own learning and organizational team, in collaboration with operational leaders who are the best in their field. Together with our Hiring Partners, we are able to hire the most qualified local talent to offer our award-winning service to our guests.





## INVESTING IN OUR PEOPLE AND PROMOTING FROM WITHIN

We believe that our employees are a critical success factor for our business. We strive to identify, hire, develop, motivate and retain the best employees, who provide our guests with extraordinary vacations.

At RCL, we also strive to maintain competitive and fair wages and benefits in order to attract and retain the best workforce in the industry. We continually review industry market data along with the staff feedback to ensure our employment policies are fair and competitive.

In addition to our focus on providing our employees with a competitive compensation structure, we emphasize employee development and other personal and professional growth opportunities in order to strengthen and support our human capital. We strive to maintain a work environment that reinforces collaboration, motivation and innovation, and believe that maintaining our strong employee-focused culture is beneficial to the growth and expansion of our business.

We also select, develop and have strategies to retain high performing leaders to advance the enterprise now and in the future. To that end, we pay special attention to identifying high performing potential leaders and so these individuals can assume leadership roles

throughout the organization. As a testament to our commitment to developing internal leadership capabilities and engaging in carefully executed succession planning, our new Chief Operating Officer and two of our brand presidents were all promoted from within in 2014.

### Enabling Our Employees to Learn and Grow with the Organization



RCL's Human Resources group consistently stresses the importance of creating a culture where employees are engaged and challenged with interesting and meaningful work that provides them with opportunities to learn and grow with the organization.

RCL continues to provide world-class learning tools and development programs for all employees. These programs include online courses, traditional classroom training, one-on-one coaching and action learning projects. As part of our commitment to staff development, we offer an innovative high potential development program titled Building on Talent (BOT), which

identifies and develops "up and coming" future leaders. Our broader talent management programs encourage all employees to develop their skills. The framework we provide to facilitate this employee development is called Performance For Growth (P4G). While we maintain a focus and rigor on high potential development through BOT, in parallel we purposefully develop the skills of the broader employee population with P4G. Both programs help employees develop a wide range of skills and areas of expertise, which enhances their performance in their current role and can prepare them to potentially assume multiple roles throughout the organization.

We reinforce our culture of development through RCL's performance management philosophy and system. In 2013, we rolled out global core competencies worldwide for all employees. Our executive team carefully crafted these competencies, reflecting what they felt were critical capabilities for future success in our business. The performance management cycle starts at the beginning of the year with clear business goals, which cascade from broader departmental objectives, as well as personal development goals.

Building upon this foundational work in 2013, we introduced a new career development strategy in 2014 that includes training and tools to enhance employee and leadership development. As part of these efforts, we introduced six Accelerating Leadership Performance Series (ALPS) training modules in 2014 – with an additional six ALPS training modules targeted for 2015.



## EMPLOYEE ENGAGEMENT

## STRENGTHENING OUR CULTURE THROUGH WELLNESS PROGRAMS

Our employees are our greatest asset, we have developed targeted wellness programs to promote a healthy, engaged workforce and to provide services for our employees' families. In addition to managing health care costs, our strategy is directed at improving team cohesiveness, teamwork, and employee morale; supporting our company's efforts to be viewed as an employer of choice; reducing absenteeism; enhancing productivity; and improving recruitment and retention.

Our Wellness Works programs focus on eight dimensions of wellness:

Financial	Spiritual	Social	Intellectual
Emotional	Vocational	Physical	Global

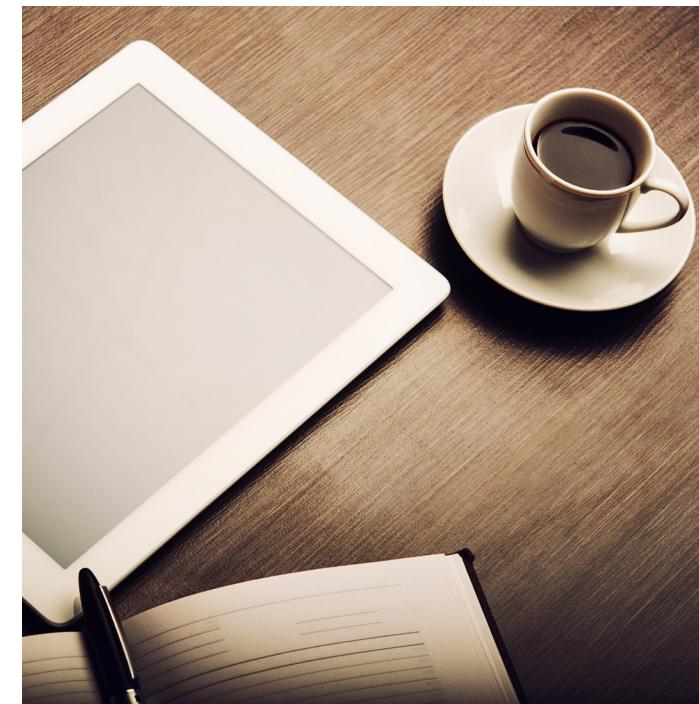
Our branded "Wellness Works" programs offer a wide variety of wellness opportunities to our employees, including annual health risk assessments, lunch-and-learn seminars, complimentary chair massages, Weight Watchers groups, smoking cessation, fitness challenges, daily stretching groups, onsite basketball and soccer intramural tournaments, ergonomics materials, onsite wellness article library, onsite chiropractic care, discounted prices for community event involvement, social wellness activities, onsite meditation classes, onsite group exercise classes, onsite personal training opportunities, onsite fitness centers, onsite farmer's market share options for employees and an onsite medical clinic. We also provide healthy eating options in the vending machines and cafeterias and offer Cooking Light meals. At our onsite fitness center, we offer more than 20 group fitness classes weekly including spinning, yoga, Zumba, aerobics, boot camp, and Wii Fit. We also offer personal training opportunities and massage services.

RCL's Wellness Committee works with the Florida Department of Health, Miami-Dade and Broward Area Health Education Centers, Health-Fit Chiropractic and Sports Medicine, American Heart Association, the American Cancer Society, the Wellness Council of America, Tenet HealthCare and The Breast Cancer Research Foundation to communicate information, promote healthy lifestyles and engage in competitions and fundraising events.

In 2014, we also identified "wellness warriors" with the goal to empower them to engage their departments and strengthen the reach of the wellness program.

### "It's Just Coffee"

While coaching and feedback against these goals happens throughout the year, at mid-year our performance management cycle includes a conversation called "It's Just Coffee". The "It's Just Coffee" program was launched to encourage informal yet important employee driven performance check-ins with their managers. The cycle concludes at year-end with another important conversation between manager and employee that both reflects on the past year's performance and looks forward to the following year's goals and personal development priorities.





## EMPLOYEE ENGAGEMENT

## Creating a Culture of Open Communication

Our Company strongly believes in having an open-door policy that encourages open communication between managers and their team members. If for some reason an employee does not feel comfortable sharing a concern with his or her direct manager, the employee also has the option to go to another manager or to a Human Resources representative. Additionally, a Human Resource Business Partner is assigned to each division. The Human Resource Business Partner plays an important role in gathering feedback and suggestions from all levels of employees, and then addressing situations and challenges as they surface. We have our employees working onboard complete an employee satisfaction survey (or engagement surveys, depending on the brand) at the end of their contracts, and we also have an annual enterprise-wide employee engagement survey. Additionally, employees can offer positive feedback to a coworker on a job well done by engaging on our recognition website, where we encourage employees to recognize others for going Above and Beyond.

### ABOUT THIS REPORT

### STRATEGY AND ENGAGEMENT

### OUR PRACTICES

### 2012-2014 PERFORMANCE TABLES

### GRI INDEX & ASSURANCE STATEMENT

## 2014 Employee Engagement Survey

Understanding how engaged our employees are across the enterprise is important for providing valuable insight into our employees' connection and commitment to the organization. Through the employee engagement survey, employees share their feedback on what we do well, what may need improvement, and what drives employee motivation, retention and productivity.

The results from our 2014 employee engagement surveys revealed across the enterprise that employee engagement at RCL can be attributed to the three overarching themes: the family atmosphere and sense of camaraderie in our culture; pride in our Company's brand and high levels of trust and teamwork among co-workers.

In 2015 and beyond, we seek to continue achieving year-over-year improvements in our employee engagement levels and executing to address targeted opportunities identified using the Great Places to Work framework.

## ORGANIZING TO CAPITALIZE ON FUTURE OPPORTUNITIES

For 2015 and over the coming years, we have identified numerous opportunities to build on our solid corporate community foundation and enhance our culture. Engaging our workforce, and promoting employees' career and personal development continue to be high priorities. We plan to leverage technology in a more aggressive way, utilizing innovative tools that can modernize the way learning is deployed to our global workforce. We are also focused on continuing to enhance our culture to be that one fosters more effective and open communications at all levels.

## 2014 Employee Engagement Awards and Recognitions

We are proud to report the following employee engagement awards and recognitions received in 2014:

- Achievers 50 Most Engaged Workplace™
- Greater Miami Chamber of Commerce Good to Great Award
- Best Places to Work in South Florida
- Greater Miami Chamber of Commerce Excellence in HR Awards – Best Use of Corporate Social Responsibility
- Healthiest Employers from South Florida Business Journal, Winner Large Company



## COMMUNITY INVOLVEMENT

Throughout our company's history, we have sought to be a good neighbor and community partner. Our corporate citizenship programs enhance our relationships with our communities, customers and employees, which in turn strengthen our company and benefit our shareholders. From our offices around the globe to wherever our ships sail worldwide, we invest great care and resources to help make local communities better places to live and work, by encouraging volunteerism and offering funding and donations to nonprofit organizations with like-minded goals.

### 2014 COMMUNITY INVOLVEMENT HIGHLIGHTS

**\$1 MILLION**  
Nearly  
raised in RCL's annual  
United Way campaign

**\$850,000**  
raised by Celebrity Cruises  
for The Breast Cancer  
Research Foundation®

Supported  
**23**  
community prosperity and  
resilience projects in 21 countries

**390**  
wishes provided to Make-A-Wish®  
kids through our Wishes At Sea program

**17<sup>th</sup>**  
annual employee  
GIVE Day held

**13,051**  
trees planted by employees during  
the GIVE Day Event

**300**  
local students participating  
in RCL's mentoring program

**31**  
scholarships awarded to employees  
and their children through our  
Chairman and CEO's scholarship fund



COMMUNITY INVOLVEMENT

## A COMMITMENT FROM THE TOP

Our corporate philosophy is to support organizations that benefit and offer services to the entire community, and we focus support on three areas.

Many of our officers serve on boards of nonprofit organizations in their local communities, with several officers serving on more than one. This gives our Company the opportunity to extend its reach into the underserved areas of our communities.

Additionally, in 2014, our Chairman and Chief Executive Officer personally donated one million dollars to The Fain Scholarship Fund, which awarded 31 scholarships to employees and their children.



Children and  
Families



Education



Marine  
Conservation





## COMMUNITY INVOLVEMENT

## OUR ALLIANCE WITH THE PAN-AMERICAN DEVELOPMENT FOUNDATION

Through an alliance with the Pan-American Development Foundation (PADF), we have been able to broaden the reach of our community partnerships and assistance to include disadvantaged people and communities in Latin America and the Caribbean. PADF empowers these communities to achieve sustainable economic and social progress, strengthen their communities and society, and prepare for and respond to natural disasters and other humanitarian crises.

Our partnership with PADF maximizes our reach to many impoverished neighborhoods and allows us to leverage resources to create a greater impact for communities with the greatest needs. In addition, employees working on our ships volunteer with PADF's partners in our ports of call throughout Latin America and the Caribbean. Collaborative projects include earthquake relief in Guatemala; education programs in Peru; the Dominican Republic, and Honduras; and literacy programs in Argentina, Mexico, and Uruguay.

Since 2007, RCL has contributed \$1.9 million to the PADF. In 2014, RCL financially supported the implementation of 23 projects across 21 countries.

These projects help support community prosperity and resilience in addition to disaster response and recovery with the following areas of focus:

Capacity Building	Health
Employment Generation	Water
Girls and Women	Education
Infrastructure and Housing	Food Security
Disaster Response	Human Rights
Energy and Environment	Youth

Additional information on these projects can be found on the [Corporate Partners](#) page of PADF's website.



## OUR COMMITMENT TO EDUCATION IN HAITI

With our private destination, Labadee, on the north shore of Haiti, we have had a strong presence in the country for nearly 25 years. To support the community in the long term, we sponsored the building of a school complex near Labadee following the 2010 earthquake that devastated much of Haiti. In 2013, the school expanded due to an increase in enrollment in all grades, and began providing English classes and now provides eighth grade education. In 2014, schooling was provided for 314 students. Students attending the school have had a 95% success rate on the national The State Exam (compared to a 75% success rate on average in Haiti). Our employees also continued to volunteer: providing general repairs, painting, environmental education and other projects at our school in Haiti.



COMMUNITY INVOLVEMENT



## SIGNATURE PARTNERSHIPS

### United Way

Our Company has a long-standing partnership with United Way. Each of our North American offices runs an annual employee giving campaign that helps to create lasting, positive change in the lives of children, teens, families and seniors in the various communities in which we do business. In addition, several of our executives hold volunteer leadership roles with United Way, extending the impact that our company is making in the community. In 2014, RCL's annual United Way campaign raised nearly \$1 million and funded projects including the Early Childhood Education Center in Miami. Additionally, 438 employees participated in the Mercedes Benz Corporate Run in 2014 –raising funds for United Way of Miami.

### Make-A-Wish of America

Since 2000, our Wishes at Sea cruise donation program has hosted thousands of Wish Kids and their families around the world, contributing in-kind services and discount savings. Through employee and guest fundraising efforts such as Walk for Wishes, we have raised millions of dollars and collected thousands of frequent flier miles for Make-A-Wish. In 2014, nearly \$1 million was raised for Make-A-Wish during a fundraising initiative surrounding the naming ceremony for Royal Caribbean International's newest ship, *Quantum of the Seas*.

### The Breast Cancer Research Foundation®

Since 2010, Celebrity Cruises has focused on breast cancer research as its main charitable cause. This focus is formalized through a partnership with The Breast Cancer Research Foundation® (BCRF), an organization dedicated to preventing breast cancer and finding a cure in our lifetime by funding clinical and translational research worldwide. Celebrity launched its partnership with BCRF through a series of onboard events and activities aimed at giving guests an opportunity to engage and share in our commitment to the cause, in a fun, meaningful and authentic way, while raising funds for the organization.

In addition to these signature brand partnerships, we also continue to support **The Miami Foundation**, which is focused on connecting philanthropy with community needs near our corporate headquarters, and **The Commonwealth Institute**, a non-profit organization to support women-owned businesses.

## FOCUS ON EDUCATION AND MENTORING

Our strong belief in education and mentoring programs runs throughout the company, and we are proud that our employees participate in several Miami-area education initiatives. Through a partnership since 1997 with Kids and the Power of Work (KAPOW), RCL employees serve as tutors and mentors to children at an elementary school in a disadvantaged neighborhood of South Florida. In 2014, more than 300 local students participated in the program.

Employees also help high school students in the hospitality program reach their potential through professionally supported mentoring through Big Brothers Big Sisters, School to Work Program with monthly worksite visits to RCL's offices, and BIGs in School, which employees have the chance to work with a child each week at a school near their home or office. In 2014, the number of participants in the program continued to grow.





## COMMUNITY INVOLVEMENT

## ENGAGING EMPLOYEES THROUGH COMMUNITY SERVICE

At RCL, our employees are public service-minded and share our mission to give back and make positive contributions to the communities we touch. We launched our Get Involved, Volunteer Everywhere (GIVE) program in 1997. Over the past 17 years, employees and their friends and families, suppliers and business partners, join forces nationally and internationally each year to assist nonprofit and community organizations in improving the quality of lives in their communities. Our employees have pitched in at schools, children's homes, museums and neighborhoods in the United States, the Caribbean and Europe. Additionally, in the fall, shipboard employees raise money for destination-based charities of their choice, including orphanages, shelters and community centers around the globe through our "GIVE for the Holidays" program.

In 2014, approximately one thousand employees, friends and family participated in our RCL's 17th annual GIVE Day event, which took place at Oleta River State Park. Oleta River State Park is one of Florida's largest urban parks. With more than 50,000 visitors annually, the Park requires ongoing maintenance and restoration. 2014 GIVE Day projects at the Park included trail restoration, painting, planting, butterfly garden, playground installation, refinishing of fishing pier and bridge, coastal cleanup. Company volunteers planted 13,061 plants, trees and shrubs; transformed 20 buildings with 32,000 gallons of environmentally-friendly paints; restored two trails; built a playground; planted a butterfly garden; and picked up litter from 1,555 linear feet of park and shore line. Additional GIVE Days projects also took place simultaneously at our shoreside offices in the United States and the United Kingdom and on some of our ships.



Get Involved, Volunteer Everywhere  
A Community Relations Initiative



## CONTINUING TO RESPOND TO GLOBAL NEEDS

As our Company grows and expands, we recognize the need to continue focusing our efforts on the most impactful events and activities that engage the most employees. Additionally, it is critical that we continue to vet organizations, maintain transparency in donations and reporting, and ensure separation among the activities of our Government and Community Relations functions.

Through our charitable contribution policies and our culture of service and caring, we strive to position ourselves to continue making positive social and economic contributions in the communities where we operate.





# CONSERVATION AND SUSTAINABLE TOURISM

Our ships provide guests with many different opportunities to interact with the natural environment in both land and marine ecosystems. Among a diverse set of available shore excursions, guests can choose to dive or snorkel in coral reefs teeming with vibrant aquatic life, explore magnificent rain forests or hike through glaciers or tundras –all while experiencing first-hand the wonders of the wilderness and wildlife in these unique environments.

There are many complex factors involved in helping to maintain the natural and cultural integrity of these places. At RCL, we believe that, in addition to managing our ships in an environmentally responsible manner, we must also promote sustainability and manage our impact on the often-fragile ecosystems and communities visited in the destinations to which we sail.

## 2014 CONSERVATION AND SUSTAINABLE TOURISM HIGHLIGHTS

### CONSERVATION

**19<sup>th</sup>** year of providing marine conservation grants through The Ocean Fund

**\$13.7 MILLION**

granted to 81 non-profit organizations and institutions since The Ocean Fund's inception

More than

**\$250,000**

awarded to local organizations since inception through The Celebrity Xpedition Galápagos Fund

### SUSTAINABLE TOURISM

**7** destinations selected for the first implementation phase of the Sustainable Destinations Alliance for the Americas

**75** cruise destinations to be sponsored by RCL to undergo an online assessment of sustainable destination management practices

**2** Gold-Level Eco-Certifications for our private destinations in the Bahamas and Haiti through the Sustainable Tourism Education Program™

**36%** of shore excursions offered from providers that are enrolled in a sustainable tourism education and verification program



CONSERVATION AND SUSTAINABLE TOURISM

## THE IMPORTANCE OF CONSERVATION AND SUSTAINABLE TOURISM

At RCL, we recognize the importance of conservation and sustainable tourism. We realize that with the growth of our business and the increasing popularity of cruise vacations, a greater number of visitors now have the opportunity to experience the magnificent destinations we visit. We work towards ensuring that the activities of our guests, while in ports of call, have the least possible impact and help to protect the natural and cultural heritage in our many destinations.

We believe that good destination stewardship depends on shared responsibility among local government, tourism businesses, communities, and our guests. As such, we are proactively:

**Investing in practical tools and projects that will help destination managers to embed sustainability in their own policies and planning**

**Encouraging and supporting our shore excursion operators to improve their sustainable business practices**

**Ensuring that our private island destinations meet internationally recognized standards for sustainability**

## OUR CONSERVATION FUNDS

To help ensure the future of the world's oceans, RCL makes investments in conservation projects, scientific research, sustainable destination management and environmental education. Through these funds and their projects, our goal is to engage our employees and our guests to grow our community's awareness of marine conservation issues.



### The Ocean Fund

Established by RCL in 1996, The Ocean Fund supports marine conservation organizations in safeguarding the health of the world's oceans. The Ocean Fund's mission has three primary objectives:

**Support efforts to restore and maintain a healthy marine environment**



**Minimize the impact of human activity on this environment**



**Promote awareness of ocean and coastal issues and respect for marine life**





CONSERVATION AND SUSTAINABLE TOURISM



Since the fund's establishment, we have contributed \$13.7 million dollars to 81 non-profit organizations and institutions around the world for projects that relate to ocean science and marine conservation, climate change, key marine species, education and innovative technologies.

Across the globe, RCL's Ocean Fund provides funding for a series of diverse but targeted projects, which includes the following:

OCEAN FUND GRANT RECIPIENTS	PROGRAMS AND PROJECTS SUPPORTED
CARIBSAVE	A program to establish nurseries of climate-change-resistant corals in Jamaica and transplant them into protected areas to foster healthy reef ecosystems
CENTRAL CARIBBEAN MARINE INSTITUTE	A program that uses environmental monitoring data and climate simulation experiments to understand the resilience of corals in the Cayman Islands in the face of climate change
CHARLES DARWIN FOUNDATION/GALAPAGOS CONSERVANCY/ GALÁPAGOS FUND	A matching fund to incentivize guests sailing on Celebrity Xpedition in the Galápagos Islands to donate to the Galápagos Fund, managed by the Galápagos Conservancy, to help with conservation efforts in the region
MARINE STEWARDSHIP COUNCIL	A program that advances environmental stewardship of Caribbean fisheries by identifying those most ready for sustainability certification
NORTH AMERICAN ENVIRONMENTAL PROTECTION ASSOCIATION	A multi-lingual program that educates children in grades K-12 in the Caribbean Basin about the harmful effects of marine debris and how to mitigate its impact
NATIONAL FISH AND WILDLIFE FOUNDATION	A destination conservation program that links sustainable fisheries and conservation projects to ports of call in the Caribbean
THE NATURE CONSERVANCY	A structured approach to guiding active conservation efforts for Haiti's new marine protected area, Three Bays National Park
SUSTAINABLE TRAVEL INTERNATIONAL	A comprehensive destination stewardship program that positions RCL as a resource for destinations committed to conserving and preserving resources
UNIVERSITY OF FLORIDA SEAGRANT PROGRAM	A program targeting Dominica fisheries, with opportunities to foster sustainable practices
UNIVERSITY OF MIAMI ROSENSTIEL SCHOOL OF MARINE AND ATMOSPHERIC SCIENCE	The OceanScope program, which measures atmospheric and oceanographic data as select RCL ships sail through the world's oceans



## CONSERVATION AND SUSTAINABLE TOURISM

## PROTECTING CORAL REEFS IN JAMAICA

Fishermen in Bluefields Bay, Jamaica recall a time when coral grew so high that boats had to navigate around the coral tips that grew out of the Caribbean's blue water. Decades later, the once-lush thickets of coral have been impacted by hurricanes, the decline of algae grazers and climate change.

The branching species of these coral – now listed as threatened under the Endangered Species Act – have long been known to provide a good habitat for fish in addition to shoreline protection from storm surges.

With funding from RCL's Ocean Fund, CARIBSAVE and its partner have taken have undertaken a coral restoration project, which uses coral transplantation techniques to establish coral nurseries and restore reefs in the fish sanctuaries at Bluefields Bay and Sandals, Boscobel on the north side of the island.

This coral restoration project is expected to strengthen coastal resilience and provide important habitat for marine life. Additionally, the coral nurseries and out-planting sites will provide an attraction for tourists, and potential income generation and employment for local stakeholders as tour guides and coral gardeners.

Watch CARIBSAVE video





## CONSERVATION AND SUSTAINABLE TOURISM

## THE CELEBRITY XPEDITION GALÁPAGOS FUND

The Celebrity Xpedition Galápagos Fund was established in 2006 to support the conservation and protection of the Galápagos Islands. Grants are made to a variety of non-profit groups and institutions for conservation initiatives, including research and innovative technologies, as well as education initiatives that boost public awareness of ocean and coastal issues and respect for the ecosystem.

The Fund draws on guest donations, and has awarded more than \$250,000 since its inception in support of projects that contribute to the Galápagos community. Projects focus on conservation of species and habitats of the islands, sustainable tourism supported by local communities and businesses, and education and employment for students of the islands.

In 2014, Celebrity Xpedition Galápagos Fund supported the following projects:



CELEBRITY XPEDITION GALÁPAGOS FUND GRANT RECIPIENTS	PROGRAMS AND PROJECTS SUPPORTED
GRUPO ECO CULTURAL ORGANIZADO	The Proactive Youth Project seeks to strengthen a culture of community service among Island residents aged 13 to 22
THE SCALESIA FOUNDATION	A program to provide training for teachers in collaboration with the Ministry of Education
NOVA GALAPAGOS FOUNDATION	Projects to provide free pet care and sterilization campaigns in collaboration with the Galapagos Biosecurity Agency, and to control invasive species on the island
COOPERATIVE OF ARTISANAL FISHERIES	A project to address challenges faced in artisanal fishing, the second largest local industry after tourism on the island
AGENTS OF CHANGE	A program to provide youth with personal development tools and to encourage social entrepreneurship
BEYOND CHACAY FOUNDATION	A project to develop a dynamic, virtual technology platform to promote ecotourism on the island
FUNDAR	A campaign to strengthen community groups' individual and collective capacity to implement conservation activities



## CONSERVATION AND SUSTAINABLE TOURISM

## SUPPORTING SUSTAINABLE DESTINATION MANAGEMENT

RCL's Ocean Fund has supported sustainable destination management through two important methods:

**Developing and Piloting of a Destination Monitoring Tool**

**Implementing Sustainable Tourism Action Projects using Destination Tools**

### DEVELOPING A SMART DESTINATION MONITORING TOOL

An Ocean Fund grant has enabled the development of a cutting-edge destination-monitoring tool called Strategic Monitoring & Response for Tourism (SMART). SMART is an integrated sustainability monitoring system secured in a cloud-based platform. SMART contains internationally recognized indicators covering eight themes for sustainable tourism:

Tourism Planning and Policy	Tourism Performance	Business Environment	Human Development
Cultural and Natural Capital	Climate Change	Environmental Management	Conservation and Development

SMART is expected to help destinations improve decision making for sustainable development and management of tourism and other destination operations, to achieve balanced growth and vibrant healthy communities for both residents and guests alike.





## CONSERVATION AND SUSTAINABLE TOURISM

## IMPLEMENTING SUSTAINABLE TOURISM ACTION PROJECTS

Ocean Fund grants have also assisted three destinations to implement sustainable tourism projects using Sustainable Travel International's Destination Sustainability Tools:



### Roatán

In Roatán, the grant supported a Rapid Sustainable Destination Diagnostic™ (RDD), which is a destination sustainability assessment applying internationally recognized criteria. A stakeholder engagement process was facilitated for planning and developing a practical action agenda. The action agenda identified good practices and areas for improvement, to demonstrate tangible and measurable results—most notably the establishment of a new destination management organization.



### Cozumel

Sustainable Travel International, in partnership with the Mesoamerican Reef Tourism Initiative (MARTI) and the local government, has brought destination stakeholders together to develop their first destination-level action agenda for destination sustainability. Further work is underway to help guide the local government and MARTI in assessing the feasibility of launching a destination quality and sustainability standard for hotels and tour operators.



### St. Kitts

In St. Kitts, the Ocean Fund grant supported online training for 30 government officials in sustainable tourism and sustainable destination management. The Ocean Fund also sponsored an in-person training session in St. Kitts for 20 public and private sector officials, with specialized training modules on marine conservation and cruise destination stewardship.

To support our efforts, we launched a destination stewardship micro-site titled [Destinations for Tomorrow](#) for RCL's destination management partners in more than 400 ports of call worldwide, which includes Ministries of Tourism, Tourism Boards, national, regional and local Destination Management Organizations, and regional and local public authorities. The micro-site will serve as a repository for the main outputs and accomplishments from RCL's destination stewardship projects across the globe.

In 2015, RCL plans to sponsor 75 cruise destinations to undergo a preliminary online assessment of sustainable destination management practices. The Destination Sustainability Self-Assessment™ evaluates a destination's progress towards sustainability based on 25 key indicators which are organized around three themes: tourism management, community well-being, and resource management. The Destination Sustainability Self-Assessment™ is designed for decision-makers from tourism authorities, such as Ministries of Tourism and Tourism Boards, to complete – providing them with a preliminary snapshot of the destination's current status, and serves as a first step in the journey toward sustainable destination management. Although this is a self-assessment, the results of the review are verified by an independent organization.



## CONSERVATION AND SUSTAINABLE TOURISM

## LAUNCHING SUSTAINABLE DESTINATIONS ALLIANCES FOR THE AMERICAS AND THE SOUTH PACIFIC



Sustainable Destinations  
Alliance for the Americas

In 2014, RCL achieved a major milestone – launching the Sustainable Destinations Alliance for the Americas (SDAA) in partnership with the Caribbean Tourism Organization, the Organization of American States (OAS) and Sustainable Travel International. The Alliance seeks to improve the way tourism is managed and to enhance the global competitiveness of the region, by embedding sustainability into the day-to-day management and marketing of destinations.

The SDAA marks the largest-scale effort to date through which public and private entities have united to focus on destination sustainability in the Americas. The SDAA, anticipated to become a critical component of the OAS Sustainable Tourism Program over the next two years, underscores the close interagency cooperation among the OAS and its regional partners, the strong involvement of key stakeholders, and collaboration with the private sector.

The SDAA will offer seven destinations in the

Caribbean and Latin America significant support with their sustainability efforts. These projects will follow the successful implementation model of the pilot programs in St. Kitts, Cozumel and Roatán: funded throughout our Ocean Fund grants. While the geographic focus for the first two years of work is the Caribbean and Central America, our shared vision is to expand the initiative, over time, to encompass more than 30 tourism destinations in the Americas.

Also in 2014, RCL announced the formation of the South Pacific Destination Alliance (SPDA) – in partnership with the South Pacific Tourism Organization – to help the region protect its natural and cultural assets while enhancing livelihoods. Modeled after the Alliance for the Americas, SPDA will be targeting seven destinations during the first phase of implementation with a vision to encompass more than 20 tourism destinations in the South Pacific region.

Beyond the size and scope for these two alliances, we believe that the alliances are also unique due to the holistic approach and the institutional support that has been established. To successfully implement the alliance's projects, skillful relationship building with local governments will be critical, as the local governments serve as the anchor of the project in each destination. As such, our interactions will require attention and effective facilitation to ensure that local stakeholders at each destination come to the table and that their voices are heard.

## ENGAGING TO ADVANCE SUSTAINABLE TOURISM STANDARDS

One of the ways the cruise industry can support development at our partner destinations is to utilize third-party standards that outline best management and quality assurance systems for shore-excursion providers, as well as sustainable management of the destination itself.

Since 2010, we have worked with Sustainable Travel International to develop the Sustainable Shore Excursion Standard, a set of criteria and indicators for sustainable shore excursions that are designed to help cruise lines identify providers who offer high-quality shore excursions that also support local communities and conserve the environment. This standard builds on the Ocean Conservation and Tourism Alliance's (OCTA) Principles, Criteria and Indicators for Sustainable Marine-based Tours, developed in collaboration with the Cruise Lines International Association (CLIA) and Conservation International (CI), and is aligned with the Global Sustainable Tourism Council (GSTC)'s Global Sustainable Tourism Criteria.

We also continued to support and participate in the GSTC Working Group to draft Global Sustainable Tourism Criteria for Destinations. We are happy to report that, after incorporating the recommendations of the GSTC Working Group, the Global Sustainable Tourism Criteria for Destinations (GSTC-D) were approved by the GSTC Board. We are proud to be a part of this effort to develop a common understanding of sustainable destinations, and the minimum undertakings that any tourism management organization that wishes to be sustainable should aspire to reach.



## INTEGRATING SUSTAINABLE TOURISM STANDARDS INTO OUR OPERATIONS

We have set a company-wide goal that 50% of all shore excursions offered by RCL will be third-party verified to an internationally recognized sustainability standard by 2015.

In 2014, we continued to advance towards our 2015 goal in partnership with RCL's Global Tour Operations team to facilitate the adoption of the standards and promote participation in the program. In 2014, the total number of excursions enrolled in an approved sustainability program increased to 36%, compared to 34% in 2013.

We have further refined our approach to move enrolled operators through the process to obtain certification and third-party verification. We have developed customized approaches to verification in order to accommodate the unique structure and characteristics of our diverse operator partners. One of the challenges we faced were the fluctuations in the product offering that come as a result of changes in guest satisfaction, ship itinerary, and the contracting processes for the tour product portfolio. This resulted in some certified tours no longer being part of the program and other non-certified operators being added. In these cases, new operators are introduced to the program and offered the incentives available for participation.

Additionally, RCL has committed that all of our Environmental Officers will receive training in sustainable tourism and will obtain a certification as Sustainable Tourism Professionals. This program is based on curriculum developed by Sustainable Travel International in partnership with the U.S. Agency for International Development, and George Washington University. We are evaluating the best strategy for the fleet-wide rollout of the initiative and the timeline for completion.

## RECEIVING GOLD-LEVEL ECO-CERTIFICATION AT OUR PRIVATE DESTINATIONS IN THE BAHAMAS AND HAITI

The attractions and tour operations at Coco Cay, Bahamas and Labadee, Haiti, two private cruise destinations managed by our Company were awarded the Sustainable Tourism Education Program™ (STEP) Gold-Level Eco-Certification.

The STEP Certification is among the first global standards to be formally recognized by the Global Sustainable Tourism Council. To receive the certification, Coco Cay and Labadee were evaluated across a series of environmental, social and economic performance areas including operational planning, compliance, ecosystems and wildlife management, ecological impacts, waste management, energy management, pollution, water management, conservation and community efforts, responsible purchasing, ethics, fair labor, health and safety, and community relations.

The certifications are due for renewal every three years. In 2015, we will begin the re-certification process for Coco Cay.

## RESPONDING TO INDUSTRY CHALLENGES AND OPPORTUNITIES

While we take pride in the great progress made and growing partnerships formed to date, we acknowledge that we continue to face challenges within our sustainable tourism initiatives, which includes widespread industry adoption and harmonization of best practices. At the local levels, change in local government leadership and policies can also present challenges. We remain focused on our commitments to conservation and sustainable tourism and look forward to continue collaboration and engagement. Our participation in the newly formed sustainable destination alliances in the Americas and South Pacific, in particular, present great opportunities and a vision for advancement with tangible results for the future.





## ENVIRONMENTAL STEWARDSHIP

At RCL, our commitment to the environment extends throughout our organization, from senior management to our newest crewmembers onboard our ships. As we continue on our journey to optimize the environmental performance of our operations, we are dedicated to continually improving our operations, both onboard and ashore, by piloting emerging technologies and deploying best practices fleet-wide to minimize our environmental footprint.

### OUR ENVIRONMENTAL STEWARDSHIP MANAGEMENT FRAMEWORK

We demonstrate our commitment to environmental stewardship by using management systems that meet voluntary international standards.

Nearly twenty years ago, Royal Caribbean International became the first cruise line to use an environmental management system certified to the ISO 14001 standard, the leading, international environmental management standard across industries.

### 2014 ENVIRONMENTAL STEWARDSHIP HIGHLIGHTS

**18**  
years of maintaining  
ISO 14001  
certified operations

**21.4%**  
reduction in greenhouse  
gas emissions per  
available passenger cruise  
day since 2005

**52%**  
reduction in refrigerants  
consumption since 2008

**4**  
full ship installations and  
fully certified emissions  
abatement systems

**90%**  
better performance  
than IMO standard for  
discharged bilge water

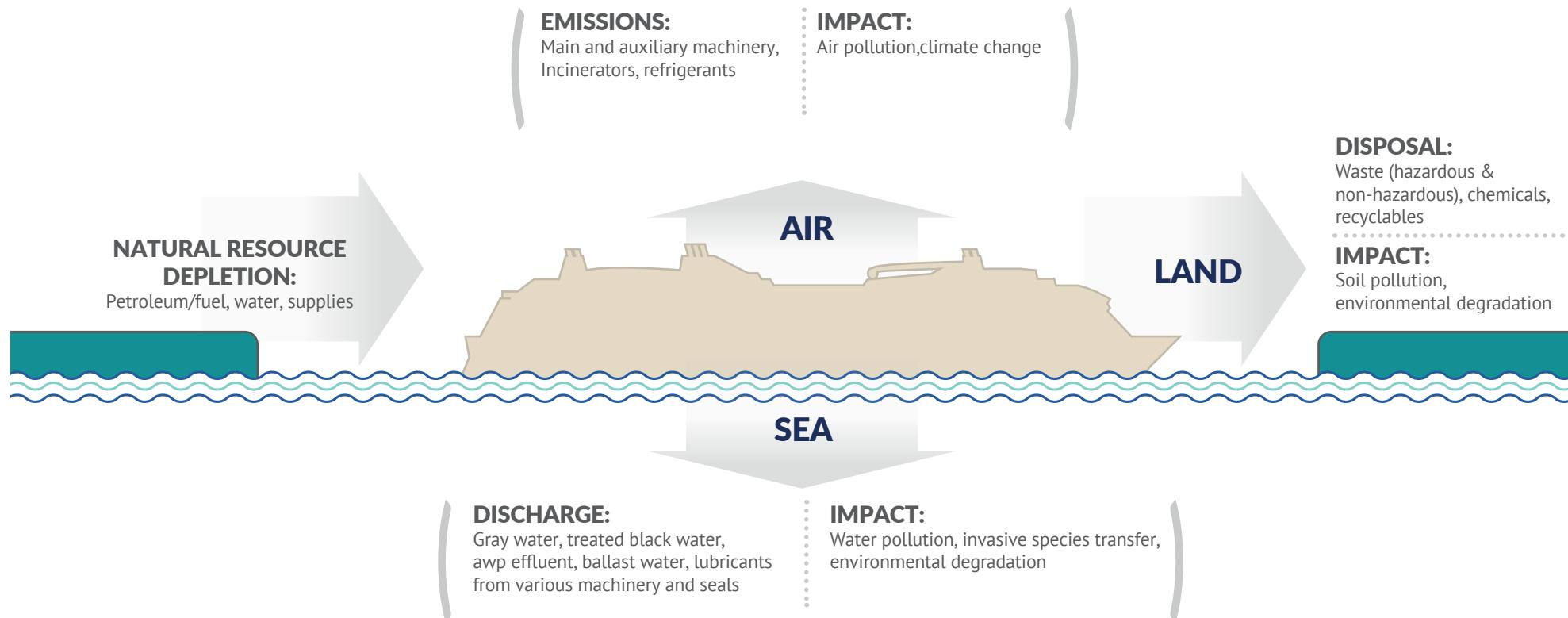
**32**  
ships (representing 82% of  
available berths) covered by  
advanced wastewater  
purification systems

**100%**  
of operational waste  
re-purposed  
on 16 ships



## SIGNIFICANT ENVIRONMENTAL IMPACTS

Over the past twenty years, ISO 14001 has been central to our Company's environmental stewardship management framework – informing both the development of and execution on our long-term Save the Waves environmental goals. Embedded in the ISO 14001 framework is a continuous improvement model that is underpinned by an annual assessment of our most significant environmental impacts to land, air and sea.





## HOW WE MANAGE OUR IMPACTS

These are examples of some of our best practices in environmental impact mitigation technologies and initiatives currently present across our fleet. These types of technologies are incorporated into the design criteria of new ships ordered and built. We also continue investing in development of new technologies that help us improve our performance and further reduce our impacts.

### Advanced Emissions Purification

system (scrubber) to treat and clean exhaust gases

### Adjusting and optimizing ship speed

to increase fuel efficiency

### Re-using engine waste heat

to heat water for showers and galleys

### LED and fluorescent lights

to reduce energy use and produce less heat

### Advanced Wastewater Purification

system to treat and clean water used onboard

### Energy-efficient glass

### Energy-efficient appliances

### Keeping waste out of landfills

by repurposing 100% of solid operational waste

### Itinerary planning

to optimize timing, route, speed and distances traveled

**Using cold seawater** To chill water onboard, reducing the load on our air-conditioning systems

### Improved hull

with anti-fouling paint and redesigned propulsion system

### Ballast water treatment system

to help prevent transfer of non-native species

### Air lubrication system

to reduce drag and increase fuel efficiency



## ENERGY AND AIR EMISSIONS

As our Company generates significant emissions from operations, reducing our emissions of greenhouse gases and other air pollutants is an essential part of our environmental stewardship strategy. There are three main ways that we seek to minimize air pollution from our ships:

### Reducing Overall Energy Use



### Investing in Emissions Abatement Technologies



### Utilizing Alternative Fuels and Renewable Energy Sources



## REDUCING OVERALL ENERGY USE

The energy required to push a ship through the water is the single largest energy demand on a ship, so improving the way our ships move through the water is a critical element in our quest for sustainable energy efficiency. RCL has initiated a multi-year project of upgrading the propulsion plants on our ships scheduled for dry-dock. As of the end of 2014, each Vision-class ship has upgraded its existing propeller and rudder propulsion system to a more efficient integrated rudder-propeller system. Most of our newer ships have been designed with podded propulsion systems, which are often more efficient than traditional propeller-type systems. Together with our supplier, we have developed an even more efficient podded propulsion system by enhancing the hydrodynamic design of the units. We also continue to pilot several software solutions to help guide and monitor efficient ship operations.



## MEASURING PROGRESS

For many years, through implementation of advanced designs and technologies, we have been progressively commissioning some of the lowest-emission ships in the shipping industry. Our newest classes of ships emit about 20% less carbon dioxide (CO<sub>2</sub>) per person per day than ships built five to ten years ago. We have also retrofitted new technologies in our existing ships that have improved their propulsion efficiency by 5-10%.

As a result of these efforts, our 2014 Scope 1 and 2 emissions per available passenger cruise day<sup>2</sup> (APCD) are more than 21% lower than our 2005 baseline. In addition, we have achieved an annual reduction of 1.3% per APCD in 2014. The annual reduction in Scope 1 and 2 emissions is attributable in part to hydrodynamic improvements and speed management measures on 29 ships in addition to HVAC and mechanical upgrades on 21 ships, for which we estimate nearly 50,000 metric tonnes in emissions were avoided. While over 95% of our emissions are from fuel consumption, we have also reduced emissions from refrigerant consumption per APCD by 52% since 2008.

<sup>2</sup>APCD refers to Available Passenger Cruise Days, which is the number of lower berths on a ship times the number of days that those berths are available to passengers per year.

## AIR LUBRICATION INITIATIVE

For a number of years, air lubrication has been under investigation by the Marine Industry as a means of reducing the frictional resistance of ships and therefore reducing the amount of energy needed to propel ships. Through various modeling studies, the method of air lubrication had indicated results with significant net energy-saving effects. RCL has implemented a partial installation for test purposes onboard Celebrity Reflection. Testing to date on this ship confirmed net savings in the range of 1-3% depending on weather and sea conditions. In 2014, we launched the *Quantum of the Seas*, which was designed and built with a complete air lubrication system. In 2015, RCL will continue to explore future full-scale installations onboard other existing ships and potential new builds.



## INVESTING IN EMISSIONS ABATEMENT TECHNOLOGIES

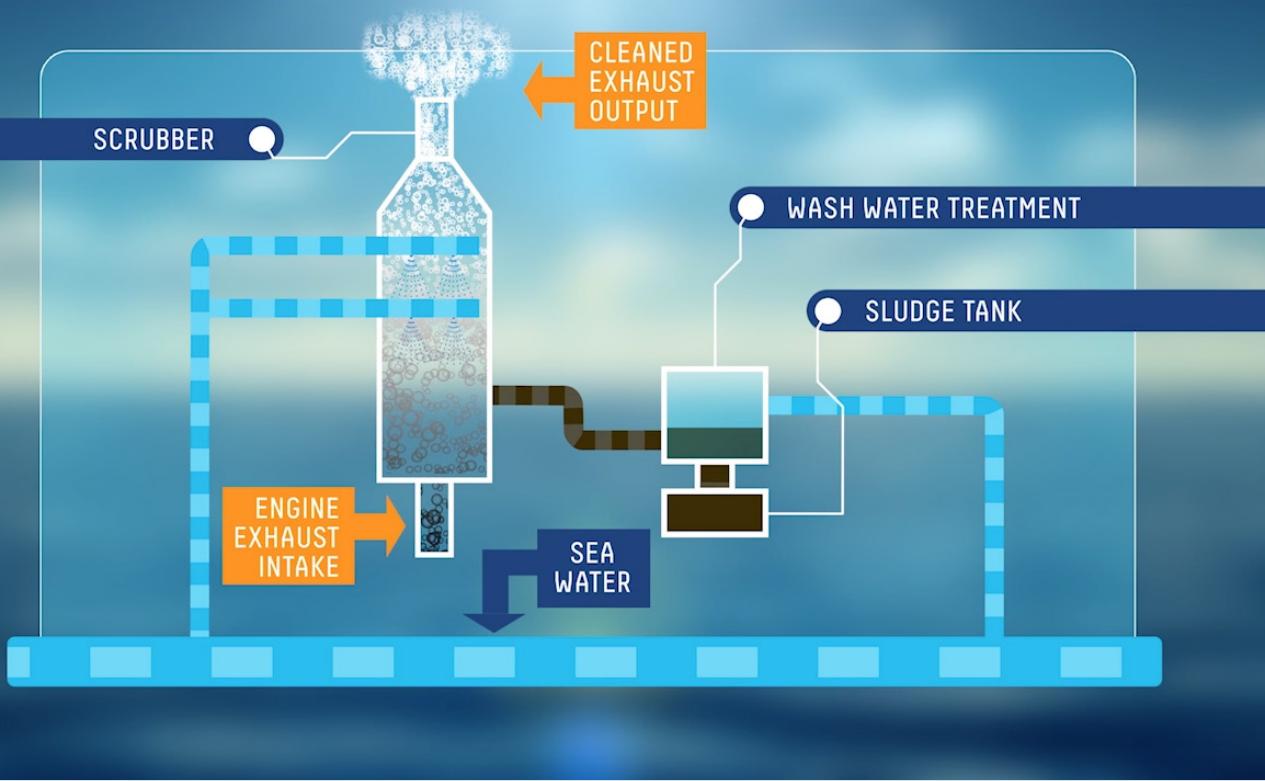
In addition to focusing on energy reduction and efficiency, we believe that it is important to evaluate and invest in alternative abatement technologies for fossil fuel exhaust emissions. One such technology, advance emissions purification more commonly known as exhaust gas cleaning, relies on water to clean or scrub sulfur dioxide, and oxides of nitrogen emissions before they are released into the air. RCL has been piloting this technology since 2010 on two ships - *Liberty of the Seas* and *Independence of the Seas*.

In 2014, RCL took a major leap forward to support our commitment to reducing air emissions – beginning the installation of Advanced Emission Purification (AEP) systems on 19 existing ships. In addition, we also launched two ships – *Mein Schiff 3* and *Quantum of the Seas*, each designed with the AEP systems, and continued our pilot of AEP systems on two additional ships.

The deployment of 19 additional AEP systems across our fleet represents not only a major investment for our Company but also a huge undertaking to integrate this technology aboard the existing ships. The AEP retrofits will position our Company ahead of forthcoming International Maritime Organization emission standards, in addition to ensuring compliance with existing European Union standards.



## CRUISING INTO THE FUTURE



RCL's decision to retrofit 19 of its ships with leading-edge AEP systems underscores our commitment to meet or exceed important environmental standards. A retrofit project of this size and complexity – and the scale and intricacy of the research, planning, and design required – is unprecedented for our Company, and has required a very systematic process and involved the world's leading expertise in this field.

Essentially, the AEP systems are large towers on-board the ship that take exhaust gases from the ship's engines and clean the emissions before they can be released into the air. AEP systems are unique in that they use seawater and other additives to clean emissions before they are released. This results in washwater that then undergoes thorough on-board cleaning before being discharged. AEP systems are also designed

to function without the addition of chemicals, such as urea or caustic soda, which is important because such chemicals can be the source of other undesirable emissions.

The journey toward RCL's milestone to deploy the AEP systems across our fleet has been a long and thoughtful one over the past five years. RCL has been involved in the development, testing and planning for the use of AEP technology since 2010. *Liberty of the Seas* and *Independence of the Seas* were the first ships where we began to test and pilot the technology. During these pilot projects, we worked closely with AEP technology partners to engage in robust system testing that considered numerous factors, including performance in relation to engine loads. We also engaged with regulators throughout the process, incorporating lessons learned, thus making technical adjustments and engaging in corrective actions along the way.





We acknowledge that the decision to retrofit 19 existing ships with AEP systems is a huge undertaking. Some pieces of the AEP towers can be as large as a school bus. The entire AEP system has an operational weight of several hundred tons of equipment and liquids. Also, depending on how many engines are running, the load of the engine and the sulfur content of the fuel, significant amounts of water (estimated between 500 and 1500 tons of water per hour) will need to run through each of an AEP system's towers. Additionally, the installation of piping and sensors throughout the ships will be required to retrofit exiting ships with AEP systems.

Execution on these retrofits will require the combination of considerable financial and human resources – not only to successfully and meaningfully reduce air emissions but also to ensure that the AEP retrofits provide minimal disruptions to our guests. Our hope is that our guests will also take pride in witnessing this great leap in technology and that RCL's large-scale deployment of the AEP technology will also benefit the larger maritime industry as a whole.



[Watch AEP video](#)





## ENVIRONMENTAL STEWARDSHIP

## UTILIZING ALTERNATIVE FUELS AND RENEWABLE ENERGY SOURCES

Another way that we can reduce air emissions is by burning cleaner fuels and using cleaner technologies. Since 2000, we have equipped eight of our ships with gas-turbine engines – burning cleaner fuels and emitting less air pollution.

A number of other cleaner energy technologies are under development around the world. Although the selection of commercially available and practical clean technologies continues to be limited for marine applications, we are actively researching and assessing progress on these technologies—including solar and wind power, biofuels, natural gas, fuel cells, biomass and shore power—to determine their efficacy and viability for the future.



## “WALKING THE TALK” AT OUR SHORESIDE OFFICES

While the overwhelming majority of our environmental impacts come from our ships, we strive to promote a culture of environmental responsibility at our shoreside offices. From lighting retrofits and reduced water usage to emerging recycling initiatives, we continue to discover and implement opportunities to reduce our environmental impacts and to support behavioral change initiatives. At our corporate headquarters in Miami, we provide electric vehicle charging stations and preferred parking for hybrid vehicles. In 2014, we also implemented a Commuter Options Program at corporate headquarters, which includes a RCL Transit Connector shuttle service, an onsite Car-Share service in partnership with Car2Go and a carpool matching program for employees.

Our call center facility in Springfield, Oregon is also an exemplary LEED® Gold certified property with a great number of sustainable design elements including site planning, construction materials, efficient water use, low energy consumption, renewable energy, and outstanding indoor environmental quality for an excellent work environment.





## ENVIRONMENTAL STEWARDSHIP

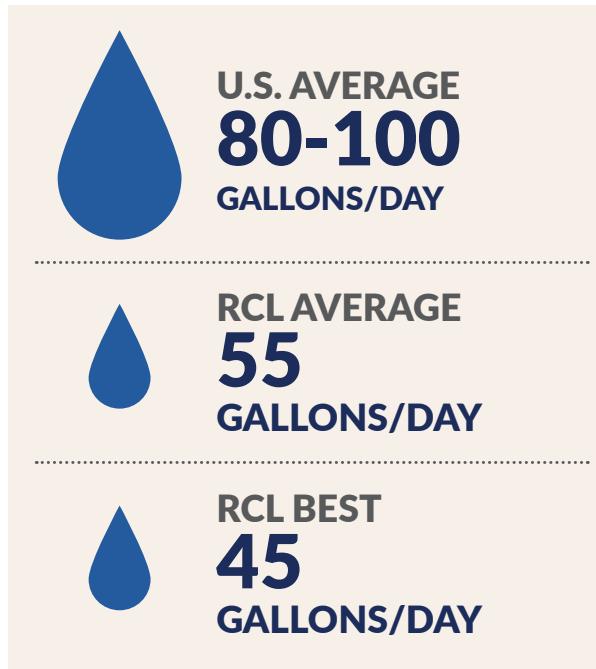
## WATER AND WASTEWATER

Our ships require significant amounts of fresh water for drinking and for use in showers, sinks, toilets, galleys, pools and spas. Much like other types of ships, our cruise ships also generate a number of different kinds of wastewater.

We are continually researching ways to reduce water consumption and increase the efficiency of fresh water production on our ships. We also rigorously treat the three basic types of wastewater that are produced on cruise ships: bilge water, which is a mixture of liquids, primarily fresh water, that is collected in the engine room from machinery spaces and internal drainage systems; gray water, which is water from showers, baths, washbasins, laundry, dishwashers and galleys; and black water, which is water from toilets, urinals and medical facilities.

PROTECTING  
FRESHWATER RESOURCES

The average person in the United States uses about 100 gallons of water per day. On our ships, we calculated an average of 55 gallons of water per person per day in 2014, a savings of up to 45% of the fresh water usage per person each day compared to many of our guest's use of water at home<sup>4</sup>. Despite this level of efficiency, we strive to implement conservation measures to further reduce water consumption, and thus energy use, without negatively affecting the comfort of our guests.



We get fresh water for our ships in one of two ways: either by producing it onboard or by acquiring it from local sources in ports (known as bunkering). The majority of our fresh water is produced onboard, using steam desalination or reverse osmosis to convert seawater into fresh potable water. Steam desalination systems use evaporators that boil seawater under a vacuum and create steam, which is then condensed into fresh water. Although this process requires high levels of energy, whenever possible we avoid the need to burn additional fuel by using waste heat from diesel engine cooling water and steam from exhaust gas boilers (waste heat recovery) to heat the water to steam.

Reverse osmosis systems operate by pumping seawater under very high pressure through a filter (or semi-permeable membrane). The filter allows only the water molecules to pass through, while the salt molecules are rejected and discharged back into the sea. The reverse osmosis systems being installed on our ships today are much more efficient than previous units. Today's systems provide the same amount of water for only about 35% of the electricity consumption of models from only a few years ago. In 2014, we produced approximately 5% more freshwater onboard.

Fresh water is only bunkered in locations where our use of the water resources will not stress the local community from a social, human health or environmental perspective.

Additional water-saving initiatives include:

- Installing new ice makers that use 65% less water than previous machines;
- Purchasing sink aerators and low-flow showerheads in crew and guest staterooms;
- Using water-reduction technology in kitchens and laundry facilities, including reduced-flow dishwashers, sink aerators and low-consumption laundry equipment; and
- Re-using clean condensate water from ships' air conditioning units in laundry areas.

<sup>4</sup>United States Geological Survey -Water Science School, January 10 2013, <http://ga.water.usgs.gov/edu/qa-home-percapita.html>



## ENVIRONMENTAL STEWARDSHIP

In 2015, our Marine Operations and Technical Services engineers will be continuing to work toward the following objectives to support our Company's Save the Waves goals:

**Maintain average water consumption per APCD at or below 54 gallons**

**Produce 15% more potable water using shipboard equipment and resources**

**Reduce the energy consumed to produce potable water onboard**

## A TARGETED APPROACH TO MANAGING WASTEWATER

We treat bilge water with highly effective oily water separators that produce effluent that is at least three times cleaner than what is required by international regulations. The IMO standard for discharging treated bilge water is 15 parts per million. In 2014, RCL ships discharged processed bilge water treated to an average of less than 1.5 parts per million.

To treat graywater and blackwater, we began the research and development needed to install and operate Advanced Wastewater Purification (AWP) systems that treat blackwater and graywater before discharging and produce an

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effluent that is cleaner than what is required by most international sewage regulations and what is discharged from most municipalities. We have been installing these systems onboard our Royal Caribbean International and Celebrity Cruises ships, at a cost of more than \$150 million since 1999. In 2014, we had 32 Royal Caribbean International and Celebrity Cruises ships with AWP systems installed – covering 82% of available RCL berths. Additionally all new vessel constructions moving forward will be fitted with an AWP. Meeting these standards reduces our environmental footprint and will potentially allow for operational savings in a growing number of ports around the world.

## WASTE AND CHEMICAL MANAGEMENT

Managing the amount of waste that we land ashore from our ships is a key part of our commitment to protecting the global environment. We reduce, reuse, and recycle solid waste whenever and wherever possible. As part of our Save the Waves policy, no solid waste is disposed overboard. We take special care in our handling of hazardous wastes and we carefully manage the selection, purchasing, handling, distribution, use and disposal of all chemicals that are used onboard our ships.

### Solid Waste

We take great measures to manage solid waste on our ships. Our crewmembers work diligently to reduce, reuse and recycle all materials they can, and company policies, procedures, equipment and training help ensure that no solid waste goes into the ocean –ever–period.

#### Reduce

We work with our suppliers to green our supply chain, reduce packaging materials and use more sustainable resources.

#### Reuse

We participate in container return programs with our vendors and have established standard donation database for our fleet. Items include mattresses, sheets, towels, furniture and clothing.

#### Recycle

All trash onboard our ships is hand-sorted by our crewmembers to determine what can be recycled.

Each ship is equipped with specially designed climate-controlled storage facilities that allow them to hold recyclables until the optimal and approved recycling hubs are reached.

Additionally, we continue to grind all food waste not classified as international waste, and discharge at sea following strict guidelines.





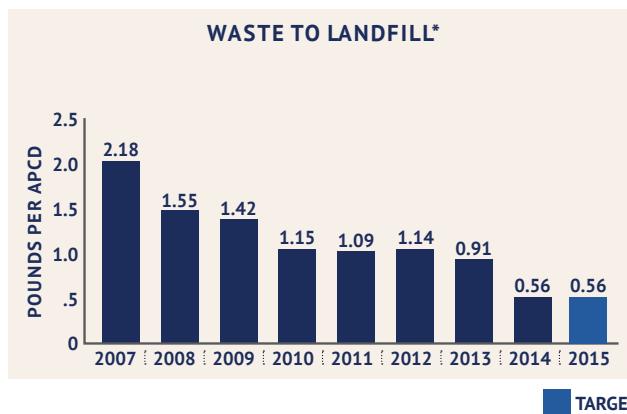
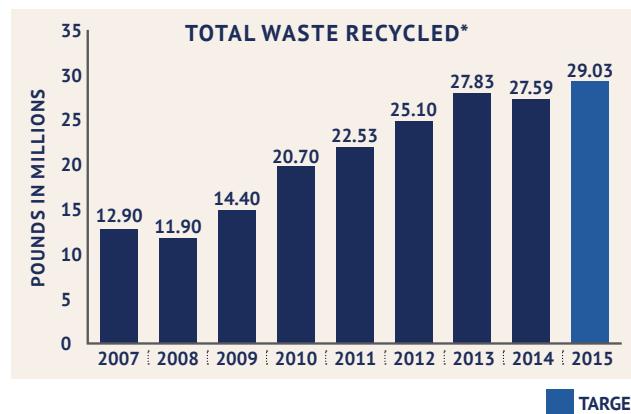
ENVIRONMENTAL STEWARDSHIP

## HEADING TO ZERO LANDFILL

In 2014, we achieved the milestone of having 100% of operational trash re-purposed on 16 of our ships (compared to 12 ships in 2013). 2014 was the first full year that our ships repurposed 100% of their solid waste in all of our Florida ports. Additionally in 2014, we added new itineraries in North America to our 100% repurposing program, which enabled us to reduce solid waste to landfill by nearly 50% compared to 2013.

Our Waste Management Working Group, the support of our Environmental Officers and partnership with vendors, local authorities and conservation groups has been instrumental toward accomplishing this milestone. We are optimistic about continued opportunities for collaboration to create markets for further waste reduction, reuse and recycling that did not exist several years ago.

As of 2014, we have increased the volume of waste recycled from our ships by 114% and decreased the amount of waste to landfill per APCD by 75% from 2007 levels (achieving our 2015 goal for landfill avoidance one-year ahead of schedule). In 2014, the volume of waste recycled decreased slightly due to changing itineraries throughout the world, especially in Asia where recycling in certain ports of call is limited. In 2015, a key focus area will be to further increase the number of ships that re-purpose 100% of their waste with an emphasis on our operations in and near the Baltic Sea.



\*The average person in the U.S. generates about 4.4 pounds of solid waste per day with 2.9 lbs of the generated waste being sent to a landfill.  
(2013 KPA MSM Data)

## Hazardous Waste

Although we produce only very small quantities of hazardous waste (in some areas called special waste), as defined by the U.S. Resource Conservation and Recovery Act (RCRA), the potential for negative environmental impacts makes the management of hazardous waste one of our highest priorities. As a result, our policy states that under no circumstance may hazardous waste be disposed of in trash containers or systems for graywater (sinks and drains) and blackwater (toilets). Instead, each type of this special waste has an appropriate and defined handling and control process. Hazardous waste products are segregated into leak-proof containers and landed to an approved shoreside disposal facility, or, for some types of medical waste, incinerated onboard.

Since recycling hazardous material is the most sustainable option, wherever possible, we recycle waste, such as fluorescent bulbs and batteries that would be classified as hazardous if it were landed ashore as garbage. Our hazardous waste is only handled by qualified contractors who comply with the due diligence program we have developed for approved hazardous waste vendors. Where there is no approved recycling facility, our ships package and store hazardous materials for recycling at ports with appropriate recycling facilities.



## ENVIRONMENTAL STEWARDSHIP

## CHEMICAL MANAGEMENT

Through our chemical management process, we are able to identify the most sustainable and effective chemical products for use throughout the fleet, thereby reducing the potential for adverse environmental impacts. We list chemicals that have been approved for use on our ships in a centralized master RCL Chemical Purchasing List (CPL) database. This list refers to the Chemwatch database, which contains standardized, easily retrievable information about each chemical; its proper handling and use; the manufacturer's ratings for health, flammability and reactivity; and minimum requirements for personal protective equipment (PPE). This information is available in 25 different languages throughout our fleet.

As a complement to this process, we have developed a Green Rating System for RCL shipboard chemicals. This system considers each ingredient in a chemical product and examines how it affects the environment, allowing us to identify, and remove from shipboard use, any chemical products of concern that could harm the environment. This system has not only reduced potential chemical hazards, it has improved tracking, use and storage of chemicals and increased incentives for our suppliers to provide environmentally friendlier products.

In 2014, we worked to enhance our Chemical Management Program by implementing controls to facilitate purchasing approvals, improve our Green Rating System and comply with the Global Harmonization System. In 2015, we are

working on the development of standardized training to be available 24 hours a day through the CPL database. Additionally, we plan to install chlorine generators to reduce the amount of chlorine that is stored onboard our ships.

CREW ENGAGEMENT  
ON ENVIRONMENTAL  
STEWARDSHIP

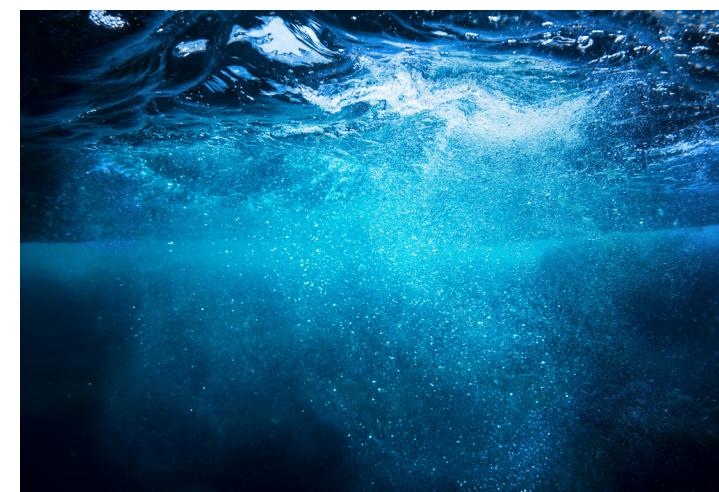
After every Save the Waves training session, each officer, staff and crewmember signs a pledge to uphold their responsibilities to protect the environment. This personal commitment ensures that everyone fully understands the importance of this program and will do their utmost to incorporate Save the Waves into every aspect of onboard life.



We work hard to ensure that our more than 58,000 crewmembers fully understand the importance of complying with all onboard environmental policies and procedures. As our shipboard employees are in a perpetual state of rotation, we provide continual training and education for our officers, staff and crew, all of whom must complete specific training requirements mandated by international law and our Save the Waves program and its associated environmental policies and procedures.

One of the key ways in which we educate our crewmembers on the importance of environmental stewardship is through our Environmental Officers (EOs). Since 1996, we have had a dedicated EO onboard each of our ships. Before the start of their first shipboard contract, all EOs are required to attend training on RCL's environmental programs, policies and management tools. All EOs also attend our bi-annual Environmental Officer Continuing Education conferences.

EOS are responsible for training crewmembers in the company's policies and procedures, and the ways in which Save the Waves affects each employee. New and returning officers, staff and crew receive orientation and instruction concerning their responsibilities in the Save the Waves program upon joining a Royal Caribbean International, Celebrity Cruises or Azamara Club Cruises ship. This training is mandatory and must be repeated.





## SAVE THE WAVES SHIP OF THE YEAR AWARDS

For more than a decade, we have held an annual internal awards competition to recognize those ships that have the most environmentally responsible and innovative onboard staff and crew. Awards are given in each of the major categories of environmental stewardship for which we have set 2015 goals. In addition, the ship with the highest overall score from all these categories receives the Save the Waves Ship of the Year award. Each award-winning ship is given a financial prize, which the ships donate to an environmental organization of their choice.

As in years past, the difference between the top-performing ships and the remainder of the fleet was narrow, and the top-performing ships within each category shared consistent characteristics:

- Maintain focus and attention to the environmental performance of their ship;
- Address environmental issues in a rapid and pro-active manner;
- Make significant efforts to operate and advance new environmental technologies;
- Implement effective SQM programs; and
- Demonstrate a commitment to continuous learning and training initiatives.

In 2014, we announced the following Save the Waves Awards winners for our Royal Caribbean and Azamara fleets:

CATEGORIES	ROYAL CARIBBEAN INTERNATIONAL AND AZAMARA WINNERS	NOTABLE BEST PRACTICES
Conservation, Destination & Education Ship of the Year	<i>Rhapsody of the Seas</i>	Integrated beach cleaning into crew activities calendar
Waste and Chemical Management Ship of the Year	<i>Allure of the Seas</i>	Maintained zero waste-to-landfill for six consecutive months
Energy and Air Emissions Ship of the Year	<i>Grandeur of the Seas</i>	Achieved highest fuel savings in entire RCL fleet Installed waste heat recovery system
Water and Wastewater Management Ship of the Year	<i>Rhapsody of the Seas</i>	Maintained lowest water consumption per available passenger cruise day in its class

In 2014, we announced the following Save the Waves Awards winners for our Celebrity Cruises fleet:

CATEGORIES	CELEBRITY CRUISES WINNERS	NOTABLE BEST PRACTICES
Conservation, Destination & Education Ship of the Year	Celebrity Solstice	Launched guest-facing educational programs onboard including the "Go Green" Kids Program
Waste and Chemical Management Ship of the Year	Celebrity Silhouette	Achieved highest waste reduction scores across entire RCL fleet
Energy and Air Emissions Ship of the Year	Celebrity Solstice	Demonstrated leadership commitment to energy management Engaged crew on energy efficiency through weekly message boards
Water and Wastewater Management Ship of the Year	Celebrity Silhouette	Treated the highest percent of wastewater per available passenger cruise day in the entire RCL Fleet Maintained lowest water consumption per available passenger cruise day in its class



ENVIRONMENTAL STEWARDSHIP

## A COMMITMENT TO CONTINUOUS IMPROVEMENT

Over the past five years, our 2015 emissions, water and waste goals have provided a framework from which we have been able to formalize our commitment to continuous improvement in addition to proactively prepare for, and anticipate compliance requirements:

2015 EMISSIONS, WATER AND WASTE GOALS	2014 PROGRESS
Reduce overall greenhouse gas footprint by one-third per APCD by 2015, as compared to 2005 levels	Behind Schedule, Significant Challenge
Maintain average water consumption per APCD at 54 gallons	On Track
Produce 15% more potable water using shipboard equipment and resources (revised)	On Track
Reduce the energy consumed to produce potable water onboard	On Track
Only discharge processed bilge water that has been purified to an effluent quality three times more stringent than international standards	Achieved Early
Only discharge purified water that exceeds leading federal and international standards	On Track
Decrease waste going to landfill by 70% over 2007 levels (revised)	Achieved Early
Increase the volume of waste recycled from our ships by 125% over 2007 baseline (revised)	On Track

Among our 2015 goals, meeting our targeted greenhouse gas emissions reductions has been the most challenging. We will continue to pilot promising technologies, such as the technology used to optimize ship trim and speed, in addition to increasing the navigational efficiency of our ships and continuing to evaluate renewable energy opportunities.

As we look to 2015 and beyond, Our Save the Waves program provides us with a structure to maintain our commitment to continuous improvement. At the end of 2015, we look forward to refreshing our long-term Save The Waves goals to guide our efforts over the next decade.

Additionally, as part of our ISO 14001 certification process, we undertake an annual assessment of our most significant environmental aspects. This annual assessment will continue to inform the development and refinement of both short- and long-term objectives each year.



## 2013-2014 ENVIRONMENTAL STEWARDSHIP AWARDS AND RECOGNITIONS

Environmental Initiative Award at the Seatrade Insider Cruise Awards - 2014.

Federal Maritime Commission Chairman's Earth Day Award awarded to Richard D. Fain, Chairman and CEO of Royal Caribbean Cruises Ltd. - 2014

1st Maritime Award of the Americas, in the category of "Environmental Waste Management in Cruise Lines". Secretariat of the Inter-American Committee on Ports of the Organization of American States and the North American Marine Environment Protection Association – 2014.

Readers' Choice Awards from Porthole Magazine, for Most Eco-Friendly Cruise Line Royal Caribbean International – 2013

Travel Weekly Magellan Awards - Gold Eco-Friendly "Green" Cruise Ship *Allure of the Seas*, 2014

Travel Weekly Magellan Awards – Gold Award for Eco-Friendly "Green" Cruise Ship - *Oasis of the Seas* - 2013

Travel Weekly Magellan Awards – Silver Award for Eco-Friendly "Green" Cruise Ship - *Celebrity Reflection* – 2013





## HEALTH, SAFETY AND SECURITY

Health, safety and security are shared responsibilities between our Company, governments, guests and crew. We are dedicated to ensuring that our guests enjoy a healthy, safe and secure cruise vacation and that our employees work in a healthy, safe and secure environment.

This dedication extends to our shoreside facilities, ships and private destinations, as well as seaport terminals and ports-of-call worldwide. Occasionally, despite the best intentions of everyone involved, a public health, safety or security incident may occur. In such cases, we are prepared to respond in a timely, effective and caring manner, to minimize adverse impacts and to understand and learn from the incident so that we can implement procedures to help prevent and mitigate future incidents.

### 2014 HEALTH, SAFETY AND SECURITY HIGHLIGHTS

**96.9%**

average USPH inspection scores

**11**

of our ships achieved perfect scores  
of 100 on their USPH inspections

**100%**

of our ships maintained  
HAACP food safety principles

**15X**

Water systems quality tested  
more frequently than as required  
by the U.S. CDC

**Nearly  
700**

more CareTeam Associates

**2,266**

Guest and crew were provided  
logistical and emotional support  
from the CareTeam in 2014.

**150+**

Public health-related inspections and  
re-inspections conducted as part of our  
Shore Excursion Review Program

**11%**

Reduction in reported  
crew injury rate



## The Power of Prevention

Preventing incidents from happening in the first place is RCL's primary goal. Some of the methods RCL uses to help prevent incidents involve establishing best practices; designing safe guest areas and crew work spaces; screening persons and provisions that come onboard our ships; creating an environment where safety and security are valued; going above and beyond government regulations; communicating expectations of good conduct to guests and crew; and striving to learn from incidents so we are better prepared to prevent them in the future.

RCL's Guest Conduct Policy (GCP) is an effective tool for preventing incidents onboard our ships. The GCP is a written code of behavior that is expected of all guests sailing on an RCL cruise. The GCP is intended not only to protect guests but also to help manage visitor impacts on destinations. The GCP addresses topics such as guest-crew interaction; discourteous, disruptive, inappropriate, unsafe or abusive behavior; smoking; and parental/guardian responsibilities. The GCP is available for review online and is incorporated into each guest's ticket contract, and a copy can be found in each guest's stateroom. Additionally, we use our services directories to provide guests with information and tips on safety, public health and security within staterooms, within the public areas of the ship, and while ashore.

As part of our GCP, we also advise our guests that—should anyone become aware of someone being injured or unsafe conditions and behavior during their cruise vacation—they are to immediately report this to the ship's security staff or other ship management.

## MEDICAL/PUBLIC HEALTH

At RCL, we strive to provide our guests with the vacation of a lifetime, and good health and well-being are important aspects of an enjoyable cruise experience. There are four general factors that contribute to healthy cruise experiences:

### Embarking in a Healthy State

### Being in a Healthy Ship Environment

### Visiting Healthy Shore Environments

### Being Cared for if a Medical Situation Develops

Every ship in the RCL fleet has a dedicated medical facility, staffed with nurses and contract medical doctors. Shipboard medical facilities are available to both guests and crew in the event medical treatment becomes necessary while they are onboard. The medical facilities are generally open six hours daily, but medical professionals are available 24 hours a day for acute guest or crew medical needs that may arise. We have procedures for emergency communications and deployment of the medical teams anywhere on the ship where services are needed.

Although our onboard capabilities are not the same as those of a hospital or surgical center, we can provide care that addresses a broad spectrum of medical needs. We are also able to take steps to help stabilize those with more serious medical conditions, and facilitate their transition to an available land-based medical facility, if required.





## Outbreak Prevention Plan

At RCL, we have a comprehensive Outbreak Prevention Plan (OPP) to guide corporate action to prevent and respond to any outbreak of illness onboard our ships, with an emphasis on gastrointestinal illnesses. We developed our OPP in consultation with both internal and external public health and medical experts. The plan is designed to first prevent outbreaks from occurring, and then to halt the spread if one develops.

Our outbreak prevention plan has three levels:

- Level I is our standard operating procedure, which involves enhanced cleaning and sanitizing at much higher levels than one would find in a shoreside public accommodation or restaurant
- Level II involves even higher levels of cleaning and sanitation once an outbreak is suspected or detected
- In 2014, we established a new Level III for all ships and higher risk itineraries, which included a review of our chemical strategies including implementation of a reduced, one minute contact time sanitizer for certain high touch and heavy traffic areas

The OPP is dynamic in nature and constantly subject to change and improvement as new technologies and procedures become available. The Centers for Disease Control and Prevention (CDC) closely monitors and regulates our performance in this important area.

## Infectious Disease Paradigm

Beyond our OPP, our plan for handling all potentially communicable illnesses – from gastrointestinal illness, like norovirus, to Ebola, and most recently, Middle East Respiratory Syndrome (MERS), is known as our Infectious Disease Paradigm, an eight-step strategy, which includes:

- Screening** of guests and crew before boarding
- Surveillance** of any suspected outbreaks on a ship – both active and passive
- High levels of **sanitation** and cleaning of the ship
- Effective **communication** with guests and crew in the event of an outbreak
- Isolation** of affected guests and crew as appropriate
- Complimentary medical **treatment** if norovirus suspected or during an outbreak
- Transparent, electronic **reporting** of cases and symptoms to better identify the potential origin or source of the outbreak
- Appropriate disembarkation** of any guest or crewmember who requires hospitalization or medical treatment that cannot be provided onboard the ship

In 2014, the effectiveness of our Outbreak Prevention Plan was further enhanced due to the completion of implementing electronic medical records throughout our fleet. Electronic medical records provide greater visibility for stakeholders in the incidence and distribution of infectious disease on board, and enable us to better direct shipboard sanitation activities, particularly in the case of GI illnesses.

## Our CareTeam and Centers for Medical Excellence

The CareTeam is a dedicated group of trained specialists, based at our Miami headquarters and in the United Kingdom, who are available 24 hours a day, seven days a week to provide guest and crew support during a family tragedy at home, an illness or emergency onboard, or an incident while ashore. During 2014, the CareTeam provided logistical and emotional support to 2,266 of our guests and crew who sustained an illness, emergency on-board, an incident while ashore, or a family emergency at home.

Our CareTeam is supported by our CareTeam Associates (CTAs), specially trained crewmembers on each of our ships. The CTA program is a ship-based extension of the CareTeam, and has grown rapidly to include nearly 700 trained crewmembers throughout the fleet in 2014. CTAs provide a liaison between the affected individuals and the CareTeam specialists to provide our guests and crew with immediate support and assistance in the event of an emergency both on and off of the ship. The role is particularly important in the case of vulnerable or elderly guests who may require disembarkation in foreign ports where there may be language challenges or limited infrastructure.

We also have identified Centers of Medical Excellence throughout the world that have the capability to deliver high-quality medical care to our crew. In 2014, we have identified Centers of Medical Excellence in Croatia, Panama, Dominican Republic, Spain, the United Kingdom and the United States.



## Food and Water Safety

To ensure the safety of the food we serve, we have adopted the food industry's Hazard Analysis Critical Control Point (HACCP) approach. The seven principles of HACCP are: hazard analysis, identification of critical control points, identification of critical limits for each critical control point, identification of critical control point monitoring requirements, corrective actions, record keeping, and verification to ensure the HACCP system is working.

All food is protected from becoming contaminated. We maintain specific procedures and regulations in place to keep food safe through each step of the food flow:

**PURCHASING:** Food must be purchased from lawful sources that comply with applicable country, state, and/or local regulations, ordinances and statutes.

**RECEIVING:** Food condition must be safe and unadulterated, and packaging must be in good condition. Potentially hazardous food items<sup>4</sup> must be received at the adequate temperatures to avoid conditions that promote pathogen growth. Food and food containers are also inspected for quality and to ensure they are pest-free prior to loading.

<sup>4</sup>Potentially hazardous foods are foods that pose a higher risk as they require time-temperature control to keep them safe for human consumption because they are capable of supporting growth of infectious microorganisms.

**STORAGE:** All food is stored: covered or otherwise protected; in a clean and dry location; where it is not exposed to splash, dust or other contaminant; at least six inches above the deck; and temperatures maintained as required.

**PREPARATION:** Employees must practice good hygiene and proper glove use, take measures to protect foods and prevent cross contamination. Containers are also properly identified.

**COOKING:** Foods are cooked to specific temperatures for pathogen destruction.

**HOLDING AND SERVING:** Foods are stored and thawed according to Vessel Sanitation Program (VSP) guidelines and they are maintained in time or temperature control during service.

**COOLING:** Cooling must adhere to VSP guidelines, and cooling logs are used to document the process for potentially hazardous foods.

**REHEATING:** Foods are re-heated to specific temperatures as outlined in the VSP Operations Manual.

**TRANSPORTING:** Foods are protected during transport and in many cases transportation logs are used to document time and/or temperature of potentially hazardous foods during transport.

Potable water is either produced on the ship through reverse osmosis or evaporators or taken onboard (bunkered) while the ship is in port. As a further precaution, all potable water, whether bunkered or produced, is chlorinated to eliminate any harmful bacteria that may be present. All bunkered water is also tested for quality and held in a tank until test results demonstrate it is safe for shipboard consumption. Only then is the water approved for release and use onboard.

Internal public health inspections are conducted routinely and used as an opportunity to engage employees and reinforce their training as well as ensure the practices in place go above and beyond regulatory compliance and company policy. In 2014, we enhanced the Shore Excursion Review Program performing more than 150 random inspections and re-inspections on RCL shore excursions offering food and beverage. Also, in keeping with our Above and Beyond Compliance principles, we exceed the CDC standards by testing each ship's water systems 60 times per month as opposed to the requisite four times per month. Additionally, each ship has a shipboard compliance team that verifies the protocols in the Outbreak Prevention Plan.

Responding to contamination threat in procured food is a global challenge for the travel and tourism industry. The CDC assists in mitigating this challenge by sending notifications and alerts regarding food recalls or result of outbreak investigations in order to limit the exposure to contaminated foods. In collaboration with the CDC, we have standardized time control plans and consumer advisories across our fleet and brands.



## Addressing Norovirus and Gastrointestinal Illnesses

Noroviruses remains an ongoing challenge on many fronts that requires a multifaceted approach that extends beyond our food and water safety programs. As noroviruses may remain on surfaces (including food surfaces) for an extended period of time, any or all touched surfaces or products could provide a vector for norovirus to enter and then spread amongst the guests and crew onboard.

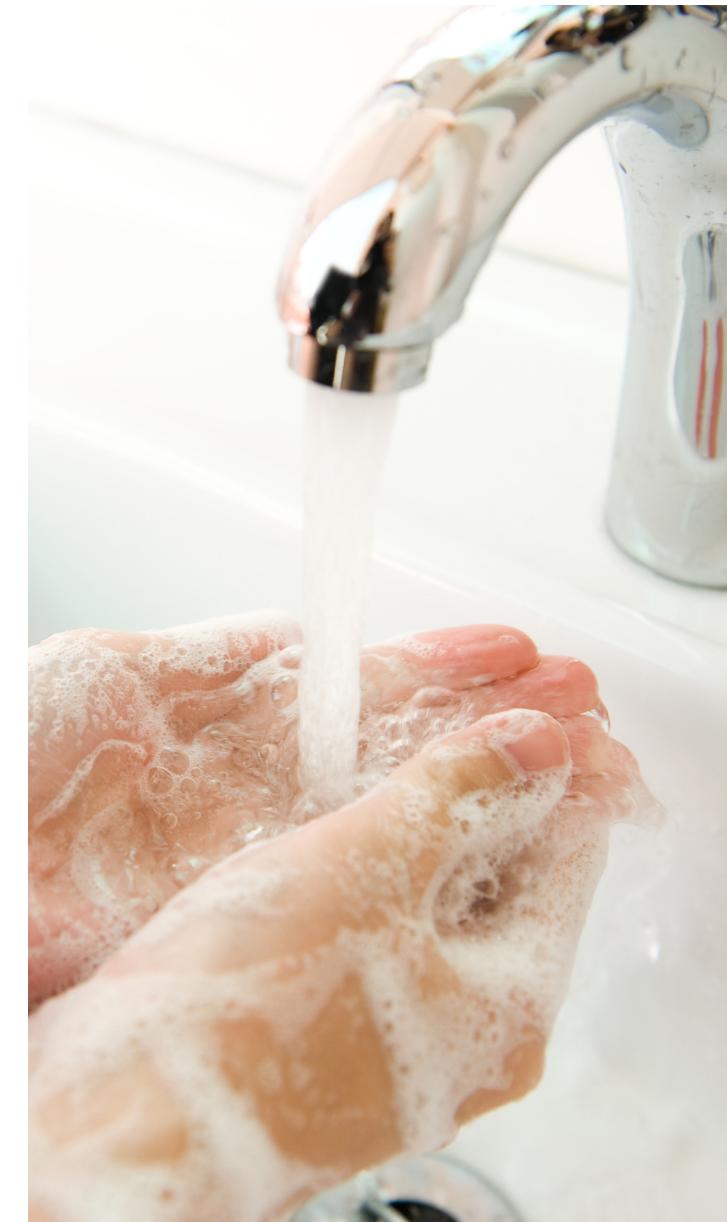
We are constantly monitoring medical and geopolitical issues around the world, especially in the healthcare and public health arena, as reflected in our Ebola response, where we engaged in preparation measures in response to the 2014 outbreak. In 2014, we also led a measured response to the Chikungunya virus in the Caribbean and proactively networked with European, Australian, Chinese and Brazilian public health officials on a variety of public health issues.

As part of our Outbreak Prevention Plan's "Up our Game" initiative, RCL's Medical and Public Health department has been working with operational stakeholders to determine changes and methods of implementation of the new initiatives for preventing GI outbreaks, including assessing options for new technology, products, chemicals and equipment for cleaning, sanitation and outbreak prevention. This included the purchase of 228 electrostatic sprayers for our ships and embarkation terminals worldwide, and 98 steam cleaners. We have also evaluated ultra-violet light

technology, as well as ground breaking Electro Chemical Activation technology, which generates sodium hypochlorite using only food grade salt and water. We have since completed pilot testing of the technology onboard *Splendour of the Seas*, and have installed the system onboard *Quantum of the Seas*, *Anthem of the Seas* and *Harmony of the Seas*.

All Cruise Lines International Association (CLIA) member lines work together to address these public health challenges. In 2014, RCL participated in the CLIA-led GI Illness Task Force to review the very latest research and technology and identify best practices in collaboration with the United States Center for Disease Control. The GI Illness Task Force's focus, in addition to establishing best practices where possible, will be to avoid large outbreaks or outbreaks on consecutive cruises, as well as identifying research needs and parameters. The GI Illness Task Force will produce recommendations in 2015 that will be applied, as appropriate, to brand operations. Additionally, we remain in close contact with a leading developer of a norovirus vaccine.

[Watch "Wash Your Hands" video](#)





## Dialysis at Sea and our Blood Transfusions Program

An estimated 750,000 people in the United States have end-stage renal disease (ESRD), requiring regular dialysis treatments. For this reason, vacation travel has historically been difficult and logistically challenging for ESRD patients. To meet the needs of our ESRD guests, we partnered with Dialysis at Sea, a company that specializes in dialysis cruises for patients with ESRD. Dialysis at Sea provides the opportunity for dialysis patients to receive life-sustaining dialysis treatments throughout their cruise, under the supervision of a specially trained physician and team of nurses who specialize in providing dialysis at sea.

In 2014, we completed the fourth full year of our blood transfusion program, often a lifesaving program that requires strict testing requirements. Since the blood transfusion program began, we have administered blood to 57 patients. In 2014, we administered fresh whole blood to 13 guests who were at risk of death from severe bleeding. All 13 guests survived to be evacuated from the ship and then received further treatment ashore. Tragically, two patients (one of whom was a crew member) did not survive after arrival to the hospital.

## Integrated Pest Management

RCL ships also have an onboard Integrated Pest Management program designed to keep our ships pest-free. This program emphasizes prevention and focuses on food preparation and serving areas, provisioning areas, garbage storage, incinerators, bars, food venues and dining rooms.

Our pest management program clearly defines health and safety considerations, as well as the respective roles and responsibilities of crewmembers, by specific task. Topics include sanitation, elimination of areas where pests could potentially gather, monitoring and control measures, application of approved pesticides when and if necessary, and regular inspections, including inspections of incoming supplies and shipments before such supplies are brought onboard our ships.

## Healthy Crew, Happy Crew

Part of our strategy to ensure our crewmembers are in the best of health is mandatory Pre-Employment Medical Examinations, Re-Employment Medical Examinations and a comprehensive crew vaccination program. We provide Yellow Fever vaccinations to all crew on ships that enter an area of the world identified as endemic for Yellow Fever by the U.S. Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO).

Additionally, we continue to experience successes with voluntary and free crew flu vaccination program for every crewmember onboard our ships, from captains to stateroom attendants. In 2014, we exceeded our goal to have 80% of crew receive flu vaccinations. We also implemented a

mandatory measles, mumps and rubella (MMR) vaccine as measles is considered one of the most communicable viruses on the planet.

Our Miami-based Crew Wellness program, led by a medical doctor, coordinates ongoing wellness care for crewmembers with chronic illnesses, such as diabetes, hypertension, cardiac conditions, asthma or high cholesterol. We also periodically visit our ships to encourage voluntary wellness screening for crewmembers. This includes blood pressure, weight control, blood sugar and cholesterol level checks, as well as other healthcare parameters. Additionally, we conduct education and awareness programs throughout the year that promote healthy lifestyle changes, prevention initiatives, strategies for managing chronic illness and other informative health-related topics. Our crew medical program also coordinates medical care for officers and crew who become ill or injured while in service. Crew Medical's team of experienced professional case managers and registered nurses coordinates medical care and support services through the ship's doctor or a land-based medical doctor in ports of call and/or their country of origin.





## GUEST AND CREW SAFETY

### Navigational Safety

The prevention of navigational incidents is one of our most important missions. Our long-standing Navigation Policies and Procedures (NPP) address areas such as voyage planning, Bridge Resource Management, bridge manning, underway operations (including arrival and departure) and the responsibilities of the ship's Master and other bridge officers. Within its guidelines, the NPP includes response checklists for a variety of potential (albeit unlikely) situations; including heavy weather in port or at sea, groundings, allisions and collisions. It also requires that every voyage be planned in detail prior to the ship's departure.

Bridge Resource Management (BRM) is an important aspect of our safe bridge operations, and all bridge teams receive specialized training in this area. Our BRM policy includes the use of a communications technique known as PACE for "Probe, Alert, Challenge and Emergency". This allows for an escalating level of engagement by junior officers with senior officers or harbor pilots if they become aware of circumstances that they feel warrant attention. We also have several state-of-the-art systems that support navigation, communication and safety. Through integration, these systems provide the bridge team with an integrated, graphic display of the ship's mission-critical functions.

### Maritime Safety

In addition to navigational safety, ship stability, power reliability, fire safety and evacuation systems are critical elements to ensure maritime safety for our guests and crewmembers. RCL aspires to have the most reactive, proactive and predictive safety program in the industry. As such, RCL has adopted a holistic approach to maritime safety – utilizing a management structure that includes all areas of the organization both ashore and afloat and through all levels of the company.

At RCL, our management program is referred to as FOCUS, which stands for Fleetwide Operations for Continual and Unequaled Safety, and serves to complement RCL's safety programs. The following five working groups underpin how we execute on our FOCUS program: Navigation, Fire, Technical, Evacuation and Human Factors. The working groups, which are comprised of subject matter experts representing all areas of the organization including our brands, meet on a monthly basis and track incidents and near misses within their field and action projects intended to improve standards. Working group leadership meet additionally on a monthly basis – forming a Strategic Safety Council to ensure cross-pollination of ideas and actions and prioritize projects when necessary.

In 2014, each of RCL's maritime safety working groups executed toward a set of targeted initiatives:

MARITIME SAFETY WORKING GROUP	2014 INITIATIVES
NAVIGATION	Integrating tablet-based technology for Bridge Operations Quality Assurance and Line Operations Navigation Survey systems
FIRE	Testing smart software system that is designed to work with RCL's existing closed-circuit televisions (CCTVs) to provide early warnings for potential fires
TECHNICAL	Standardizing technical operations manuals across brands
EVACUATION	Improving current electronic mustering system and expanding system fleet-wide
HUMAN FACTORS	Engaging entire organization through safety culture survey

Watch the Safety Command Center video





## Inspections and Ongoing Monitoring

Before a ship begins carrying guests, an experienced and trained member of our safety staff will visit the shipyard to participate in a safety inspection. This inspection involves close examination of spaces and features on the ship, including, but not limited to, staterooms, public spaces, crew areas, pools, dining facilities, shops, corridors, stairways, tiled areas, door thresholds and theaters, as well as attractions such as zip lines, rock walls, ice rinks, carousels, bungee trampolines, basketball courts and in-line skating rinks. The inspector looks for potential hazards and opportunities where safety may be enhanced. We continue our focus on guest safety after a ship is delivered to our fleet by continuously monitoring the ship and making improvements and modifications where needed.

## Training, Accountability and Risk Management Measures

Our Safety and Quality Management System (SQM) ensures safety is part of the managerial process that must be considered at the same level and along the same lines as any other managerial process. RCL's SQM establishes lines of safety accountability throughout the organization and integrates regulatory and managerial safety requirements established by the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention. This Code, among other things, requires ship owners to obtain a safety management certification for each ship they manage.

RCL's Crew Safety Program requires each crewmember to complete a safety orientation when first onboard and to undergo specialized training relevant to his or her shipboard duties. Such training topics include personal protective equipment, job safety analysis, fire and watertight doors, fall protection, slip and fall hazards, and others. The Safety Officer is an important position within RCL safety teams. His or her core responsibility is to ensure that the ship and crew are prepared at all times to execute all necessary safety functions. This includes, but is not limited to, ensuring that all lifesaving appliances are properly certified and maintained, ensuring that the entire crew is in compliance with mandated emergency training standards, and performing frequent area inspections to ensure escape routes and muster stations are ready for use at all times.

Each shipboard department has a representative on the shipboard safety committee, which meets monthly to address safety-related matters and analyze actual or potential emergency situations, incidents, accidents and near misses. The committee's goal is to develop plans of action to prevent such incidents from occurring or reoccurring. The committee is supported by two focus teams, which work to continually improve the on board safety processes. The teams focus on accident investigation and observation and coaching.

A new Risk Management Department was formed in 2014, which includes Claims Finance, Insurance, Crew Medical, Claims Litigation and Loss Prevention functions. This consolidation has allowed us to better manage health and safety issues.

## Crew Injury Prevention

In alignment with our commitment to protecting the health and safety of our crew, we continue to enhance company oversight of crew safety through our Risk Management program and achieved the following in 2014:

- Expanded our material handling training program to include the operation of pallet jacks and extendable boom work platforms;
- Established a formal hazard assessment review program for new builds and refurbishments, which includes a review of new features and a historical review of existing features so that proper enhancements can be made to materials, installations and operations to enhance safety; and
- Evaluated more than 100 different fleet tasks to ensure the adequacy of personal protective equipment in collaboration with RCL's Procurement team.

These initiatives contributed to an 11% annual reduction in reported crew injuries in 2014.





## Focusing Our Efforts

To further reduce crew injuries and associated costs, we have formulated the following 2015 objectives:

- Piloting new shipboard compliance officer on Oasis and Freedom Class ships;
- Conducting an ergonomic evaluation to address injuries associated with manual material handling and overexertion which potentially result in cumulative trauma disorders and muscular-skeletal diseases;
- Implementing reviews to help ensure that crew with health-related conditions are identified and included in our company's wellness program; and
- Enhancing processes to review medical documentation of crewmembers during the hiring process.

The entertainment and sporting activities performed at sea have become increasingly complex. In order to help minimize the risks for shows that involve aerial acts and other multifaceted components, our Loss Prevention team worked with the Entertainment team and outside contractors to develop a risk evaluation system. The evaluation includes a review of equipment used for performer flying, positioning and the development of standard operation procedures for working aloft and other tasks.

## SECURITY

### Access Security

Controlling access to our ships is one of the most important elements of our incident prevention strategy. Guests, crewmembers and visitors entering and leaving each of our ships are identified, screened and accounted for by the ship's security staff in every port of call during the voyage. This screening process and many other security processes are part of the Ship's Security Plan (SSP). The SSP, which is specific to each ship, is considered the ship's security operating manual and contains standard security operating procedures. Luggage, supplies and provisions are also screened before being loaded into the ship.

Each of our ships is equipped with an Automated Access Control System. The Access Control System is linked to other systems onboard and produces an electronic identity and tracking card for every guest, crewmember or visitor. The Access Control System is used daily at the ship's gangways and is an essential tool in preventing unauthorized boarding of our ships. Shipboard access control tools also include a closed-circuit television system. We also utilize a Prohibited Items List that prevents potentially dangerous items from being brought onboard. To further enhance security, we introduced a new access control system using radio-frequency identification (RFID) technology in 2014.

### Destination Security

RCL evaluates proposed new ports of call to be added to our itineraries, beginning about two years in advance of a cruise. This includes a review of available information on the port and the country in which it

is located. Where indicated, we consult government, private and public information sources, in an effort to determine the level of security and stability in the port. In some situations, a member of our security team may visit a port to review security procedures, coordinate with government officials, evaluate the local infrastructure, and make on-the-ground contacts for future coordination. A final decision as to whether we will offer to take our guests, crew and ships to a particular port is made based, in part, on an overall assessment of the level of governmental partnership and commitment to the security of our call.

After an itinerary is offered to our guests, we continue to monitor indications that a selected port's security, political or social landscape has materially changed. Such changes may occasionally occur just prior to or even during a cruise. In such instances, our shoreside and shipboard professionals evaluate the impact of the change, and we may seek assistance from representatives within the port itself or from a variety of government, private, and public information sources. Through this process, new developments may be identified and decisions made about what, if any, additional security measures may be indicated.

While RCL offers shore excursions to our guests, third parties whom RCL does not supervise or control provide the excursion itself. We do, however, require the shore excursion operator to carry insurance and to meet local licensing requirements. Additionally, the standard applied to screen operators through our Shore Excursion program includes safety and security requirements of shore excursion providers.



## Response Preparedness

Although we work hard to prevent incidents, regrettably incidents do occur from time to time. For this reason, it is important to be prepared to effectively respond to incidents. Training is central to how we strive to minimize adverse impacts to guests and crew, should incidents occur.

### OFFICER TRAINING

In addition to the rigorous training requirements of gaining and maintaining a professional maritime officer's license, RCL officers must complete a training module that includes Marine Crew Resource Management for both bridge and engine personnel, and Integrated Bridge Systems training for the bridge officers. This training comprises a total of twelve days of classroom work and simulator training. All officers receive additional training related to their specific positions as they progress to more senior duties. We also provide bridge and engine room officers with RCL-specific Advanced Marine Firefighting, Rescue Boat Training and Advanced Ship Handling courses. In total, bridge and engine room officers must complete 24 days of shoreside training upon hiring, with some training modules requiring refresher training every three to five years. management and conflict resolution.

### SECURITY TEAM TRAINING

Each Chief Security Officer is independently certified by an outside organization as having met the knowledge requirements of RCL's internal security processes, as well as the U.S. Government (CVSSA) security requirements

and standards. On an annual basis, our Chief Security Officers participate in a week-long shoreside security seminar held in Miami that is continually reviewed and modified to incorporate new measures and international/national requirements. This curriculum also includes role-playing in different shipboard security scenarios to allow the Chief Security Officers to practice their skills. In addition, U.S. federal law enforcement agencies, including the FBI, the Drug Enforcement Administration, Customs and Border Protection, and Homeland Security Investigations, have participated to provide up-to-date information in their respective fields of expertise. Our Chief Security Officer training also places an important emphasis on access security. Access security training topics include technical equipment, recognition of characteristics of persons who may threaten security, crowd control and management and conflict resolution.

### CREW TRAINING

Every crewmember must undergo ship familiarization and emergency assignment training upon reporting onboard and before performing their duties. Crew training is overseen by the Safety Officer and the Chief Security Officer, and includes Security Awareness Training, Pre-Departure Safety Training, Ship Safety Orientation Training, Crowd Management Training and Basic Safety Training for Hotel Personnel. Specific training modules are also delivered for each crew functional area. We also conduct required drills

including those for Fire Fighting, Search and Rescue, Medical, Emergency Steering, Blackout Recovery, Crowd Management, Lifeboat Command, Damage Control, Chemical and Oil Spill, Man Overboard and Security Threats. In addition, all crewmembers must complete pre-departure safety training, which includes a walk through the ship with the safety officer to identify different safety systems, escape routes, and guest safety issues.

### GUEST TRAINING

On the first day of a cruise, all guests must participate in a full muster drill to ensure that, should there be an emergency, they know what actions to take and where they need to go. Once the guests are at their muster stations, they receive a detailed safety briefing. The types of topics covered include: Proper donning of a lifejacket, emergency signal familiarization, the existence of floor-level lighting and evacuation route details, Youth Evacuation Program procedures, and the types of items that should be brought with them in the event of an actual emergency. RCL procedures are designed so that guests can proceed to their muster station as quickly as possible in an emergency situation, and our drills ensure guests actually practice going to their muster stations just as they would in an actual emergency. Our approach to emergency response and mustering drills is supported by our flag states, classification societies and the U.S. Coast Guard.



## Our Intelligence Program

Over the past two decades, global risks have been more dynamic and continue to evolve. To proactively protect our guests and crew, our Company has an Intelligence Program that is administered through the Global Security Department that provides timely and tailored risk-related intelligence and analysis to broaden our understanding of the global risk environment and assist in making near- and long-term decisions with regards to operations.

Through various data collection platforms, we monitor daily changes in global risks across a set of identified risk vectors. Risks with the potential to impact shipboard and shoreside operations are communicated to internal stakeholders and acted upon in a timely fashion.



## Ongoing Challenges and Opportunities

For RCL, even one crime allegation is intolerable. As part of our continued pursuit of preventing security incidents, we have elevated shipboard visibility to the executive committee level, created shipboard focus groups, shared best practices, and developed and deployed a new training module with strong emphasis on guest-facing crew positions. We have also engaged a third-party expert to conduct a review of our historical data, policies, procedures and all other related factors to identify opportunities for improving our Sexual Assault Prevention and Response initiatives. We also screen prospective guests against the U.S. sexual offenders list and partner with RAINN, the largest anti-sexual violence organization in the United States, to enhance our procedures and training.

RCL reports all allegations of crime to law enforcement, and posts statistics relating to serious crimes on its brand websites. We monitor our rates of crime allegations by comparing our rates to those published in the FBI's annual Uniform Crime Reporting Publication. These U.S. shoreside rates are presented in terms of rate per 100,000 population. According to the FBI's most recent (2012) report, the U.S. experienced a shoreside rate of 26.9 forcible rape allegations per 100,000 population, compared to RCL's 2014 shipboard rate of about 15.6 per 100,000 population. The U.S. rate of aggravated assault was 242.3 per 100,000 population versus RCL's shipboard rate of about 1.5 serious assaults per 100,000 population. (There is no FBI shoreside category to compare

with RCL's rate of sexual assault allegations (other than rape) of 10.6 per 100,000 population.)

In 2014, there were also five missing persons (overboard) incidents on RCL ships. In all five incidents, it was determined through eyewitness reporting and/or by closed-circuit television that the guest or crewmember had intentionally gone overboard. From 2010-2014, the number of missing person overboard incidents have ranged between four and seven. In light of these figures, we continue to examine shoreside trends to identify information that might help explain increases in missing persons overboard. Recent statistical analysis from the U.S. Centers for Disease Control and Prevention, Department of Labor and Military indicate an upward trend in the country's suicide rates over the past decade.

Incidents and situations can include issues both within and outside of our immediate control, yet regardless of the cause, we must respond effectively as a company. In recent years, we have greatly advanced our processes for managing situations and tested these protocols in corporate exercises, including two high-profile industry/government drills. We continued our strong security, health and safety incident response and have enhanced our CareTeam capabilities, through our onboard CareTeam Associate program.

We maintain a health, safety and security awareness program among our large, diverse shipboard workforce. We rely on standardized training, a rigorous safety management system, workplace safety committees and a commitment to continuous improvement to keep them well.



## SUPPLY CHAIN RESPONSIBILITY

Our supply chain supports everything we do at RCL. To deliver the best possible vacation experience to our guests, we work with a global network of suppliers from food and beverage and information technology providers to the manufacturers of components for our ships. We pride ourselves on maintaining high quality standards, processes and procedures that govern our supply chain. Through supply chain responsibility, we see continued opportunities to support our core objectives and deliver increased value to our stakeholders and society.

### 2014 SUPPLY CHAIN HIGHLIGHTS

**\$2.1 BILLION**  
Approximately  
in annual spend

**1,900**  
suppliers supported

**100%**  
of new suppliers screened for environmental,  
labor and human rights practices through  
our Supplier Portal

**\$67 MILLION**  
in savings achieved through  
efficiency efforts

**99%**  
on-time delivery record maintained

**100%**  
of purchased sunscreen lotion across  
brands is biodegradable

**68%**  
of total frozen egg whites using  
cage-free eggs on Royal Caribbean  
International ships

Continued to support  
pork industry's elimination  
of gestation crates by  
**2022**



## SUPPLY CHAIN RESPONSIBILITY

## OUR APPROACH TO SUPPLY CHAIN MANAGEMENT

Our Supply Chain Management organization is certified to ISO 9001 and is audited both internally and externally each year. As part of our SQM Management system, we maintain an electronic policy manual that contains policies for Sourcing and Contracting, Financial Integrity, Order Management, Materials Control and Logistics, Supplier Diversity, Supplier Registration and Evaluation, Supplier Inactivation and Deactivation and Verification to ensure our suppliers operate in compliance with RCL policies, flag state, international, state and local port state regulations.

In partnership with our operational areas, we conduct quarterly business reviews with key suppliers throughout the year to receive and provide feedback about operational effectiveness and opportunities for improvements. Through this process we foster good working relationships and communication with our suppliers. In addition to quarterly business reviews, Supply Chain Management hosts a periodic supplier conference where best practices and industry experience is shared among a diverse set of goods and services providers. This conference also provides time away from the everyday procurement and provision of services where our buyers, commodity managers and suppliers can learn from one another and improve existing processes, enhance partnerships and forge new relationships.

### ABOUT THIS REPORT

### STRATEGY AND ENGAGEMENT

### OUR PRACTICES

### 2012-2014 PERFORMANCE TABLES

### GRI INDEX & ASSURANCE STATEMENT

## GUIDING PRINCIPLES FOR OUR SUPPLIERS

RCL recognizes that suppliers play an important role in our global operations. To strengthen our business relationships and associate with ethical suppliers, we created Supplier Guiding Principles in 2014 to help our business partners understand and adhere to RCL's expectations and standards. These guiding principles are similar in nature to our Company's Code of Business Conduct and Ethics and model the standards set forth in the United Nations Global Compact and International Labor conventions.

The Supplier Guiding Principles reinforce our commitment to engage suppliers who act with integrity and share and promote our core values within their own organizations. Topics covered in our Supplier Guiding Principles include workplace safety, forced labor, child labor, wages, working hours, freedom of association and collective bargaining, bribery and corruption and environmental compliance.

We also set forth the following environmental expectations of our suppliers:

- Use energy and natural resources efficiently;
- Support activities that reuse and recycle materials; and
- Continually look for ways to minimize their environmental impact and improve environmental performance.

Additionally, RCL's Supplier Guiding Principles emphasize open communications and provides suppliers with resources, including our AWARE Hotline, to comply their obligations under our Guiding Principles.

## Human Rights, Labor Practices and Environmental Screening

Through our Supplier Portal, we provide all suppliers with an ethics letter and RCL's Contractor Onboard, Waste Management, Basic Operating and Anti-Bribery policies. In our efforts to continually improve the supplier on-boarding process, we have partnered with Equifax to develop a customized web based Supplier Registration process that electronically captures suppliers' acceptance of our terms, conditions and policies in addition to documentation on suppliers' policies and practices regarding ethics, anti-bribery, child labor, forced labor, non-discrimination, and environmental stewardship and compliance.

During the Equifax registration process, we also request diversity certifications, specifically inquire about ISO 9001 and ISO 14001 certification and require that suppliers comply with all environmental and labor laws and regulations.



## SUPPLY CHAIN RESPONSIBILITY

## ENVIRONMENTALLY PREFERABLE PURCHASING

Our supply chain philosophy focuses on achieving the lowest total cost of ownership. This philosophy mandates that we balance the quality, service and price to achieve the highest value possible, but also present environmental opportunities that complement this philosophy across the product lifecycle:

## SOURCING

We work with suppliers to reduce weight of products where possible; recent successes include cabin ice buckets and amenities cards. We also are currently evaluating opportunities to have suppliers produce goods “on demand” to reduce slow or non-moving inventories.

## TRANSPORT

We maximize the capacity of our containers and trucks to reduce fuel consumption and emissions when delivering to our ships.

## USE

We strive to purchase goods with minimal environmental impact including EnergyStar® electronics and appliances.

## END-OF-LIFE

To support RCL's waste reduction strategy and reduce total cost of ownership, we strive to procure items that can be recycled or reused at end of life.

We also utilize environmental certified products, such as those from the Forest Stewardship Council, Sustainable Forestry Initiative, Rainforest Alliance, and Programme for the Endorsement of Forest Certification. These certifications help ensure chain of custody and that long-term land and forest resources are respected. Additionally, we seek environmentally preferable products that meet our price and quality standards - recently converting to biodegradable sunscreen lotion across our fleet.

In 2014, we expanded our pallet recycling program and began to transition toward recyclable kegs onboard our ships. In collaboration with a large beverage supplier, we have integrated the new recyclable kegs, which are made of plastic as opposed to steel, and present numerous benefits: reducing transportation costs and associated greenhouse gas emissions in addition to supporting our program to repurpose 100% of operational waste onboard our ships. Additionally, we continue to test the use of recycled-content fabrics for sheets and pillowcases, and working with our grocery suppliers to utilize biodegradable plastic pouches instead of tin cans.





## SUPPLY CHAIN RESPONSIBILITY

## PARTNERING TO ADVANCE SUSTAINABLE FOOD SOURCING

Our Supply Chain Management organization continuously reviews our total food and beverage consumption in comparison to the needed volume so that we understand and reduce the total cost of ownership for landed goods. During this process, careful consideration is given to understand how we can reduce our environmental footprint by consolidating deliveries to ships and warehouses in addition to expanding our local supplier base in markets where our ships operate. In recent years significant efforts have been undertaken across the fleet, to provide sustainably sourced food for our guests such as:

- In 2014 Royal Caribbean International shifted from Corvina to MSC-certified Hoki fillets and introduced MSC-certified, cold Canadian Whole Spilt Lobster in Chops Grille.
- RCL announced its support of the pork industry's efforts to eliminate the use of gestation crates and has asked its pork suppliers regarding their plans to meet the industry goal.
- RCL is developing an internal policy for sustainable seafood purchasing for select RCL brands. We have engaged with the Marine Stewardship Council (MSC) to discuss and identify opportunities available within our current supply chain. We continue to track and classify the majority of our seafood offering across all brands.
- Royal Caribbean International partnered with Chef Jamie Oliver to develop menus for his namesake restaurant onboard Quantum of the Seas which have a rigorous evaluation process, included animal welfare standards.
- Celebrity Cruises has switched from corn-fed to grass-fed meats in Australia.
- Additionally, Royal Caribbean International ships sourced 68% of their total frozen egg white consumption with cage-free eggs in 2014.





## SUPPLY CHAIN RESPONSIBILITY

## Sourcing Locally

We strive to source locally whenever possible and economically feasible. In 2014, we continued to increase our local spend in Europe, Asia, Australia and New Zealand with locally sourced spend in Asia and Australia/New Zealand increasing by 25% and 20% respectively in 2014.

In San Juan, Puerto Rico we are actively engaging with local farmers, distributors and local government to increase the amount of goods sourced such as juices, produce, bread and soda. Through these local purchasing efforts we have been able to source products with a longer shelf life and reduce shipments by container from Miami, Fla.

In South Florida we also work with two local, family-owned and operated farms who embrace the concept of "farm to table" and utilize hydroponics, water recycling, natural composting and environmentally safe pesticides in their operations. They supply forty-six items for Royal Caribbean International's 150 Central Park restaurant.

Additionally, we source from suppliers who have committed to the United States Department of Agriculture's "Good Agricultural Practices", which includes preserving local farmlands, reducing deep zone tillage to prevent water and wind erosion, using digitally-controlled drip and targeted sprinkler irrigation systems and embracing Fair Trade USA principles to support small farmers who operate at a local level.

## RESPONDING TO LONG-TERM CHALLENGES AND OPPORTUNITIES

In the long-term, we anticipate that issues, such as those related to globalization, overfishing and soil erosion, may present notable challenges with regards to the price, quality and availability of food. In the near-term, ongoing challenges to increasing the amount of our food that meets sustainable sourcing standards includes not only increased pricing for certified products, but also the need ensure the supply to meet our consumption needs and the available sustainable supplies to can offer us comparable, reliable items we can transition into.

Additional challenges also includes those related to the traceability and the need for transparency to validate the accuracy of the sustainable goods throughout the item's chain of custody, while also being able to properly measure the impact with the current data reporting systems available to the organization. Additionally, ongoing collaboration between our Culinary Operations, Procurement and Environmental Stewardship teams is essential to continue to expand our sustainable food selection onboard.

Moving forward, we are focused on enacting programs and partnerships to increase the percentage of sustainable seafood, wines, produce, beef, chicken and pork that we offer our guests. A tailwind is that more suppliers are becoming conscious about consumer demand for sustainable food and more farm-to-table options. As consumer demand continue to increase and sustainable alternative become more available, we anticipate pricing and availability of sustainable goods to become more economic feasible to support our operations.



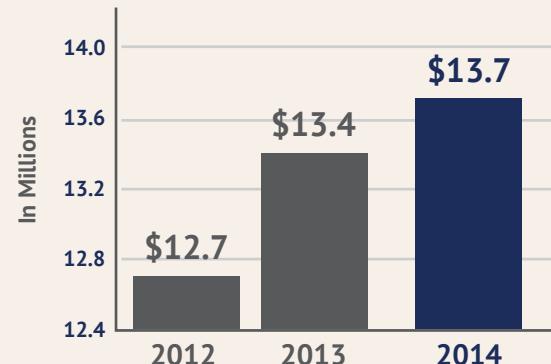
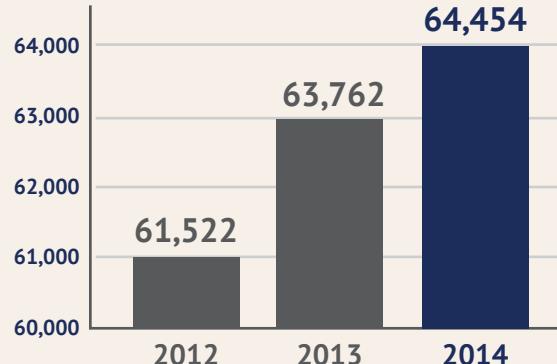


# 2012-2014 PERFORMANCE TABLES

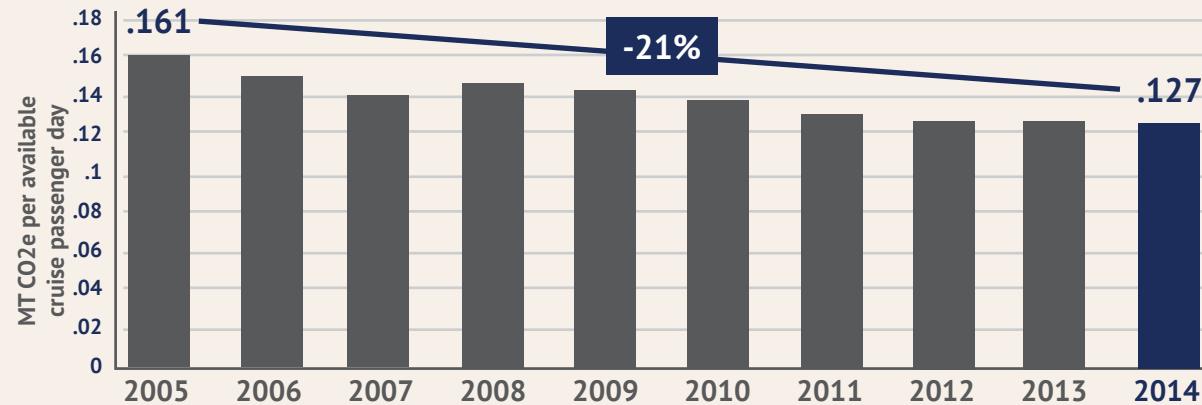
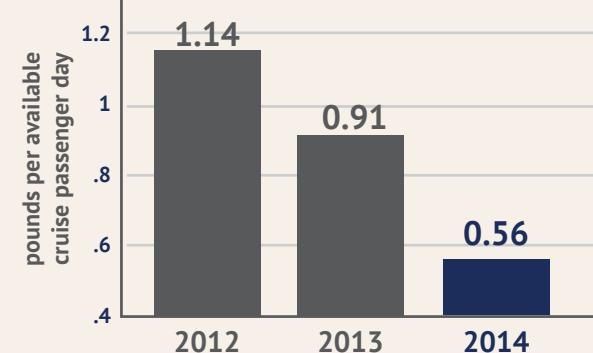


## PERFORMANCE HIGHLIGHTS

## REVENUES

OCEAN FUND  
CONTRIBUTIONS TO DATETOTAL NUMBER  
OF EMPLOYEES

## REDUCTION IN GHG EMISSIONS

DECREASE IN  
WASTE-TO-LANDFILL



## ECONOMIC

KEY PERFORMANCE INDICATORS	2014	2013	2012
Revenues (in millions)	\$8,073.9	\$7,959.9	\$7,688.0
Cruise Operating Expenses (in millions) <sup>1</sup>	\$5,306.3	\$5,305.3	\$5,157.4
Ocean Fund Contributions to date (in millions)	\$13.7	\$13.4	\$12.7

## ENVIRONMENTAL

KEY PERFORMANCE INDICATORS	2014	2013	2012
Greenhouse gas emissions (metric tonnes CO <sub>2</sub> e) <sup>2</sup>	4,415,011	4,337,542	4,418,146
Scope 1	4,404,403	4,271,577	4,417,173
Scope 2 <sup>3</sup>	10,608	10,823	974
Emissions intensity per 1,000 available cabin days	126.9	127.6	131.1
Energy consumption (megawatt hours)	6,545,148	6,408,756	6,481,604
Energy intensity per available cruise passenger day	0.1874	0.1887	0.1923
Total SO <sub>x</sub> emissions (metric tonnes)	61,156	60,015	61,198
Total NO <sub>x</sub> emissions (metric tonnes)	66,480	65,279	66,437
Total Particulate Matter emissions (metric tonnes)	7,547	7,406	7,554
Water consumption (gallons per person per day)	55	53	54
Solid waste-to-landfill (pounds per available cruise passenger day) <sup>4</sup>	0.55	0.91	1.14
Total waste recycled (pounds in millions) <sup>5</sup>	27.59	27.83	25.10
Effluent quality for discharged bilge water (parts per million)	1.5	1.5	1.5
Number of ships with Advanced Water Purification Systems	32	31	30

## SOCIAL

KEY PERFORMANCE INDICATORS	2014	2013	2012
Total Number of Employees	64,454	63,762	61,522
Total Number of Supervised Workers <sup>6</sup>	13,550	11,419	9,243
Employees Working Onboard our Ships	58,182	57,523	55,185
Employees Working at our Corporate Offices	6,272	6,239	6,337
Full-Time Employees	63,902	63,117	60,785
Part-Time Employees	552	645	737
Male Employees	49,499	49,308	47,534
Female Employees	14,955	14,447	13,982
North & Central America	17,191	17,132	16,088
South America	4,866	5,297	4,833
Europe & Middle East	11,084	11,292	11,073
Asia & Australia	29,302	28,798	28,184
Voluntary Employee Turnover			
Employees Working Onboard our Ships	6%	6%	5%
Employees Working at our Corporate Offices	13%	14%	13%
Average Training Hours per Employee			
Employees Working Onboard our Ships <sup>7</sup>	40	35	35
Employees Working at our Corporate Offices	6	7	5
United States Public Health – Ship Sanitation Program average inspection scores <sup>8</sup>	96.9%	96.3%	97.1%
Number of guests and crewmembers supported by the Care Team	2,266	2,288	1,878

<sup>1</sup>Cruise operating expenses are inclusive of commissions, transportation, onboard, payroll and related, food, fuel and other operating expenses and excludes marketing, selling and administrative expenses and depreciation and amortization expenses.

<sup>2</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>3</sup>In 2013, we added include 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>4</sup>Reduction is attributable to the following: 12 ships began repurposing 100% of their solid waste in December of 2013 in South Florida. 2014 was the first full year that our ships repurposed 100% of their solid waste in all of our Florida ports, while we also added new itineraries in North America to our 100% repurposing program. This allowed us to drastically reduce our waste to landfill numbers.

<sup>5</sup>The International Maritime Organization (IMO) Convention for the Prevention of Pollution from Ships (MARPOL 73/78) standard for discharging treated bilge water is 15 parts per million.

<sup>6</sup>Supervised workers includes shipboard concessionaires workers, and does not include information technology contractors

<sup>7</sup>Includes training specific to an employee's role in addition to Human Resources and Safety training.

<sup>8</sup>United States Public Health – Ship Sanitation Program average inspection scores





ROYAL CARIBBEAN  
CRUISES LTD.

## 2014 SUSTAINABILITY REPORT

RCLCORPORATE.COM

ABOUT  
THIS REPORT

STRATEGY AND  
ENGAGEMENT

OUR  
PRACTICES

2012-2014  
PERFORMANCE TABLES

GRI INDEX &  
ASSURANCE  
STATEMENT

# GRI INDEX & ASSURANCE STATEMENT



## GRI G4 CONTENT INDEX

Our reporting follows the Global Reporting Initiative G4 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 G4 Content Index directs readers to sections within this 2014 Sustainability Report in addition to our 2014 Annual Report, CDP 2015 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.

✓ Assurance icon, otherwise not assured



## GENERAL STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from the most senior decision-maker about the relevance of sustainability and organization's strategy	Message from our CEO (p. 2)
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the organization	Company Overview (p. 10)
G4-4	Primary brands, products, and services	Company Overview (pp. 10-11)
G4-5	Location of the organization's headquarters	Our corporate headquarters are located at 1050 Caribbean Way; Miami, Florida 33132.
G4-6	Number of countries where the organization operates	Company Overview (pp. 10-11)
G4-7	Nature of ownership and legal form	Company Overview (p. 10)
G4-8	Markets served, and types of customers and beneficiaries	Company Overview (pp. 10-11)
G4-9	Scale of the organization	Company Overview (pp. 10-11)
G4-10	Total number of employees by employment contract and gender	2012-2014 Performance Tables (p. 85)
G4-11	Percentage of total employees covered by collective bargaining agreements	Approximately 86% of employees are covered under collective bargaining agreements.
G4-12	Description of supply chain	Supply Chain Responsibility (p. 80)
G4-13	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.

INDICATOR	DESCRIPTION	LOCATION
<b>ORGANIZATIONAL PROFILE</b>		
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Strategy and Governance (pp. 12-19)
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Respecting and Protecting the Rights of Our Employees (p. 36)
G4-16	Memberships in associations and national/international advocacy organizations	Stakeholder Engagement (p. 20)
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	Company Overview (pp. 10-11)
G4-18	Process for defining the report content and the Aspect Boundaries; and how the organization has implemented the Reporting Principles for Defining Report Content.	Materiality and Defining Report Content (pp. 7-8)
G4-19	All the material aspects identified in the process for defining report content	Specific Standard Disclosures (pp. 92-97)
G4-20	The aspect boundary for each material aspect within the organization and whether the aspect is material for all entities within the organization	Specific Standard Disclosures (pp. 92-97)
G4-21	Whether the aspect boundary for each material aspect outside the organization	Specific Standard Disclosures (pp. 92-97)
G4-22	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 2014 Sustainability Report
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	There were no significant changes during the reporting period.



## GENERAL STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION
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STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups engaged by the organization	Stakeholder Engagement (pp. 20-22)
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement (pp. 20-22)
G4-26	Organization's approach to stakeholder engagement	Stakeholder Engagement (pp. 20-22)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Materiality and Defining Report Content (pp. 7-8); Stakeholder Engagement (pp. 20-22)

INDICATOR	DESCRIPTION	LOCATION
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GOVERNANCE		
G4-34	Governance structure of the organization, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts	Leadership at the Highest Levels (p. 15) (Additional information on our Corporate Governance Website ("Committee Composition"))

ETHICS AND INTEGRITY		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Strategy and Governance (p. 15); Global Compliance and Ethics (pp. 24-28)

REPORT PROFILE		
G4-28	Reporting period for information provided.	Our reporting period is calendar year 2014.
G4-29	Date of most recent previous report	2013 Stewardship Report
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents.	About This Report (p. 6)
G4-32	GRI Index with "in accordance" option chosen and references to External Assurance Reports	We have reported in accordance with the G4 framework at the "Core" level.
G4-33	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 <a href="#">CDP 2015 Climate Change Investor response</a> , Questions CC8.6, 8.7 and 8.8.)



## SPECIFIC STANDARD DISCLOSURES

### DISCLOSURES ON MANAGEMENT APPROACH

MATERIAL ASPECTS	LOCATION	MATERIAL WITHIN THE ORGANIZATION	MATERIAL OUTSIDE THE ORGANIZATION	RELEVANCE OUTSIDE THE ORGANIZATION
<b>ECONOMIC</b>				
Economic Performance	<a href="#">2014 Annual Report</a>	●	●	Our economic performance is relevant to our investors, employees, communities and suppliers
Market Presence	Hiring Locally (p. 37)	●	●	Our presence as a local employer is relevant to our employees and communities of operation
Indirect Economic Impacts	Enabling Responsible Growth (pp. 17-19); Conservation and Sustainable Tourism (pp. 46-54)	●	●	Our indirect economic impacts are relevant to our guests and destination communities
Procurement Practices	Sourcing Locally (p. 84)	●	●	Our procurement practices are relevant to our guests, suppliers and destination communities
<b>ENVIRONMENTAL</b>				
Energy	Energy and Air Emissions (pp. 58-61)	●	●	Our energy consumption is relevant to all stakeholders including the destinations communities that our ships visit
Water	Protecting Freshwater Resources (pp. 63-64)	●	●	Our water stewardship measures are relevant to all stakeholders including the destinations communities that our ships visit
Biodiversity	Conservation and Sustainable Tourism (pp. 46-54)	●	●	Biodiversity relevant to all stakeholders including the destinations communities that our ships visit
Emissions	Energy and Air Emissions (pp. 58-61)	●	●	Our emissions from operations are relevant to all stakeholders including the destinations communities that our ships visit



## SPECIFIC STANDARD DISCLOSURES

### DISCLOSURES ON MANAGEMENT APPROACH

MATERIAL ASPECTS	LOCATION	MATERIAL WITHIN THE ORGANIZATION	MATERIAL OUTSIDE THE ORGANIZATION	RELEVANCE OUTSIDE THE ORGANIZATION
<b>ENVIRONMENTAL</b>				
Effluents and Waste	A Targeted Approach to Managing Wastewater (p. 64); Waste and Chemical Management (pp. 64-66)	●	●	Our handling of effluents and waste is relevant to all stakeholders including the destinations communities that our ships visit
Compliance	Planning Ahead to Comply with Environmental Regulations (p. 27)	●	●	Environmental compliance is relevant to all stakeholders including the destinations communities that our ships visit
Supplier Environmental Assessment	Supply Chain Responsibility (p. 80-84)	●	●	Our environmental assessments of suppliers are relevant to our guests, suppliers and communities
<b>LABOR PRACTICES AND DECENT WORK</b>				
Employment	Employee Engagement (pp. 35-40)	●	●	Our employment practices are relevant to our investors, guests and communities
Labor and Management Relations	Respecting and Protecting the Rights of Our Employees (p. 36)	●	●	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	Crew Injury Prevention (pp. 76-77); Strengthening Our Culture Through Wellness Programs (p. 39)	●	●	Occupational health and safety is relevant to our investors and communities.
Training and Education	Enabling Our Employees To Learn and Grow With the Organization (p. 38)	●	●	Training and education is relevant to our investors and communities
Diversity and Equal Opportunity	Embracing Diversity and Creating an Inclusive Environment (p. 37)	●	●	Diversity and equal opportunity is relevant to our investors and communities
Supplier Assessment for Labor Practices	Supply Chain Responsibility (p. 81)	●	●	Our assessments of supplier labor practices are relevant to our guests, suppliers and communities



## SPECIFIC STANDARD DISCLOSURES

### DISCLOSURES ON MANAGEMENT APPROACH

MATERIAL ASPECTS	LOCATION	MATERIAL WITHIN THE ORGANIZATION	MATERIAL OUTSIDE THE ORGANIZATION	RELEVANCE OUTSIDE THE ORGANIZATION
<b>HUMAN RIGHTS</b>				
Supplier Human Rights Assessment	Supply Chain Responsibility (p. 81)	●	●	Our human rights assessments of suppliers are relevant to our guests, suppliers and communities
<b>SOCIETY</b>				
Local Communities	Community Involvement (pp. 41-45); Conservation and Sustainable Tourism (pp. 46-54)	●	●	Local community impacts are relevant to all stakeholders, particularly the communities where we operate
Anti-corruption	Monitoring Anti-Corruption Risk (p. 28)	●	●	Anti-corruption is relevant to our communities, investors and guests
Public Policy	Direct and Indirect Engagement with Policy Makers (p. 21)	●	●	Public policy engagement is relevant to all stakeholders including the destinations communities that our ships visit
<b>PRODUCT RESPONSIBILITY</b>				
Customer Health and Safety	Training and Ongoing Inspections to Protect Public Health (p. 27); Providing Guests With Wellness Services Onboard (p. 33); Health, Safety and Security (pp. 69-79)	●	●	Customer health and safety, particularly food safety and indoor air quality, is relevant to all stakeholders, most notably our guests. In our materiality assessment, we learned from food safety was the topic of increasingly stakeholder concern
Product and Service Labeling	Measuring Guest Satisfaction (p. 30)	●	●	Customer satisfaction is relevant to guests and investors
Customer Privacy	Protecting Customer Data (p. 31)	●	●	The protection of customer data privacy is relevant to guests and investors
Compliance	A Principles-Based Approach (p. 13); Ensuring Compliance with Safety and Security Laws (p. 26)	●	●	Compliance is relevant to our guests, investors and communities



## SPECIFIC STANDARD DISCLOSURES

### PERFORMANCE INDICATORS

MATERIAL ASPECTS	GRI INDICATORS	LOCATION
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ECONOMIC		
Economic Performance	G4-EC1 Direct economic value generated and distributed	2012-2014 Performance Tables (p. 85); Community Involvement (pp. 41-45); Conservation and Sustainable Tourism (pp. 46-54)  This indicator is partially reported.
	G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	<a href="#">CDP 2015 Climate Change Investor Response</a> , Questions CC5 and CC6
	G4-EC3 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="#">2014 Annual Report</a> ("Note 11. Retirement Plan", p. 87)  This indicator is partially reported.
Market Presence	G4-EC6 Proportion of senior management hired from the local community at significant locations of operation	Hiring Locally (p. 37)  This indicator is partially reported.
Indirect Economic Impacts	G4-EC6 Proportion of senior management hired from the local community at significant locations of operation	Enabling Responsible Growth (pp. 17-19); Community Involvement (pp. 41-45); Conservation and Sustainable Tourism (pp. 46-54)
Procurement Practices	G4-EC9 Proportion of spending on local suppliers at significant locations of operation	Sourcing Locally (p. 84)  This indicator is partially reported.

MATERIAL ASPECTS	GRI INDICATORS	LOCATION
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ENVIRONMENTAL		
Energy	G4-EN3 Energy consumption within the organization	2012-2014 Performance Tables (p. 87)
	G4-EN5 Energy intensity	2012-2014 Performance Tables (p. 87)
Water	G4-EN8 Total water withdrawal by source	2012-2014 Performance Tables (p. 87)  This indicator is partially reported.
Biodiversity	G4-EN14 Habitats protected and restored	Conservation and Sustainable Tourism (pp. 46-54)
Emissions	G4-EN15 ✓ Direct greenhouse gas (GHG) emissions (Scope 1)	2012-2014 Performance Tables (p. 87)
	G4-EN16 ✓ Energy indirect greenhouse gas (GHG) emissions (Scope 2)	2012-2014 Performance Tables (p. 87)
	G4-EN17 Energy indirect greenhouse gas (GHG) emissions (Scope 3)	<a href="#">CDP 2015 Climate Change Investor Response</a> , Question CC14.1
	G4-EN18 Greenhouse gas (GHG) emissions intensity	2012-2014 Performance Tables (p. 87)
G4-EN19 Reduction of greenhouse gas (GHG) emissions	Measuring Progress (p. 59)  <a href="#">CDP 2015 Climate Change Investor Response</a> , Question CC3.3b	
G4-EN21 NOx, SOx and particulate matter emissions	2012-2014 Performance Tables (p. 87)	



## SPECIFIC STANDARD DISCLOSURES PERFORMANCE INDICATORS

MATERIAL ASPECTS	GRI INDICATORS	LOCATION
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ENVIRONMENTAL		
Effluents and Waste	G4-EN23 Total weight of waste by type and disposal method	2012-2014 Performance Tables (p. 87) This indicator is partially reported.
Compliance	G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	There were no significant fines or non-monetary sanctions for non-compliance recorded in 2014.
Supplier Environmental Assessment	G4-EN32 Percentage of new suppliers that were screened using environmental criteria	2014 Supply Chain Highlights (p. 80)

LABOR PRACTICES AND DECENT WORK		
Employment	G4-LA1 Employee turnover	2012-2014 Performance Tables (p. 87) This indicator is partially reported.
	G4-LA2 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) This indicator is partially reported.
Labor and Management Relations	G4-LA4 Minimum notice periods regarding operational changes	Minimum notice periods vary across collective agreements.

MATERIAL ASPECTS	GRI INDICATORS	LOCATION
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LABOR PRACTICES AND DECENT WORK		
Occupational Health and Safety	G4-LA5 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 employees are represented by formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
Training and Education	G4-LA9 Average hours of training per employee	2012-2014 Performance Tables (p. 87)
	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	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	2012-2014 Performance Tables (p. 87) This indicator is partially reported.
Supplier Assessment for Labor Practices	G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	2014 Supply Chain Highlights (p. 80)



## SPECIFIC STANDARD DISCLOSURES

### PERFORMANCE INDICATORS

MATERIAL ASPECTS	GRI INDICATORS	LOCATION
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HUMAN RIGHTS		
Supplier Human Rights Assessment	G4-HR10 Percentage of new suppliers that were screened using human rights criteria	2014 Supply Chain Highlights (p. 80)

SOCIETY		
Local Communities	G4-SO1 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	G4-SO4 Communication and training on anti-corruption policies and procedures	Engaging Our Employees on Compliance and Ethics (p. 25); Monitoring Anti-Corruption Risk (p.28)
Public Policy	G4-SO6 Total value of political contributions by country and recipient/beneficiary	<a href="#">Political Contributions Policy</a> This indicator is partially reported.

MATERIAL ASPECTS	GRI INDICATORS	LOCATION
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PRODUCT RESPONSIBILITY		
Customer Health and Safety	G4-PR1 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	G4-PR5 Results of surveys measuring customer satisfaction	Measuring Guest Satisfaction (p. 30)
Customer Privacy	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Protecting Customer Data (p. 31)
Compliance	G4-PR9 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.



## ASSURANCE STATEMENT

Our 2014 Scope 1 and 2 greenhouse gas emissions have been verified by Lloyd's Register Quality Assurance (LRQA) following ISO 14064 guidelines.



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**Assurance Statement related to  
GHG Emissions Inventory 2014  
prepared for Royal Caribbean Cruises Ltd.**

**Terms of Engagement**

This Assurance Statement has been prepared for Royal Caribbean Cruises Ltd.

Lloyd's Register Quality Assurance Inc. (LRQA), an affiliate of Lloyd's Register North America, Inc., was commissioned by Royal Caribbean Cruises Ltd. (RCL) to assure its GHG Emissions Inventory for the fiscal year 2014, that is, January 1, 2014 to December 31, 2014, (hereafter referred to as "the Report").

The fiscal year 2014 is as per the United States Securities and Exchange Commission (SEC) 10K report, where the fiscal year considered for two member companies (hereafter referred to as "brands"), namely, Pullmantur and CDF Croisières de France, is from November 1, 2013 to October 31, 2014, to align with RCL's financial and environmental reporting.

The Report relates to direct GHG emissions and energy indirect GHG emissions. The GHG emissions of Pullmantur and CDF Croisières de France covered from November 1, 2013 to October 31, 2014, and were taken as representative to align with the RCL fiscal year.

The Report excludes the following GHG emissions sources and associated GHG emissions on the basis of their de minimis contribution to RCL's total GHG emissions:

- shoreside and onboard emergency generators
- shoreside hotel and office refrigeration and air-conditioning units
- shipboard incinerators
- shipboard circuit breakers and their associated sulphur hexafluoride (SF<sub>6</sub>) fugitive emissions
- shipboard marine sanitation devices and advanced wastewater purification plants and their associated methane (CH<sub>4</sub>) emissions
- small water crafts
- onboard halon and CO<sub>2</sub> fire suppression systems
- emission sources in all leased commercial properties with less than 50 employees
- combustion emissions from fuel consumed during Inaugural voyages.

**Management Responsibility**

RCL's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with RCL.

Ultimately, the Report has been approved by, and remains the responsibility of RCL.

**LRQA's Approach**

Our verification has been conducted in accordance with ISO 14064-3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions* to provide limited assurance that the GHG data as presented in the Report have been prepared in conformance with ISO 14064-1:2006 *Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals*.

To form our conclusion, the assurance was undertaken as a sampling exercise and covered the following activities:

- conducted site visits to the RCL corporate headquarters in Miami;
- reviewed the processes for the management of data and information related to the direct and energy indirect GHG emissions at the corporate level and at each of the five RCL brands under RCL financial control: Royal Caribbean International, Celebrity Cruises, Azamara Club Cruises, Pullmantur and CDF Croisières de France;
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records; and



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- verified historical GHG emissions data and records at an aggregated level for the fiscal year 2014.

**Level of Assurance and Materiality**

The opinion expressed in this assurance statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgement of the verifier.

**LRQA's Opinion**

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that the total direct GHG emissions and energy indirect GHG emissions disclosed in the Report, as summarized in Table 1 below, are not materially correct and that the Report has not been prepared in accordance with ISO 14064-1:2006, except for the following qualification:

- Minor variances were noted between on-board and corporate headquarter fuel consumption data used for calculating GHG emissions due to technical issues with on-board fuel measurement systems of the Pullmantur fleet. This misstatement is not material.

**LRQA's Recommendation**

RCL should consider implementation of a robust quality control mechanism related to automation of data collection to further improve the completeness and accuracy of its GHG emissions data. This is particular to emissions data associated with fugitive refrigerant emissions.

Signed

Dated: 19 June 2015

Derek Markoff  
LRQA Lead Verifier  
On behalf of Lloyd's Register North America, Inc.  
represented by Lloyd's Register Quality Assurance, Inc.  
1330 Enclave Parkway, Suite 200  
Houston, TX 77077

LRQA Reference: WO4071103

**Table 1. Summary of Royal Caribbean Cruises Ltd.'s GHG inventory FY 2014**

Scope of GHG emissions	Tonnes CO <sub>2</sub> e
Direct GHG emissions (Scope 1)	4,404,403
Energy indirect GHG emissions (Scope 2)	10,608
<b>Total GHG emissions</b>	<b>4,415,011</b>

This Assurance Statement is subject to the provisions of this legal section.

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The English version of this Assurance Statement is the only valid version. Lloyd's Register assumes no responsibility for versions translated into other languages.

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