SASB STANDARDS
Now part of IFRS Foundation

Cruise Lines

Sustainability Accounting Standard

TRANSPORTATION SECTOR

Sustainable Industry Classification System® (SICS®) TR-CL

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12

IFRS Sustainability

sasb.org

ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards ("SASB Standards" or "Industry Standards"), categorised pursuant to the Sustainable Industry Classification System® (SICS®).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.

2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.

3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity's performance for a specific disclosure topic.

4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.

5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the *SASB Standards Application Guidance* establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the *SASB Conceptual Framework* set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in SICS® . However, companies with substantial business in multiple SICS® industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Cruise Lines industry entities provide passenger transportation and leisure entertainment, including deep sea cruises and river cruises. A few large entities dominate the industry. Cruises provide a luxury resort experience for thousands of passengers at a time. The Cruise Lines industry often has been the fastest-growing segment of the travel industry, but it is very cyclical.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO_2-e	TR-CL-110a.1
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	TR-CL-110a.2
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage onshore power supply (OPS) and (4) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-CL-110a.3
	Average Energy Efficiency Design Index (EEDI) for new ships	Quantitative	Grammes of CO_2 per ton-nautical mile	TR-CL-110a.4
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, and (3) particulate matter (PM_{10})	Quantitative	Metric tonnes (t)	TR-CL-120a.1
Discharge Management & Ecological Impacts	(1) Total amount of ship waste discharged to the environment, (2) percentage treated prior to discharge	Quantitative	Metric tonnes (t), Percentage (%)	TR-CL-160a.1
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	Quantitative	Percentage (%)	TR-CL-160a.2
	Cruise duration in marine protected areas or areas of protected conservation status	Quantitative	Number of travel days	TR-CL-160a.3
	Number of notices of violations received for dumping [1]	Quantitative	Number	TR-CL-160a.4
Customer Health & Safety	Number of alleged crime incidents involving passengers or employees	Quantitative	Number	TR-CL-250a.1
	Percentage of fleet inspections failed	Quantitative	Percentage (%)	TR-CL-250a.2
	(1) Serious injuries per million passengers and (2) number of voyages with a gastrointestinal illness count exceeding 2%	Quantitative	Rate, Number	TR-CL-250a.3

continued...

[1] Note to **TR-CL-160a.4** – The disclosure shall include a description of significant penalties and corrective actions implemented in response to violations.

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Labour Practices	Average hourly wage for seafarers, by region	Quantitative	Presentation currency	TR-CL-310a.1
	Percentage of seafarers working maximum hours	Quantitative	Percentage (%)	TR-CL-310a.2
	Percentage of seafarers paid for overtime	Quantitative	Percentage (%)	TR-CL-310a.3
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations [2]	Quantitative	Presentation currency	TR-CL-310a.4
Workforce Health & Safety	Seafarer lost time incident rate (LTIR)	Quantitative	Rate	TR-CL-320a.1
Accident Management	Number of Conditions of Class or Recommendations	Quantitative	Number	TR-CL-540a.1
	Number of port state control (1) deficiencies and (2) detentions	Quantitative	Number	TR-CL-540a.2
	(1) Number of marine casualties, (2) percentage classified as very serious [3]	Quantitative	Number	TR-CL-540a.3

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Available lower berth kilometres (ALB-KM)[4]	Quantitative	ALB-KM	TR-CL-000.A
Average passenger cruise days (APCD)[5]	Quantitative	APCD	TR-CL-000.B
Number of shipboard employees[6]	Quantitative	Number	TR-CL-000.C
Cruise passengers[7]	Quantitative	Number	TR-CL-000.D
Number of vessel port calls	Quantitative	Number	TR-CL-000.E

2 Note to **TR-CL-310a.4** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

3 Note to **TR-CL-540a.3** – The disclosure shall include a description of marine casualties and very serious marine casualties, outcomes and corrective actions implemented in response.

4 Note to **TR-CL-000.A** – Available lower berth (ALB) is a measure of the standard capacity of a cruise ship, usually assuming two people per available cabin. It accounts for changes in fleet size, itineraries and passenger capacity. Available lower berth kilometres (ALB-KM) are computed by multiplying ALB on each leg by the number of kilometres travelled on that leg.

5 Note to **TR-CL-000.B** – Average passenger cruise days (APCD) is calculated as the number of available lower berths on a ship multiplied by the number of days those berths are available to passengers during the reporting period.

6 Note to **TR-CL-000.C** – Shipboard employees are those employees who work aboard the entity's vessels (including direct and contract employees) during the reporting period.

7 Note to **TR-CL-000.D** – Cruise passengers is the number of passengers aboard the entity's vessels, excluding employees.

Greenhouse Gas Emissions

Topic Summary

Cruise lines generate emissions mainly from the combustion of diesel in ship engines. The industry's reliance on heavy fuel oil ('bunker fuel') is of material concern because of rising fuel costs and intensifying greenhouse gas (GHG) regulations. Evolving environmental regulations are encouraging the adoption of more fuel-efficient engines, engine retrofits and the use of cleaner-burning fuels. Fuel constitutes a major expense for industry players, providing a further incentive for investing in upgrades or retrofits to boost fuel efficiency. In addition, GHG regulation violations may result in fines and compliance costs.

Metrics

TR-CL-110a.1. Gross global Scope 1 emissions

1 The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

1.1 Emissions of all GHGs shall be consolidated and disclosed in metric tonnes of carbon dioxide equivalent (CO_2-e) and calculated in accordance with published 100-year time horizon global warming potential (GWP) values. To date, the preferred source for GWP values is the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2014).

1.2 Gross emissions are GHGs emitted into the atmosphere before accounting for offsets, credits, or other similar mechanisms that have reduced or compensated for emissions.

2 Scope 1 emissions are defined and shall be calculated according to the methodology contained in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (GHG Protocol), Revised Edition, March 2004, published by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD).

2.1 Acceptable calculation methodologies include those that conform to the *GHG Protocol* as the base reference, but provide additional guidance, such as industry- or region-specific guidance. Examples may include:

2.1.1 *GHG Reporting Guidance for the Aerospace Industry* published by the International Aerospace Environmental Group (IAEG)

2.1.2 *Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources* published by the U.S. Environmental Protection Agency (EPA)

2.1.3 India GHG Inventory Program

2.1.4 ISO 14064-1

2.1.5 *Petroleum Industry Guidelines for reporting GHG emissions*, 2nd edition, 2011, published by Ipieca

2.1.6 *Protocol for the quantification of greenhouse gas emissions from waste management activities* published by Entreprises pour l'Environnement (EpE)

2.2 GHG emissions data shall be consolidated and disclosed according to the approach with which the entity consolidates its financial reporting data, which is generally aligned with the 'financial control' approach defined by the *GHG Protocol*, and the approach published by the Climate Disclosure Standards Board (CDSB) described in REQ-07, 'Organisational boundary', of the *CDSB Framework for reporting environmental and social information*.

3 The entity may discuss any change in emissions from the previous reporting period, including whether the change was because of emissions reductions, divestment, acquisition, mergers, changes in output or changes in calculation methodology.

4 In the case that current reporting of GHG emissions to the CDP or other entity (for example, a national regulatory disclosure programme) differs in terms of the scope and consolidation approach used, the entity may disclose those emissions. However, primary disclosure shall be according to the guidelines described above.

5 The entity may discuss the calculation methodology for its emissions disclosure, such as if data are from continuous emissions monitoring systems (CEMS), engineering calculations or mass balance calculations.

TR-CL-110a.2. Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

1 The entity shall discuss its long- and short-term strategy or plan to manage its Scope 1 greenhouse gas (GHG) emissions.

1.1 Scope 1 emissions are defined according to *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (GHG Protocol), Revised Edition, March 2004, published by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD).

1.2 The scope of GHG emissions includes the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

2 The entity shall discuss its emission reduction target(s) and analyse its performance against the target(s), including, if relevant:

2.1 The scope of the emission reduction target (for example, the percentage of total emissions to which the target is applicable);

2.2 Whether the target is absolute or intensity-based, and the metric denominator if it is an intensity-based target;

2.3 The percentage reduction against the base year, with the base year representing the first year against which emissions are evaluated towards the achievement of the target;

2.4 The time lines for the reduction activity, including the start year, the target year and the base year;

2.5 The mechanism(s) for achieving the target; and

2.6 Any circumstances in which the target or base year emissions have been, or may be, recalculated retrospectively or the target or base year has been reset.

3 The entity shall discuss the activities and investments required to achieve the plans or targets, and any risks or limiting factors that might affect achievement of the plans or targets.

3.1 Relevant activities and investments may include route optimisation, use of alternative fuels and energy sources, system improvements, optimisation of ship operation, improving efficiency through ship design and propulsion systems (including hull and propeller improvements), and upgrading the fleet with new ships.

4 The entity shall discuss the scope of its strategies, plans or reduction targets, such as whether they pertain differently to different business units, geographies or emissions sources.

5 The entity shall discuss whether its strategies, plans or reduction targets are related to, or associated with, emissions limiting or emissions reporting-based programmes or regulations (for example, the EU Emissions Trading Scheme, Quebec Cap-and-Trade System, California Cap-and-Trade Program), including regional, national, international or sectoral programmes.

6 Disclosure of strategies, plans or reduction targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.

TR-CL-110a.3. (1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage onshore power supply (OPS) and (4) percentage renewable

1 The entity shall disclose (1) the total amount of energy it consumed as an aggregate figure, in gigajoules (GJ).

1.1 The scope of energy consumption includes energy from all sources, including energy purchased from external sources and energy produced by the entity itself (self-generated). For example, direct fuel usage, purchased electricity, and heating, cooling and steam energy are all included within the scope of energy consumption.

1.2 The scope of energy consumption includes only energy the entity directly consumed during the reporting period.

1.3 In calculating energy consumption from fuels and biofuels, the entity shall use higher heating values (HHV), also known as gross calorific values (GCV), which are measured directly or taken from the Intergovernmental Panel on Climate Change (IPCC).

2 The entity shall disclose (2) the percentage of energy it consumed that was supplied from heavy fuel oil.

2.1 Heavy fuel oils are defined as heavier oils that remain after distillate fuel oils and lighter hydrocarbons are distilled away in refinery operations.

2.2 The percentage shall be calculated as heavy fuel oil consumption divided by total energy consumption.

3 The entity shall disclose (3) the percentage of energy it consumed that was onshore power supply (OPS).

3.1 OPS includes the shoreside electrical power consumed by a ship at berth while the main and auxiliary engines are turned off.

3.2 The percentage shall be calculated as OPS consumption divided by total energy consumption.

4 The entity shall disclose (4) the percentage of energy it consumed that was renewable energy.

4.1 Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass.

4.2 The percentage shall be calculated as renewable energy consumption divided by total energy consumption.

4.3 The scope of renewable energy includes renewable fuel the entity consumed, renewable energy the entity directly produced and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier programme, or other green power products that explicitly include RECs or GOs, or for which Green-e Energy Certified RECs are paired with grid electricity.

4.3.1 For any renewable electricity generated on-site, any RECs and GOs shall be retained (not sold) and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.

4.3.2 For renewable PPAs and green power products, the agreement shall explicitly include and convey that RECs and GOs be retained or replaced and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.

4.3.3 The renewable portion of the electricity grid mix outside the control or influence of the entity is excluded from the scope of renewable energy.

4.4 For the purposes of this disclosure, the scope of renewable energy from biomass sources is limited to materials certified to a third-party standard (for example, Forest Stewardship Council, Sustainable Forest Initiative, Programme for the Endorsement of Forest Certification, or American Tree Farm System), materials considered eligible sources of supply according to the *Green-e Framework for Renewable Energy Certification, Version 1.0* (2017) or Green-e regional standards, or materials that are eligible for an applicable jurisdictional renewable portfolio standard.

5 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel use (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

TR-CL-110a.4. Average Energy Efficiency Design Index (EEDI) for new ships

1 The entity shall disclose the average Energy Efficiency Design Index (EEDI) for new ships in grammes of carbon dioxide per ton-nautical mile.

1.1 An EEDI value is the product of power installed, specific fuel consumption and carbon conversion, divided by the product of available capacity and vessel speed at design load

1.2 The entity shall calculate the average EEDI as a simple average of the EEDI value of all new ships added to the entity's fleet during the reporting period.

1.2.1 New ships are limited to those built after 2013 and for which the International Maritime Organisation (IMO) has adopted EEDI as a metric.

1.3 The entity shall follow calculation methodologies outlined in IMO MEPC 66/21/Add.1, Annex 5, *2014 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index (EEDI) For New Ships*.

Air Quality

Topic Summary

Fuel use on cruise lines generates air pollutants such as sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM_{10}). These pollutants can have localised environmental and health impacts and are of particular concern at port cities and other restricted areas where entities may be penalised for exceeding emissions limits. Entities can manage these risks by commissioning more energy-efficient vessels, retrofitting existing fleets and using onshore power if it is available at ports.

Metrics

TR-CL-120a.1. Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, and (3) particulate matter (PM_{10})

1 The entity shall disclose its emissions of air pollutants, in metric tonnes per pollutant, released into the atmosphere.

1.1 The scope of the disclosure includes air pollutants associated with the entity's direct air emissions resulting from all the entity's activities and sources of emissions, which may include stationary or mobile sources, production facilities, office buildings and transportation fleets.

2 The entity shall disclose its emissions of (1) oxides of nitrogen (NO_x), reported as NO_x.

2.1 The scope of NO_x includes NO and NO_2 but excludes N_2O.

3 The entity shall disclose its emissions of (2) oxides of sulphur (SO_x), reported as SO_x.

3.1 The scope of SO_x includes SO_2 and SO_3.

4 The entity shall disclose its emissions of (3) particulate matter 10 micrometres or less in diameter (PM_{10}), reported as PM_{10}.

4.1 PM_{10} is defined as any airborne finely divided solid or liquid material with an aerodynamic diameter less than or equal to a nominal 10 micrometres.

5 The entity may discuss the calculation method for its emissions disclosure, such as whether data is from continuous emissions monitoring systems (CEMS), engineering calculations or mass balance calculations.

Discharge Management & Ecological Impacts

Topic Summary

Cruise holidays offer access to undeveloped ocean waters and destinations with marine protected areas or areas with protected conservation status. Cruise ships, associated with large vessels, rapid influxes of tourists, intensive resource consumption and high waste generation, can be particularly damaging to ecosystems in which they travel and operate. Cruise ships discharge many types of treated and untreated wastewater at sea and non-degradable solid wastes on land. Careful management of ship discharge and the mitigation of cruise line ecological impacts may maintain shipping access to ports and preserve the natural beauty guests wish to experience, both of which are essential for entities to maintain market share as well as attract new customers.

Metrics

TR-CL-160a.1. (1) Total amount of ship waste discharged to the environment, (2) percentage treated prior to discharge

1 The entity shall disclose (1) the total weight of ship waste discharged to the environment, in metric tonnes.

1.1 Ship waste is defined as material used (or intended for use) on board a ship that is discarded or released to the environment by the entity.

1.2 The scope of the disclosure includes sewage, bilge water, ballast water, greywater, hazardous waste, used oil, food, packaging and other solid waste.

1.3 The scope of the disclosure includes incinerated materials, including materials incinerated for energy recovery.

1.3.1 Energy recovery is defined as using combustible waste to generate energy through direct incineration with or without other waste, but with recovery of the heat.

1.4 The scope of the disclosure excludes gaseous wastes, waste discarded on shore and waste reused or recycled by the entity or by vendors or partners into new products, co-products or by-products.

2 The entity shall disclose (2) the percentage of ship waste discharged, by weight, to the environment that was treated prior to discharge.

2.1 The percentage shall be calculated as the weight of waste material the entity treated to at least the minimum legal requirements set by the International Convention for the Prevention of Pollution from Ships (MARPOL) and by other relevant regulators, divided by the total weight of waste material.

2.2 Treated waste shall exclude incinerated material, even if the incinerated waste may legally be discharged at sea.

TR-CL-160a.2. Percentage of fleet implementing ballast water (1) exchange and (2) treatment

1 The entity shall disclose (1) the percentage of its fleet that has implemented ballast water exchange.

1.1 Ballast water exchange is defined by the D1 standard of the International Maritime Organization's (IMO) *International Convention for the Control and Management of Ships' Ballast Water and Sediments* (BWM) and requires that ships performing ballast water exchange do so with an efficiency of at least a 95% volumetric exchange of ballast water. The three accepted methods of ballast water exchange are the sequential, flow-through and dilution methods.

1.2 The percentage shall be calculated as the number of ships in the entity's fleet that have implemented ballast water exchange that meet the D1 standard specifications divided by the total number of ships in the fleet.

2 The entity shall disclose (2) the percentage of its fleet that has implemented ballast water treatment.

2.1 Ballast water treatment includes implementation of an integrated system of ballast water treatment equipment that is approved by the applicable jurisdictional legal or regulatory authority to meet the performance criteria in the D2 standard of the BWM.

2.1.1 Approved systems must discharge (a) less than 10 viable organisms per cubic metre that are greater than or equal to 50 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

2.2 The percentage shall be calculated as the number of ships in the entity's fleet that have implemented ballast water treatment systems that meet the D2 standard specifications divided by the total number of ships in the fleet.

TR-CL-160a.3. Cruise duration in marine protected areas or areas of protected conservation status

1 The entity shall disclose the cruise duration spent in marine protected areas or areas with protected conservation status.

1.1 Cruise duration is the sum of the travel days (24-hour periods or fractions thereof), including time spent docked at ports.

1.2 A marine protected area is defined according to the International Union for Conservation of Nature (IUCN) as any area of the intertidal or subtidal terrain, together with its overlying water and associated flora, fauna, and historical and cultural features, that has been reserved by law or other effective means to protect part or all of the environment. Marine protected areas include areas internationally established and regulated in International Maritime Organization (IMO) conventions as well as areas established nationally by member states, such as:

1.2.1 Areas to be Avoided established by IMO *International Convention for the Safety of Life at Sea* (SOLAS), Chapter V, Regulation 10;

1.2.2 Areas with Mandatory Ship Reporting Systems established by IMO SOLAS, Chapter V, Regulation 11;

1.2.3 Emission Control Areas under MARPOL Annex VI;

1.2.4 No Anchoring Areas established by IMO SOLAS Chapter V, Regulation 10;

1.2.5 Particularly Sensitive Sea Areas (PSSAs) designated by the Marine Environment Protection Committee of the IMO in accordance with IMO *Guidelines for the Identification and Designation of Particularly Sensitive Sea Areas* (Resolution A.982(24)); and

1.2.6 Special Areas designated under the International Convention for the Prevention of Pollution from Ships (MARPOL Annexes I, II and IV).

1.3 An area of protected conservation status, which may be listed in the World Database of Protected Areas (WDPA) and mapped by Protected Planet, is defined as an area located within:

1.3.1 Biosphere Reserves recognised within the framework of the United Nations Educational, Scientific and Cultural Organization's (UNESCO) Man and the Biosphere (MAB) Programme;

1.3.2 International Union for Conservation of Nature (IUCN) Protected Areas (categories I-VI);

1.3.3 marine sanctuaries;

1.3.4 national parks;

1.3.5 marine Natura 2000 sites;

1.3.6 Ramsar Wetlands of International Importance;

1.3.7 sites that meet the IUCN's definition of a protected area: 'A protected area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values';[8]

1.3.8 UNESCO Marine World Heritage sites; and

1.3.9 other areas where discharges are restricted or subject to local agreements.

2 The entity may separately identify cruise duration in areas with additional ecological, biodiversity, or conservation designations such as those listed by the A-Z Guide of Areas of Biodiversity Importance, prepared by the United Nations Environment Programme's World Conservation Monitoring Centre (UNEP-WCMC).

3 The entity may discuss its cruise activities in marine protected areas and areas of protected conservation status that present low risk to biodiversity or ecosystem services.

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[8] N. Dudley (ed.), *Guidelines for Applying Protected Areas Management Categories*, Gland, Switzerland: IUCN, 2008, pp. 8-9.

4 The entity may discuss its cruise activities in areas that have no official designation but that present high biodiversity or ecosystem services risks.

TR-CL-160a.4. Number of notices of violations received for dumping

1 The entity shall disclose the total number of notices of violations received for dumping.

1.1 Notices of violations include those issued by the entity's flag state and by any law enforcement agency at ports where the entity's vessels visit.

1.1.1 The scope of the disclosure includes violations of the International Convention for the Prevention of Pollution from Ships (MARPOL) Annexes I–V and other applicable jurisdictional laws or regulations related to wastewater pollution, illegal oil dumping, untreated sewage, hazardous waste and other pollutants (for example, nickel, copper, zinc and ammonia), as well as falsification of oil record books.

1.1.2 The scope of the disclosure excludes violations of environmental legislation related to excessive emissions and air quality.

1.2 Dumping is defined by the International Maritime Organization (IMO) *Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter* as any deliberate disposal into the sea of wastes or other matter from vessels, aircraft, platforms or other man-made structures at sea.

2 A violation shall be disclosed regardless of whether it resulted in an enforcement action (for example, a fine or warning letter).

Note to **TR-CL-160a.4**

1 The entity shall describe any significant violations, including those that resulted in significant fines, penalties or harm to the environment.

2 The entity shall describe any corrective actions implemented in response to each violation. This may include specific changes in operations, management, processes, products, business partners, training and technology.

Customer Health & Safety

Topic Summary

Cruise lines offer a variety of luxury experiences and activities to their customers, including elaborate shows, casinos, fine dining, indoor skydiving, spa treatments, swimming and fitness facilities. Each activity comes with its own set of health risks, safety challenges and liabilities that entities must navigate. Consumer expectations for safety and comfort are high, so avoiding health and physical safety risks is especially important for entities' viability. Publicised cases of crimes, injuries and illnesses onboard cruise ships may have serious repercussions on brand value and ticket sales. Customer lawsuits may also result in high incremental legal costs. Although cruise ship crime rates are low when compared to crime rates in most developed countries, law enforcement is much more difficult to navigate, and cases are not as easy to resolve since ships commonly take passengers to international waters and fly a foreign flag, leading to uncertainty about which jurisdictions are responsible for law enforcement. Entities can protect customer health and safety by implementing a robust safety management system.

Metrics

TR-CL-250a.1. Number of alleged crime incidents involving passengers or employees

1 The entity shall disclose the total number of alleged crime incidents involving passengers or employees.

1.1 The scope of alleged crimes includes claims of criminal activity involving homicide, suspicious death, a missing person, kidnapping, assault resulting in serious bodily injury, sexual assault, arson, tampering with a vessel, or theft of money and property valued at more than US$10,000 or the entity's presentation currency equivalent. Alleged crimes shall be defined by the appropriate oversight authority for cruise ship criminal activity in the jurisdiction in which the crime occurred.

TR-CL-250a.2. Percentage of fleet inspections failed

1 The entity shall disclose the percentage of inspections for public health, food safety or environmental sanitation conducted by an applicable jurisdictional legal or regulatory authority that failed a ship sanitation inspection.

1.1 The percentage shall be calculated as the number of failed ship sanitation inspections divided by the total number of fleet inspections conducted.

1.2 The scope of the disclosure includes any ship that was inspected by a relevant regulatory oversight authority.

TR-CL-250a.3. (1) Serious injuries per million passengers and (2) number of voyages with a gastrointestinal illness count exceeding 2%

1 The entity shall disclose (1) the total number of serious injuries per million passengers.

1.1 Serious injuries are defined as injuries resulting in incapacitation for more than 72 hours commencing within seven days of the date of injury, consistent with the International Maritime Organization (IMO) Code for the Investigation of Marine Casualties and Incidents.

1.2 The scope of the disclosure is limited to serious injuries that are caused by, or occur in connection with, the operations of a ship.

2 The entity shall disclose (2) the total number of voyages on which the cumulative proportion of acute gastrointestinal illness (GI) cases exceeded two percent of the total number of passengers or two percent of the total crew on board.

2.1 The scope of acute GI cases includes those evaluated by the medical staff before the ship arrives at a port.

2.2 Acute GI symptoms may include persistent diarrhoea involving three or more episodes of loose stools in a 24-hour period (or whatever is significantly above normal for the individual) or vomiting and an additional symptom such as abdominal cramps, headache, muscles aches or fever (a body temperature greater than or equal to 38°C).

2.3 The number of GI cases used in the calculation shall include the total for the entire voyage, not the number of active (symptomatic) GI cases at any given port of call or at disembarkation.

Labour Practices

Topic Summary

Cruise lines employ thousands of workers onboard each large vessel. Ships may register in countries where labour laws related to pay, working hours, fair treatment and termination may be flexible. Ship crews are multinational, and many are hired on a contract basis. Crews often work long hours for many months residing in shared quarters, which can make recuperation difficult. Some entities offer a gratuity-based wage structure to reduce payroll costs. Language barriers, the complexity of flag state laws and the laws in workers' home countries may make labour law violation charges difficult for workers to file. Low morale among workers may impair their ability to meet customer service expectations, potentially reducing an entity's revenues and market share over the long term.

Metrics

TR-CL-310a.1. Average hourly wage for seafarers, by region

1 The entity shall disclose the average hourly wage it paid to seafarers for each region for which it conducts segment financial reporting.

1.1 Seafarers are defined as non-manager, non-director-level shipboard employees.

1.1.1 Seafarers exclude shoreside and corporate employees.

1.2 The average hourly wage is calculated as the total seafarers' wages for the reporting period, including gratuities, divided by the total number of hours worked by seafarers during the reporting period.

TR-CL-310a.2. Percentage of seafarers working maximum hours

1 The entity shall disclose the percentage of seafarers who worked maximum allowable hours at least once during the reporting period.

1.1 Seafarers are defined as non-manager, non-director-level shipboard employees.

1.1.1 Seafarers exclude shoreside and corporate employees.

1.2 The maximum allowable hours of work for seafarers are 14 hours of work per 24-hour period and 72 hours of work per seven-day period, consistent with the International Labour Organisation (ILO) *Maritime Labour Convention* Standard A2.3, Paragraph 5(a), 'Hours of work and hours of rest'.

1.3 The percentage shall be calculated as the number of seafarers that worked maximum allowable hours at least once during the reporting period divided by the total number of seafarers that worked at least once during the reporting period.

TR-CL-310a.3. Percentage of seafarers paid for overtime

1 The entity shall disclose the percentage of seafarers paid for overtime at least once during the reporting period.

1.1 Seafarers are defined as non-manager, non-director-level shipboard employees.

1.1.1 Seafarers exclude shoreside and corporate employees.

1.2 Overtime is defined as time worked in excess of the normal hours of work.

1.3 The percentage shall be calculated in accordance with International Labour Organisation (ILO) *Maritime Labour Convention* Guideline B2.2.2, 'Calculation and payment'.

TR-CL-310a.4. Total amount of monetary losses as a result of legal proceedings associated with labour law violations

1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with labour law violations, such as those relating to wages, work hours, overtime, and meal and rest breaks.

2 The legal proceedings shall include any adjudicative proceeding involving the entity, whether before a court, a regulator, an arbitrator or otherwise.

3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement, verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, governmental, business or individual).

4 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.

5 The scope of the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to **TR-CL-310a.4**

1 The entity shall briefly describe the nature (for example, guilty plea, deferred agreement or non-prosecution agreement) and context (for example, improper working conditions or employee compensation) of all monetary losses resulting from legal proceedings.

2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, management, processes, products, business partners, training or technology.

Workforce Health & Safety

Topic Summary

Entities in the Cruise Lines industry operate a unique service that requires them to provide safety oversight comparable to a small city, including addressing all medical and security needs. A commitment to providing a clean and sanitary environment on board is important for protecting crew health, which can affect productivity and morale as well as customer health, and thus an entity's reputation and market share. Additionally, several governing bodies—including the flag state, port state and home country of a crew member—may be involved in both providing and enforcing industry safety regulations. This regulatory mix may create confusion regarding the protections afforded to crew members. Entities that fail to protect crew health and safety may also experience higher employee turnover and difficulties with employee recruitment and retention.

Metrics

TR-CL-320a.1. Seafarer lost time incident rate (LTIR)

1 The entity shall disclose its lost time incident rate (LTIR) for seafarers for work-related injuries and illnesses.

1.1 A lost time incident is an incident that results in absence from work that lasts longer than the date or shift when it occurred.

1.2 Seafarers are defined as non-manager, non-director-level shipboard employees.

1.2.1 The scope of the disclosure excludes shoreside and corporate employees.

1.3 The rate shall be calculated as: (lost time incidents) / (1,000,000 hours worked).

2 The entity may disclose the process for classifying, identifying and reporting lost time incidents.

2.1 The International Chamber of Shipping and the International Maritime Organization International Safety Management (ISM) Code provide additional guidance for lost time incident reporting.

Accident Management

Topic Summary

Although cruise ships are one of the safest forms of travel for holidays, the industry competes on customer experience and satisfaction, making safety management a top priority. Given the scale of cruise vessels and the vulnerability of passengers at sea, one mismanaged accident may significantly reduce consumer confidence in an entity. Although major accidents are rare, they may affect not only an entity's revenue and brand value, but those of the entire Cruise Lines industry. Proper equipment maintenance, staff training and implementation of the latest safety technologies and practices may protect an entity's safety record and ensure high customer satisfaction while lowering an entity's risk profile and cost of capital.

Metrics

TR-CL-540a.1. Number of Conditions of Class or Recommendations

1 The entity shall disclose the total number of Conditions of Class or Recommendations received from a flag administration or a recognised organisation (RO) that has been delegated the authority to issue them.

1.1 Conditions of Class or Recommendations are understood to be interchangeable terms, defined as requirements imposed by an administration (or its delegate, such as a classification society) to be carried out within a specific time limit to retain vessel class, which may include:

1.1.1 repairs or renewals related to damages that affect classification (for example, grounding, structural damages, machinery damages and wastage over the allowable limits);

1.1.2 supplementary survey requirements; and

1.1.3 temporary repairs.

1.2 The scope of the disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension or invalidation of a vessel's class certificate.

TR-CL-540a.2. Number of port state control (1) deficiencies and (2) detentions

1 The entity shall disclose (1) the total number of deficiencies received from regional port state control (PSC) organisations.

1.1 A deficiency is defined as a condition found non-compliant with the requirements of one or more of these conventions:

1.1.1 International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocols of 1978 and 1997 relating thereto, as amended (MARPOL);

1.1.2 International Convention for the Safety of Life at Sea (SOLAS).

1.1.3 International Convention on Load Lines (Load Lines);

1.1.4 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended (STCW);

1.1.5 International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS);

1.1.6 International Convention on Tonnage Measurement of Ships, 1969 (Tonnage); and

1.1.7 International Labour Organization (ILO) *Maritime Labour Convention*, 2006.

2 The entity shall disclose (2) the total number of detentions received from regional PSC organisations.

2.1 A detention is defined as an intervention action by a port state, taken if the condition of a ship or its crew does not substantially adhere to the applicable conventions. A detention ensures that the ship will not sail until it can proceed to sea without presenting a danger to the ship or persons on board, and without presenting an unreasonable threat of harm to the marine environment, regardless of whether such action affects the normal schedule of the ship's departure.

3 The scope of the disclosure includes deficiencies and detentions issued by PSC organisations that are signatories to memoranda of understanding (MoU) of regional PSC organisations.

TR-CL-540a.3. (1) Number of marine casualties, (2) percentage classified as very serious

1 The entity shall disclose (1) the total number of marine casualties involving its fleet.

1.1 A marine casualty is defined, based on the International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), Chapter 2, Paragraph 2.9 as an event, or sequence of events, that occurs directly in connection with the operations of a ship and results in:

1.1.1 the death of, or serious injury to, a person;

1.1.2 the loss of a person from a ship;

1.1.3 the loss, presumed loss or abandonment of a ship;

1.1.4 material damage to a ship;

1.1.5 the stranding or disabling of a ship, or the involvement of a ship in a collision;

1.1.6 material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual; or

1.1.7 severe damage to the environment, or the potential for severe damage to the environment, brought about by the damage of a ship or ships.

2 The entity shall disclose (2) the percentage of marine casualties classified as very serious marine casualties.

2.1 A very serious marine casualty is defined as a marine casualty involving the total loss of the ship, a death, or severe damage to the environment.

2.2 The percentage shall be calculated as the number of very serious marine casualties divided by the total number of marine casualties.

Note to **TR-CL-540a.3**

1 The entity shall describe marine casualties and very serious marine casualties, including causes, outcomes and any corrective actions implemented in response.

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