



ROYAL CARIBBEAN CRUISES LTD.







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## Introduction

World Wildlife Fund (WWF) and Royal Caribbean Cruises, Ltd. are now beginning our third year of partnership to help ensure the long-term health of the oceans.

Our partnership was launched in 2016 based on the premise that no one organization or company can address conservation threats alone—but that together we can create meaningful, lasting change.

We are pleased to share our progress over the past year on our sustainability journey—from reducing Royal Caribbean's environmental footprint by achieving ambitious, measurable targets around emissions reductions, sustainable sourcing, and responsible tourism, to raising awareness of the importance of oceans with the 5 million guests who travel with the cruise line annually. Royal Caribbean's support of WWF's global oceans conservation work is also making an impact in the priority places that WWF works to protect.

We are heartened by the progress we have made over the past year and even more encouraged by the stakeholders who have joined us on our journey. By inspiring others to work with us to help protect the oceans, we hope to catalyze change that will continue to make a difference well beyond our partnership.



## Our Sustainability Progress

**Sustainable Seafood** Royal Caribbean is working towards achieving ambitious targets around the sustainable sourcing of seafood. For their global operations, they have committed to source 90% of their wild-caught seafood from fisheries certified by the Marine Stewardship Council (MSC) and from fisheries comprehensively working toward meeting the MSC standard. In their North American and European operations, they have committed to source 75% of farmed seafood from farms certified by the Aquaculture Stewardship Council (ASC) and those working to meet the ASC standard. Additionally, the company seeks to obtain MSC and ASC Chain of Custody certification for its global fleet of ships, meaning that Royal Caribbean will be able to trace the certified seafood they purchase from the source to their ships' dining tables (see illustration, pages 6–7).

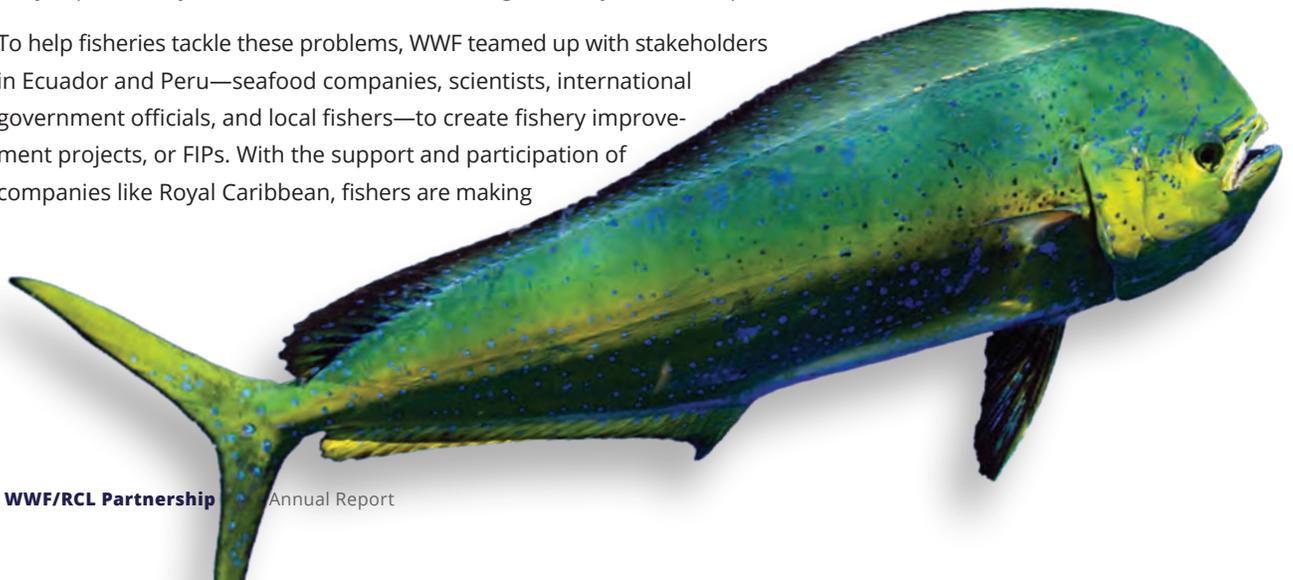
WWF believes that high quality certification for seafood can be an important complement to the array of measures available for ocean conservation. For consumers who care about sustainable, responsible, and traceable seafood, the MSC's blue-check logo for wild-caught seafood and the ASC's green-check logo for farmed seafood are important signals to look for. Improvement projects for fisheries and fish farms alike are also supporting this process by comprehensively moving fisheries and farms toward meeting or exceeding the MSC and ASC standards. These certifications provide seafood buyers and consumers with a way to use their purchasing power to support the increase of sustainable, responsible, and traceable seafood products around the world. This continuous improvement is critical to support the future of fisheries, farms, and the livelihoods that depend on them.

**Ensuring a Future for Fisheries** Off the coasts of Peru and Ecuador lie some of the world's most productive and important fisheries, yet warming oceans and dwindling stocks are putting this critical source of nutrition and jobs at risk. That's why Royal Caribbean has joined with WWF and a growing number of seafood buyers, retailers, and other businesses to advance more sustainable practices that can ensure a future for the region's mahi mahi fisheries.

Peru and Ecuador's mahi mahi fisheries are important to different groups for different reasons. For seafood consumers—whether they know it or not—these fisheries are the world's biggest source of this meaty, white-fleshed fish. For seafood companies, grocery stores, and restaurants, they provide a valued product and source of profit. And for the thousands of artisanal fishers who work in this region, they are the source of livelihoods.

Like many fisheries, however, the Peruvian and Ecuadorian mahi mahi fisheries face immediate and long-term challenges. The fish used to be abundant closer to the coast, but today fishers must routinely trek hundreds of miles offshore to find their catch. The resulting increase in fuel costs and time spent on the job puts a major dent in most fisher's earnings—if they can turn a profit at all.

To help fisheries tackle these problems, WWF teamed up with stakeholders in Ecuador and Peru—seafood companies, scientists, international government officials, and local fishers—to create fishery improvement projects, or FIPs. With the support and participation of companies like Royal Caribbean, fishers are making



A fishery improvement project (FIP) draws together fishers, industry, researchers, government, and NGOs to help improve fishing practices and management. Through a transparent and comprehensive approach, the FIP will increase a fishery's level of sustainability and help it meet the requirements of the Marine Stewardship Council (MSC) standard. As a result of sourcing commitments from companies like Royal Caribbean, we hope that more and more fisheries around the world will help meet the demand for MSC-certified seafood.



*Fishermen from La Tortuga take Royal Caribbean staff out to learn about Peru's mahi mahi fishery improvement project.*

changes that will enable them to meet the MSC standard, a benchmark of sustainability that is increasingly demanded by consumers who want to know that the seafood on their plates can be traced back to a sustainable source.

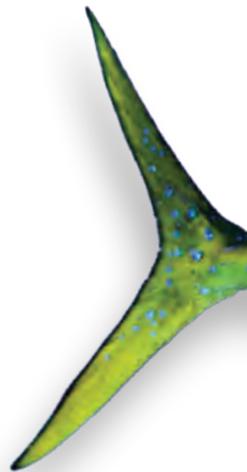
Already, the FIPs have achieved successes: the establishment of a closed fishing season to allow juvenile fish to mature and reproduce; the incorporation of national fishery management plans; the adoption of gear that limits sea turtle bycatch; the use of logbooks to better monitor fish stocks; and the first-ever preliminary regional stock assessment for mahi mahi in the eastern Pacific Ocean, which is especially critical for managing the highly migratory stocks across international borders.

Royal Caribbean is supporting similar efforts to improve fishery and fish-farming practices worldwide, from the yellowfin tuna fisheries of Vietnam to the salmon farms of Chile. When companies like Royal Caribbean engage fishers and fish farmers to improve their practices, they help boost the overall supply of more sustainably and responsibly produced seafood.

More than most hospitality companies, Royal Caribbean relies on healthy oceans, a goal for which much more work remains to be done. Using its buying power and influence, Royal Caribbean can deliver real, meaningful change on the water. And that's good news for fishers and fish farmers, communities and consumers, guests and employees.

### **Sustainable Tourism**

Tourism can be either a threat to, or an opportunity for, conservation. At its core, tourism depends on the beauty of the environment and thriving communities. If harnessed the right way, it can be an effective strategy for achieving conservation goals and leveraging partnerships with governments, communities, the private sector, and NGOs to produce positive development outcomes. A critical focus of WWF and Royal Caribbean's partnership is helping to make destinations and shore excursions more sustainable, and making sustainable tours available to the cruise line's guests.





Royal Caribbean has endorsed the Global Sustainable Tourism Council (GSTC), which was created under the umbrella of the United Nations and is regarded by WWF as the leading standard for sustainable tourism. The GSTC standards are recommended baseline practices for a tourism business or destination that wants to maximize its positive impact and minimize its negative impact on the environment and local communities.

Royal Caribbean's goal is to offer 1,000 tours provided by operators certified by a GSTC-accredited program by the end of 2020. Once a tour operator is certified by such a program, Royal Caribbean will label that operator's shore excursions as "sustainable tours," using the GSTC logo to signal guests that the tour meets the world's leading standard for sustainable tourism.

GSTC also provides sustainability assessments of destinations based on established criteria. The GSTC approach evaluates and provides recommendations for destination management that will maximize local environmental, social, and economic benefits from tourism while minimizing negative impacts. Through our partnership, and in collaboration with other stakeholders, Royal Caribbean's goal is to support the GSTC destination assessment process in two of the destinations that its ships visit, as well as its private destinations in Coco Cay and Labadee. Once these destinations are assessed, WWF, RCL, and local partners will develop action plans to mitigate sustainability threats and improve sustainability management. In the cases of Coco Cay and Labadee, which RCL itself manages, the company will set a target for them to become certified by a GSTC-accredited program.

WWF and Royal Caribbean have started the destination assessment process in Cozumel, Mexico. The destination's policies and practices have been analyzed against the GSTC criteria, stakeholders have been consulted, preliminary findings and recommendations for improved management have been shared with the local community, and local stakeholders have helped design concrete action plans to address the GSTC recommendations. These action plans will serve as a blueprint to improve the long-term sustainability of Cozumel as a tourism destination.

WWF, the German Development Cooperation (GIZ), and Royal Caribbean are looking at conducting additional destination assessments in the Mesoamerican Reef in Central America, a marine region

that is rich in biodiversity. This process would build on learnings from the Cozumel assessment, as well as ongoing sustainable tourism development initiatives funded by the German government in the region. Through this collaboration, we hope to set an exemplary public-private partnership model for supporting the region's cruise destinations in improvement of their destination management and environmental stewardship.

## Climate

The health of our planet is dependent upon the health of our oceans. Climate change continues to wreak havoc on ocean habitats, causing sea levels to rise and water temperatures to climb. Urgent action is needed to mitigate the devastating impacts of the changing climate and reverse the harmful trends caused by decades of increased carbon emissions entering the atmosphere.

Since the beginning of the partnership, reducing the impact of Royal Caribbean's operations has been a front-and-center priority. Working with WWF and energy consultant Navigant (formerly Ecofys), the company set a science-based emissions intensity reduction target of 35% from their 2005 baseline. In 2018, to reflect a recent divestiture and resulting changes to the company's fleet, Royal Caribbean and Navigant are working to restate that target in accordance with the Greenhouse Gas Protocol, which provides standards, guidance, tools, and training by which business and government can measure and manage climate-warming emissions.

Because slowing climate change calls for global effort, Royal Caribbean established a public methodology for reducing emissions that can be used by their industry peers. And the company took another step to drive collective action on climate change by joining the We Are Still In movement. Launched in June 2017, the movement is a coalition of companies, cities, states, colleges, and universities who reaffirmed their commitment to uphold the Paris Climate Agreement. To date, more than 2,600 leaders from across the US have joined this powerful coalition. Collectively, they span 50 states and represent more than 130 million Americans and \$6.2 trillion of the US economy.

By working in partnership and encouraging and mentoring industry peers, we look forward to setting, achieving, and surpassing Royal Caribbean's emissions reduction targets and helping our oceans to thrive for years to come.

## Better Materials Management

As the global population continues to grow, the demand for Earth's limited natural resources will only continue to increase. As part of our partnership, we are dedicated to developing and implementing improved sustainable sourcing practices for key food commodities, such as seafood, commonly found on-ship. But sourcing sustainably doesn't end with food.

In 2017, Royal Caribbean signed on to WWF's Cascading Materials Vision, becoming part of a collection of more than 15 brands and organizations who envision a more efficient global system for the reuse of materials. Today, 8 million metric tons of plastic enter the ocean each year because of inadequate waste management systems, causing irreversible harm to ocean habitats. The Cascading Materials Vision asks organizations to commit to better materials management that is grounded in science and has a scope that reaches beyond the company's own practices. Together, through innovative collaborations like this, we can protect the wealth found in natural resources.

# TRACING YOUR SEAFOOD FROM SEA TO SHIP

Royal Caribbean is committed to serving its guests sustainable, responsible, and traceable seafood certified to MSC and ASC standards. Together with suppliers and WWF, we are working to achieve Chain of Custody certification, which means being able to track seafood product from sea to ship, confirming that each stage along the way is certified as well.



## TRACING THE SEAFOOD SUPPLY CHAIN

A cruise guest enjoying a sustainable, responsible, and traceable seafood dinner on board is the final step in transporting that seafood onto a Royal Caribbean ship. From fisheries and fish farms, to processors and suppliers, each step along the supply chain must be MSC or ASC Chain of Custody certified to provide guests the assurance that the seafood they are eating is traceable to a certified fishery or farm.

1

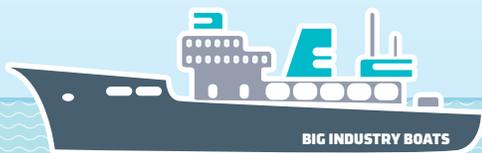
### FISHERIES AND FARMS

2

### PORTS

3

### TRADERS



FARMS





Chain of Custody certificate holders must have traceability systems within their companies that allow their certified products to be tracked at every step along the supply chain—from retail shelves and restaurant menus, all the way back to the fishery or farm.

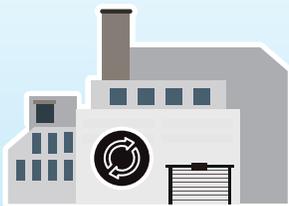


### LOOK FOR THE LABELS

The MSC or ASC logo on a menu means that the seafood has come from a sustainable fishery or a responsible farm.

4

#### PROCESSORS



5

#### DISTRIBUTORS



6

#### CRUISE SHIPS



To be certified as meeting MSC or ASC Chain of Custody standards, companies must maintain compliance with three critical requirements.



#### MANAGEMENT SYSTEM

Chain of Custody certificate holders must have a management system in place, such as an internal checks and balances process, to ensure they fully comply with the Chain of Custody standard.



#### PRODUCT IDENTIFICATION

Once products meet the Chain of Custody standard, they are labeled with a unique Chain of Custody code identifying them as certified sustainable. Many companies use the MSC and ASC labels to make it easy to identify certified products.



#### PRODUCT SEPARATION

Companies that buy and sell seafood must keep certified products separated from noncertified products so they can ensure they remain properly labeled and distinguishable. Keeping certified products separate helps provide consumers with assurance that these products meet MSC and ASC standards.



## Our Impact Around the World

**Guidelines for Shark and Ray Tourism** Stemming from our partnership's commitment to sustainable tourism, Royal Caribbean supported the development of guidelines for shark and ray tourism. These guidelines offer a roadmap to tour operators and coastal communities to protect local livelihoods and help conserve shark and ray species by using sustainable tourism strategies.

In the past year, WWF has worked to share these best practices across critical shark and ray ecosystems in the Caribbean, Coral Triangle, and South Pacific. Alongside WWF's partner Project AWARE, the guidelines have been shared in workshops at a dive industry expo in Florida and a tourism policy development forum in Papua New Guinea. Thanks to our efforts, Papa New Guinea and Fiji are incorporating the recommendations into their national dive operations policies. The guidelines will have particular impact in Fiji, which is home to the highest concentration of shark and ray attractions in the South Pacific.

**Continued Commitment to Donsol** Two years ago, WWF and Royal Caribbean launched our partnership in Donsol, Philippines, and that special place remains a part of our joint efforts. Royal Caribbean continues to be involved in the region through conservation projects, educational trainings, and supporting the municipal government in expanding its sustainable tourism offerings.

With Royal Caribbean's support, WWF trained teachers and student leaders in an environmental education school curriculum in Donsol's 47 public elementary schools, and is now expanding that program.

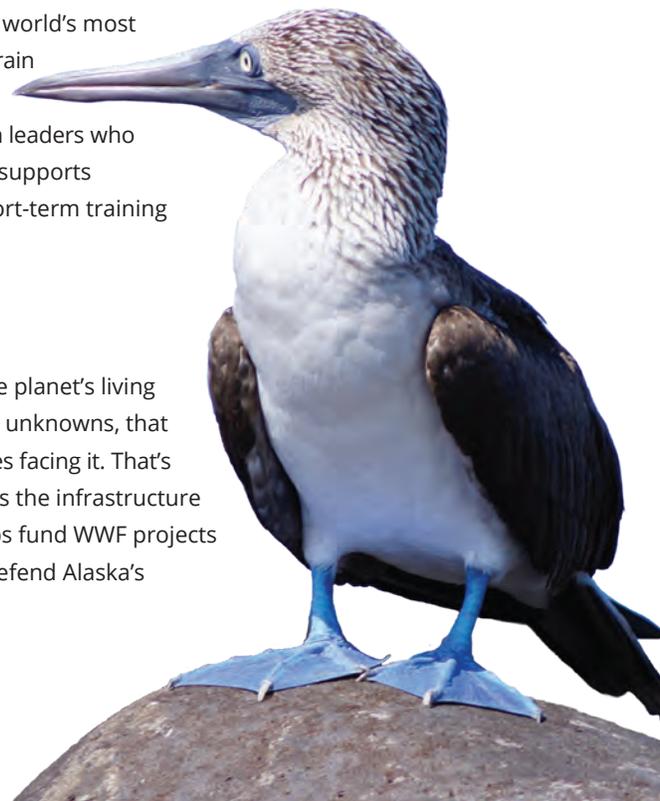
In the past year, WWF has conducted research to ascertain whether Donsol could become a birdwatching destination. A recent survey found 51 species of birds in the municipality—and strong potential for Donsol to bolster its local economy while helping conserve local habitat.

WWF is also carrying out conservation projects in Donsol, focusing on the area's water quality and the whale shark—the world's largest fish and an important tourism draw. WWF conducted research into the availability of plankton, a key source of food for the whale shark. The survey identified 89 species of plankton in 2017, and will continue in subsequent years to determine whether there is enough food available for the area's whale shark population.

**Training Conservationists in the Galápagos** This past year, Royal Caribbean announced its support for conservation training and education in one of the world's most ecologically rich sites: the Galápagos. Through WWF's Russell E. Train Education for Nature Program (EFN), Royal Caribbean is providing financial support to two to four proven and potential conservation leaders who will help address conservation challenges in the Galápagos. EFN supports conservationists so they can pursue graduate studies, attend short-term training courses, and train local communities.

## Philanthropy for Ocean Conservation

The ocean covers only 71% of Earth's surface, but nearly all of the planet's living space is under water. It's an area so vast, and filled with so many unknowns, that no single tactic will effectively address the conservation challenges facing it. That's why philanthropy is critical to ocean conservation—it underwrites the infrastructure necessary to have lasting impact. Royal Caribbean's support helps fund WWF projects like these, which protect vulnerable sea turtle populations and defend Alaska's pristine ecosystems.





**Protecting Sea Turtles** Sea turtles may move clumsily on land, but they glide through the water with the charisma and grace of a synchronized swimmer. Sadly, many populations are threatened by warming waters, disappearing habitats, and unsustainable fishing practices.

Every year hundreds of thousands of sea turtles become bycatch, dying when they're caught in fishing gear not intended for them. Innovators have tried to redesign fishing gear to eliminate this threat. One WWF-backed idea hypothesized that adding the right light to a fishing net would help turtles steer clear—and it's working.

A National Oceanic and Atmospheric Administration (NOAA) ecologist submitted the idea to a WWF competition, and ultimately received funding to test the effects of various light colors at field sites in Mexico and Indonesia. The results showed the catch of turtles dropped by up to 60%; in some cases, fishers actually caught more fish. WWF and NOAA are now working with a small company to develop a better case for the light, and exploring the potential of testing it in the Philippines and Indonesia, key feeding sites for endangered leatherback turtles.

Saving sea turtles will require more than one conservation tactic. With Royal Caribbean's support, WWF staff are also working to end illegal trade, protect important turtle habitats, and defend turtles from the dramatic effects of climate change.

**Defending Alaska** Alaska's Bristol Bay is one of the iconic places WWF is working to protect from a rapidly changing climate and unsustainable development. It's a watershed of winding streams and rivers, vast wetlands and tundra, and forests of alder and spruce. In addition to the abundant wildlife, the region is home to the world's largest salmon fishery.

All five species of Pacific salmon—sockeye, Chinook, coho, chum, and pink—spawn and rear their young in the Bristol Bay watershed, supporting wildlife like brown bears and eagles, as well as human industry and culture. In fact, the region nicknamed "America's Fish Basket" boasts a \$1.5 billion-a-year sockeye salmon run that provides nearly 20,000 US jobs. That doesn't include the importance of a vibrant bay to locals who rely on fish and other subsistence foods for 80% of their protein.

Efforts to extract resources continue to jeopardize Bristol Bay's future viability. While the federal government has taken the bay's waters off the list of future offshore oil and gas leases, the Pebble

Mine project—an open pit gold and copper mine—threatens the entire watershed and all of the lives that depend on it. The deposit is located at the headwaters of the Bristol Bay basin, beneath its two most productive river systems, in a seismically active region.

WWF is lifting up local voices advocating that the US government prevent the mine from moving forward. We're also partnering with other organizations to support communities on a longer-term branding initiative to grow a sustainable economy.

The only thing that can change Bristol Bay faster than a mine pit or drilling rig is a rapidly warming climate. Alaska is warming faster than almost anywhere else on the planet. In fact, as polar ice melts and warming waters expand, sea level rise could do incredible damage to nearby coastal and connected ecosystems. WWF has activated its global network to create a climate-resilient and zero-carbon world, powered by renewable energy.

## Engaging Guests

Our work to protect life beneath the ocean surface goes far beyond setting and achieving sustainability targets. As part of our larger partnership mission, we are dedicated to raising awareness among Royal Caribbean's 5 million guests and 64,000 crew members about the importance of ocean conservation.



In 2017, on-ship educational materials continued to roll out to guests across Royal Caribbean International, Celebrity Cruises, and Azamara Club Cruises. The third edition of *World Wildlife at Sea* magazine, a custom publication, was distributed ship-wide and featured new content about the partnership, including an infographic, guest engagement opportunities, and a spotlight on WWF's work in Donsol, Philippines, which is funded in part through a grant from Royal Caribbean.

During the month of December, as part of Royal Caribbean International's Deck the Halls campaign, a new on-ship engagement opportunity was created to raise funds for WWF's Arctic program. The campaign included a Walk for Polar Bears and a t-shirt available for purchase, with 100% of net proceeds donated to the Arctic program; on-ship communications; and special Arctic-themed content within the Adventure Oceans program. These opportunities were carried out in collaboration with The Coca-Cola Company and helped raise awareness about the importance of protecting the Arctic and its species, including polar bears.

On Azamara Club Cruises, eight WWF experts joined sailings to educate guests about WWF's global conservation efforts. During the speaker series, experts engaged guest on topics ranging from human-wildlife conflict and destination stewardship, to ocean waste and the power of conservation storytelling.

In addition to guest engagement, a new training video was developed to provide a high-level overview of the partnership for the crew. This new training asset will be required during the on-boarding process for all crew during the start of a new contract.

As we continue to expand the suite of opportunities for guests and crew, we hope to inspire in each person a lifelong journey to deeper appreciation of the beauty and value of our oceans.

## Conclusion

WWF and Royal Caribbean are committed to realizing our vision of a sustainable ocean. We know that such massive change does not happen overnight. Achieving sustainability targets is an often slow and challenging process, but we are committed to creating measurable change by 2020. Reducing the company's environmental footprint won't be enough—it is critical that we also engage with industry and tourists to spark lasting change.

It is our hope that this partnership will serve as a nexus for broader impact across the tourism sector, and we look forward to sharing that journey with you.



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