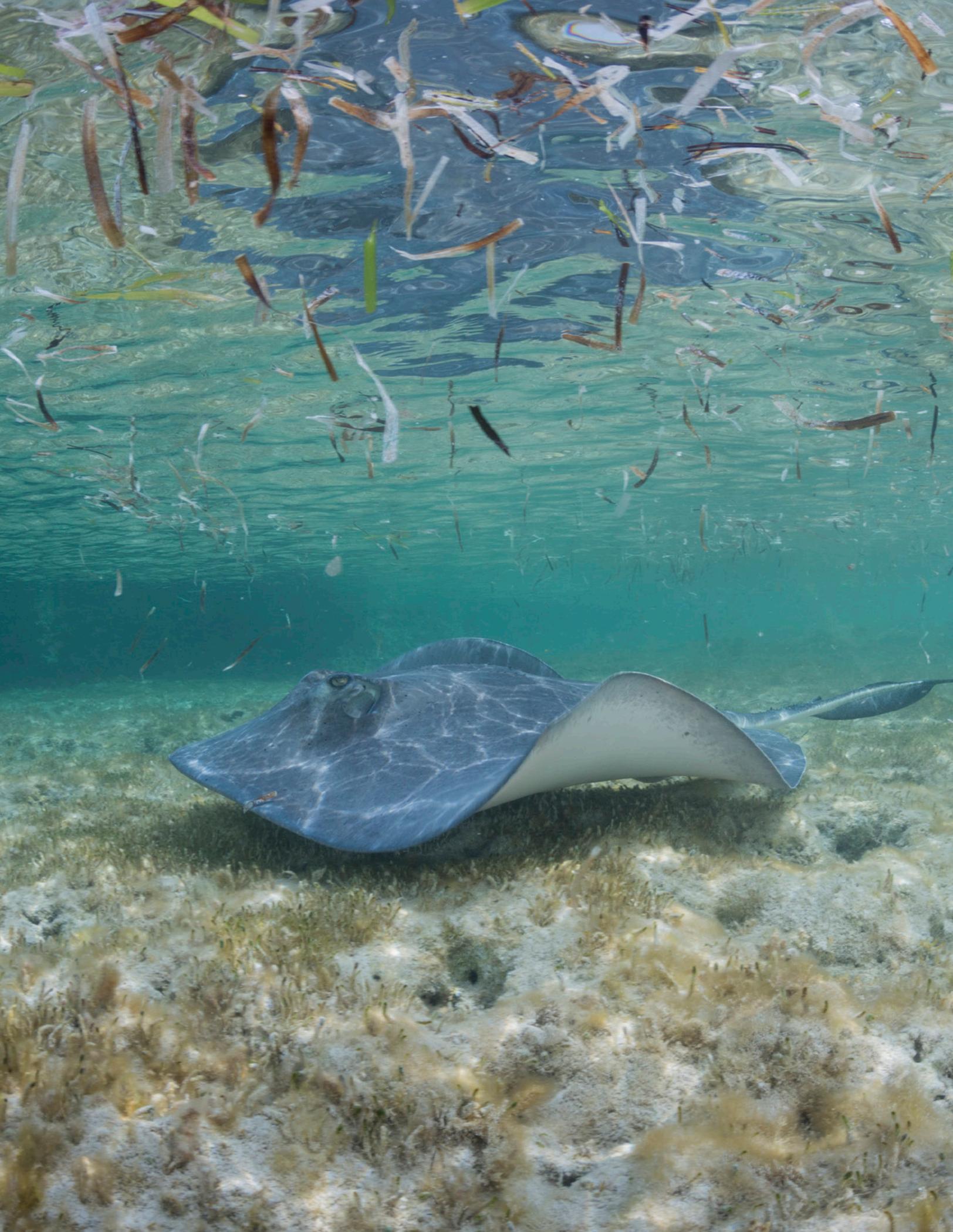




ROYAL CARIBBEAN CRUISES LTD.

Royal Caribbean and World Wildlife Fund (WWF) 2018 Partnership Report





ROYAL CARIBBEAN CRUISES LTD.

Introduction

In 2016, World Wildlife Fund (WWF) and Royal Caribbean Cruises, Ltd., partnered to help ensure the long-term health of the oceans. To support this audacious goal, we took two approaches: improving Royal Caribbean's operations and supply chains and leveraging our influence more broadly among guests and the tourism industry. We are making great strides toward our ambitious, measurable targets around emissions reductions, sustainable sourcing, and responsible tourism. With the launch of *World Wildlife at Sea* on Azamara ships, we are engaging more deeply with guests to increase their knowledge of the oceans. Thanks to support from the German development bank Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), we are engaging local governments and stakeholders in making several popular tourism destinations more sustainable. The philanthropic support from Royal Caribbean of WWF's global ocean conservation program is being felt all over the world. We are pleased to share our progress over the past year of our sustainability journey.



Our Sustainability Progress

SUSTAINABLE TOURISM—A CONSERVATION TOOL

For conservation, tourism can be perceived as a risk or a tool. Thoughtfully planned and sustainably designed tourism that finds the balance between environmental, economic, and sociocultural dimensions can champion the conservation of natural areas. Realizing this balance necessitates integrated, systemic planning and involvement from business, government, and civil society.

Royal Caribbean endorses the Global Sustainable Tourism Council (GSTC) standards, created under the umbrella of the United Nations and regarded by WWF as the leading guidelines for sustainable tourism. The GSTC standards are recommended baseline practices for a tourism business or destination pursuing maximum positive impact and minimum negative impact on the environment and local communities.

Global Tour Operations

In 2018, Royal Caribbean achieved 50% of its goal to provide 1,000 shore excursions by operators certified through GSTC-accredited programs by the end of 2020. At the end of 2018, 14 Royal Caribbean tour operators were certified by one of the following GSTC-accredited programs: Travelife, Rainforest Alliance, EarthCheck, and Control Union. Combined, these certified Royal Caribbean tour operators provide 503 shore excursions to guests across all three company brands.

Contributing to the advancement toward this milestone was the participation by Royal Caribbean tour operators in several capacity-building sessions that introduced the importance of sustainability and the GSTC-accredited certification process. The sessions included

- two webinars by GSTC and Royal Caribbean's preferred vendor for GSTC certification, Travelife
- one-on-one information sessions with tour operators at SeaTrade Cruise Global conference
- presentations by Royal Caribbean's managing director of global tour operations at key industry events hosted by Cruise Lines International Association and the Florida-Caribbean Cruise Association

Royal Caribbean mobilized all efforts of global tour operations into three areas: safety, sustainability and product quality and cost. These three pillars are communicated with every tour operator conversation. Royal Caribbean's selection of a nonexclusive, preferred vendor to offer GSTC-accredited certification at a special rate at scale for tour operators also helped advance the company's significant progress toward its shore-excursion goal in 2018.

Destination Stewardship

Royal Caribbean's destination stewardship goal, created through our partnership and in collaboration with other stakeholders, is to support the GSTC's Destination Assessment process in two of the destinations that Royal Caribbean ships visit, and in private destinations in Coco-Cay and Labadee. These Destination Assessments, and subsequent recommendations for destination management, work to maximize local environmental, social, and economic benefits from tourism and to minimize adverse effects.





In 2018, Royal Caribbean achieved the goal of setting a target date for Coco-Cay and Labadee to seek certification by GSTC-accredited programs. Also, in 2018, our Royal Caribbean-WWF partnership finalized one of two planned GSTC Destination Assessments of Royal Caribbean ports of call. The first GSTC Destination Assessment focused on Cozumel, Mexico. The process identified the city's sustainability risks according to the GSTC's Criteria for Destinations and supplemental indicators reflecting WWF's marine and coastal tourism strategy. Further, the GSTC Destination Assessment outlined a five-point action plan, designed by Cozumel stakeholders, for destination management improvements in their community based on the assessment findings.

Also in 2018, Royal Caribbean and WWF entered into a partnership with GIZ to support a third GSTC Destination Assessment, with funding from Royal Caribbean and the German Federal Ministry for Economic Cooperation and Development (BMZ), focused on the Mesoamerican Reef region. This expanded collaboration strengthens Royal Caribbean's destination stewardship commitment by facilitating all three neighboring destinations' comparative benchmarking to the GSTC Criteria for Destinations, and also by facilitating regional collaboration for improvements in destination management.

Following the Cozumel Destination Assessment in 2018, our partnership will complete GSTC Destination Assessments in 2019 in Roatán, Honduras, and Belize City, Belize.

SUSTAINABLE SEAFOOD FROM SOURCE TO SHIP

As the largest traded food commodity in the world, seafood provides sustenance to billions of people. Unfortunately, marine fish stocks are either fully exploited or overfished. And many fisheries throughout the world throw away more fish than they keep. Requiring high-quality seafood certification can benefit ocean conservation.

Royal Caribbean set ambitious 2020 targets for the sustainable sourcing of seafood. For global operations, Royal Caribbean is committed to sourcing 90% of wild-caught seafood from fisheries certified by the Marine Stewardship Council (MSC) and from fisheries working toward meeting the MSC standard. In Royal Caribbean's North American and European operations, 75% of farmed seafood will be sourced from farms certified by the Aquaculture Stewardship Council (ASC) and those working to meet the ASC standard.

Royal Caribbean is also working to obtain MSC and ASC Chain of Custody certification for its global fleet of ships, in order to trace certified seafood from the source to the ships' dining tables. In 2018, Royal Caribbean redeveloped a request for quote process for seafood products, requiring potential suppliers to provide sustainability data for any product they offer, including certification status, farm or fishery information, and country of origin, to ensure transparency and traceability of their seafood supply.

Royal Caribbean traveled with WWF in 2018 to salmon farms in Chile to support the responsible production of farmed fish and ASC-certified salmon. During the trip, Royal Caribbean met with WWF-Chile, farm employees, company executives, government officials, and local communities to understand the role each stakeholder plays in increasing the availability of responsibly farmed salmon while lessening the environmental and social impacts of fish farming.

Outcomes included the creation of an on-ship video for Royal Caribbean's crew and guests. It highlights the importance of responsible salmon production and ASC certification, and how Royal Caribbean is working with WWF to commit to responsible aquaculture. An additional video was created for and shared with WWF's business audiences to educate other companies on Royal Caribbean's commitment to and support of sustainable seafood and ocean conservation. This video and an accompanying blog was shared with WWF's network of seafood sustainability and procurement executives.



Furthermore, Royal Caribbean helps support WWF's Ecuador mahi-mahi Fishery Improvement Project (FIP), which convenes industry, researchers, government, and civil society to help improve mahi fishing practices and management. Mahi-mahi is Ecuador's largest and most socioeconomically important artisanal fishery. With newly proposed management measures, the FIP, which includes the Ecuadorian Ministry of Aquaculture and Fisheries and Sub-secretary of Fishery Resources as stakeholders, has been working to improve the fishery's sustainability to meet the requirements of the MSC standard.

In 2019, the Ecuadorian mahi-mahi fishery entered the MSC full assessment process, which is estimated to take 18 months to complete.

CLIMATE

As a pledge to world leaders that Americans are still committed to the global agreement to reduce emissions and curb the causes of climate change, local and state governments and business leaders including Royal Caribbean began signing the We Are Still In declaration in 2017. Today, the We Are Still In movement, the largest climate coalition ever convened in the United States, boasts over 3,600 leaders. They hail from city halls, universities, and boardrooms; represent more than 155 million Americans across all 50 states; and together account for more than \$9.5 trillion of the American economy.

We Are Still In has detailed 300 new commitments to increase climate action. Of these commitments, 50 are related to renewable energy and electric vehicles, with several planning for cross-sector collaboration. Sixty members promise to work with coalition partners to welcome renewable energy and energy efficiency measures. Collectively, all commitments by US businesses, local leaders, and We Are Still In signatories can deliver half of what is needed to meet America's climate pledge.

Climate change remains one of the greatest threats to people, wildlife, and the planet. As part of the country that has the largest economy and as the second largest carbon-emitter, US businesses have a responsibility and an opportunity to make a positive difference in our climate future.

SUSTAINABILITY AT SEA

The foundation of the partnership between World Wildlife Fund (WWF) and Royal Caribbean Cruises Ltd. (RCL) rests on achieving key sustainability targets that will reduce the company's environmental footprint. Building on Royal Caribbean's Save the Waves program, the company, with the support of WWF, will work toward achieving these targets by 2020.



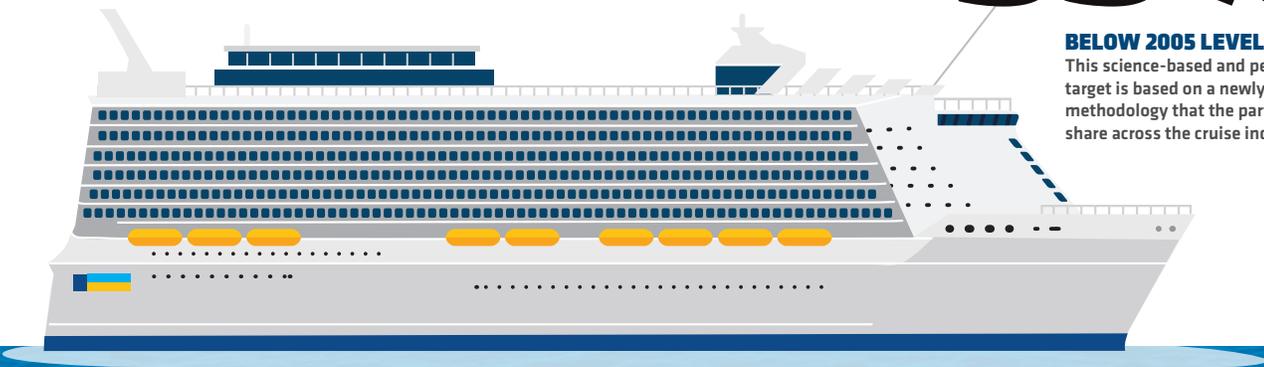
RCL is acting to reduce its carbon emissions to help avoid the most severe consequences of climate change. By working together with WWF, RCL hopes to encourage other industry players to take similar action.

REDUCE INTENSITY OF GREENHOUSE GAS EMISSIONS

35%

BELOW 2005 LEVELS BY 2020

This science-based and peer-reviewed target is based on a newly developed methodology that the partnership will share across the cruise industry.



One-third of the world's fisheries are overfished. WWF and RCL are working with the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC)—international nonprofit organizations that address unsustainable fishing and fish farming, respectively—to change that. Certified fisheries and farms, paired with robust seafood labeling programs, help promote sustainable and responsible practices, transform seafood markets, and give consumers a clear choice in helping to save our seas.

PROCURE

90%

OF ALL WILD-CAUGHT SEAFOOD FROM MSC-CERTIFIED FISHERIES, AND THOSE WORKING TOWARD THE MSC STANDARD, BY 2020

 The information provided here is a snapshot. To learn more about Royal Caribbean's environmental sustainability targets and milestones, go to worldwildlife.org/RCL17.



OFFER **1,000**
TOURS BY GSTC-CERTIFIED
TOUR OPERATORS
BY 2020



Our responsibility is not only to RCL guests, but to the oceans, coastal habitats, and coastal communities we visit. To ensure we are good stewards of these places, Royal Caribbean will focus on improving the health of these destinations, and the impact of our tours.



ENDORSE GLOBAL STANDARDS FOR MORE SUSTAINABLE TOURS AND DESTINATIONS

The Global Sustainable Tourism Council (GSTC) is a nonprofit with a worldwide membership that establishes and manages sustainability standards. In 2016, RCL endorsed the GSTC standards for tour operations and destinations, and in 2017 it will conduct four GSTC destination assessments to advance sustainability efforts. By 2018, RCL will give preference to GSTC-certified tour operators, and those in the process of certification, when feasible.



SUPPORT WWF OCEAN TOURISM AND CONSERVATION PROJECTS

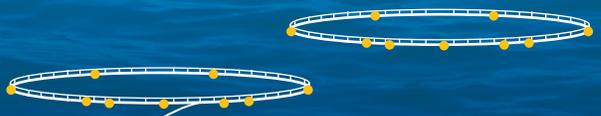
In 2016, this included the Responsible Shark and Ray Tourism guide, a partnership between Project Aware, WWF, and The Manta Trust. The guide is a world first for shark and ray tourism operators, providing practical, science-based guidance to develop and maintain well-managed tourism operations.



PROCURE

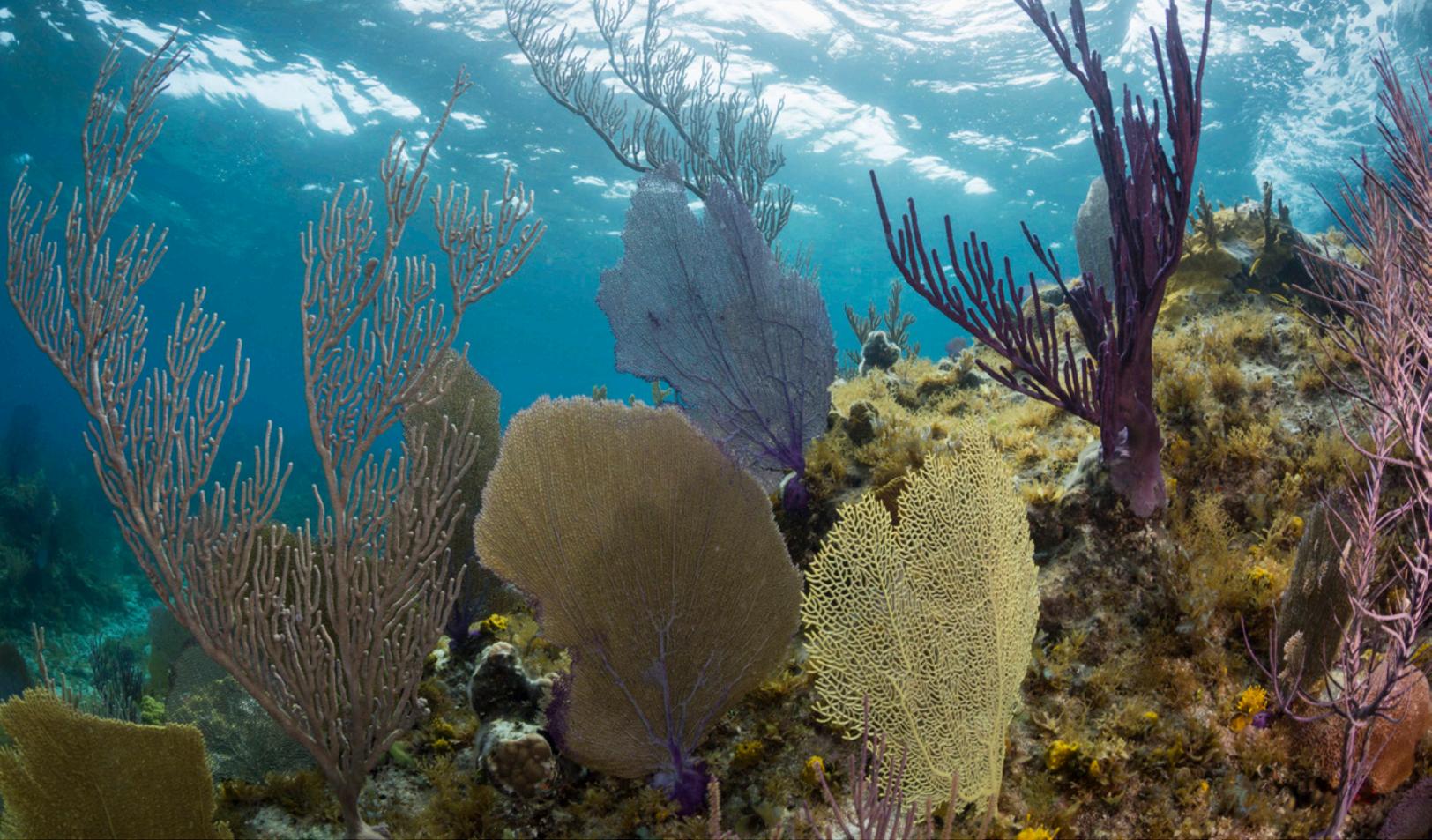
75%

OF FARMED SEAFOOD FROM ASC-CERTIFIED FARMS IN NORTH AMERICA AND EUROPE, AND THOSE WORKING TOWARD THE ASC STANDARD, BY 2020



**INTRIGUED?
LEARN HOW TO GET INVOLVED WHILE ONBOARD ON PAGE 33.**





Royal Caribbean is focused on reducing energy consumption, greenhouse gas emissions, and other air pollutants in both marine and hotel operations. Through this partnership, Royal Caribbean has committed to a 35% reduction in the greenhouse gas (GHG) emissions intensity of the company's operations by 2020 from a 2005 baseline. To date, the company has realized a 37% reduction in GHG intensity.

To achieve its emissions reduction target, Royal Caribbean is implementing over 100 energy savings initiatives including an air lubrication system that pushes microscopic bubbles under the ship's hull to reduce drag. Hotel energy reduction efforts involve energy-efficient equipment in galleys and upgraded lighting. Implementation of these and other efficiency improvements have helped to slow the overall growth of the company's GHG emissions in the context of growing revenue and an expanding fleet.

Engaging Guests

Engaging guests to join us in our mission of conserving the oceans is one of the central tenets of our partnership. WWF and Azamara joined forces to launch *World Wildlife at Sea*, an immersive on-ship campaign to raise the ocean literacy of Azamara passengers. We are focusing on ocean literacy for one simple reason: People won't protect what they don't understand. By highlighting the roles that the ocean plays on our planet—sustaining the lives of more than 1 billion people, regulating our climate, producing half the oxygen we breathe, and fueling the water cycle that produces rain and freshwater—we hope to help guests walk away from their cruise with a better understanding of the ocean. Through digital signage, stateroom TV and magazine content, a crew ambassador program, and a speaker series, *World Wildlife at Sea* highlights that oceans are more than just a vacation spot.

Philanthropy for Ocean Conservation

Royal Caribbean's support helps fund WWF projects like these, which help us better understand the underwater world and develop ways to protect it.

A MERMAID COLLECTS DATA ON CORAL REEFS

The sight of a healthy coral reef draws millions of snorkelers and divers every year. And virtually everyone makes a return trip. That's because coral reefs are a hot spot of biodiversity teeming with populations of fish, sharks, and sea turtles. But warming ocean temperatures driven by climate change, as well as overfishing and human pollution, are taking a toll on the world's reefs. Monitoring the health and resilience of coral reefs is important, but it's a lengthy and slow process.

That's why WWF is turning to an innovative tool that speeds up the collection of valuable coral reef data and allows scientists to share new information sooner. Developed in partnership with Wildlife Conservation Society and SparkGeo, the Marine Ecological Research and Monitoring Aid—known as MERMAID—is a web-based tool that scientists everywhere can use, free of charge, to record valuable coral reef data both online in the office and off-line on the boat. Observations are entered directly into the application rather than into traditional software like Excel. MERMAID is also good at proofreading to catch and resolve mistakes. Clean, ready-to-use data sets save researchers months of reviewing data for errors and inconsistencies. That translates into an ability to make decisions about protecting coral reefs more quickly.

In December 2018, more than a dozen marine scientists from nonprofits and governments participated in a user summit in Fiji to learn how to use the tool and improve their underwater monitoring skills. Participants also provided feedback on what they like about the tool, what needs improvement, and what new features could be added to make MERMAID even better. The event also sparked exciting conversation about coastal conservation in Fiji and helped conservationists make new connections with others in their line of work.

BETTER TAGS TO TRACK POLAR BEARS

The rapidly warming Arctic Ocean is losing sea ice at record speed, and that's having a significant impact on where polar bears can find habitat. Spending more time on land means more of these bears are spending more time near people, and that can create conflict. Researchers need access to good data to help with polar bear conservation, which includes providing for the safety of wildlife and communities.

WWF is partnering with engineers and innovators to create a better tag for tracking polar bears.

Right now scientists use collars equipped with technology to send location information up to satellites and back down to computers here on Earth. The problem is that the collars have a high failure rate and are culturally offensive to local communities.

After workshopping ideas and designing a plan, a small team is now working on a miniaturized ear tag to replace the collar. In January, staff from WWF and the US Fish and Wildlife Service spent time studying a polar bear named Lyutyik up close in the Alaska Zoo and have since incorporated information from the experience into the design process.

The goal is to produce five ear tag prototypes for polar bears by the end of 2019 and then deploy them in 2020. Through its Walk for Polar Bears campaign, Royal Caribbean helps support projects like this to help protect polar bears and their habitats.

SAVING SEA TURTLES

Hawksbills spend most of their lives at sea. In the Pacific, they travel far and wide, from Australia's Great Barrier Reef to the Solomon Islands and Vanuatu. But this species faces a unique threat—it is the only sea turtle hunted for its shell, which is made into jewelry, glasses, combs and souvenirs that are frequently sold to travelers in markets across the Asia-Pacific.

The sale of hawksbill products was banned internationally over 20 years ago, yet the illegal trade continues with re-emerging demand. Royal Caribbean's support helps WWF counter the demand.

WWF-Australia is engaging with a network of partners on ground-breaking technology that extracts DNA from tortoiseshell products. It's now being used for the first time in the Asia-Pacific region to build a DNA database that will help identify hawksbill populations most at risk from the illegal tortoiseshell trade by tracing hawksbills products from sale to where they were poached. In the past year, method trials and development were underway for this detection tool. The first turtle samples were collected from Milman Island, Solomon Islands, Papua New Guinea, and Timor Leste.

Royal Caribbean's efforts to share ocean information with its guests through WWF at Sea helps to drive awareness with millions of people. When travelers have the right knowledge to make informed choices when buying souvenirs abroad, hawksbills have a better shot at survival.



Our Impact Around the World

In addition to providing general philanthropic support for WWF's ocean conservation work, Royal Caribbean is directly funding emerging conservation leaders in the Galápagos and helping protect the pristine beauty of Donsol in the Philippines.

EDUCATION FOR NATURE

Nearly 200 years after Charles Darwin landed on the volcanic islands of the Galápagos, the incredible wealth of unique plants and animals still astounds visitors today. The islands are a living laboratory for scientists to study the continuing evolution of our world and how best to protect it.

WWF's Russell E. Train Education for Nature Program (EFN) invests in training and education for potential conservation leaders all over the world, including in the Galápagos. Thanks to Celebrity Cruises, EFN is providing support to three emerging conservation leaders.

Park rangers are at the front lines of conservation—protecting the park's natural resources and maintaining it as a destination for scientists and travelers alike. Oscar Carvajal noticed that the working conditions of the park rangers are inconsistent from island to island, and that often rangers lack the training and equipment to do their job properly. Carvajal is analyzing and comparing the working conditions of park rangers across several islands. With that baseline data, protected area managers will be able to identify the staffing and skills gaps that ought to be addressed in management plans. This research is the first step toward getting park rangers the support they need to conserve the region. Carvajal's work was recently highlighted in WWF's Summer 2019 Magazine and he will be presenting some of his initial research findings at the Latin American and Caribbean Congress of Protected Areas in Peru in October 2019 hosted by the International Union for Conservation of Nature (IUCN), a membership union composed of both government and civil society organizations.



The Galápagos is home to a community of just over 25,000 people. Since 97% of the Galápagos is protected as a national park, the large majority of food consumed on the islands is imported from mainland Ecuador. Francisco Laso is researching the intersection between the conservation of natural areas and food security for local communities. By using drones to create high-resolution land cover maps of agricultural areas on all four inhabited islands, Laso hopes that the Galápagos National Park managers will be able to better manage natural areas, protect native species, and improve food security for local communities. Laso is the first researcher to use a drone to map the agricultural areas in the Galapagos and to share these images with the tortoise and land bird conservation projects to improve their conservation efforts. During his recent trip, he also worked with the Galapagos Tortoise Movement Ecology Program to train them on how to survey turtle movements using drones.

The tiny earthworm plays an outsize role in the growth of plants. Earthworms improve the fertility of soil and aerate it by burrowing. But what happens when earthworms are too successful? Jamie Ortiz is studying the effects on the Galápagos of the non-native earthworm population, which may be contributing to the spread of invasive plants. Ortiz's goal is to develop a management strategy based on scientific information, prevention, and education to lessen the effects of non-native earthworms on the islands.

The work of EFN to build capacity in the Galapagos will continue next year with the selection of two finalists. The announcement of the 2019 EFN Fellowships will be in September 2019.

DONSOL

Donsol, a small municipality in the Philippines, is home to one of the wonders of the ocean world—whale sharks. These gentle giants are the largest fish found in the sea, with some measuring over 65 feet and weighing 84,000 pounds. WWF is working to protect these endangered sharks, with support from Royal Caribbean, by helping ensure the water quality in the surrounding rivers, supporting sustainable tourism, and educating local schoolchildren about the importance of protecting the whale sharks and the environment. Donsol was the site of the partnership launch in 2016, and WWF and Royal Caribbean are committed to protecting this unique ecoregion.



This past year, WWF worked to improve the water quality in Donsol, focusing on the health of the rivers that feed into the ocean. The two major rivers, the Donsol and Ogod, are essential breeding grounds for plankton, a major food source for the whale shark. In partnership with the local government, WWF developed plans to mitigate the environmental impacts on the rivers. WWF is also rehabilitating the rivers by planting mangrove and bamboo. Over 30 volunteers helped plant 2,500 bamboo and 14,600 mangrove plants.

Tourists are increasingly flocking to Donsol to see the whale sharks up close. WWF has recorded an increase in whale sharks off the coast of Donsol, with a total of 87 whale shark sightings this past year. While tourism brings much-needed revenue to Donsol, it must be done in a way that protects the whale sharks for generations to come. WWF is working with the local government to develop the Donsol Tourism Information System to streamline data management and support policy decision-making. WWF also provided input into the amendment of the local tourism ordinance to include other ecotourism activities.

As part of the school outreach effort, WWF worked with the local government to visit 14 schools in the region, speaking to a total of nearly 5,000 elementary school students about the environment. WWF is also training teachers on how to speak with students about the importance of the environment and how to protect it. This past year, a total of 16 teachers from nine elementary schools attended the trainings.

Conclusion

The ocean is an incredible source of beauty, as well as a critical ecosystem for our planet. It is worth protecting. WWF and Royal Caribbean are committed to doing our part to ensure a sustainable ocean for people and nature. It is our hope that the work we are doing to achieve the company's sustainability targets, raise awareness with guests, and engage the tourism industry will inspire others to join us on our journey.

PHOTO CREDITS

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