



Royal Caribbean Cruises Ltd.

# 2012 STEWARDSHIP REPORT

At Royal Caribbean Cruises Ltd. safeguarding the world's oceans and the destinations where we operate, and protecting the health and well-being of our guests and crew members are of paramount importance. This commitment is outlined in our stewardship strategy document, "RCL's Approach to Sound Stewardship," which can be found at [www.celebritycruises.com/environment](http://www.celebritycruises.com/environment), [www.royalcaribbean.com/environment](http://www.royalcaribbean.com/environment), and [www.azamaracruises.com/aboutazamara/stewardship-program](http://www.azamaracruises.com/aboutazamara/stewardship-program).

The following pages offer updates on our recent performance, progress and activities in nine important areas of stewardship: energy and air emissions; water and wastewater; waste and chemical management; conservation, destinations and education; community involvement; safety and security; medical operations; public health and human resources for our Azamara Club Cruises, Celebrity Cruises and Royal Caribbean International ships. On their own, these individual updates provide a snapshot of where we are at this moment in time on individual issues. Combined with the stewardship strategy document, they provide an up-to-date look at our broader stewardship commitment.

## MAJOR MILESTONES

<b>1968</b>	Royal Caribbean International is founded.
<b>1970</b>	We introduce the first ship built for warm-weather cruising, <i>Song of Norway</i> .
<b>1985</b>	Royal Caribbean Cruises Ltd. is organized on July 23.
<b>1988</b>	We launch the world's first "megaship," <i>Sovereign of the Seas</i> , which boasts a five-deck Centrum with glass elevators, sweeping staircases and fountains in marble pools.
<b>1993</b>	Royal Caribbean Cruises Ltd. is traded publicly as RCL on the New York Stock Exchange.
<b>1995-1998</b>	We introduce the "Ships of Light," six vessels in Royal Caribbean International's Vision class that feature an extraordinary expanse of glass — almost two acres of windows — bringing natural light deep within the ships.
<b>1995-1997</b>	The company gains greater sophistication with the acquisition of the five-ship Celebrity Cruises fleet, featuring <i>Celebrity Century</i> , <i>Celebrity Galaxy</i> and <i>Celebrity Mercury</i> , built in 1995-1997.
<b>1999-2003</b>	Royal Caribbean International launches <i>Voyager of the Seas</i> and four sister ships, the then-largest cruise ships in the world, with each accommodating 3,114 guests.
<b>1999</b>	We unveil the world's first ice-skating rink, rock-climbing wall and horizontal atrium on a cruise ship, all onboard the then-largest ship in the world, <i>Voyager of the Seas</i> .
<b>2000-2002</b>	Celebrity Cruises launches <i>Celebrity Millennium</i> (2000), <i>Celebrity Infinity</i> (2001), <i>Celebrity Summit</i> (2001) and <i>Celebrity Constellation</i> (2002), and becomes synonymous with elegant cruising by consistently ranking in the top 10 among large ships in the Condé Nast Traveler magazine poll.
<b>2000</b>	We venture onto land with Royal Celebrity Tours, providing pre- and post-cruise land vacations in Alaska via glass-domed railcars to Denali National Park and the Talkeetna River Valley. Our cruise tours have since expanded globally.
<b>2004</b>	We follow in the wake of Charles Darwin in the Galápagos Islands with the 90-guest megayacht <i>Celebrity Xpedition</i> .
<b>2006-2008</b>	We welcome the 154,000-ton <i>Freedom of the Seas</i> and her two sisters, <i>Liberty of the Seas</i> and <i>Independence of the Seas</i> , then the world's largest ships, to the Royal Caribbean International fleet.
<b>2006</b>	We introduce the first onboard surfing simulator, the Flow Rider, aboard <i>Freedom of the Seas</i> .
<b>2007</b>	We introduce a new brand, Azamara Cruises, with <i>Azamara Journey</i> and <i>Azamara Quest</i> exploring exotic destinations, such as Antarctica, Brazil and the Chilean fjords.
<b>2008-2012</b>	Celebrity Cruises undertakes a five-ship expansion with <i>Celebrity Solstice</i> (2008), <i>Celebrity Equinox</i> (2009), <i>Celebrity Eclipse</i> (2010), <i>Celebrity Silhouette</i> (2011) and <i>Celebrity Reflection</i> (2012).
<b>2009-2010</b>	Royal Caribbean International unveils the next generation of cruise ship innovations and advancements with the inauguration of <i>Oasis of the Seas</i> in 2009 and <i>Allure of the Seas</i> in 2010. These 220,000-ton ships are now the largest in the world, boasting features never before seen on a cruise ship, including an open-air Central Park, an Aqua Theater with high-diving performances, and a Boardwalk carousel.

## About Royal Caribbean Cruises Ltd.

Royal Caribbean Cruises Ltd. (RCL) is one of the world's premier vacation companies, with a combined total of 41 ships in service, providing approximately 98,650 guest berths as of December 31, 2012. We own and operate five brands: Royal Caribbean International, Celebrity Cruises, Pullmantur Cruises, Azamara Club Cruises and Croisières de France. In addition, we have a 50-percent investment in a joint venture with the German-based company TUI A.G.

During 2012, our brands carried more than 4.8 million guests on two-to-18-night itineraries, visiting approximately 455 different destinations throughout the world. In 2012 we introduced our latest Celebrity Cruises' Solstice class ship, *Celebrity Reflection*. In addition to our cruises, our company offers unique pre- and post-cruise hotel packages, including fully escorted premium land tours in Alaska, Asia, Australia, New Zealand, Canada, Europe and South America.

Our common stock is listed on the New York Stock Exchange and the Oslo Stock Exchange under the symbol RCL. Our headquarters are located in Miami, Florida, USA, and we have approximately 62,000 employees on our ships and at our shoreside offices around the world. Our investor website is [www.rclinvestor.com](http://www.rclinvestor.com).



## Royal Caribbean Cruises Ltd.

# 2012 STEWARDSHIP REPORT

## ENVIRONMENTAL HIGHLIGHTS



### Environmental Awards 2012

**Porthole  
Cruise Magazine,  
Best Eco-Friendly  
Cruise Line**

Royal Caribbean International

**Port of Seattle,  
Silver Level,  
Green Gateway  
Partnership Award**

Celebrity Cruises and  
Royal Caribbean International

**Travel Weekly,  
Magellan Gold Award  
for Overall Eco-Friendly  
"Green" Cruise Ship**

*Oasis of the Seas*

- 1992** We establish a formal environmental program to reduce, reuse and recycle, called Save The Waves.®
- 1996** We place an Environmental Officer onboard every ship.  
We launch the Ocean Fund, which has awarded nearly \$12 million in grants to date.
- 1997** We obtain ISO 14001 Environmental and ISO 9001 Quality Certifications.
- 1998** We establish the Environmental Committee of the Board of Directors, chaired by William K. Reilly, former Administrator of the United States Environmental Protection Agency.
- 1999** We create a fleet-wide competition for Environmental Ship of the Year and Innovative Ship of the Year.  
We begin installing the first generation of Advanced Wastewater Purification systems.
- 2000** We establish partnerships with the University of Miami's Rosenstiel School of Marine and Atmospheric Science and the National Oceanic and Atmospheric Administration in equipping *Explorer of the Seas* with atmospheric and oceanographic laboratories for visiting scientists.
- 2000-2004** We install smokeless gas-turbine engines on four Celebrity Cruises Millennium-class ships and four RCI Radiance-class ships.
- 2006** We establish the Galápagos Fund to support conservation initiatives specific to the Galápagos Islands.
- 2007** We launch a partnership with Conservation International to develop a comprehensive Environmental Stewardship Strategy.
- 2008** We establish a corporate-officer-level Chief Environmental Officer position.  
*Celebrity Solstice* is equipped with solar panels, a "green roof" and a dedicated environmental education venue, the Team Earth lounge, created in partnership with Conservation International.  
We establish a partnership with Sustainable Travel International to further develop our Environmental Stewardship Strategy, with a particular focus on responsible tourism, education and philanthropy.
- 2009** In partnership with the Ocean Conservation and Tourism Alliance (OCTA), Conservation International and Sustainable Travel International we pilot test the new Sustainable Marine Tour Operators Standard.  
We host a Destination Stewardship Think Tank meeting onboard *Oasis of the Seas*, bringing together leaders in the accommodations sector, tour operations and conservation to discuss the future of destination stewardship.
- 2010** We win the Condé Nast Traveler World Savers Award, winning the top honors in the Cruise Lines category.  
We host the founding meeting of the Sustainable Travel Leadership Network (STLN) onboard *Allure of the Seas*, creating an executive leadership network and forum for sharing knowledge on sustainability, environmental initiatives and good management practices.
- 2011** Celebrity Cruises wins the Condé Nast Traveler World Savers Award, receiving top honors in the Cruise Lines category.  
We introduce a new Save the Waves® crew training video and presentation.  
We begin to install and test exhaust gas scrubbers on two Royal Caribbean International ships.
- 2012** AEP system is installed on *Liberty of the Seas* and certified to International Maritime Organization standards.  
Introduced ESIMS, an interactive environmental data management system, on all Royal Caribbean Cruises Ltd. ships.  
The tours and operations on *CocoCay*®, our private island destination in the Bahamas, achieve Gold Level Eco-Certification from Sustainable Travel International's Sustainable Tourism Education Program.



# ENERGY AND AIR EMISSIONS

Reducing our emissions of greenhouse gases and other air pollutants is an essential part of our environmental stewardship strategy. There are three main ways that we seek to minimize air pollution from our ships: reduce overall energy use (and thus associated emissions); “purify” emissions before they are released to the air; and use alternative energy sources. In 2012, we made progress in each of these important areas.

“Achieving a cumulative reduction in fuel consumed per APCD<sup>2</sup> of 19% from our 2005 base is an impressive accomplishment. We are proud of the significant progress made in reducing our fuel intensity, and we remain committed to improving our efficiency, and thereby reducing our greenhouse gas footprint. We continue to prioritize our focus on the relentless pursuit of energy efficiency throughout all areas of operations and vessel design.”

- Michael McNamara, Associate Vice President, Energy Management

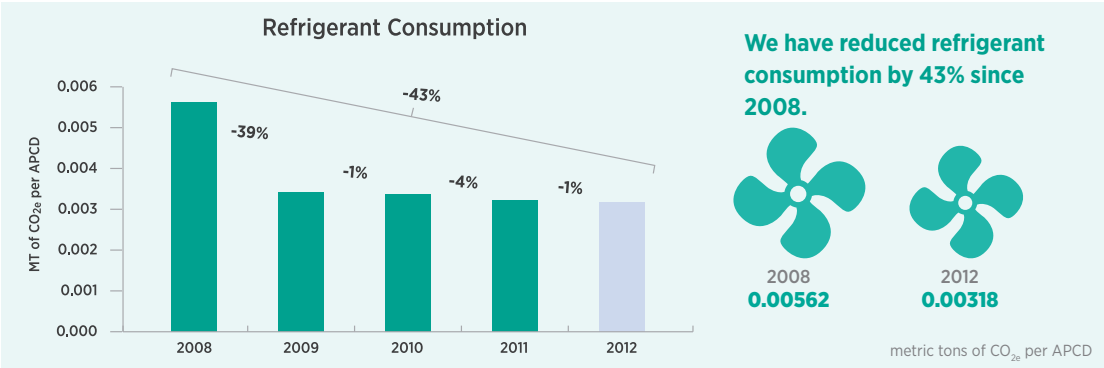
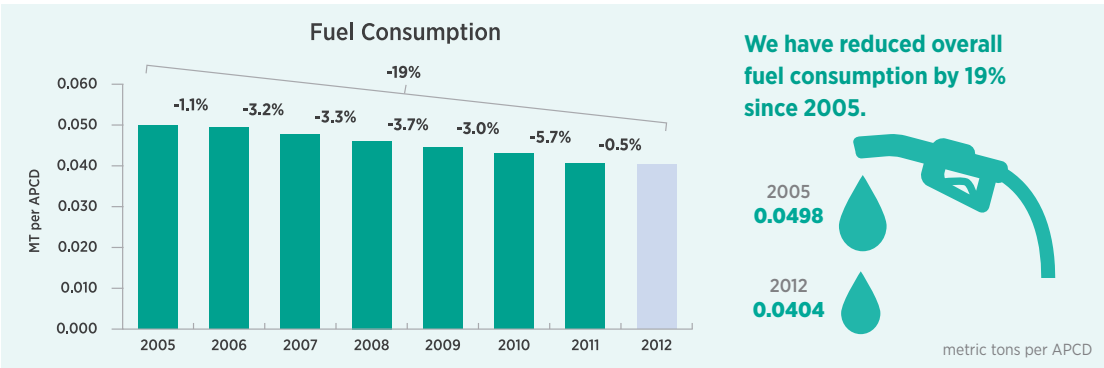
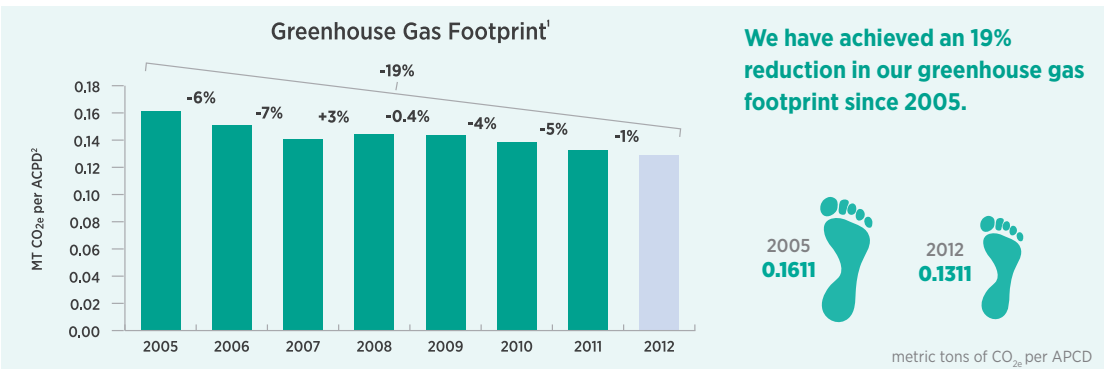
## 2015 GOAL



Reduce overall greenhouse gas footprint by one-third per APCD by 2015, as compared to 2005 levels.

## 2012 PERFORMANCE AT A GLANCE

## 2012 PROGRESS



<sup>1</sup>The data in this chart includes emissions from Royal Caribbean International, Celebrity Cruises, Pullmantur and Croisieres de France, as well as 50% of TUI Cruises.

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



# ENERGY AND AIR EMISSIONS

## 2012 HIGHLIGHTS



### Energy Efficiency Initiatives

The energy required to push a vessel through the water is the single largest energy demand on a ship, so improving the way our ships move through the water is a critical element in our quest for sustainable energy efficiency. RCL has initiated a multi-year project of upgrading the propulsion plants on our vessels scheduled for dry-dock. Each Vision-class vessel is having its existing propeller and rudder propulsion system upgraded with a more efficient integrated rudder-propeller system. In 2012, we outfitted *Rhapsody of the Seas*, *Grandeur of the Seas* and *Enchantment of the Seas* with these new systems, so that now five out of six Vision class ships have been upgraded.



Our newer vessels were designed with podded propulsion systems, which are more efficient than traditional propeller-type systems. Together with our supplier, we have developed an even more efficient podded propulsion system by enhancing the hydrodynamic design of the units. In 2012, we modified the pods on *Celebrity Solstice*, *Mariner of the Seas*, and *Serenade of the Seas* to this new, enhanced system.

In 2012, we also built on the previous success of our proactive speed management initiative by piloting several software solutions to help guide and monitor efficient vessel operations. By the end of the year, we had selected a fleet-wide solution for speed and engine optimization, which we began aggressively rolling out to our fleet in December. We expect this initiative to drive meaningful fuel reductions in 2013.



### Advanced Emission Purification (AEP) System Pilot Projects

In addition to energy reduction and efficiency practices and technologies, we are also investing in alternative abatement technologies to clean fossil fuel emissions before they are released to the atmosphere. In 2012, we continued our piloting process of scrubber systems:

First, we contracted with a Singapore-based company to install and test their exhaust gas cleaning technology on *Independence of the Seas*. Installation was completed and initial system testing began in December 2011. Preliminary results demonstrated that, depending on the engine load, the scrubber was able to reduce SO<sub>2</sub> emissions by 89-92%. However, technical issues discovered during early testing proved to be more challenging than initially perceived, including the need to modify the tower design. The majority of corrective actions related to these issues were completed in 2012, except for the tower modifications. We continue to work with this organization on possible solutions to the remaining challenges.

Soon thereafter we began installation of another type of scrubber, designed by a Norwegian-based company, on *Liberty of the Seas*. Installation was completed, and initial testing began in April 2012, with good results. Using 3.4% sulfur-content heavy fuel oil, the scrubber removed SO<sub>2</sub> at a rate of 99.99% with the engine running at 10.5 megawatts in open and closed loops. In November 2012, the AEP was certified by Det Norske Veritas (DNV), approved by the ship's flag state (Bahamas Maritime Authority) as an equivalency and then accepted by North American Port States to operate in the North American Emission Control Area.

Despite these initial positive results, the system on *Liberty of the Seas* experienced corrosion of several components and was not in service as of December 31, 2012 pending substitution of more appropriate corrosion-resistant alloy components.

We are also installing a 3rd and 4th type of AEP produced by a Finnish company on two new-build vessels. The 4th design will be a combined system that although not required by international environmental regulations will be designed to remove SO<sub>x</sub>, PM, as well as NO<sub>x</sub> from the two main engines, allowing the ship to meet IMO Tier III standards more than 2 years earlier than required.



### Carbon Footprint

In 2012, our greenhouse gas footprint (GHG) was 4,417,173 metric tons of carbon dioxide equivalent (CO<sub>2e</sub>). This figure was calculated using the World Resources Institute and World Business Council for Sustainable Development GHG Protocol standards, the most internationally accepted and respected reporting standards for GHG emissions. This number represents our total GHG footprint, including carbon dioxide (CO<sub>2</sub>), methane and nitrous oxide emissions, as well as our refrigerant losses. While the vast majority (97 percent) of our direct GHG emissions come from the burning of fuel in our engines — both for propulsion and to generate electricity for onboard usage — refrigerant releases from our air-conditioning and refrigeration systems also contribute to this figure.



# WATER AND WASTEWATER

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


We treat bilge water with highly efficient oily water separators that produce effluent that is at least three times cleaner than what is required by international regulations. To treat graywater and blackwater waste streams, we are equipping our ships with Advanced Wastewater Purification (AWP) Systems, which produce an effluent that is cleaner than what is required by federal and international regulations.

*“We are very proud of our efforts to minimize RCL’s environmental footprint by installing and efficiently operating Advanced Wastewater Purification Systems on Celebrity Cruises and Royal Caribbean International ships. In 2013, all planned ships currently in operation will have been fitted with an AWP system at a cost of more than \$150 million. We are also committed to equipping every new-build ship going forward with an AWP.”*

- Anders Aasen, Associate Vice President of Technical Services

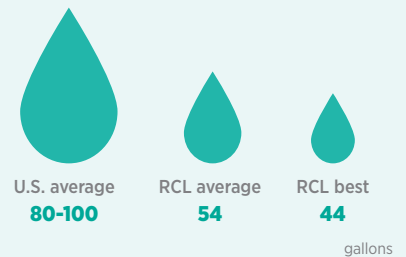
## 2015 GOALS

## 2012 PERFORMANCE AT A GLANCE

 **Our Marine Operations and Technical Services engineers continue to work on standardizing water consumption data and establishing water consumption goals**

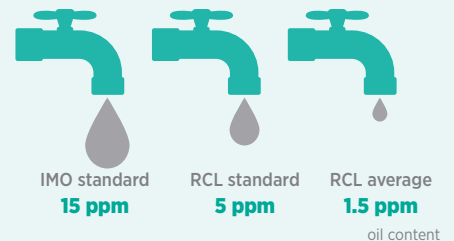
**In 2012, we used an average of 54 gallons of water per person per day on our ships, and our best-performing ship was able to reduce water consumption to only 44 gallons of water per day. As a point of comparison, the average person living in the United States uses about 80 to 100 gallons\* of water per day.**


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



 **Only discharge processed bilge water that has been treated to an effluent quality three times more stringent than international standards**

**The IMO standard for discharging treated bilge water is 15 parts per million. In 2012, RCL ships discharged processed bilge water treated to an average of less than 1.5 parts per million.**



 **Only discharge purified water that exceeds leading federal and international standards**

**In 2012, we increased the number of ships with AWP's from 25 to 30 in the Royal Caribbean International and Celebrity Cruises fleets. We have installed AWP's on 19 (of 21) Royal Caribbean International ships and all 11 Celebrity Cruises ships.**





# WATER AND WASTEWATER

## 2012 HIGHLIGHTS



### Advanced Wastewater Purification Systems

At the end of 2012, Royal Caribbean International and Celebrity Cruises had 30 ships operating with AWP systems. Installation of an AWP on the last planned non-new build RCL ship, *Legend of the Seas*, began in January 2013. Going forward, AWP's will continue to be installed on new-builds.

Through focused efforts by shipboard and shoreside management, a majority of ships with AWP's were sustainably meeting RCL's *Above and Beyond Compliance* discharge standards in 2012. Those not meeting the RCL standards are due to various operational and design issues. However, we are making good progress to overcome these issues and are confident that all AWP ships will be sustainably meeting the RCL discharge standards in the near future. Meeting these standards reduces the company's environmental footprint and will potentially allow for operational savings in a growing number of ports around the world.

In 2012, we realized an important benefit from our AWP initiative in Venice, Italy. A new Italian condition (added to an existing decree) requires ships entering Venice harbor to land all waste, including wastewater, over 50-percent holding capacity. Working with local authorities, we were able to prove that our AWP systems were effective at treating wastewater to produce a high-quality effluent that, when discharged at sea per company policy, would have minimal to zero environmental impact. We obtained the first-ever Maritime characterization of AWP effluent as highly treated (purified) wastewater. By doing so, we were able to exempt our AWP effluent from the new mandatory off-load requirement, resulting in considerable cost savings and significantly reducing our treatment impact and environmental footprint in Venice. Where applicable we will work to obtain similar agreements in ports around the world.

### Nutrients in the Baltic Sea

Eutrophication (the overload of nutrients to a body of water) is considered the main environmental problem in the Baltic Sea. In October 2010, the International Maritime Organization (IMO) passed a resolution that will ban the discharge of sewage from ships when adequate shoreside reception facilities are in place, unless it has been sufficiently treated to remove nutrients. Currently, the add-on technology to remove nutrients from AWP's is not reliable enough to meet the requirement. In addition, there are not many shoreside wastewater treatment plants in the Baltic region that can actually remove nutrients.

We will continue to maintain and improve our AWP operations, discharging highly treated (purified) wastewater at sea in the Baltic. Also, we have been working with the Helsinki Commission (also known as HELCOM's Baltic Marine Environment Protection Committee), WWF-Sweden, CLIA Europe, and others to help ensure adequate port reception facilities are available so that when appropriate our ships can discharge wastewater, including sewage, ashore.

### U.S. EPA National Pollutant Discharge Elimination System

The U.S. Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System (NPDES) Vessel General Permit program regulates mostly wastewater, but also other vessel point sources that could discharge pollutants into waters of the United States. In keeping with our *Above and Beyond Compliance policy*, we have incorporated these regulations into our corporate environmental policies worldwide.

### Marpol Annex V Regulations on Wash-water Discharges as Operational Waste

Annex V of Marpol, the International Convention for the Prevention of Pollution from Ships, is concerned with regulating marine pollution from garbage. On January 1, 2013, revised Annex V regulations entered into force and included a prohibition on discharging harmful cleaning agents contained in wash-water from cargo holds, decks, and external surfaces. In the revised Annex, these cleaning agents are defined as garbage, which is prohibited from discharge except in very restricted circumstances. Because of our company policy of going *Above and Beyond Compliance*, RCL has actually been in compliance with all the new Annex V requirements for more than a decade. Also, in 2008, we adopted a stringent corporate policy regarding external surface wash-water discharges. We are very proud to have been a leader in this area and are pleased to see these requirements established globally.

Except where indicated, this update and its references to "Royal Caribbean," "Royal Caribbean Cruises Ltd.," and the corresponding abbreviation "RCL," and the terms "our fleet" and "fleetwide," addresses the operation of our Azamara Club Cruises, Celebrity Cruises, and Royal Caribbean International brands.





# WASTE AND CHEMICAL MANAGEMENT

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

“Waste management poses significant challenges for ships during worldwide operations. Continual collection and analysis of waste metrics from the fleet and development of new methods to continually reduce the volume of solid waste generated are at the heart of improvements to our waste management procedures. These metrics are continually re-evaluated to help us attain our 2015 waste goals and set new ones for the future. The results of our evaluations help us identify opportunities to increase the amount of waste recycled and partner with vendors who are developing waste-to-energy technology.”

– Richard Pruitt, Associate Vice President, Safety & Environmental Stewardship

## 2015 GOALS

## 2012 PERFORMANCE AT A GLANCE

## 2012 PROGRESS



Decrease waste going to landfill by 70% over 2007 levels

2007 levels

### ORIGINAL GOAL:

Decrease waste going to landfill by 50% over 2007 levels



In 2012, we increased the amount of waste going to landfill by 0.05 pounds per APCD for the first time since 2007.

The average person in the U.S. generates about 4.3 pounds of solid waste per day. On our ships, we produced and landed ashore approximately 1.14 pounds of waste per person per day in 2012.



Increase the volume of waste recycled from our ships by 125% over 2007 baseline

### ORIGINAL GOAL:

Increase the volume of waste recycled by 50% over a 2007 baseline.



We have increased the waste recycled and reused from our ships by 75% over 2007 levels.

We have nearly doubled our recycling and reuse of waste materials from 12.9 million pounds in 2007 to 25.10 million pounds in 2012.



million pounds

<sup>1</sup> APCD refers to Available Passenger Cruise Days, which is the number of lower berths on a ship times the number of days that those berths are available to passengers per year.

<sup>2</sup> Environmental Protection Agency Report – Municipal Solid Waste (MSW) in the United States: Facts and Figures

Starting in 2013, we have initiated a project that will update our previous waste offloading standardization units. This project will help ensure that we report the most accurate data possible for quantifying off-loaded solid and recycled waste.



# WASTE AND CHEMICAL MANAGEMENT

## 2012 HIGHLIGHTS

### WASTE MANAGEMENT

#### Waste Management Working Group

At the beginning of 2012, we began to see signs that our progress in reducing waste to landfill was slowing. We responded by convening the company's first Waste Management Summit, inviting representatives from key departments to discuss progress, achievements to date and the next steps to reduce our overall waste footprint. It was determined that the following initiatives should be developed and supported: 1) increasing the amount of pallets and cardboard recycled worldwide; 2) obtaining proof of recycling worldwide (i.e. verifying the final waste-handling process); 3) facilitating "zero landfill" cruise ships; and 4) increasing waste and recycling efficiencies within RCL special projects and refurbishments.

To facilitate these initiatives, RCL's Environmental Stewardship Department created a Waste Management Working Group that meets regularly to take action and report on progress within each waste reduction initiative. By the end of 2012, we had made progress in each of the four identified areas. We are under contract with a waste vendor to complete a program called RCL Green Loading, to facilitate "zero landfill" cruise ships in all of our home ports in Florida. We have developed a better system of increasing donations and recycling from our refurbishment projects. We also developed a system with our Environmental Officers to verify and complete a worldwide waste processing matrix, increasing our understanding of recycling resources worldwide. Finally, we have facilitated an industry initiative with the U.S. Department of Agriculture to allow more cardboard to be recycled. We expect to see continued positive results in 2013.

#### Recycling Competition Incentive Programs

In 2011, the owner and operator of Multi-Recycling Systems in Puerto Rico created an annual competition to see which cruise ship could recycle the largest quantity and quality of materials. The first competition was held for the 2011/2012 season, between December and May. Multi-Recycling Systems evaluated ships by total net weight of recyclables, types of materials being recycled, and the quality of the sorting and segregation of the materials, among other factors. The winner of the competition, *Celebrity Summit*, received special recognition and the "Summer Bonus Jackpot," a cash prize that will be deposited in the Crew Welfare Fund.

#### Crew Action to Eliminate Styrofoam Packaging

In 2012, crew members aboard *Brilliance of the Seas* noticed that they were receiving increasing amounts of Styrofoam packaging from food suppliers in Asia. Styrofoam is sterile and works very well to protect produce, but it can be harmful to the environment, as it takes hundreds of years to decompose naturally and cannot be commercially recycled. Members of the crew worked diligently to identify the suppliers using these materials and persuade them to switch all Styrofoam packaging to cardboard, which is easily recycled all over the world. The crew is happy to report that they have not received any Styrofoam packaging materials since September 2012. Efforts to replicate this fleetwide are on-going.

### CHEMICAL MANAGEMENT

#### Chemical Purchasing List

For several years, we have worked to develop an efficient Chemical Purchasing List (CPL) in order to reduce potential hazards to our employees and the environment by controlling the quantities and types of chemicals being used onboard. The CPL includes every chemical our ships use during daily operations, a color code for safe storage, and a green rating number that indicates a level of environmental friendliness for the chemical. In 2012, we also added direct links from the CPL to our contracted Chemwatch website, linking the chemical product name in the CPL to the standardized Chemwatch Material Safety Data Sheets (MSDSs) and mini-MSDSs. This initiative has reduced the time it takes our shipboard employees to find an MSDS by up to thirty minutes.

Further, in order for a chemical to be placed on the CPL, the product must be requested, screened, approved and registered by several departments prior to being available for purchase. In the past, this process has been tedious, often taking several months for a chemical to be fully screened and placed on the CPL. In 2012, we made a significant effort to reduce this time by improving our communication process, both ship-to-shore and within shoreside management. Screening and approval of a chemical for purchase now takes only two weeks, as opposed to several months.

#### Chemical Green Rating System

We reduce potential hazards to our employees and the environment by utilizing our green rating system. Through this system, chemical products are evaluated according to the level of environmental risk of each of their ingredients. The green rating of any single chemical product is calculated based on the number and potential severity of the risk factors of each ingredient, as well as the concentration of each ingredient within the product. The lower the green rating, the higher the potential harm of the product. With this system we can flag chemicals with low green ratings and, working with our chemical suppliers, investigate ways to remove these products from use and/or replace them with similar products that have higher green ratings.

We re-evaluated our green rating system for 2012, putting even more emphasis on the weighting of potential negative impacts of the chemical products we use every day onboard our ships. On January 1, 2012, the new average fleetwide Green Rating was 75.97 out of a maximum of 100.

In 2012, we met our corporate target of reducing chemicals of environmental concern by increasing the fleetwide rating average by at least 0.50 points: In that year, our Green Rating went from 75.97 to 76.48, an increase of 0.51.






# CONSERVATION, DESTINATIONS AND EDUCATION

Doing our part to help protect the places where we operate is a key aspect of our overall environmental stewardship commitment. We're investing in marine conservation, contributing to the sustainability of the destinations where we operate, motivating our partners and colleagues to improve their practices, and educating our crew members and guests on the importance of respecting the environment and local cultures

*“Cruise destinations in the Mesoamerican Reef region possess natural and cultural riches as vast as they are vulnerable. Protecting these riches is a challenge that cannot be taken on by a single stakeholder, but is only possible with a vision of shared responsibility. By supporting the work of MARTI - the Mesoamerican Reef Tourism Initiative, Royal Caribbean is helping us demonstrate that tourism can be an engine for sustainable development in destinations.”*

- Thomas Meller, Director General of the Mesoamerican Reef Tourism Initiative, MARTI

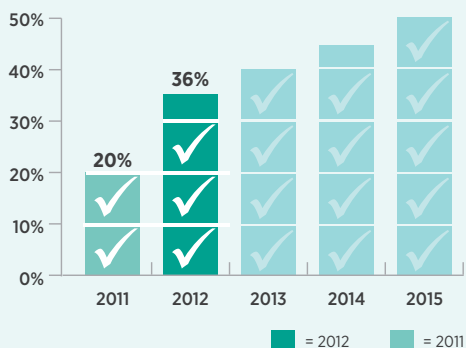
## 2015 GOALS


 50% of all shore excursions offered by RCL will be third-party verified to an internationally recognized sustainability standard

## 2012 PROGRESS

**Our tour operators continue to show their commitment to sustainability, signing on to various internationally recognized sustainability standards. As of the end of 2012, 36% of the shore excursions offered by RCL were provided by companies participating in internationally recognized standards programs. In line with our 2015 goal, these operators are working towards achieving third-party verification.**

Percentage of shore excursions offered by RCL that are conducted by companies participating in an internationally recognized sustainability standard



 80% of guests, 100% of crew and key people in our destinations will be familiar with our environmental principles, Save the Waves® and the Ocean Fund

**In 2012, an average of 58 percent of our guests across all three brands reported being aware of our Save the Waves® program, and 100 percent of crew are trained on our environmental programs, including our policies and the Ocean Fund. We are also developing a method to identify the key people in our destinations and measure their familiarity with our environmental efforts.**

## 2012 HIGHLIGHTS

### CONSERVATION

#### The Ocean Fund

RCL's Ocean Fund supports marine conservation organizations in safeguarding the health of the world's oceans. Since the fund's establishment in 1996, we have contributed more than \$12 million to more than 70 organizations around the world. In 2012, we awarded \$750,000 to nine organizations working on a wide variety of projects.



This year, the Ocean Fund partnered with Sustainable Travel International (STI) to support destination stewardship work in the MesoAmerican Reef, a region that includes cruise ports in Cozumel and Costa Maya, Mexico; Belize City, Belize; and Roatan, Honduras. In partnership with the MesoAmerican Reef Tourism Initiative (MARTI), STI is developing tools and approaches to support local governments, communities and the cruise industry to more effectively manage tourism to ensure long-term sustainability of these unique destinations.

We also awarded \$125,000 to the National Fish and Wildlife Foundation in a matching grant program that will support various sustainable fishing initiatives, particularly at the local community level, throughout the Caribbean Basin.

To learn more about the Ocean Fund and read about all of our 2012 award recipients, please visit [www.theoceanfund.com](http://www.theoceanfund.com)

#### The Celebrity Xpedition Galápagos Fund

The *Celebrity Xpedition* Galápagos Fund was established in 2006 to support the conservation and protection of the Galápagos Islands. The Fund draws on guest donations, and in 2012 awarded about \$112,000 to five organizations in support of projects that contribute to the Galápagos community.



# CONSERVATION, DESTINATIONS AND EDUCATION

## 2012 HIGHLIGHTS

### Save the Waves Ships of the Year

Our annual internal awards competition recognizes the most environmentally responsible ships in our fleet. We give awards for overall excellence in environmental stewardship, as well as individual awards in specific areas of stewardship. In 2012, our overall Save the Waves® Ship of the Year award for Celebrity Cruises was presented to *Celebrity Equinox*, and the overall Save the Waves® Ship of the Year award for Royal Caribbean International was presented to *Freedom of the Seas*. Individual prizes were awarded to:



- Energy & Air Ship of the Year: *Freedom of the Seas*.
- Water & Wastewater Ship of the Year: *Independence of the Seas*.
- Waste & Chemical Management Ship of the Year: *Celebrity Equinox*.
- Conservation, Destinations and Education Ships of the Year: *Rhapsody of the Seas* and *Celebrity Solstice*.

Each award-winning ship receives funds that they then award to the marine conservation organization of their choice. In 2012, these ships provided \$30,000 to five different marine conservation organizations.



## DESTINATIONS

At RCL, we believe that, in addition to managing our ships in an environmentally responsible manner, we should also promote sustainability and manage our impact on the often fragile ecosystems and communities in the destinations to which we sail. There are many complex factors involved in helping to maintain the natural and cultural integrity of these places. One of the ways the cruise industry can influence development at our destinations is to utilize third-party standards that outline best management and quality assurance systems for shore-excursion providers, as well as the broader destination itself.

### Sustainable Shore Excursion Standard

We have worked with Sustainable Travel International (STI) to develop the Sustainable Tourism Education Program (STEP), a set of criteria and indicators for sustainable shore excursions that is designed to help cruise lines identify providers who offer high-quality shore excursions which also support local communities and conserve the environment.

In 2012, our private island in the Bahamas, CocoCay, received STEP's Gold-Level Eco-Certification. CocoCay is the first operation of its kind to receive this award. All on-island tours and operations, including workplace practices, guest communications, and environmental management policies, were assessed by a third-party independent of STI and RCL to ensure that they met the criteria for Gold-Level certification. The CocoCay team performed "above and beyond" in the areas of guest communications, guest education, group size policy and visitor code of conduct.

### Global Sustainable Tourism Criteria for Destinations

We continue to support and participate in the Global Sustainable Tourism Council's (GSTC) working group to draft Global Sustainable Tourism Criteria for destinations. In 2012, the criteria were revised based on a first round of public comments, and then piloted by six "early adopter" destinations in Norway, the United States, China, St. Kitts and Nevis, Spain and Botswana. In the coming year, there will be a second round of revisions, based on input from these early adopters, another round of public comment and another set of pilot destinations, all with an aim to publishing the final criteria in 2013.

## EDUCATION

### Royal Caribbean Guest Environmental Awareness and Education Program

Recognizing demand from our guests to know more about our stewardship efforts, we have developed a new environmental education and awareness program for guests sailing on our Royal Caribbean International ships. Building from the success of the "Oceans Ahead" program currently offered on our Celebrity Cruises ships, but designed specifically for Royal Caribbean International guests, the new program, called *Save The Waves® - Royal Caribbean International and the Environment* offers free presentations to Royal Caribbean International cruisers about our innovative approaches to environmental stewardship.



# COMMUNITY INVOLVEMENT

Throughout our history, Royal Caribbean Cruises Ltd. (RCL) has sought to be a good neighbor and community partner. Our corporate citizenship programs enhance our relationships with our communities, customers and employees, which in turn strengthen our company and benefit our shareholders. Throughout the world, we encourage volunteerism by our employees and financial support to nonprofit organizations, to help make local communities better places to live and work.

“The events of this past year have underscored the need for unified community service with strong corporate support. I am pleased and gratified that our dedicated employees are responding to the needs of our neighbors in under-served communities, schools and charitable organizations, and making important and meaningful contributions to improve the quality of life for our neighbors around the globe.”

– Larry Pimentel, President & CEO Azamara Club Cruises

## 2012 HIGHLIGHTS

### Nonprofit Board Membership

In 2012, more than 58 executive officers represented our company in local communities by serving on charity boards around the globe.

### Make-A-Wish Programs

Through a partnership with the Make-A-Wish Foundation®, we have contributed millions in resources to make wishes come true for children facing life threatening illnesses around the globe. In 2012, we hosted more than 500 wish families through our *Wishes at Sea* cruise donation program. Through employee and guest fundraising efforts, such as *Walk for Wishes* and *Destination Joy*, we also raised more than \$1.3 million for the Make-A-Wish Foundation® in 2012. We also have five executive officers serving on local chapter boards of the foundation in cities around the world where we have corporate offices.

### Support for Breast Cancer Research

Celebrity Cruises is committed to raising awareness and funds for breast cancer research through a partnership with The Breast Cancer Research Foundation® (BCRF), an organization dedicated to preventing breast cancer and finding a cure in our lifetime by funding clinical and translational research worldwide.

Celebrity launched its partnership with BCRF through a series of onboard events and activities aimed at giving guests an opportunity to engage and share in our commitment to the cause, in a fun, meaningful and authentic way. These events raised more than \$248,000 in funds for the Foundation. In 2012, in conjunction with the inaugural of our newest ship, *Celebrity Reflection*, we hosted a Play for Pink luncheon for the Foundation that raised more than \$11,000.

### The Pan-American Development Foundation

Through an alliance with the Pan-American Development Foundation (PADF), we have been able to broaden the reach of our community partnerships and assistance to include disadvantaged people and communities in Latin America and the Caribbean. PADF empowers these communities to achieve sustainable economic and social progress, strengthen their communities and society, and prepare for and respond to natural disasters and other humanitarian crises. Since 2007, RCL has donated \$1,590,087 to PADF to fund activities related to disaster management, community strengthening and economic development throughout Latin America. In 2012, our partnership with PADF focused on projects including disaster relief from Hurricane Isaac in Hispaniola, hospitality training programs in Antigua, at-risk youth programming in Guatemala and literacy programs in Argentina.

### 2012 Community Involvement Awards

- Make-A-Wish of America, 2012 Wish Champion of the Year**  
Royal Caribbean International
- Make-A-Wish of South Florida, 2012 Corporation of the Year**  
Royal Caribbean International
- Make-A-Wish of Wichita, 2012 Partner of the Year**  
Royal Caribbean International
- International Make-A-Wish Foundation, Global Corporate Partner of 2012**  
Royal Caribbean International
- Seafarers House of Port Everglades, G.I.V.E. (Get Involved, Volunteer Everywhere) Day 2012 & Corporate Partner of the Year**  
Azamara Club Cruises, Celebrity Cruises, Royal Caribbean International
- United Way of Lane County, Oregon, Pioneer Award 2012**  
Royal Caribbean Cruises Ltd.
- Big Brothers Big Sisters, Greater Miami, 2012 Corporate Partner of the Year**  
Royal Caribbean Cruises Ltd.
- Children's Cancer Caring Center, Florida, 2012 Caring is the Key Award**  
Celebrity Cruises
- KAPOW, Diamond Award of 2012**  
Royal Caribbean Cruises Ltd.
- National Diversity Council, Promoting Diversity First**  
Royal Caribbean Cruises Ltd.
- Pan American Development Foundation, Corporate Hero 2012 Award**  
Royal Caribbean Cruises Ltd.





# COMMUNITY INVOLVEMENT

## 2012 HIGHLIGHTS (cont.)



**L'Ecole Nouvelle  
Royal Caribbean**



### G.I.V.E. Program

RCL's Get Involved, Volunteer Everywhere (G.I.V.E.) program, which was launched in 1997, includes our corporate volunteer day, G.I.V.E. Day, and our shipboard volunteer program, G.I.V.E. for the Holidays.

G.I.V.E. Day is our company's largest volunteer event, where employees, along with their friends and families, vendors and business partners, join forces nationally and internationally to assist community organizations with improving the quality of life in their local communities. Now in its fifteenth year, G.I.V.E. Day is an example of how our 60,000 employees have an opportunity to give back to their communities around the world, by donating thousands of volunteer hours to assist with neighborhood development, civic drives, environmental improvement and disaster recovery.

At Booker T. Washington High School in Miami, our South Florida employees and their friends and families painted eight buildings, landscaped nine courtyards and planted 13 vegetable and fruit gardens used by the school's culinary program. This school is our mentoring partner, where students from the Culinary and Hospitality program shadow our employees through the Big Brothers/Big Sisters Student to Work program. The company's strong ties to the Overtown community, where the school is located, and to the school itself made it a perfect location for celebrating the fifteenth anniversary of G.I.V.E. Day.

Throughout the country, our employees participated in other G.I.V.E. Day activities in their communities. In Wichita, Kansas, our G.I.V.E. Day team volunteered with animals at Tanganyika Wildlife Park by painting and cleaning up the park. The Centennial Elementary School in an under-served neighborhood of Springfield, Oregon was revitalized by our G.I.V.E. team of volunteers, who painted and landscaped the school and its grounds. Our London team volunteered at the Lindon Bennett School for children with severe learning and physical disabilities, and our Alaska employees braved the cold to clean-up hiking trails in a state park. In Seattle, our employees hosted a Hawaiian night of fun, food and activities that brightened the faces of families with terminally ill children staying at a Ronald McDonald House.

Employees at our other global offices in Asia, South America and Australia, as well as many crew members on our ships also volunteered with local charitable partners in communities where they work and live.

### Support for Our School in Haiti

Now in its second year, our company-supported school in Haiti, L'Ecole Nouvelle Royal Caribbean, continues to flourish. More than 275 students are now attending the school, which is located in Labadee, near our private destination in Haiti. The school provides a general education to local children as well as classes in English and environmental stewardship. Many of our crew members on ships that call on Labadee partner with the school for G.I.V.E. projects onsite and also provide donations to the children and families attending the school.

### In-kind Donations

In 2012, we provided more than \$1.3 million in in-kind donations to non-profit organizations around the world. These donations included items from our ships, offices and cruises, as well as cruise certificates that organizations can auction off to raise money for their programs.

### Response in Times of Need

In addition to our regular community-based programs and partnerships, RCL stands ready to help in times of crisis. For our employees, we provide support for disaster relief and personal crisis aid with the Royal Caribbean Crew/Employee Relief Fund.

We also extend assistance to the wider community in response to disasters that can affect our neighbors around the globe. In October 2012, Hurricane Sandy impacted our neighbors and colleagues in many communities in Jamaica and the USA. We delivered food, water and relief supplies to our neighbors in Jamaica, where we have a port of call, and in Bayonne, NJ, where we have a home port. We also provided assistance to our employees whose homes were impacted by Hurricane Sandy.

### United Way

Our company has a long-standing partnership with the United Way. Each of our North American offices runs an annual employee giving campaign that helps to create lasting, positive change in the lives of children, teens, families and seniors in the various communities in which we do business. In 2012, our North American offices raised more than \$1 million through our annual employee giving campaign.



# SAFETY AND SECURITY

The safety and security of our guests, crew and shoreside employees is the heart of our business. At Royal Caribbean Cruises Ltd. (RCL), our approach to safety and security goes *Above and Beyond Compliance* with laws and applicable regulations, and we implement measures to prevent incidents from occurring, while at the same time preparing to effectively respond if an incident does occur. We feel a strong sense of obligation to continually deserve the trust that our guests and crew members place in us onboard our ships. We take our commitment to preventing incidents and reducing risk very seriously.

Occasionally, despite the best intentions of everyone involved, a safety or security incident may occur. In such cases, we are prepared to respond in a timely, effective and caring manner, to help minimize adverse impacts and to understand and learn from the incident so that we can implement procedures to help prevent future incidents.

*“To say that safety is a priority understates its true importance to us as a company and as people. The safety and well-being of our guests and crew, who are members of our Royal Caribbean family, is placed above all else. I think Richard Fain, the CEO and Chairman of the Board of Royal Caribbean Cruises Ltd., said it best when he remarked that, ‘There is no such thing as perfect safety, only perfect dedication to safety.’”*

– Richard Pruitt, Associate Vice President, Safety & Environmental Stewardship

## 2012 HIGHLIGHTS

### Maritime Safety

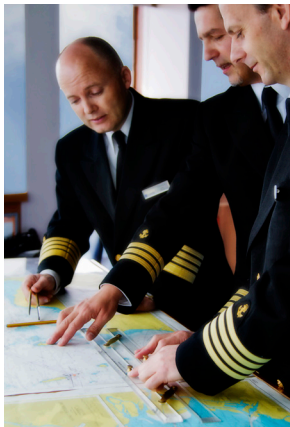
In the aftermath of the *Costa Concordia* grounding, RCL joined other cruise companies in reviewing our corporate and industry safety policies, procedures and best practices. This formal process was led by the Cruise Industry Operational Safety Review Task Force and was facilitated by the Cruise Lines International Association (CLIA). Many of the ideas discussed during these task force meetings were adopted as industry policies and incorporated into the management systems of each of the 26 CLIA member cruise lines. In addition to their formal adoption by the industry, these practices were also presented to the member states of the International Maritime Organization (IMO) for review and consideration. Many of the policies incorporated by the cruise industry were incorporated in IMO resolutions and circulars. This important work will be continued via the long-standing CLIA Committee on Maritime Safety.

In 2011, RCL began evaluating a voyage data recording analysis and trending system, known as Bridge Operations Quality Assurance (BOQA), based on a similar program used in the aviation industry (the Flight Operations Quality Assurance program). In 2012 we made progress in the technical development of this system for marine use, and we have installed two prototypes on our vessels for testing purposes. This system will enhance our data analysis that supports our accident prevention initiatives.

In addition to the voyage data collection efforts, we have developed an enhanced navigational audit process based on the airline industry’s line operational safety check ride process. Where the voyage data collection process will assist us in gaining better understanding of our operational and navigational risk exposures, the navigational audit process will help us monitor and ensure that our bridge teams execute our policies and procedures consistently.

Fire response was another area of focus for us in 2012. We developed and deployed a Fixed Fire Fighting Quality Assurance program that standardizes the management and maintenance of the fixed firefighting and notification systems across our fleet, in order to enhance the reliability of these systems.

In 2012, we improved the effectiveness of our management of the opening and closing times of our ships water-tight doors; and implemented a new process that allows our shipboard teams to more effectively assess and respond to an accident.





# SAFETY AND SECURITY

## 2012 HIGHLIGHTS (cont.)



### Injury Prevention

A safe environment for our crew is vital to their general welfare. In 2012, we reduced our on-board crew injuries by 8 percent. This improvement was seen after we updated and improved our safe material handling training program; introduced a new training module that helps our crew members more safely and effectively assist guests with disabilities; and improved our procedure for tracking crew safety observations.

Slips and falls and their related injuries are a challenge in any business, and the cruise industry is no different. In 2012 we created an "Own the Spill" program that helps ensure that spills are promptly cleaned and the area dried and put back into service in the most efficient means possible. We also incorporated methods to select slip-resistant flooring material on our new ships.



### Security Incident Prevention

In 2012 our continued pursuit of preventing security incidents, we have elevated shipboard visibility to the executive committee level, created shipboard focus groups, shared best practices, and developed and deployed a new training module with strong emphasis on guest-facing crew positions. A third-party expert has been engaged to conduct a review of our historical data, policies, procedures and all other related factors to identify opportunities for improving our Sexual Assault Prevention and Response initiatives.

In 2012, our fleet carried more than 4.8 million guests and crew members on our voyages. During that time, eight guests or crew members alleged that they were raped while onboard, nine alleged that they were sexually assaulted (other than rape) while onboard, and three alleged that they were assaulted and received a serious injury while onboard. (It is important to note that the above figures reflect allegations of crime, each of which was reported to law enforcement without regard to its validity. In some of the above incidents, law enforcement may have ultimately determined that the allegation was untrue.)

For comparison purposes, the FBI's annual publication, "Crime in the U.S.," sets forth annual shoreside crime rates per 100,000 population. According to the FBI's most recent (2011) report, the U.S. experienced a shoreside rate of 26.8 rape allegations per 100,000 population, compared to RCL's 2012 shipboard rate of about 6.4 per 100,000 population. The U.S. rate of aggravated assault was 241 per 100,000 population, versus RCL's shipboard rate of about 2.4 serious assaults per 100,000 guest and crew population. (The FBI's "aggravated assault" category is the closest to RCL's serious assault category.) There is no shoreside category to compare with RCL's rate of sexual assaults (other than rape) allegations of nine per 100,000 population.

For RCL, even one crime allegation is intolerable and we continue to strive to prevent them.



### Missing Persons Overboard

In 2012, we carried more than 4.8 million guests and crew on our ships. Tragically, five people went overboard during the year. Two of these overboard incidents involved guests, and three involved crew members. In all five of these incidents, it was determined through eyewitness reporting and/or by closed-circuit television that the guest or crew member had intentionally gone overboard. For RCL, 2012, like 2011(6) and 2010(6), was unusually high in terms of overboard incident frequency. From 2003 through 2009, RCL experienced a total of seven overboards, an average of one overboard per year, with a low of zero and a high of three.

We examined some shoreside trends to see if there was any information that might help explain recent increases. We found that the U.S. Centers for Disease Control and Prevention's most recent statistical analysis reveals that there has been an upward trend in the country's suicide rates over the past decade. Similarly, the U.S. Department of Labor reported that workplace suicides in 2010 were 3 percent higher than in 2009 and in 2010 were the highest annual total ever recorded. The US Military has also seen recent increases in suicides.



# PUBLIC HEALTH

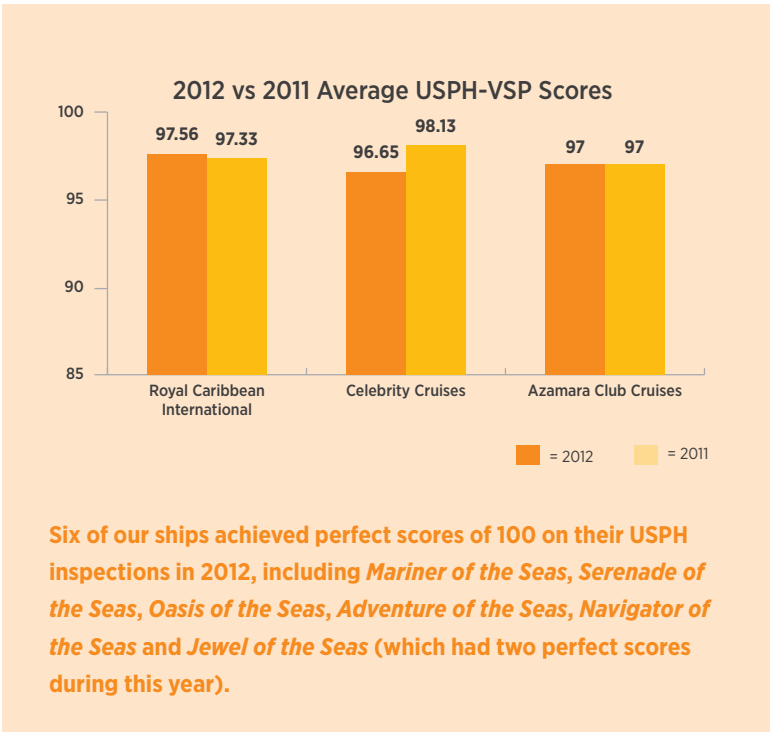
At Royal Caribbean Cruises Ltd. (RCL), our goal is to meet or exceed the public health policies, standards, procedures and inspection criteria of the U.S. Centers for Disease Control and Prevention (CDC) Vessel Sanitation Program (VSP) no matter where in the world our ships are operating. Our policies and initiatives cover a wide range of subjects, including water safety, outbreak prevention, food safety, housekeeping and pest control.

*“Public Health is about attention to detail and creating the correct cultural awareness amongst our crew. Whether it is food safety, water safety, outbreak prevention or ensuring our ships are pest free through our Integrated Pest Management Program, we strive for and adhere to the highest standards for the health of our guests and crew all day, every day.”*

- Dr. Art Diskin, Global Chief Medical Officer

## 2012 PERFORMANCE AT A GLANCE

Our ships are subject to mandatory inspections by government public health agencies around the world, as well as internal public health inspections by our Medical/Public Health Department (MPH) and retired U.S. public health inspectors. In 2012, our external United State Public Health (USPH) and internal MPH inspection score average was 97.1 points for combined brands, surpassing the company’s goal of 96 points.



<sup>1</sup>VSP Calendar Year: 10/1/2011-9/30/2012

## 2012 HIGHLIGHTS

### Working With Regulators to Update Public Health Standards

Cruise ships are subject to a wide array of public health regulations and inspections by public health authorities, including those of the VSP, the European Community’s “SHIPSan”, the Brazilian public health agency “ANVISA”, and other global regulatory agencies. We work closely with these agencies to offer recommendations and lessons from our experience and to help develop policy and regulations.

In 2011, the CDC updated both its Operations and (ship) Construction manuals, and in October 2012, the new Vessel Sanitation Program 2011 Operations Manual went into effect. We worked closely with the regulatory agency and with our shore-side and shipboard teams to communicate and educate our employees and crew members about the changes, and to make the necessary structural and procedural changes to comply with the new and revised regulations in a timely manner.

Together with CDC-VSP, we coordinated six training seminars for more than 200 crew members, who received an in-depth review of the public health regulations and updates included in the revised operations manual.

Also in 2011, ANVISA updated its program in anticipation of increased cruise ship calls to Brazil. ANVISA teamed up with the CDC/VSP to observe firsthand how VSP conducts public health inspections onboard cruise ships in the United States. In 2012, this program went into effect, and all four of our ships which called on ports in Brazil were successfully inspected by ANVISA in Brazil.





# PUBLIC HEALTH

## 2012 HIGHLIGHTS (cont.)



### Shore Excursion Public Health Inspections

In 2012, our public health inspectors and shipboard officers performed random public health assessments of more than 50 shore excursion providers that offer food and beverage services to our guests on RCL-sponsored tours. To ensure the uniformity and comprehensiveness of each assessment, we implemented a checklist-based format that reflects industry standards and basic sound public health principles, as well as our experience and the experience of successful tour operators around the world. Areas of focus include the cleanliness of transportation to and from the tour; availability and cleanliness of public rest rooms (including readily available soap and paper towels); availability of hand washing facilities, soap and paper towels in kitchen and food preparation areas; and use of disposable gloves/tongs and hair-nets. We also look at all food storage areas, refrigerator/freezer cleanliness and temperatures, ice, sanitizing of food preparation surfaces, and pest management policies and procedures. Inspections are unannounced, and comments and recommendations are provided to the vendor for consideration. Unannounced follow-up assessments are then conducted at a later date. This process has validated and, in some cases enhanced, the sanitizing procedures of some of our shore excursion providers.



As part of this process, we are involving shipboard Food and Beverage personnel in conducting the assessments of tours on their itineraries. These specialists have extensive training and experience in relevant areas of food and beverage operations, and can apply their skills equally to shoreside tour operations patronized by our guests and crew.

### Outbreak Prevention Plan Review

Outbreaks of illness may occur almost anywhere, including onboard cruise ships. The primary cause of outbreaks on cruise ships is the Norovirus which is associated with gastrointestinal illness. It is very common on land and is typically brought onboard by a guest or crew member and then spread person-to-person. At RCL, we have a comprehensive Outbreak Prevention Plan (OPP) to guide corporate action to prevent and respond to any outbreak of illness onboard our ships, with an emphasis on gastro-intestinal illnesses. The eight-step strategy laid out in the plan includes screening, surveillance, sanitation, communication, isolation, treatment, reporting and selected disembarkation.



The OPP is dynamic in nature and constantly subject to change and improvement as new technology, chemicals and procedures become available. In 2012, we revised the OPP based on the new/updated regulations included in the VSP 2011 Operations Manual, lessons learned throughout the industry, and information shared by regulatory agencies around the world.

“With over 20 million cases of Norovirus in the U.S. alone, and a new strain GI.4 Sydney identified in late 2012, we are always attempting to be at the forefront of prevention and mitigating public health strategies.” – Dr. Art Diskin, Global Chief Medical Officer

### Water safety

In February 2012, we held a Water Safety and Management Summit in our corporate offices in Miami, bringing together internal and external content experts in the area of water safety. This summit, included informative lectures and working groups that discussed best practices and solutions to many challenges related to water and water systems onboard cruise ships. Some of the major topics discussed included potable water; recreational water facilities; and water production, storage and distribution. The summit led to an even higher level of awareness about the importance of water safety throughout the fleet, as well as the implementation of new methods and equipment to improve the quality and management of water and water systems onboard.





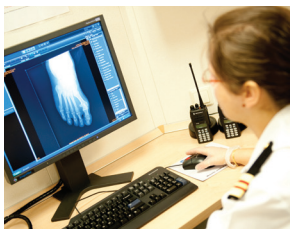
# MEDICAL OPERATIONS

The health and well-being of our guests and crew is of paramount importance to Royal Caribbean Cruises Ltd. (RCL). Each of our ships is equipped with a medical facility — available to both guests and crew — that is built, stocked, equipped and staffed to meet or exceed guidelines established by the American College of Emergency Physicians' Cruise Ship & Maritime Medicine Section. In addition, we provide our valued crew members with ongoing health and wellness programs and services to ensure that they remain in good health throughout their employment with RCL.

*“Delivering high-quality medical care at sea is possible through a high-quality medical staff and advances in technology which have enabled us to achieve a very high and reassuring standard for our guests and crew.”*

– Dr. Art Diskin, Global Chief Medical Officer

## 2012 HIGHLIGHTS



### Electronic Medical Records (EMR)

In 2012, we began implementing an electronic medical records (EMR) system for our crew member medical records. The EMR system, which should be fully deployed in 2013, will automate, streamline and bring our medical records system up to date by utilizing the latest available technology.



### Crew Vaccination Program

Part of our strategy to ensure our crew members remain in the best of health is a comprehensive crew vaccination program. For example, we provide Yellow Fever vaccinations to all crew on ships that enter an area of the world identified as endemic for Yellow Fever by the U.S. Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO). In 2011, we expanded our vaccination program to include a mass crew vaccination program for measles, mumps and rubella (MMR) for our crew members who may not have received these vaccinations during childhood. We continued our MMR crew vaccination program through 2012, during which time we immunized the majority of our crew. For 2013, we expanded our policy to make MMR vaccination a condition of employment to work onboard our ships. While these illnesses have been largely eliminated throughout the United States thanks to mandatory MMR vaccines administered to all U.S. children, participation in compulsory MMR vaccination programs in many other countries throughout the world has been more limited.



### Influenza Campaign

Each year, millions of people throughout the world become ill with the influenza virus, and then spread the virus to others. According to the U.S. CDC, getting the flu vaccine every year is the first and best way to protect against this virus. At RCL, we take this recommendation very seriously. In 2009, we launched a fleetwide voluntary and free crew flu vaccination program for every crew member onboard our ships, from captains to stateroom attendants. We are pleased to report that we were able to achieve an all-time high of 83% participation in the program in 2012.

### Blood transfusions

Blood transfusion involves the process of transferring lifesaving blood or blood products intravenously into the body of a person in need due to loss of blood. Because of the very nature of blood, the many blood types, and strict storage and testing requirements, cruise ships are not capable of storing blood to support a transfusion program.

In 2010, RCL ships received the equipment, training and procedures necessary to conduct transfusions at sea. Since the start of this program, many patients have received the benefits of this lifesaving program and returned home safely. In 2010, we provided transfusions to 11 patients, and in 2011, that number increased to 16 patients. In 2012, the program successfully continued, with an additional 8 guests receiving lifesaving transfusions.



# MEDICAL OPERATIONS

## 2012 HIGHLIGHTS

### Dialysis at Sea

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

### New Pre-Employment Medical Examination Providers

It is important for us to hire and maintain a healthy crew complement. It is also important to ensure that each crew member has the physical ability to safely perform the essential functions of his or her respective position before joining the ship. We do this through our Pre-Employment Medical Examination (PEME) program, which requires each prospective crew member to undergo a medical evaluation in a quality medical facility. In 2012, we expanded our list of PEME providers to 33 countries, which now include Romania, Bulgaria, the Czech Republic, Ukraine and Macedonia. These providers join our established list of clinics in countries such as China (Beijing, Shanghai, Wuhan); Croatia (Dubrovnik); the Dominican Republic (Santo Domingo); Greece (Athens); Turkey (Kusadasi); and Jamaica (Kingston, Montego Bay, Falmouth). In 2013, we plan to expand this program to Russia, Slovenia, Poland, Yugoslavia and Serbia.

### New Centers of Medical Excellence

We have identified Centers of Medical Excellence throughout the world that have the capability to deliver high-quality medical care to our crew. By the end of 2012, we have identified Centers of Medical Excellence in Croatia, Panama and the Dominican Republic and have developed a relationship with a medical center in Santos, Brazil which is now performing our PEME's and REME's as well as ship referrals requiring specialists. We are considering this provider as a potential Center of Excellence for Brazil. In 2013, we will target centers in Australia, Washington State, Southampton, England; and Texas.

### CareTeam

The CareTeam is a dedicated group of trained specialists, based in our Miami headquarters, who are available 24 hours a day, seven days a week to provide guest/crew support during a family tragedy at home, an illness or emergency onboard, or an incident while ashore. They are supported by our CareTeam Associates, specially trained crew members on each of our ships. As of the end of 2012, there were a total of 293 trained CareTeam associates onboard Royal Caribbean International ships and 136 on Celebrity Cruises ships. In 2011, our CareTeam collectively managed 2,204 cases and in 2012 they managed 1,878 cases.

For example: In 2012 an eight year old guest sustained head injuries after jumping into the pool and accidentally striking his head on the edge. The shipboard medical team provided the initial medical care, and arrangements were made for the child and his parents to be evacuated from the ship via U.S.Coast Guard vessel and transferred to a local hospital in Louisiana where he was admitted in stable condition. His injuries were addressed and the CareTeam helped the family rejoin the ship at the next port of call to continue their cruise vacation. This is just one example of the many services our CareTeam provides.





# HUMAN RESOURCES

Royal Caribbean Cruises Ltd. (RCL) employs more than 60,000 people from 120 countries, both on land and at sea. You will find our ships, tours, planes, offices and operations in all corners of the globe, from Europe to the Caribbean Sea, and from the South Pacific to the Alaskan fjords. Our headquarters is based in Miami, Florida, and we also have large customer service and communications centers in Miami; Springfield, Oregon; Wichita, Kansas; and Weybridge, U.K. In addition, RCL sales representatives and operations are located in many of the major cities of the United States, Canada, Europe, China, Brazil and Mexico; and we maintain two special private island destinations in the Caribbean. RCL employees work around the clock and around the world making vacation dreams come true.

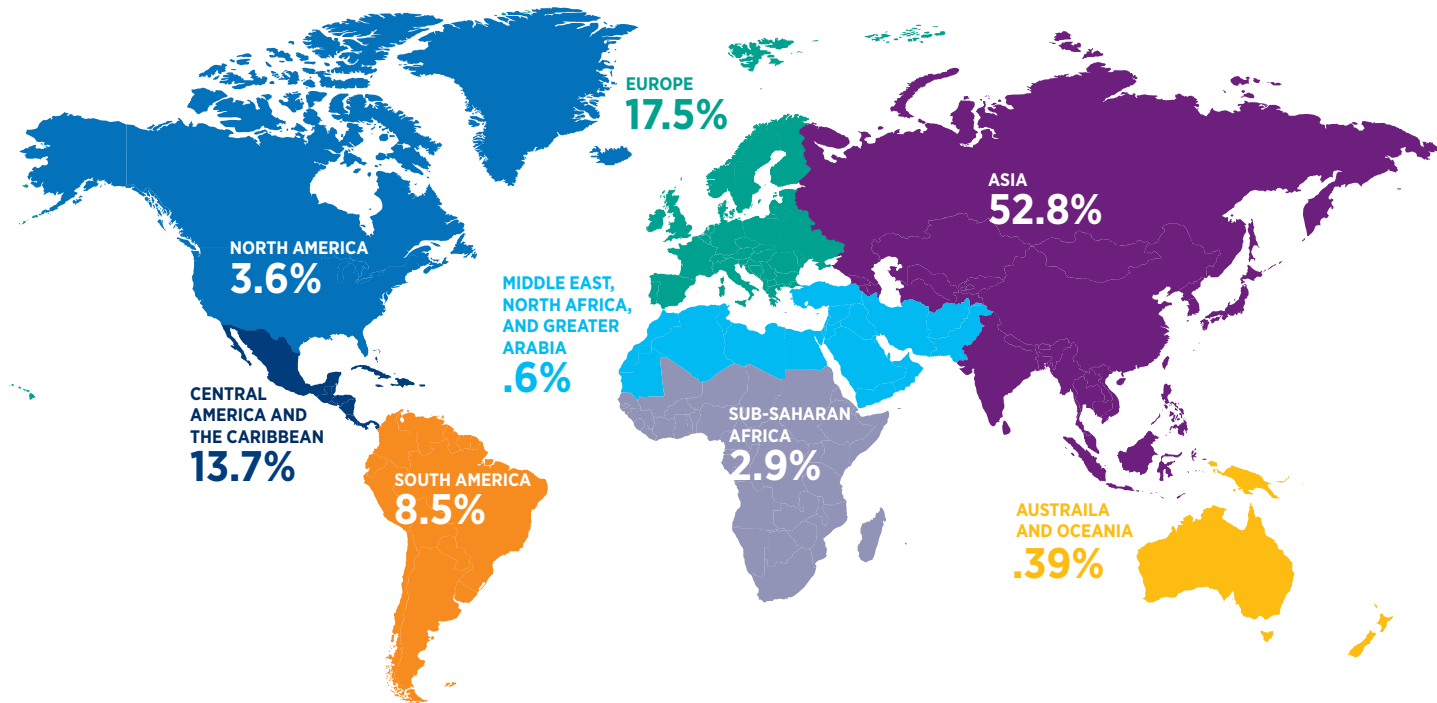
“Capturing the pulse of our employees’ engagement is highly relevant for us. Our employees are the key to RCL’s strong standing in the market and our future success.”

– Maria Del Busto,  
Global Chief Human Resources Officer,  
Royal Caribbean Cruises Ltd.

RCL is a forward-looking organization that believes in providing our customers with superb service; while at the same time turning challenges into opportunities. We strive to be innovative, responsive and efficient.

## A GLOBAL WORKFORCE

In 2012, the RCL global workforce represented more than 120 countries from around the globe. On the shipboard side, the total active crew population grew by 3,100 to 55,000 to support our growing fleet. Our recruitment activity sourced 10,555 new crewmembers from 90 countries last year. Of note, China recruiting has quickly grown in the last year to support our global deployment and is forecasted to be within the top five nationalities within the next two years.





# HUMAN RESOURCES

## 2012 HIGHLIGHTS



### Human Rights Statement and Core Labor Principles

Our Human Rights Statement and Core Labor Principles state:

As a global enterprise and a leader in the cruise industry, RCL has been dedicated throughout its history to employing a multicultural shoreside and shipboard workforce of employees from every corner of the world and to enriching the places it visits and the lives of the people who live there.

RCL endorses the principles contained within the United Nations Declaration of Human Rights. RCL is further committed to ensuring that all its workers and employees be treated with dignity and respect, and in accordance with fundamental fair labor principles, as recognized by the International Labor Organization core conventions on Labor Rights. These principles shall be accorded to all workers and employees of RCL and its subsidiaries worldwide, including workers on all RCL ships and cruise brands, workers at all RCL offices and workers on all RCL out-islands. Where local legislation conflicts with this Statement, RCL will comply with the law while promoting best practices in accordance with these principles. RCL will require all contractors and suppliers to agree to these fair labor principles.

In furtherance of the foregoing, RCL proudly subscribes to the following principles:

- **Forced Labor:** There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.
- **Child Labor:** There shall not be use of any child labor.
- **Harassment or Abuse:** Every employee should be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.
- **Nondiscrimination:** We are committed to attracting and developing a diverse, motivated and dedicated workforce, without regard to race, color, age, religion, gender, sexual orientation and disability. No person shall be subject to any discrimination in respect of employment and occupation.
- **Health and Safety:** We provide a safe and healthy working environment with opportunities for our employees to express their opinions without fear of retaliation.
- **Freedom of Association and Collective Bargaining:** We recognize and respect the right of employees to freedom of association and collective bargaining.
- **Wages and Benefits:** We recognize that wages are essential to meeting employees' basic needs. We guarantee employees will receive fair compensation and benefits in accordance with applicable law and/or union-negotiated agreements.
- **Hours of Work:** Employees shall not be required to work more than legally permitted limits.

### Ethics Hotline

At RCL, we want our employees to feel comfortable in their working environment and to know that they have the right to report and resolve concerns about unethical behavior without fear of retribution or retaliation. We encourage any employee who becomes aware of harmful or unethical conduct to report it immediately. While speaking to a manager, supervisor or human resource representative may be the most quick and effective way to report concerns, we recognize that employees may not always be willing to do so. Thus, we have retained the services of The Network, a leading third-party hotline provider, so that employees can anonymously communicate their concerns via telephone or Internet, 24 hours a day, seven days a week.

**The AWARE Hotline**

In North America, Puerto Rico and the U.S. Virgin Islands, dial:  
**1-888-81AWARE (888-812-9273)**

Email: [RCLAWARE@tnwinc.com](mailto:RCLAWARE@tnwinc.com)

Shipboard Employees: **Dial \*\*88**



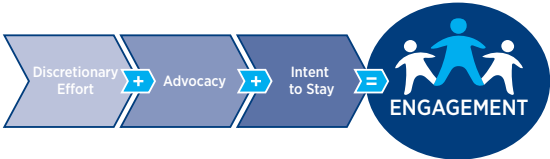
# HUMAN RESOURCES

## 2012 HIGHLIGHTS (cont.)

### Employee Engagement Survey results

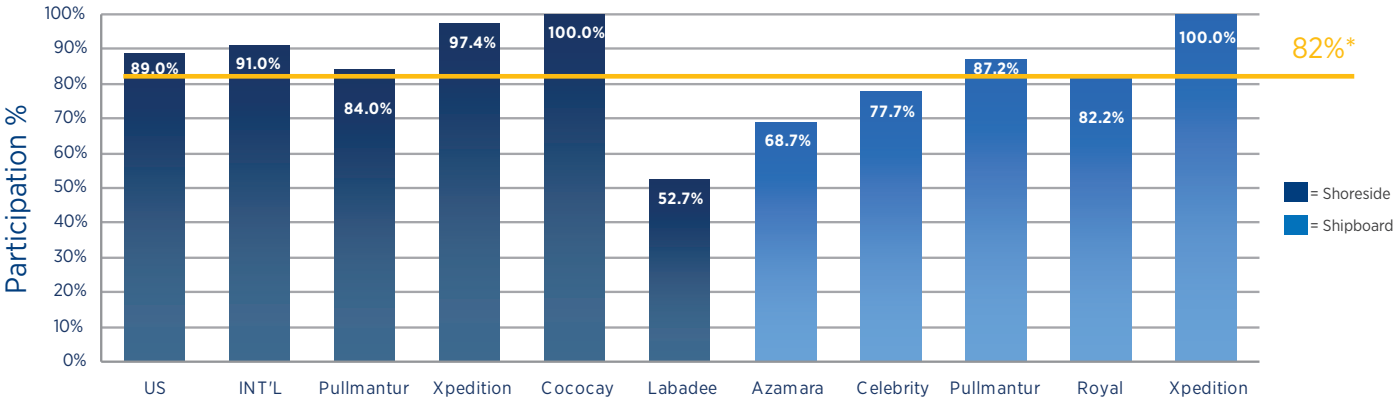
In previous years we have had multiple instruments that measure engagement for some and satisfaction for others, which are distinctly different. An **employee satisfaction survey** measures an employee's perception of a past event. It assumes that a final disposition of the event has been reached. (For example, shipboard employees complete a satisfaction survey at the end of their contracts to determine, among other things, how satisfied they were with the food, living space, workload, etc.). An **employee engagement survey** is oriented towards the future. It seeks to align stakeholders around common purposes in a way that promotes employee participation in policy changes or problem resolution. The information derived from such a survey is a catalyst for improvement, rather than a status report.

**Put simply, engaged employees are more productive and make a difference to our bottom line.**



### 2012 Global Participation

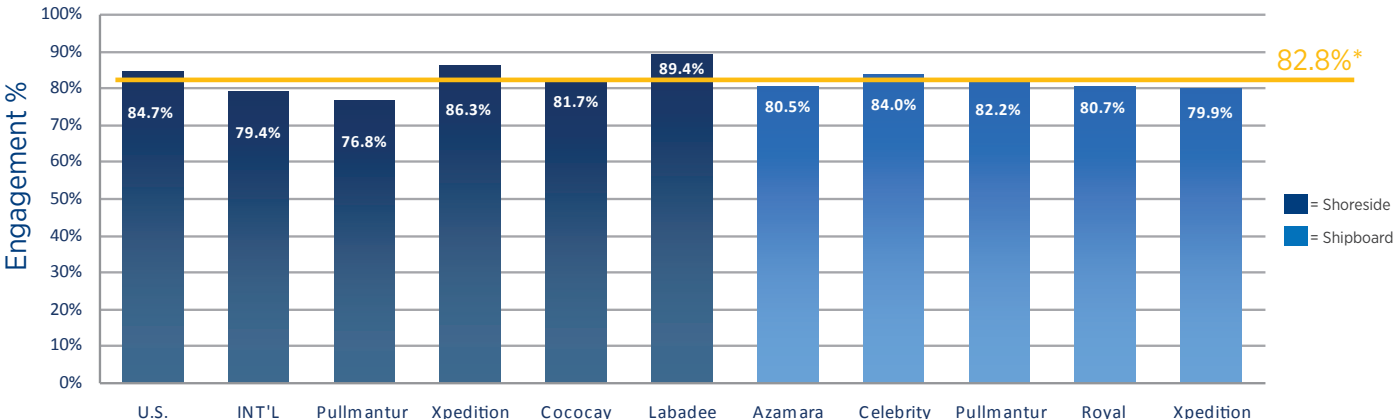
In 2012, for the first time ever, the entire RCL organization (including all corporate offices, ships, international locations and island destinations) was asked to participate in an annual enterprise-wide Employee Engagement Survey (12 questions). The objective of the survey was to create one standard measure of engagement for all employees throughout the globe, regardless of brand or location. The results showed that RCL's participation rate was 82% (based on ship PAR levels and active shoreside employees), which translates into more than 35,000 employees. The scores derived, therefore, are a true reflection of engagement at RCL. Below are the details on the participation scores.



\*Average: The average is based on actual participation rate of active employees for shoreside and PAR levels for shipboard population.

### 2012 Global Engagement Results

The details on the engagement scores are presented below. Our result reflects that our average employee is 82.8% engaged based on their responses to the survey. The great news is that, while this is the first time we have measured engagement globally for our entire population, the results reflect a strong culture of continuous improvement, individual contribution and trust with co-workers across the enterprise, despite the high diversity in nationalities, position levels, locations or work environment.



\*Average: The fleet average is a weighted average, using 70% for shoreside results (dark blue) and 30% for shipboard (light blue). The internal weight for each of these is based on their employee population.

Except where indicated, this update and its references to "Royal Caribbean," "Royal Caribbean Cruises Ltd.," and the corresponding abbreviation "RCL," and the terms "our fleet" and "fleetwide," addresses the operation of our Azamara Club Cruises, Celebrity Cruises and Royal Caribbean International brands.





# HUMAN RESOURCES

## 2012 HIGHLIGHTS (cont.)



### Global Recognition

RCL's Global Recognition strategy aims to engage our most valuable asset, our employees, by offering a diverse and sizeable array of Recognition Programs.

In 2012, we continued to recognize employee excellence across all brands by awarding 68 crew members the prestigious Employee of the Year Award. In our shoreside (U.S. and international) offices, 87 employees received the Departmental Employee of the Year Award (Circle of Excellence).

We improved our Service Award Program by streamlining the process between RCL and a new vendor and by enhancing the gift array (including the addition of RCL-branded jewelry at five- and ten-year levels) for ship and shore. In 2013, our leaders will reward more than 7,000 crew members and more than 800 shoreside employees in five-year increments.

The Global Recognition Team continues to market and improve our current performance programs (shipboard and shoreside) to keep our crew members and employees motivated and engaged.

RCL applied for, and won, the Achievers' 50 Most Engaged Workplaces Award, not only as one of the top 50 in the United States, but also as an elite-8 for our Vision and Values.

### Global Learning And Development

#### *The Building on Talent program and Performance for Growth*

RCL's Global Learning and Development Team continues to provide world-class learning tools and programs for both shoreside and shipboard team members. These programs include on-line courses, traditional classroom training, one-on-one coaching and action learning projects. As part of this commitment to staff development, in 2012 we evolved our highly effective Building on Talent (BOT) program, which identifies and develops high-potential future leaders as part of a broader talent development program for ALL leaders, called P4G - Performance For Growth. While we maintain our focus and rigor on high-potential development through BOT, we are now purposefully developing the skills of the broader employee population with P4G. Both BOT and P4G help employees develop a wide range of skills and areas of expertise, so that they can potentially assume multiple roles throughout the organization.

In 2012, in addition to introducing P4G, we continued expanding our BOT high-potential program to shipboard employees around the world. As part of this program, high-potential onboard leaders attend an intensive assessment and development program at our corporate offices in Miami. We also created and deployed a ship-level onboard BOT program, in which shipboard leaders are evaluated and helped to develop a plan for their future career paths. The goal is that high performers in the onboard program will eventually become participants in the intensive BOT program in Miami and build our leadership pipeline for future leadership roles in the organization.

