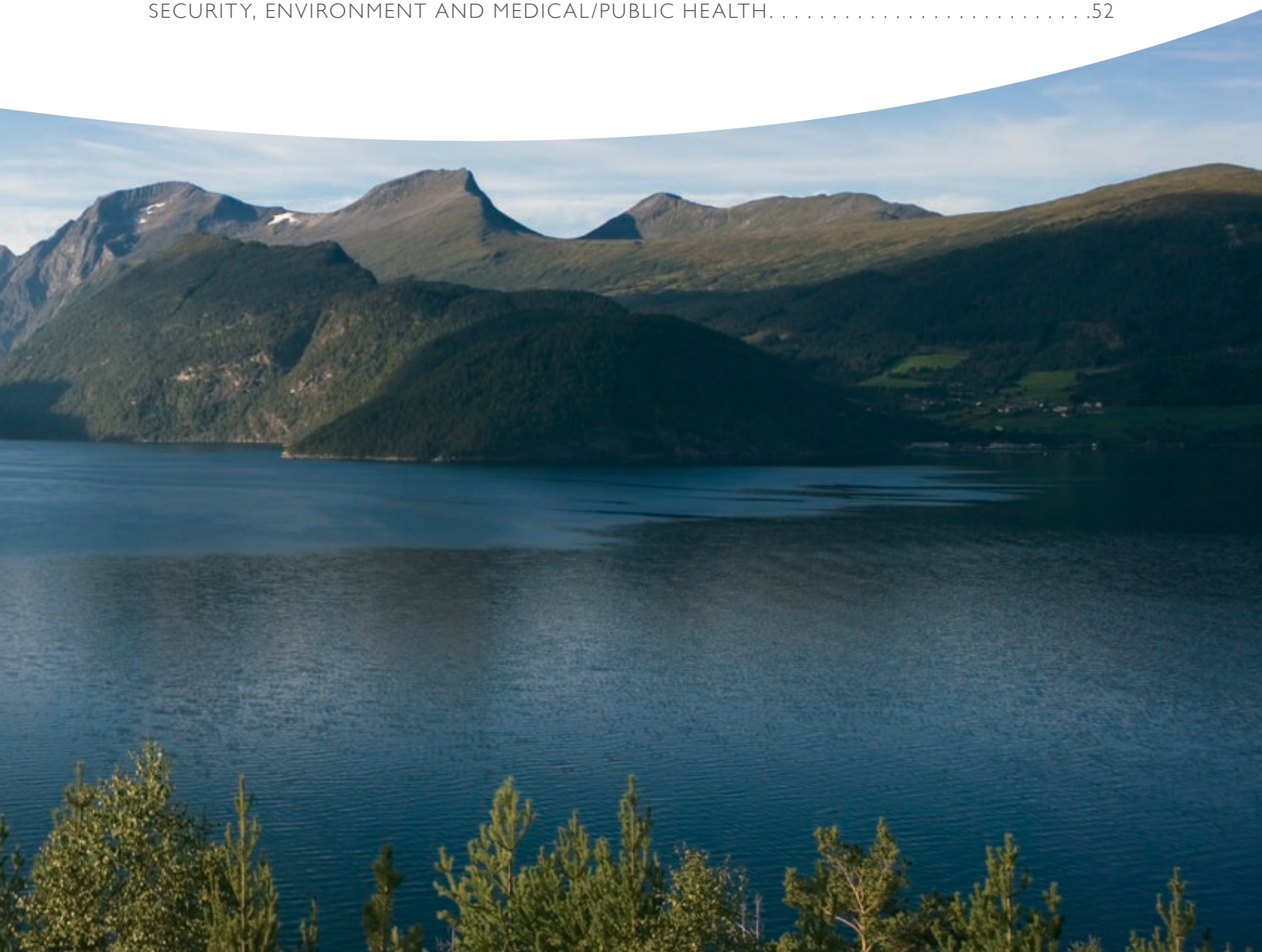
2008 STEWARDSHIP REPORT

AZAMARA CRUISES® Celebrity Cruises® RoyalCaribbean INTERNATIONAL®

SIMPLY PUT, WE MUST PROTECT THE MARINE ENVIRONMENT AND SUSTAIN THE WELL-BEING OF THE PEOPLE AND PLACES WE SERVE.

– Richard D. Fain
Chairman and CEO
Royal Caribbean Cruises Ltd.

on the cover: St. John, US Virgin Islands
on this spread: Geiranger, Norway



Labadee, Haiti

WE COULD NOT ACHIEVE ANY OF OUR STEWARDSHIP OBJECTIVES WITHOUT THE DAILY DEDICATION OF OUR EMPLOYEES, FROM OUR HEADQUARTERS IN MIAMI TO OUR CREW MEMBERS ONBOARD EACH OF OUR SHIPS.

In everything we do, Royal Caribbean Cruises Ltd. is ever conscious of a very special, and very certain, responsibility. Simply put, we must protect the marine environment and sustain the well-being of the people and places we serve.

Because we know that clean oceans are good for the environment, good for our guests and good for our business, we strive to achieve the highest possible standards of environmental and community stewardship. By following strict company policies and practices and using innovative technologies, we conduct our business *Above and Beyond Compliance* (what we call "ABC") with existing laws and regulations. Our beautiful oceans and their rich marine life demand nothing less.

This commitment is expressed through our Save the Waves® program. What began in 1992 as a program focused on waste management has evolved into a company-wide philosophy of social responsibility, environmental protection and good corporate citizenship that guides every facet of our business operations.

We could not achieve any of our stewardship objectives without the daily dedication of our employees, from our headquarters in Miami to our crew members onboard each of our ships. Innovation is encouraged and rewarded at every level of the company. We also recognize that our ocean-traveling guests are natural advocates for marine conservation, so we strive to nurture a level of engagement with our passengers, whatever their age, about these important issues. And no matter what we have already accomplished, we are driven by two words: *continuous improvement.*

This is our first stewardship report and, in line with our *continuous improvement* mantra, we will strive to make our next one even better.

At Royal Caribbean, we believe that companies can be financially successful while also serving as stewards of the environment and the communities we operate in. We take this responsibility very seriously, and we feel it is inextricably linked with our continued success as an industry-leading cruise line.

We hope you will join us aboard the ships of Royal Caribbean International, Celebrity Cruises and Azamara Cruises and see Save the Waves® in practice for yourself.

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

ABOUT ROYAL CARIBBEAN CRUISES LTD.

Royal Caribbean *Voyager of the Seas*

Azamara *Journey*

Celebrity Century

Our first ships – *Song of Norway, Sun Viking* & *Nordic Prince*

Royal Caribbean Cruises Ltd. is the world's second-largest cruise vacation company, with a combined total of 38 ships in service, providing approximately 79,000 berths as of December 31, 2008. We own and operate five brands—Royal Caribbean International, Celebrity Cruises, Pullmantur Cruises, Azamara Cruises and CDF Croisières de France. Additionally, we have a 50 percent investment in a joint venture with the German-based company TUI A.G. This joint venture, TUI Cruises, began sailing its first ship in 2009.

During 2008, our brands carried more than four million guests. Our ships sail itineraries throughout the world, ranging from two to 24 nights, visiting approximately 425 destinations. We also have six ships under construction, two in Royal Caribbean International's Oasis class and four in Celebrity Cruises' Solstice class.

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, U.S.A., and we have approximately 49,000 employees globally. Our investor website is www.rclinvestor.com

Here's a timeline of some of our major milestones:

1969	Royal Caribbean Cruises Ltd. is founded on January 31.
1970	We introduce the first ship built for warm-weather cruising, *Song of Norway*.
1988	We launch the world's first "megaship," *Sovereign of the Seas*, which boasts the first five-deck Centrum with glass elevators, sweeping staircases, and fountains in marble pools.
1993	Royal Caribbean Cruises Ltd. is traded publicly as RCL on the New York Stock Exchange.
1995–1998	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.
1995–1997	The company gains greater sophistication with the acquisition of the five-ship Celebrity Cruises fleet, featuring *Century*, *Galaxy* and *Mercury*, built in 1995-1997.

1999–2003 Royal Caribbean International launches *Voyager of the Seas* and four sister ships, the then largest cruise ships in the world, with each accommodating 3,114 guests.

1999 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, *Voyager of the Seas*.

2000-2002 Celebrity Cruises launches *Millennium* (2000), *Infinity* (2001), *Summit* (2001) and *Constellation* (2002), becoming synonymous with elegant cruising by consistently ranking in the top 10 among large ships in the *Condè Nast Traveler* magazine poll.

2000 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.

2004 We follow in the wake of Charles Darwin in the Galápagos Islands with the 90-passenger megayacht *Celebrity Xpedition*.

2006–2008 We welcome the 154,000-ton *Freedom of the Seas* and her two sisters, *Liberty of the Seas* and *Independence of the Seas*, the world's largest ships, to the Royal Caribbean International fleet.

2006 We introduce the first onboard surfing simulator, the Flow Rider, aboard *Freedom of the Seas*.

2007 We introduce a new brand, Azamara Cruises, with Azamara *Journey* and Azamara *Quest* exploring exotic destinations such as Antarctica, Brazil and the Chilean fjords.

2008 Celebrity Cruises undertakes a five-ship expansion with *Celebrity Solstice*, to be followed in successive years by *Celebrity Equinox*, *Celebrity Eclipse* and two yet-to-be-named ships.

2009–2010 We will unveil the next generation of cruise ship innovations and advancements on the 220,000-ton *Oasis of the Seas* and *Allure of the Seas*. These two ships will boast 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.

ENVIRONMENTAL HIGHLIGHTS

1992
- We become the first cruise line to establish a formal environmental program to reduce, reuse and recycle, called Save The Waves®.

1996
- We are the first cruise line to place an Environmental Officer onboard every ship.
- We launch the Ocean Fund, which has awarded over $10 million in grants to date.

1997
- We are the first cruise line to 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 the first smokeless gas-turbine engines on four Celebrity Cruises Millennium-class ships and four Royal Caribbean International Radiance-class ships.

2006
- We establish the Galápagos Fund to support conservation initiatives specific to the Galápagos Islands.

2007
- We develop a partnership with Conservation International to develop a comprehensive Environmental Stewardship Strategy.

2008
- We are the first cruise line to establish a corporate-officer level Chief Environmental Officer position.
- *Celebrity Solstice* is the first cruise ship 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.

ENVIRONMENTAL AWARDS 2006-2008

2006

Adventure of the Seas – Kuoni Green Planet Award
Brilliance of the Seas – Kuoni Green Planet Award
Jewel of the Seas – Kuoni Green Planet Award, Port of Stockholm Environment Life Buoy
Mariner of the Seas – Nature Conservancy Oyster Bed Project and Award
Rhapsody of the Seas – Kuoni Green Planet Award
Serenade of the Seas – Kuoni Green Planet Award
Splendour of the Seas – Kuoni Green Planet Award
Voyager of the Seas – Kuoni Green Planet Award
Celebrity Mercury – City of San Diego Recycler of the Year Award
Celebrity Infinity – Port of San Francisco Environmental Gold Award, Kuoni Green Planet Award

2007

Jewel of the Seas – Kuoni Green Planet Award
Mariner of the Seas – Nature Conservancy Oyster Bed Project and Award
Radiance of the Seas – Port of San Francisco Environmental Gold Award
Vision of the Seas – Prince Rupert Alaska Environmental Award
Voyager of the Seas – Kuoni Green Planet Award
Celebrity Mercury – City of San Diego Recycler of the Year Award,
Port of San Francisco Environmental Gold Award
Celebrity Summit – Port of San Francisco Environmental Gold Award, Cruise Ship Environmental Award
Celebrity Infinity – Port of San Francisco Environmental Gold Award, Kuoni Green Planet Award

2008

Mariner of the Seas – Nature Conservancy Oyster Bed Project and Award
Radiance of the Seas – Kuoni Green Planet Award, Port of San Francisco Environmental Gold Award
Celebrity Mercury – Kuoni Green Planet Award, City of San Diego Recycler of the Year Award,
Port of San Francisco Environmental Gold Award
Celebrity Infinity – Kuoni Green Planet Award
Celebrity Constellation – Port of Helsinki, Finland Green Attitude Award

Royal Caribbean *Rhapsody of the Seas*

Celebrity Infinity

Royal Caribbean *Mariner of the Seas*

Royal Caribbean *Radiance of the Seas*

Royal Caribbean *Sovereign of the Seas*

Celebrity Mercury

Royal Caribbean *Brilliance of the Seas*

Royal Caribbean *Freedom of the Seas*

Royal Caribbean *Jewel of the Seas*

Celebrity Constellation

Royal Caribbean *Splendour of the Seas*

MESSAGE FROM OUR VICE PRESIDENT FOR ENVIRONMENTAL STEWARDSHIP AND GLOBAL CHIEF ENVIRONMENTAL OFFICER

I joined Royal Caribbean Cruises Ltd. on Earth Day 2008, after nearly 15 years working within the conservation community. The reaction of my conservation colleagues at the time was split down the middle. Some joked that, much like Darth Vader in the *Star Wars* movies, I was "turning to the Dark Side." But others believed that the fact that a major international travel company like Royal Caribbean would hire a conservationist for such a leadership position represented a significant milestone for the field of responsible travel. Ultimately, I accepted the position because I genuinely felt that I could achieve more for conservation by leading Royal Caribbean's environmental stewardship work from within than I could as an outside adviser to others in the travel industry. I was convinced that Royal Caribbean was a company that genuinely took its responsibilities regarding environmental stewardship extremely seriously. After more than a year with the company, I am happy that I can report that this is very much the case. As you will see in this report, there are many examples of how Royal Caribbean is pioneering ways to make shipping more sustainable.

As you can imagine, there are great challenges associated with hosting more than four million guests each year in more than 400 destinations worldwide. While we want to ensure that our guests have the most enjoyable vacation experience possible, we also need to be certain that we conduct our operations in an environmentally responsible manner, taking care to protect the natural resources on which our business depends. And we know that protecting the ocean is not just good for our business. The world's oceans generate 70 percent of the oxygen in the atmosphere, absorb carbon dioxide, replenish fresh water supplies, and influence climate and weather patterns.

Our goal with our *2008 Stewardship Report* is to explain in a clear and straightforward way how our company proactively addresses the environmental issues inherent in operating cruise ships. Within this report, you will learn about our global environmental activities, put into practice through our Save The Waves® program. Begun in 1992 primarily as a waste management program, Save The Waves® has evolved into a company-wide philosophy governing all of our operations. The program addresses key environmental issues, from air emissions, water and energy use, and wastewater treatment, to chemical and hazardous waste management, environmental training and education, and contributions to conservation.

While we face many environmental challenges, there is one that stands out. Global climate change is the defining environmental issue of our time, and we recognize that we need to be part of the solution. In this report, you will find our greenhouse gas footprint and learn about our ongoing efforts to reduce air emissions, as well as steps we have taken to conserve energy, including the use of solar reflective window film and LED and fluorescent lights, and the introduction of solar panels.

At Royal Caribbean, we are very proud of our environmental "firsts" in the cruise industry, from our introduction of an Environmental Officer on every ship in 1996, to our achievement of ISO 14001 certification for our environmental management program in 1997, to our installation of smokeless gas-turbines on eight ships in 2000-2004. Moving forward, we have been working in partnership with Conservation International and Sustainable Travel International to develop an even more comprehensive Environmental Stewardship Strategy. We hope to achieve many more "firsts" in the years to come and raise the industry bar so that we all become better stewards of our oceans.

It has been a great honor to join the team of dedicated professionals at Royal Caribbean who are working to protect our oceans and improve the overall sustainability of the entire cruise and shipping industries. Although we know we are far from perfect, we hope that after reading this report you will agree that we are making significant progress toward this goal. We welcome your feedback, so please let us know how we are doing.

Jamie Sweeting
Vice President, Environmental Stewardship and
Global Chief Environmental Officer
Royal Caribbean Cruises Ltd.

Barbados,
The Caribbean

WE ACKNOWLEDGE THAT WE ARE NOT PERFECT, BUT WE ARE DEDICATED TO CONTINUOUSLY IMPROVING OUR OPERATIONS BOTH ONBOARD AND ASHORE, TO MINIMIZE OUR ENVIRONMENTAL FOOTPRINT AND MAXIMIZE OUR CONTRIBUTION TO CONSERVATION.

Royal Caribbean's commitment to the environment extends throughout our organization, from senior management to our crew members onboard our ships. We work to impart this same commitment to our guests. We acknowledge that we are not perfect, but we are dedicated to continuously improving our operations both onboard and ashore, to minimize our environmental footprint and maximize our contribution to conservation.

For nearly 40 years, our company has carried out a wide variety of environmental activities. In 1992, we formalized those efforts into a program we call Save The Waves®. Since its creation, the Save The Waves® program has evolved from a program focused on reducing, reusing and recycling waste to a company-wide philosophy that is integrated into the daily operations onboard all our ships. This includes environmental officers onboard each ship, a waste-management program that completely addresses each waste stream, environmental training for every crew member and land-based employee, and the creation of our Environmental Stewardship Department. During the past two decades we have continuously improved our Save The Waves® program to ensure that not only our employees, but also our guests are directly engaged in our environmental management efforts.

Our *Above and Beyond Compliance* (ABC) policy guides our environmental stewardship program, challenging us to do the very best we can. Similarly, our policy of *Continuous Improvement* drives us to look at new and different ways in which we can improve on our past performance. With regard to our stewardship of the environment, we constantly strive to minimize our environmental footprint, increase our support for conservation, and set new environmental standards in the cruise industry.

Our Environmental Stewardship Department ensures that Save The Waves® continues to be improved and fully implemented onboard our ships and at our land-based offices. This involves defining policies, developing and verifying procedures and ensuring compliance.

QUALITY AND ENVIRONMENTAL MANAGEMENT CERTIFICATION

In 1996, we began taking steps to certify critical segments of our operations against the International Organization for Standardization (ISO) standards for both quality management systems (ISO 9001) and environmental management systems (ISO 14001). We completed the certification process and obtained certification to both standards in 1997. This accomplishment was unprecedented in the cruise industry and is representative of our commitment to being *Above and Beyond Compliance*.

Certification to internationally recognized quality and environmental management standards sends a clear message of commitment to our guests, employees and shareholders. Our management systems also comply with the International Safety Management Code of the International Maritime Organization (IMO), which became mandatory in July 1998. These standards challenge us to set objectives and targets for reducing significant environmental impacts, and they echo our company's desire for *continuous improvement*. Both our shoreside and shipboard operations and personnel are continuously audited against the ISO standards and the International Safety Management Code.

Save The Waves® helps guide our company's operating philosophy. It has become an integral part of each crew member's job and is the backbone of daily operations. There are four key principles of Save The Waves®:

- **Reduce, Reuse, Recycle:** Reduce the generation of waste material, reuse and recycle wherever possible, and properly dispose of remaining wastes.
- **Practice Pollution Prevention:** Nothing may be thrown overboard. Nothing.
- **Go Above and Beyond Compliance (ABC):** ABC means doing more than is required by regulations.
- **Continuous Improvement:** Change is the only constant; innovation is encouraged and rewarded.

Board Oversight

We have a Board of Directors subcommittee that provides guidance and oversight of our environmental stewardship work. This committee is chaired by William K. Reilly, former administrator of the United States Environmental Protection Agency. The committee members bring extensive environmental, maritime, and management expertise and experience to govern our work in this area.

The company has certified critical segments of our operations against the International Organization for Standardization (ISO), both the ISO 9001 and ISO 14001 standards.

Our strict adherence to the four principles of Save the Waves® is written into our comprehensive Safety, Quality and Environmental Management system, known internally as SQM. This program includes electronic manuals that are designed to ensure consistent, fleet-wide compliance with company policies and procedures, as well as the numerous rules and regulations that cover our operations. The system mandates regular management reviews of operations, including self-verification of our safety, quality and environmental policies, which help in maintaining our voluntary ISO 9001 and 14001 certifications.

Our internal and external auditing processes ensure full adherence to our environmental policies. These audits begin with our captains and top shipboard officers holding frequent inspections and reporting those results. Each ship conducts a weekly captain's environmental meeting, bringing together all department heads to review the ship's environmental programs and performance. The internal portions of our audits involve environmental experts from our Environmental Stewardship Department. The external audits involve independent certification agencies (DNV, Bureau Veritas and Lloyd's Register) that verify our compliance with all applicable local, national and international safety, security, quality and environmental standards.

ENVIRONMENTAL OFFICERS

For more than a decade, we have had a robust environmental management system in place on each of our ships, led by our Environmental Officers. Royal Caribbean International was the first cruise line to have a dedicated Environmental Officer (EO) on every ship. Our EOs are responsible for adherence to our environmental management system and preventing environmental incidents. EOs report directly to the master of each ship and are also accountable shoreside to our Vice President of Environmental Stewardship.

Save The Waves® Hotline

We provide feedback mechanisms for our employees through our Save The Waves® Hotline. Calls are monitored by the Environmental Stewardship Department and are always treated in a confidential manner. Our guests also are encouraged to use this hotline if they have any concerns. Our Save The Waves® Hotline number is: 1-888-215-9283 (WAVE).

The Environmental Officers are responsible for training all crew members on our Save The Waves® policy and on their environmental responsibilities. All new and returning crew members receive mandatory orientation and instruction concerning their responsibilities involving Save The Waves® and the company's environmental policies and expectations. Afterwards, each crew member must sign an individual pledge to protect the environment and uphold his/her responsibilities. This personal commitment helps make certain everyone fully understands the importance of this program. Additionally, each crew member is encouraged to take time to explain the concept and importance of Save The Waves® to our guests.

CONTRIBUTIONS TO CONSERVATION

In 1996, we built upon our environmental commitment and launched our Ocean Fund, which supports marine conservation organizations in safeguarding the health of the world's oceans. The mission of the Ocean Fund has three parts:

- Support efforts to restore and maintain a healthy marine environment.
- Minimize the impact of human activity on this environment.
- Promote awareness of ocean and coastal issues and respect for marine life.

Grants are made to a variety of non-profit groups and institutions whose activities are directly related to marine conservation, including initiatives in research, education and innovative technologies. Grant recipient organizations have undertaken a variety of

projects that enhance our understanding of marine habitats, from satellite telemetry that follows the migration of sea turtles in the Bahamas, to monitoring diseases on coral reefs, to an interactive exhibit that used remote cameras to study endangered sea lions in Alaska. Since the fund's beginning, we have donated over $10 million to more than 60 organizations.

In 2006, Celebrity Cruises established the *Celebrity Xpedition* Galápagos Fund to support the preservation and protection of the Galápagos Islands' species and habitats. The program draws on *Celebrity Xpedition* guest donations, which total approximately $150,000 annually. Celebrity matches guest donations with cruise credits, up to $250 per person. Grants are made to a variety of nonprofit groups and institutions for conservation initiatives, including research and innovative technologies, as well as education initiatives that boost public awareness of ocean and coastal issues and respect for the ecosystem. Donations to this fund are used exclusively to benefit charitable organizations in the Galápagos Islands.

In 2007, we began a partnership with Conservation International, a global conservation leader, to develop a comprehensive Environmental Stewardship Strategy. This helps us achieve more forward-looking and quantitative gains in our environmental practices. Four themes underlie that strategy:

- Reducing the impact of our operations on the environment, in real and measurable ways;
- Going above and beyond environmental compliance;
- Contributing to environmental programs and initiatives; and
- Raising awareness and calling for action by our guests, employees and business partners.

Similarly, in 2008, we began a partnership with Sustainable Travel International, a global leader in sustainable tourism development, to further refine our Environmental Stewardship Strategy, with a particular focus on responsible tourism, education and philanthropy. This helps us achieve quantitative gains with our charitable giving through the Ocean Fund and enhance our environmental communication and education through our Save The Waves® program.

In 1996, we launched the Ocean Fund, which has since invested over $10 million to support marine science, education, and conservation initiatives

We partnered with Conservation International, a global conservation leader, and Sustainable Travel International, to help us develop a comprehensive Environmental Stewardship Strategy.

St. John, US Virgin Islands

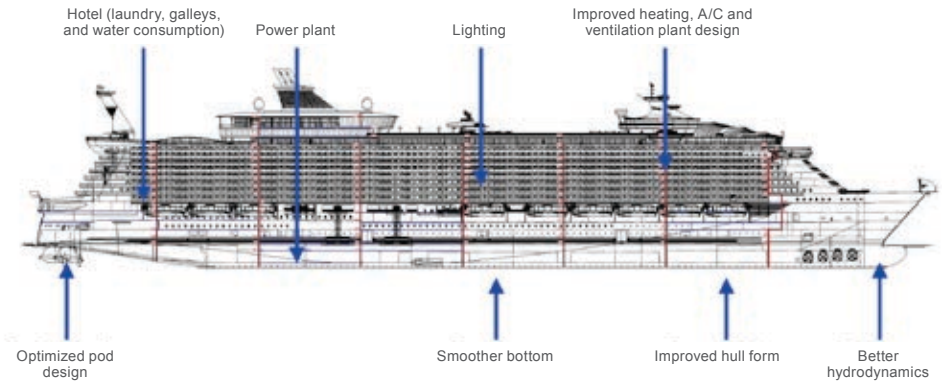
WE HAVE ACHIEVED SIGNIFICANT EFFICIENCIES AND CONTINUE TO DESIGN GREATER SAVINGS INTO EACH NEW CLASS OF SHIP WE BUILD.

WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

The cruise industry, like many industries around the world, is faced with two primary energy challenges: How to provide clean, secure and affordable energy, and how to consume energy resources as efficiently as possible while minimizing our environmental footprint. Several years ago, we embarked on an ambitious program across our fleet and land-based offices to substantially reduce energy use and associated air emissions. We have achieved significant efficiencies and continue to design greater savings into each new class of ship we build.

We pride ourselves on being a leader in the use of new technologies to improve efficiencies onboard our ships. For many years, we have been deploying some of the most energy efficient ships in our industry. Today, we continue to research and implement innovative technologies in our newbuilding program. Royal Caribbean International's newest ship, *Oasis of the Seas*, which begins sailing in December 2009, is an excellent example of our ongoing efforts to reduce our environmental footprint. Figure 1 highlights some of the ship's energy savings.

Figure 1: Oasis of the Seas – Sources of Energy Savings



The total energy savings per APCD are 12-15 percent over ships built 1-3 years ago and upwards of 50 percent over ships built approximately 10 years ago

One example of our *continuous improvement* efforts is in hull design. We have built tools and continue to assess and deploy new equipment that helps identify hull performance improvements. This includes enhancements in hull form and development techniques. We have also worked with paint manufacturers to develop innovative and environmentally safe coatings that increase the smoothness of our hulls. By creating a smoother hull, we can reduce the amount of energy needed to travel through the water, which, in turn, reduces our air emissions. We estimate that these smoother hull coatings could save as much as five percent of our fuel usage for propulsion.

The paradox of biofuels

In 2006 and 2007 Royal Caribbean was one of the world's single largest end users of biodiesel, which is a cleaner-burning diesel fuel made from natural, renewable sources, such as vegetable oils. Driven by the apparent environmental advantages of biodiesel, as well as government incentive programs to encourage the growth of the biodiesel market, we began an ambitious program to power our gas turbine ships with this alternative fuel. While biodiesel use presented some operational challenges, we still saw it as a "win-win" for the environment and for our company. Unfortunately, evidence began to emerge that increased demand for biofuels was causing an increase in global prices for food staples like corn and sugar. In addition, a number of environmental groups raised concerns about increased deforestation, particularly in Malaysia and Indonesia, to clear land for the cultivation of crops for biodiesel production. As a result of these concerns, as well as the changing economics of biodiesel use, we dramatically reduced our consumption of biodiesel in 2008, and do not have plans to consume biodiesel in 2009.

While we have scaled back our biodiesel use today, we continue to track the development of the next generation of biofuels, to determine whether they can make a positive contribution to our overall air emissions reduction strategy without generating additional unacceptable impacts.

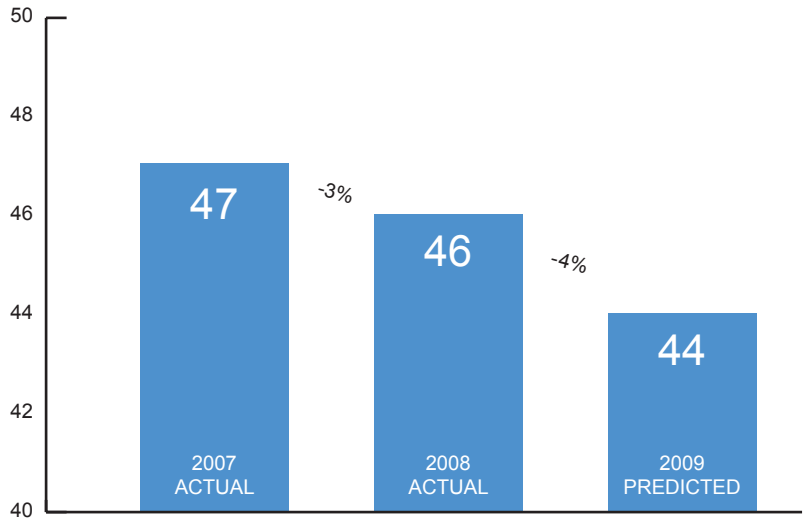
Our exploration of advanced technologies has made our fleet progressively more environmentally friendly. For example, the four ships in Royal Caribbean International's Radiance class and the four ships in Celebrity Cruises' Millennium class are equipped with smokeless gas-turbine engines – the first in the cruise industry.

Efficiencies in heating, ventilation and air conditioning have been achieved through the application of solar window film throughout our fleet. The solar film helps keep the ships cooler and reduces the load on our air conditioning, resulting in reduced fuel consumption and associated emissions. Window tinting also allows natural light to enter the ship while filtering 99.9 percent of ultraviolet rays, giving the added benefit of protecting interiors and furnishings from sun damage, thus cutting back on future waste.

ENERGY USE – WHERE ARE WE NOW?

In 2008, thanks to the efforts and diligence of our shipboard and shoreside teams, our ships consumed approximately 10,000 metric tons less fuel than what was originally planned for. This was nearly 4 percent less per available passenger cruise day (APCD) than what was used in 2007 (See Figure 2). These savings were realized even as our fleet grew in that year, with the introduction of two of the largest ships in the world, Royal Caribbean International's *Liberty of the Seas* and *Independence of the Seas*. We were able to reduce fuel consumption through technological advances in the design of our newest ships and by enhancing the way in which we sail to each of our destinations. Our goal is to save an additional 2 percent per APCD in 2009.

Figure 2 – Consumption per 1,000 Available Passenger Cruise Days (Metric Tons)

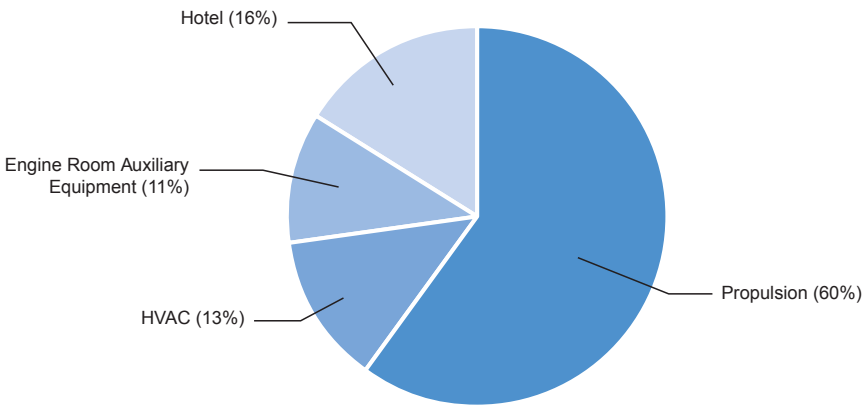


Available Passenger Cruise Days

Throughout this report, we use a metric called Available Passenger Cruise Days (APCD). This refers to the number of lower berths on a ship times the number of days that those berths are available to passengers per year. So, for example, if a 2,000-berth ship is in dry-dock for five days out of the year, then the ship's APCD for that year would be 2,000 x 360, or 720,000.

In looking at what drives fuel consumption onboard, we found that in 2008, 60 percent of fuel was used for propulsion and maneuvering; 16 percent for hotel operations; 13 percent for heating, ventilation and air conditioning (HVAC); and 11 percent for the engine room and auxiliary equipment (See Figure 3).

Figure 3 – 2008 Fuel Consumption Drivers



Since June 2006, Royal Caribbean International has launched three Freedom-class ships and Celebrity Cruises has introduced its first Solstice-class ship. These ships are providing up to 40 percent energy savings per APCD over vessels built less than 10 years ago, based on improvements in both power production and power consumption.

We have been working on testing and deploying more efficient means of power production and consumption, as well as utilizing cleaner fuels. These measures include improved hydrodynamics, propeller, propulsion and hull designs, all of which require less fuel per base unit. We have also implemented an industry-leading policy regarding voluntary reductions in the sulfur content of the fuels we use. Over the last several years, we have achieved 2-4 percent fuel use reductions per APCD per year through a cross-company focus on active management of the drivers of energy, such as ship speed; hull maintenance; deployment (itinerary planning of individual sailings); heating, ventilation and air conditioning usage; lighting; water management; and behavioral changes among our guests and employees.

We are focused on reducing the heat produced by, and the energy consumed by, our lighting. We are doing this by replacing halogen and incandescent light bulbs with LED and compact fluorescent lights. This brings multiple benefits, as the new bulbs:

- use up to 80 percent less energy;
- generate up to 50 percent less heat, allowing for savings on air conditioning;
- have longer lives; both LEDs and compact fluorescent bulbs last much longer than halogen and incandescent bulbs, which allows us to reduce the number of discarded bulbs and improve our footprint regarding solid waste;
- require less maintenance because of their extended longevity; and
- can be recycled or returned to the vendor to be rebuilt, instead of landfilled like incandescent bulbs.

There are also a number of smaller energy-saving opportunities that collectively provide value to us, including the use of high-efficiency appliances and materials onboard our ships. Our newest icemakers use 65 percent less water than previous machines, saving energy and fresh water manufacturing costs in the process of making ice cubes. Glass windows onboard Celebrity Cruises' Solstice-class ships are specially manufactured to prevent solar heat from penetrating them and to filter 99 percent of ultraviolet rays, helping to keep the ships cooler.

Our crew members are a critical part of our energy conservation efforts. They are diligent in helping to reduce air-conditioning energy consumption. When staterooms are empty, they move thermostats to a neutral position and ensure balcony doors are closed. Similarly, automated climate-control systems are being integrated in onboard public spaces, where feasible.

We encourage our guests to participate in energy saving initiatives by asking them to promptly turn off water and lights throughout their daily activities. This encouragement is given through signs in staterooms, information in announcements and in onboard television programming, and through daily onboard newsletters.

Energy Challenge

Climate change is the defining environmental issue of our time, and there are a number of technological challenges the world must overcome. We take our responsibilities in this regard very seriously. Our company has focused its efforts on minimizing the amount of energy consumed onboard our ships in order to reduce air emissions. We are also looking for technical solutions whereby we can reduce both our carbon footprint and other emissions. One promising technology we are exploring is exhaust gas scrubbers.

AIR EMISSIONS – WHERE ARE WE NOW?

This section details the fleetwide air emissions from our ships. In 2008, our nitrogen oxide ($NO_{x)}$ emissions totaled 79,305 metric tons, which equals 0.0029 metric tons per APCD. This represented an approximately 3 percent reduction over 2007. Our sulfur oxide (SO_x) emissions totaled 0.0017 metric tons per APCD, and our particulate matter emissions totaled 0.0002 metric tons per APCD.

Refrigerant releases from our air conditioning and refrigeration systems can have undesirable environmental impacts both through ozone depletion and, as greenhouse gases, through contributions to climate change. As such, we have implemented an aggressive loss prevention program to avoid these releases. Refrigerant losses can result from two main types of system failures: Large releases, such as from broken pipes or tubes due to damage, vibration, corrosion, etc., or smaller losses from leaking valves, gauges and seals. Both types of release demand constant maintenance in order to detect, repair and, hopefully, prevent losses. Fortunately, our efforts are paying off. In 2008, we reduced our refrigerant loss on Royal Caribbean International ships by approximately 33 percent from 2007 levels.

Our 2008 greenhouse gas footprint was 0.14466 metric tons of CO_2 per APCD. This is comprised of our total carbon dioxide (CO_2) emissions and our total refrigerant losses.

Our total CO_2 emissions in 2008 were 3,679,578 metric tons, or 0.13904 metric tons per APCD.

Our total refrigerant losses equaled 0.00562 metric tons of CO_2 per APCD. This figure is based on the best data available and we have implemented improvements to our refrigerant loss data gathering methodologies in 2009.

Air Emissions

The four key air emissions that are targeted for reductions either by governmental regulations or through our internal corporate goals are carbon dioxide, sulfur oxide, nitrogen oxide and particulate matter.

During the combustion process, the carbon and sulfur present in fossil fuels are oxidized, or fused with oxygen, creating sulfur oxide (SO_x) and carbon dioxide (CO_2). Nitrogen makes up some 80% of air and is virtually inert at normal temperatures and pressures. However, at the temperature and pressures prevailing in the internal combustion chamber, it combines with oxygen making nitrogen oxide. Particulate matter is the leftover hydrocarbons and other matter in fossil fuel that is not burned off during the combustion process. All of these are then harmful when emitted into the atmosphere.

AIR EMISSIONS – WHERE ARE WE GOING?

As an environmentally conscientious company, we are setting rigorous emissions targets for ourselves. We plan to meet these objectives by working aggressively with vendors to develop and test different technologies onboard. Specifically, we are investigating exhaust scrubbing technology that addresses sulfur oxide, nitrogen oxide, particulate matter and, potentially, carbon dioxide in our exhaust emissions. These systems use water to clean emissions, resulting in wastewater that would then undergo thorough onboard cleaning before being discharged. The intent is to achieve this with no in-port water discharges and at-sea discharges as clean as that from leading municipal wastewater treatment facilities.

In recent years, there has been increasing momentum within the industry for the use of shore power to reduce emissions while in port. This technology is proven to reduce nitrogen and particulate matter, thus improving local air quality at the port. However, the energy still has to be produced somewhere, and overall global emissions will only be reduced if the shoreside energy used is cleaner than what our ships produce. While we do not necessarily see the use of shore power as a long-term solution, we are looking into it where the available electricity sources are cleaner than what we can provide. Our long-term focused strategy is to work within our industry to refine scrubber technologies and energy efficiency, rather than focus on shore power.

In 2009, with the launch of Royal Caribbean International's Oasis-class ships, we expect to see increased efficiencies through the use of even more advanced energy-efficient technologies. We continue to pursue research and development to find better ways of using our current infrastructure, as well as to identify and test next-generation technologies. Our immediate goal is to reduce annual fuel consumption per APCD by at least 2 percent, setting more aggressive targets as we develop new technologies. In the longer term, we aspire to reduce our overall greenhouse gas footprint by one-third per APCD by 2015, as compared to 2008 levels.

Some examples of strategies we are using to achieve these goals include:

- Building increasingly more fuel-efficient ships. Our new ships have been designed to use considerably less energy per APCD.
- Giving even greater attention to itinerary planning, both now and for the future, in terms of timing, speeds and distances traveled.
- Adjusting arrival and departure times at some ports of call, without affecting guest experiences, so ships can save fuel while sailing to their next destination.
- Optimizing the speed of our ships while at sea, to gain their greatest fuel efficiency.
- Meeting power needs with clean energy sources, such as solar panels, which are already onboard Celebrity Cruises' *Celebrity Solstice* (an industry first) and will be onboard Royal Caribbean International's *Oasis of the Seas*.
- Conducting active research into long-term, clean power plant replacement technologies.

We will continue to work with engine and propeller manufacturers to develop new approaches to propulsion systems, and with naval architects and hull coating manufacturers to develop new hull shapes and hull smoothness techniques, all of which can result in significant energy savings. We will also work with suppliers to advance current power technologies and assess practical new-generation technologies as they evolve.

We also will continue to look for cleaner ways to provide power when in ports, recognizing the need to reduce emissions in highly populated areas. However, we will assess all opportunities in the context of overall emissions, rather than just on local impact. If we do use local shoreside power, it will need to be cleaner than the power that can be produced on our ships, or usage would actually be more harmful to the environment.

Finally, we will continue to improve our reporting and measurement frameworks so we can quickly identify areas to improve and highlight opportunity across our fleet.

Breakthrough Hull Design

The hull design of the *Celebrity Solstice*-class ships was built from the hull up, versus designing the guest spaces and building a hull around those spaces, all in the interest of achieving the most energy-efficient hull.

An extensive model testing and optimization program was conducted to create the ultimate hull, including wind-tunnel and test-tank trials with three different large-scale models. More than 90 tests were conducted to continuously improve the hull design to reduce resistance and burn less fuel, resulting in fewer emissions.

Galápagos, Ecuador

OUR GOAL IS THAT EVERY SHIP IN OUR FLEET WILL BE EQUIPPED WITH AN ADVANCED WASTEWATER PURIFICATION SYSTEM AND WE WILL ONLY DISCHARGE WATER THAT EXCEEDS LEADING MUNICIPAL WASTEWATER TREATMENT STANDARDS.

WATER – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

Fresh water is produced for drinking and for use in showers, sinks, toilets, galleys, pools and spas. We typically require approximately 50 to 60 gallons of fresh water per person per day. We get fresh water for our ships in one of two ways: Either by producing it onboard with steam desalination and reverse osmosis of salt water or by acquiring it from local sources in ports, known as bunkering. Fresh water is only bunkered in locations that have sustainable fresh water resources and when the option is beneficial for the ship from a fuel consumption perspective. Steam desalination and reverse osmosis can require high levels of energy consumption, although, whenever possible, we utilize a heat recovery system from engine machinery to power these systems.

The challenge is to implement conservation measures to reduce water consumption, and thus energy use, without negatively affecting the comfort of our guests. It is interesting to note that the typical "water footprint" of an average person residing in the United States is 80 to 100 gallons per person per day. Thus, there is a 20 to 50 gallon savings of fresh water per person per day on our ships, when compared to our average guest's use of water at home. We continue to seek ways to further reduce water consumption on our ships.

WATER – WHERE ARE WE NOW?

We continue to develop innovative water-saving technology and procedures. In 2008, for example, Celebrity Cruises replaced the ice beds it used in its buffet areas with chilled river rocks. In addition to providing a cooling medium, the rocks provide functional elegance to the buffet setup. River rocks remain chilled for the duration of the buffet service and eliminate the need for large quantities of ice several times per day. This innovative idea reduces both water and energy consumption.

To reduce the energy needed to produce fresh water, we have installed water-conserving technology and appliances throughout our fleet. For example, our low-flow vacuum toilets use less than a third of the water of even the best low-flow toilets in leading hotels. Other water-saving features include next-generation icemakers, reduced-flow dishwashers, low-flow shower heads and sink taps, and low-consumption laundry equipment, which utilizes water from reclaimed air-conditioning condensate throughout the ship. When combined, these measures reduced the amount of water needed to be produced onboard in 2008 by 3 percent from 2007 and reduced the total water consumed onboard from all sources per APCD by 6 percent from 2007 levels.

WATER – WHERE ARE WE GOING?

Looking ahead, we will continue to leverage new technology, enhanced design, and improved practices to achieve greater freshwater conservation, which will also lower our overall energy consumption.

WASTEWATER – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

Ships must take great care in the discharge of wastewater, to avoid releasing substances that can harm marine organisms and ecosystems. Fortunately, technological advances in equipment to treat wastewater have resulted in much cleaner effluent from cruise ships.

Cruise ships generate a number of different types of wastewater, including: bilge water, graywater and blackwater.

BILGE WATER

Bilge water is a mixture of liquids, primarily fresh water, collected from machinery spaces and internal drainage systems. The bilge, located in the engine room at the lowest part of the vessel, collects water and mechanical fluids from operational sources. These sources include evaporators, potable water treatment equipment, condensation, technical rooms, sea-water cooling systems, propulsion systems and main engines.

Bilge water is collected and periodically pumped into a special holding tank. If left in place, these fluids may pose a stability problem or release vapors that expose engineers and other workers to a health risk. Consequently, this mixture of fluids is processed to remove contaminants of concern, and prior to discharge, the resulting water is treated to levels that exceed both U.S. and international regulations.

More than a decade ago, rogue engineers on a number of Royal Caribbean International ships began defying company policy by rigging pipes so that oily bilge water could bypass the oil water separator and be pumped into the sea at more than 15 parts per million (ppm). The engineers then falsified their ships' Oil Record Book to conceal from the company and U.S. Coast Guard the discharges of oil-contaminated bilge water. These incidents from the early nineties were inexcusable and we have taken extensive steps to monitor and enforce compliance. We have made great strides over the past 15 years in treatment and disposal of wastewater, and we will continue to demonstrate our commitment to going *Above and Beyond Compliance* with state, national and international regulations.

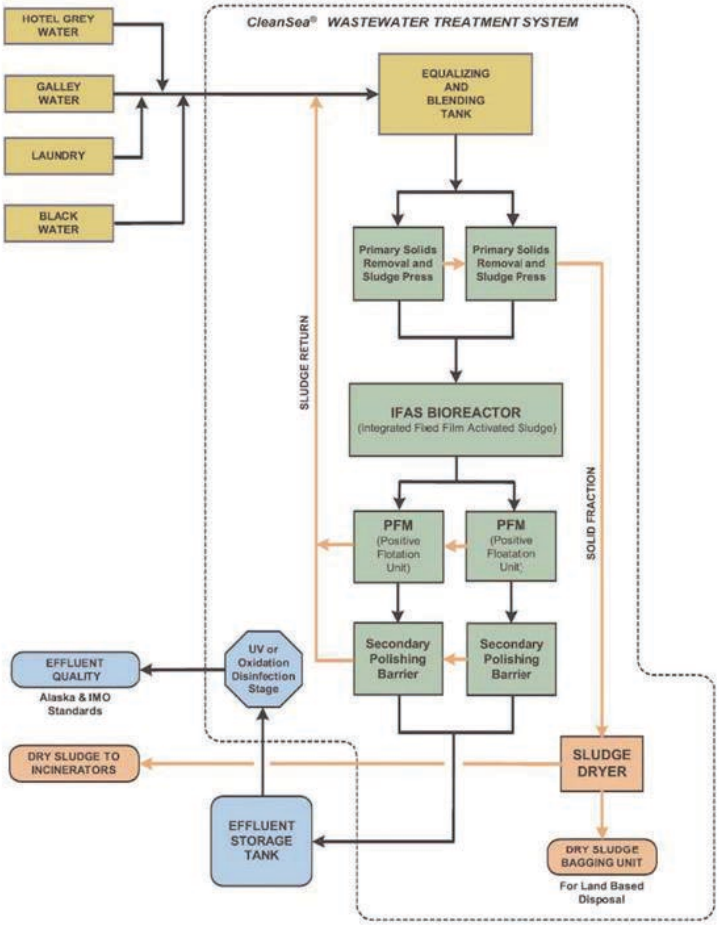
Since 1998, all our ships have been equipped to purify and cleanse bilge water to 99.9995 percent pure, which is less than 5 parts per million of oil. This means that our discharged bilge water is 3 times cleaner than the 15 parts per million allowed by international regulations. In keeping with our *Above and Beyond Compliance* policy, we restrict the discharge of even bilge water to outside 12 nautical miles (22.22 km) off shore, whereas international regulations allow these discharges any time the ship is "en route." This policy minimizes impact on the ocean environment and helps ensure we are not causing harm to aquatic life.

Contaminants filtered from bilge water, and oily sludge generated from ship operations, are retained in a series of sludge tanks. U.S. and international law prohibits the discharge of sludge at sea, but no specific treatment is required upon landing. Our company goes above and beyond this policy by transferring oily sludge to approved waste contractors for recycling. This recycled oily sludge is then available to be used for things like factory heating, asphalt production and energy generation.

GRAYWATER AND BLACKWATER

The International Maritime Organization, in its pollution prevention treaty known as the International Convention for the Prevention of Pollution from Ships, commonly referred to as MARPOL, defines graywater as drainage from showers, washbasins, laundry and dishwashers. The 1972 U.S. Clean Water Act includes galley (kitchen) water and bath water in its definition. In both definitions, the drainage for these systems, along with wastewater incidental to the operation of the ship (i.e. washing decks, draining pools and spas, and condensate from air-conditioning systems) are also classified as graywater.

Figure 4 – AWP Moving Bed Bio-reactor System



Blackwater is water from toilets, urinals and medical facilities. It is collected separately from graywater and other waste liquids, since blackwater contains potentially more harmful bacteria that require processing by a Marine Sanitation Device and/or an Advanced Wastewater Purification (AWP) system. All Marine Sanitation Devices and AWP systems are certified and approved by the U.S. Coast Guard or under standards and methods approved by the International Maritime Organization.

Advanced Wastewater Purification Systems

There are a number of different types of AWP systems. These include:

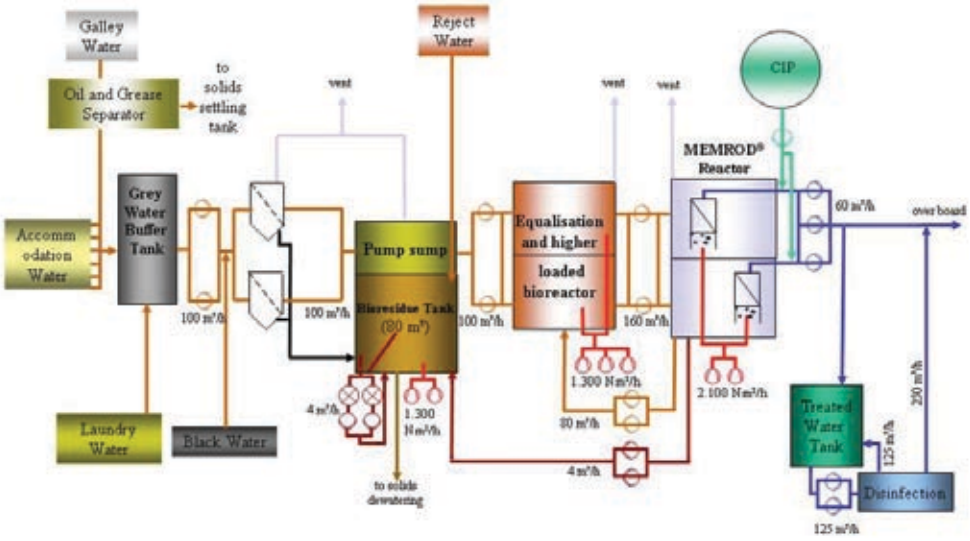
Moving bed bio-reactors mix all wastewaters and use a primary screening system to remove large solids. The wastewater is sent to a bio-reactor, where much of the organics and nutrients are consumed by beneficial bacteria. From these bio-reactors, wastewater is moved to a second stage of solids removal where coagulants bind the remaining solids and make them float for easier removal. The wastewater then flows through a final polishing filter and then an ultraviolet light system, where the water is disinfected prior to discharge (See Figure 4).

Membrane bio-reactors mix all wastewaters and initially use screens to remove large solids. Wastewater is sent to a bio-reactor, where much of the organics and nutrients are consumed by beneficial bacteria. In these bio-reactors, membranes are used to filter wastewater and leave behind all remaining solids and, in most cases, all bacteria. The treated water is processed through an ultraviolet system that disinfects it prior to discharge (See Figure 5).

Advanced oxidation systems remove progressively finer particles, using screens and membranes at every stage. Once most of the solids are removed, the wastewater is sent to an advanced oxidant contact chamber, where any remaining organic material is oxidized with ozone and ultraviolet energy, along with the resulting advanced oxidants.

We were one of the first companies to install an Advanced Wastewater Purification system on a ship. Over a 10-year period, we have rigorously tested and installed a variety of different AWP systems from nine different manufacturers. These systems treat blackwater and graywater and produce an effluent that is cleaner than that discharged from most municipalities. We are installing these systems onboard all of our Royal Caribbean International, Celebrity Cruises and Azamara Cruises ships, at a cost of more than $150 million, none of which is required by current regulations or laws.

Figure 5 – AWP Membrane Bio-reactor System



Royal Caribbean is working diligently to reduce our overall wastewater impact by completing the installation of Advanced Wastewater Purification systems on all our ships.

The purchasing, installation and commissioning of an Advanced Wastewater Purification system is not a matter of merely selecting an off-the-shelf piece of equipment. Rather, it is a continual process of working with suppliers to develop technology that makes sense for our operations and the environment. The advocates of these systems claim they work well and are easy to maintain. Regrettably, this is not always the case. While this has presented our company with many challenges, we are persevering. We are moving ahead, although not nearly as quickly as we had hoped, or as quickly as we were led to believe we could.

Our goal is that every ship in our fleet will be equipped with an Advanced Wastewater Purification system and we will only discharge water that exceeds leading municipal wastewater treatment standards.

In keeping with our policy of going *Above and Beyond Compliance*, our internal discharge policies are stricter than governmental regulations. For example, although U.S. and international laws allow graywater to be discharged from ships inside of 12 nautical miles from land in many locations, since 1998, our company policy has restricted discharge of graywater to outside 12 nautical miles from land in all areas of the world.

Similarly, our blackwater discharge policy exceeds U.S. and international regulations, which are mandated through the U.S. Clean Water Act and MARPOL-Annex IV, respectively. The Clean Water Act mandates the use of a Marine Sanitation Device on all vessels equipped with installed toilets to prevent the discharge of untreated or inadequately treated blackwater. Each of our ships has a U.S. Coast Guard-certified Type-II Marine Sanitation Device or an International Maritime Organization-approved Sewage Treatment Plant to treat blackwater. MARPOL standards require ships to discharge untreated blackwater outside 12 nautical miles and at a speed of not less than 4 knots (to ensure effective mixing); our company standard is to only allow discharges of treated blackwater outside 12 nautical miles and only at a speed greater than 6 knots.

Recent scientific studies of the composition and dispersion of discharges of graywater and treated blackwater in Alaska concluded that current practices by major cruise lines result in high dispersion levels and minimal negative impact on the environment. Traveling at 6 knots, a cruise ship's discharge of graywater was found to be approximately 940 times more diluted than that from a stationary ship.

WASTEWATER – WHERE ARE WE NOW?

Today, all Royal Caribbean International and Celebrity Cruises ships have at least two oily-water separators and two oil-content meters to monitor bilge-water discharges. Our ships are also equipped with a discharge protection unit, known as the "White Box," to record information on the operation of the oily-water separators and discharge protection unit. This information includes the level of oil parts per million, valve status, flow and locations of discharges. Only the Chief Engineer has the key to the White Box, to minimize the possibility that any tampering can take place.

We are investing more than $150 million in Advanced Wastewater Purification systems and are resolved to complete a fleet-wide installation. In 2008, we installed these systems on six additional ships, bringing the total to 16 ships that are equipped with an AWP system. These technologically advanced systems clean wastewater to a quality that far exceeds international maritime and U.S. standards. Our Advanced Wastewater Purification system installations are designed to treat wastewater to a level twice as clean as the already stringent U.S. standard. These systems further illustrate our company's policy of *continuous improvement*.

We actively participate in the Ocean Conservation and Tourism Alliance, created by the Cruise Line Industry Association and Conservation International. One aspect of this partnership is to develop best practices for wastewater management, including taking advantage of technological advances that minimize the impacts of ship operations. In cooperation with an Alliance initiative to develop global mapping of sensitive marine areas, we are incorporating the identified areas into our planning processes and will ensure that all treated wastewater is discharged outside of sensitive marine areas.

WASTEWATER – WHERE ARE WE GOING?

Our 2015 aspirational goal is to only discharge water that exceeds leading municipal wastewater treatment standards into the ocean. This commitment requires a significant investment of time and resources and is an evolving process. We believe the Advanced Wastewater Purification systems we've selected are the best technology currently available. We look forward to continuing our partnership with suppliers in the development of these state-of-the-art systems.

Ballast water

Ballasting is the maritime practice of taking on and discharging weight, usually sea water, to ensure that a ship can be safely, efficiently and comfortably operated given a wide range of loading conditions. Cargo ships and tankers take on (ballast) and discharge (deballast) huge amounts of water when in port, to maintain stability and compensate for the significant weight changes they experience when loading or unloading cargo or oil. Cruise ships ballast much smaller volumes of sea water to compensate for weight lost due to fuel consumption and to a lesser extent potable water consumption. Our ballasting is therefore generally done while underway and our voyages are typically within the same ecological zone.

The primary environmental concern related to ballasting and deballasting is the potential for transfer of non-indigenous or invasive species from one ecosystem to another. There are two primary means to reduce or eliminate the transfer of these invasive species. Some ships implement ballast water management practices, either by holding ballast water onboard or at-sea water exchange, while others use onboard ballast water treatment technology. The cruise industry has been a leader in developing and installing ballast water treatment technology. Celebrity Cruises took the initiative by installing this experimental technology on *Celebrity Mercury* in order to advance the science of ballast water treatment. In addition to dedicated ballast water treatment systems, the cruise industry is continually evaluating the practicality of using other liquid weight, such as that produced from Advanced Wastewater Purification systems, instead of sea water.

Rio de Janeiro, Brazil

OUR SHIPS' CREW MEMBERS WORK DILIGENTLY TO REDUCE, REUSE AND RECYCLE ALL MATERIALS THEY CAN, AND COMPANY POLICIES, PROCEDURES, EQUIPMENT AND TRAINING ENSURE THAT NO SOLID WASTE GOES INTO THE OCEAN.

SOLID WASTE MANAGEMENT – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

We face a number of challenges related to the management of solid waste on cruise ships. These include manual sorting of recyclables, making space onboard to store materials destined for recycling and donation, and finding facilities capable of properly handling specific waste streams in the places where we operate. Our ships' crew members work diligently to reduce, reuse and recycle all materials they can, and company policies, procedures, equipment and training ensure that no solid waste goes into the ocean.

When we dispose of waste items off our ships, they are landed as compacted recyclables, donations, incinerator ash or landfill waste. Recyclables present a particular challenge, as, in some instances, our ships prepare waste materials for recycling only to have them end up going to landfills, because the port community does not have adequate recycling facilities. In these instances, we try to work with local communities to improve recycling opportunities or, where possible, we store the recyclables until we can off-load them in a port with adequate facilities.

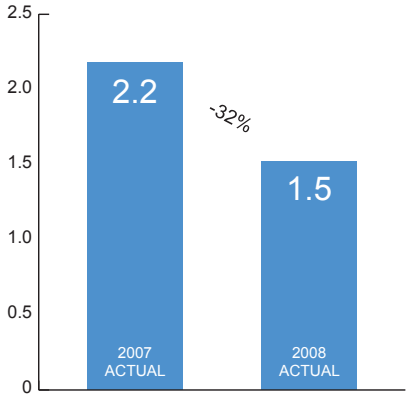
SOLID WASTE MANAGEMENT – WHERE ARE WE NOW?

Through shipboard incentive programs and the education of guests and crew members, our ships are champions for reduction, reuse and recycling of waste materials. In 2008, we recycled and reused more than 12 million pounds of materials through continued emphasis on recycling and donations of high-quality materials.

REDUCE

The first step in managing waste is to reduce the amount of material that comes onboard our ships in the first place. We are working with our suppliers to green our supply chain, reduce packaging materials and use more sustainable resources. In 2007, the amount of waste landed ashore from our ships was over 2 pounds of solid waste per APCD. In 2008, through our improved waste management practices, we reduced this total to 1.5 pounds, representing a 32 percent reduction in solid waste (See Figure 6). As a point of comparison, the average solid waste footprint per person in the U.S. is approximately 4.6 pounds per day.

Figure 6 – Solid Waste per Average Passenger Cruise Day (Lbs.)



REUSE

To further cut back solid waste generation, we are working with our vendors on container return programs, where containers from concentrated cleaning supplies, food products and other materials can be returned for reuse. With one vendor, we have developed a container rebate program whereby ships will be able to return empty five-gallon containers for a $5 credit toward the next purchase.

We have established a donation database in order to provide the fleet with outlets that will accept quality items, such as mattresses, sheets, towels and furniture, for reuse. For example, in 2007, when Royal Caribbean International replaced its mattresses fleetwide, we donated the used mattresses through our donation program, rather than sending them to landfills. Clothes and shoes onboard are separated and placed in large boxes for our donation program. Sheets removed from circulation are donated to nonprofit organizations in local communities, while sheets that are not suitable for donation are washed and cut into rags for the engine room and photo lab.

Recycling in Cozumel, Mexico

We continually seek new recycling opportunities at our ports of call. For example, in Cozumel, Mexico, a local recycler was faced with the challenge of developing a recycling program for land-based resorts and residences that were not producing the volume necessary to sustain his business. Our company began a pilot recycling program, working with this local recycler. After two years, we were able to acquire the necessary permits and documentation for our company to begin recycling in Mexico. We hope to engage other cruise lines in this effort in the future.

Royal Caribbean International's *Liberty of the Seas* was the first ship to participate in the recycling program in Cozumel. In 2009, we are planning to add two additional ships to the program, and we expect the program to include up to 13 ships by 2012, if all continues to go well. We consider this a long-term relationship with the local recycler and Cozumel. We continue to engage local officials to ensure the recycling company has the resources to work through local challenges. We hope these efforts will lead to a robust local recycling program, as well as a major recycling hub for our ships.

Donating used toys

The Environmental Officer on Royal Caribbean International's *Freedom of the Seas* makes sure that every department evaluates all items slated for replacement onboard to see if they can be donated. He is shown here with used toys from the ship's onboard children's program that were donated to the ReThink + ReUse Center in Miami for preschool programs. This program allows teachers to go "shopping" for their classrooms free of charge.

Through our donation program, we are working with organizations such as Seafarers' House at Port Everglades, Florida (www.seafarershouse.org/); the ReThink + ReUse Center in Miami, Florida (www.rethinkandreusemiami.org/); and Goodwill Industries in San Diego, California (www.sdgoodwill.org)

RECYCLE

All trash onboard our ships is hand sorted by our crew members to determine what can be recycled. Recyclable materials generated onboard our ships include glass, paper, cardboard, aluminum and steel cans, incinerator ash, plastics, toner cartridges, wooden pallets, batteries, fluorescent lamps, electronics, plastic wrap and kitchen grease.

Throughout our fleet, we are able to recycle approximately 25 percent of all waste in U.S. ports, and we are diligently working to increase those numbers in the U.S. and abroad. Our most successful ships have been able to attain an 80 percent recycling rate of the total waste they land. That is eight units recycled to two units going to the landfill.

Working with local authorities, vendors, conservation groups and recycling centers, we have agreements in 20 major ports with companies that receive separated and sorted material, including aluminum cans and scrap metal, for recycling. These partnerships have been established in eight U.S. ports, six European ports, three Canadian ports and several Caribbean and South American ports.

Shipboard environmental teams collect and sort garbage into waste streams that are processed by various means and equipment. For example, the teams use depressurizers for recycling empty aerosol cans once they have been drained; compactors for plastic, cardboard, and metal; glass crushers; and fluorescent lamp crushers for recycling mercury, aluminum and glass from bulbs. Each ship has a cold room for storage of recyclables until they can be off-loaded.

We reward our crew members for their efforts to hand-sort and bundle recyclable materials for shoreside landing. Money earned from recycling rebates goes directly to crew welfare funds and onboard award programs. This boosts morale and increases both crew participation and the amount of materials being recycled.

We continuously evaluate new technology to improve our tracking and monitoring efforts and also seek out the most effective waste-handling equipment to have onboard. We incorporate feedback from our Environmental Officers and waste handling crews to determine the best equipment to meet their recycling needs today and in the future.

While we are extremely proud of the efforts of all our ships, some deserve special recognition. For example, Celebrity Cruises' *Celebrity Mercury* has been named Recycler of the Year by the Port of San Diego for two years in a row.

SOLID WASTE MANAGEMENT – WHERE ARE WE GOING?

We have ambitious plans for the future that include further reducing our overall waste impact, both onshore and offshore. Our vision includes decreasing waste incinerated and/or moved to landfills by 50 percent by 2015. To meet this challenge, we will develop new, innovative waste stream management practices, reducing the volume of solid waste generated by 35 percent. We will also seek partnerships with recycling and reuse facilities in all major ports of call, in order to reach our 2015 aspirational goal of having 50 percent of all our waste landed ashore being recycled.

HAZARDOUS WASTE MANAGEMENT – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

Our commitment to effective environmental stewardship through our *Above and Beyond Compliance* policy includes our handling of hazardous wastes. These wastes have the potential to pollute ground water and soil when not landed to a proper waste-handling facility. Some of the hazardous wastes that need to be addressed onboard are mercury from fluorescent bulbs, silver and chemicals from photography processing, perchloroethylene (perc) from dry cleaning, flammable liquids (solvents, lighter fluid and aerosol residuals), and lead, nickel and cadmium from batteries. Additional items include butane lighters, paints and thinners, medical waste (including needles), and oily waste, batteries and lube oil.

Even though we produce only very small quantities of hazardous wastes (we are considered a small-quantity generator by U.S. standards), the potential for negative environmental impacts from these wastes is one of our biggest concerns. Under no circumstances may these wastes be disposed in trash containers or systems for graywater (sinks and drains) and blackwater (toilets). Each of these special wastes has an appropriate handling and control process. Waste products are segregated into leak-proof containers and landed to an approved shoreside disposal facility, or for some types of medical waste, incinerated onboard.

Wherever possible we recycle waste that would be classified as hazardous if it were landed ashore as garbage. This is the most sustainable option to handle these materials, even though the monetary cost is often higher. For example, we have invested in fluorescent lamp-crushers that allow for the separation of glass, mercury and metal end-caps. Each separate waste stream is then packaged and recycled. This waste management system is highly efficient, allowing us to recycle 99.9 percent of mercury from switches, lights and thermometers. Lead, lithium, nickel and cadmium are recycled through our U.S. Department of Transportation-approved battery recycling program onboard. Ships reuse empty repurposed five-gallon chemical pails to hold the batteries, saving the ship money and eliminating additional waste.

In Europe, recycling opportunities for fluorescent lamps, batteries and electronics are somewhat limited. We work with our ships during their European season to package and store materials for recycling whenever possible.

HAZARDOUS WASTE MANAGEMENT – WHERE ARE WE NOW?

Once it comes ashore, our hazardous waste must be handled by qualified contractors who meet national standards and our internal standards for hazardous waste management. We have developed a strong due-diligence program for hazardous waste contractors. Vendors must meet or exceed all U.S. laws and additional requirements imposed by our company policies in order to be added to the approved hazardous waste vendor list. In Europe, all our vendors are ISO 14001 certified, meaning they have met rigorous standards for environmental management.

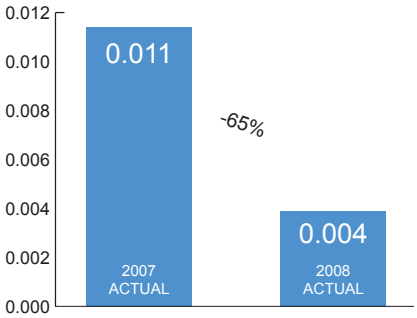
Hazardous waste is collected and stored onboard in designated storage areas until the ship reaches a port of call where it may be landed to a fully approved vendor for recycling and/or processing, as appropriate per type of waste material.

Recycled laundry tags

The Laundry team on Royal Caribbean International's *Adventure of the Seas* developed a program to make laundry tags from clean and discarded "Cruise Compass" daily newsletters that are distributed to every stateroom. The recycled laundry tags are used in lieu of new tags, thus reducing paper waste. The clean and discarded Cruise Compasses and other clean used paper is collected after each cruise and then cut into pieces for reuse.

We have implemented an electronic system for our Hazardous Manifests. These manifests are posted to our internal website so that all Environmental Officers have access to upload and view them. In keeping with our company policy and ISO 14001 certification, we maintain records of these manifests for three years.

Figure 7 – Hazardous Waste per Average Passenger Cruise Day (Lbs.)



As we continue to investigate new technology and reduce the chemicals used onboard, we have methodically been replacing perc dry-cleaning units with petroleum-based solvent units.

In 2008, through improved waste management practices, we were able to realize a 65 percent reduction in the generation of hazardous waste onboard our ships (See Figure 7).

HAZARDOUS WASTE MANAGEMENT – WHERE ARE WE GOING?

In 2009, we will work with key vendors to reduce the chemicals stocked onboard and expand our return-to-vendor program for expired and unused products and reusable containers.

We will continue to standardize and quantify the units of hazardous waste generated onboard. This will help us to improve our monitoring of targeted reductions of substances such as perc waste from dry cleaning, silver-contaminated waste and flammable liquids.

CHEMICAL MANAGEMENT – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

Maintaining a clean and safe ship environment for our guests and crew requires responsible management of the purchasing, handling, distribution, use and disposal of hundreds of chemicals with varying degrees of hazardous properties. Our chemical management program reduces potential hazards to guests, crew and the environment through a process that effectively evaluates, approves, regulates and disposes of chemicals.

The process begins with a formal approval process, managed by our safety, medical and environmental experts, that identifies the right chemical for the intended purpose. Each chemical proposed for onboard use is then researched, to identify any potential health hazards (acute and chronic), safety factors (compatibility and flammability), and environmental impacts (acute and chronic).

Once approved, chemicals are included on the Fleet Approved Chemical List and are entered into a database, along with their Material Safety Data Sheets (MSDS) and the manufacturer's ratings for health, flammability and reactivity, as well as minimum requirements for personal protective equipment. The MSDS permits users to easily retrieve and review current information on the safe handling requirements of a particular chemical. Ships are only allowed to purchase chemicals on the approved list, and our policy mandates that all chemicals must be stored according to the manufacturer's instructions and bear labels that contain identifying and safety information.

This program focuses on approving only the most sustainable, deliverable, supportable and effective chemical products.

CHEMICAL MANAGEMENT – WHERE ARE WE NOW?

While our current chemical management system provides us with valuable information and safeguards, we feel that *continuous improvement* must be applied to all aspects of our stewardship efforts. Therefore, we recently launched a partnership with Chemwatch North America to develop an online reference tool for the Fleet Approved Chemical List. This searchable resource provides instant access to full and mini-MSDS sheets in 25 languages; hazard communication supported by a team of chemical experts that is available to us by phone and e-mail, with easy-to-use pictographs; printable color-coded storage labels specific to Royal Caribbean storage and labeling policies; and specific information for first aid, medical emergencies, firefighting and spills.

The database is also fully compatible with anticipated legislation, including the United Nations Global Harmonization System for chemical hazard communication. Additionally, we drafted a new chemical management policy in 2008 that incorporates an electronic chemical approval and vetting system that will allow for better management of onboard chemicals.

CHEMICAL MANAGEMENT – WHERE ARE WE GOING?

Our goals in 2009 include full deployment of the Chemical Management Policy, Chemwatch Database and our online chemical management information sharing system. In addition, we will implement a Green Coding System that will not only help reduce the number of chemical products that could negatively impact the environment but also allow us to begin to systematically remove all environmentally persistent chemical constituents from our inventory.

We will also work with our vendors to further reduce the chemicals stocked onboard, return unused chemicals more quickly, and obtain optimal container sizes to facilitate vendor refill programs. In some instances, new environmentally friendly chemicals will eliminate both the need to wear personal protective equipment and the need to dispose of used equipment. These systems and efforts will usher in a new era of enhanced communication and supervision of chemical management and further support Royal Caribbean's commitment to the safety of our guests, employees and the environment.

Ingenuity at Work

In January 2004, the Chief Engineer of *Adventure of the Seas* designed a puncturing device that allows the incinerator operator to safely puncture the butane lighters collected in the garbage sorting room. When the lighters are punctured, the residual flammable liquid is collected in rags and incinerated onboard with oily and paint rags (outside 12 nautical miles). The broken plastic and metal pieces of the lighters are landed as dry garbage or recycled where possible.

St. Maarten
The Caribbean

ENSURING THE PLACES WHERE WE OPERATE ARE PROPERLY CARED FOR AND PROTECTED NOT ONLY MAKES GOOD BUSINESS SENSE, IT IS CRITICAL TO THE FUTURE OF OUR PLANET.

CONSERVATION – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

The defining environmental issue of our time is climate change. In the past century, average global temperatures have increased 1.4 degrees Fahrenheit (0.8 degrees Celsius), which if unchecked could cause a significant rise in sea levels. The ocean generates 70 percent of the oxygen in the atmosphere, absorbs carbon dioxide, provides food and recreation, replenishes our fresh water and influences the climate and weather patterns

Naturally, the ocean and the diversity of life it supports are of great importance to Royal Caribbean guests, staff and crew. A pristine ocean environment is a cornerstone of an enjoyable cruise. Our ships provide opportunities for guests to interact with these ecosystems through excursions to coral reefs teeming with vibrant aquatic life, beautiful sandy beaches and exotic destinations and coastal cities. Ensuring the places where we operate are properly cared for and protected not only makes good business sense, it is critical to the future of our planet.

CONSERVATION – WHERE ARE WE NOW?

Royal Caribbean Cruises Ltd. has awarded over $10 million in grants to more than 60 conservation organizations, large and small, in support of marine conservation projects that relate to ocean science, climate change, key marine species, education and innovative technologies. The Ocean Fund's mission is to support efforts to restore and maintain a healthy marine environment, minimize the impact of human activity on this environment, and promote awareness of ocean and coastal issues and respect for marine life.

In 2008, the Ocean Fund awarded $800,000 to 19 marine conservation and environmental organizations from 17 cities and four countries. Recipients included:

Audubon of Florida (Miami, FL): $35,000 for a population and breeding distribution analysis of the reddish egret.

Blue Ocean Institute (East Norwich, NY): $50,000 for research activities to conserve Pacific leatherbacks, to prepare a business plan for recovery, and to establish a new conservation fund.

Conservation International (Arlington, VA): $60,000 for its Climate and Biodiversity Initiative, which will create regional strategies to address the impacts of climate change on marine biodiversity.

El Colegio de la Frontera Sur (Quintana Roo, Mexico): $33,000 to develop reef management strategies for reef lagoons in the Mexican Caribbean.

Galápagos Conservancy (Falls Church, VA): $30,000 for an ecosystem-level analysis of the Galápagos Marine Reserve, to study overfishing impacts and make recommendations for fisheries management.

Island Dolphin Care (Key Largo, FL): $15,000 for enclosing the new marine science hut and outfitting it with audiovisual equipment for teaching, as well as maintenance and supplies for its eight aquariums.

Marine Mammal Care Center (San Pedro, CA): $30,000 for upgrading the water filtration system to aid with the rehabilitation of sick, injured and orphaned marine mammals.

Marine Stewardship Council (London, UK): $50,000 to install zoo exhibits to raise awareness of threats to ocean ecosystems and drive consumer demand for sustainable seafood.

Massachusetts Maritime Academy (Buzzards Bay, MA): $25,000 to underwrite cooperative education stipends to train potential future maritime safety and environmental officers.

MAST Academy (Miami, FL): $21,000 to create educational DVDs about Everglades and Wakodahatchee wetlands bird groups for the school's mobile marine science lab program and related field trips.

The Nature Conservancy (Arlington, VA): $40,000 to conduct inventory and ecological assessment of estuaries, salt-marsh wetlands, and coastal marine habitats, and prioritize areas for conservation in southeast Alaska, and $40,000 for communicating the results of their Florida Reef Resilience Program to South Florida and Caribbean reef management, science and user communities.

The Nature Conservancy of Canada (British Columbia, Canada): $40,000 to create an atlas of ecological values and human uses of marine areas in British Columbia.

New England Aquarium (Boston, MA): $29,000 to support the annual meeting of the North Atlantic Right Whale Consortium, research in Canada's Bay of Fundy, and web hosting for the North Atlantic Right Whale Catalog.

Seattle Aquarium (Seattle, WA): $50,000 to update its long-term Sixgill Shark Population Ecology project with the latest research and update the exhibit video.

Shake-A-Leg Foundation (Miami, FL): $50,000 for continued support for the eco-island project to provide educational, recreational and island restoration activities for students with disabilities and at-risk youth.

University of Miami Rosenstiel School of Marine & Atmospheric Science (Miami, FL): $52,000 for continued support of the Royal Caribbean Fellowship Program to support two incoming graduate students.

University of North Carolina (Wilmington, NC): $50,000 to buy equipment to support coral restoration research missions and surface-based science diving in coordination with the Aquarius undersea laboratory in Key Largo, Fla.

University of Oregon (Eugene, OR): $50,000 for the Oregon Institute of Marine Biology, to expand and renovate its Marine Mammal Gallery at the new Charleston Marine Life Center.

World Wildlife Fund (Washington, DC): $50,000 for continued support of the Smart Gear initiative, to reduce the bycatch of endangered marine species by encouraging the development of innovative, practical and cost-effective fishing technologies.

ROYAL CARIBBEAN INTERNATIONAL • AZAMARA CRUISES • CELEBRITY CRUISES
Ocean Fund

As the ocean is the heart of our business, conserving the oceans and the rich marine life they support is one of the foremost goals at Royal Caribbean Cruises Ltd. In 1996, we established the Ocean Fund to provide a strategic focus for our marine conservation efforts. For the past 13 years, we have directed our conservation funding to marine science research, education and innovative technologies. In addition, the Ocean Fund supports non-profit marine conservation organizations that work to maintain and restore marine habitats, seek ways to minimize human impacts and educate the public.

"Clean oceans are good for the environment, good for our guests, and good for our business. We are indebted to our 2008 Ocean Fund grant recipients for their work in preserving the world's oceans through research, education and developing innovative technologies."

– Richard D. Fain, Chairman and CEO of Royal Caribbean Cruises Ltd., in his March 2008 press statement congratulating Ocean Fund grant recipients

These organizations and the projects they undertake enhance our understanding of marine habitats. Past projects have included undersea laboratories restoring coral reefs in the Florida Keys to programs designed to influence consumers to choose sustainable seafood. The organizations provide vital research on, restoration of and education about ocean ecosystems and the diverse aquatic life they support. (For more information about the Ocean Fund and our past grant recipients, please visit www.royalcaribbean.com/environment.)

CONSERVATION – WHERE ARE WE GOING?

As we look ahead, planning and decision-making for the Ocean Fund will be guided in large part by the advancement of marine science and conservation related to climate change, key marine species, technology and education.

We will raise support for and awareness of the Ocean Fund and the critical work of its grant recipients.

DESTINATIONS – WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

Cruise destinations tend to be located in the most biologically rich, unique and sensitive places on earth. Our challenge is to provide exceptional guest experiences while managing our impacts on fragile ecosystems and communities. We also know that our activities can have significant potential to add to local and global economies, as well as provide incentives for conservation and environmental stewardship. As a company, we have a duty to promote sustainability in these destinations, and we share these responsibilities with international and local governments, nongovernmental organizations, civil society groups, shore operators, marine excursion providers, local businesses and communities.

There are many complex factors involved in helping maintain the natural and cultural integrity of the places we visit. Four targeted areas include:

- Developing management plans for sustainable growth;
- Creating standards and quality assurance systems for excursion providers;
- Educating guests, staff, and local communities about environmental and cultural issues; and
- Providing support for local conservation and community development.

At Royal Caribbean Cruises Ltd. we are committed to ensuring that the destinations we explore are protected for the future. A shining example of our commitment to destination stewardship is our work in the Galápagos Islands. Celebrity Cruises recently developed a partnership with San Francisco University of the Galápagos to create hotel and hospitality classes. These courses are designed to increase local capacity and self sufficiency in managing their tourism-based economy.

In that spirit, the Celebrity Galápagos experience is planned in conjunction with the Galápagos National Park and follows strict environmental guidelines and regulations. Our naturalist guides are certified by the Galápagos National Park. We also established the Galápagos Fund, an onboard conservation program that gives guests an opportunity to participate in the ongoing conservation of the islands. Since 2004, the Galápagos Fund, together with the Ocean Fund, has provided approximately $650,000 to nonprofit organizations in the Galápagos Islands.

Our ship *Celebrity Xpedition* is designed to have a minimal impact on these islands, ensuring that there will be a place for both humans and biologically unique wildlife in this special place in the future. During the voyage, the Galápagos naturalists provide insight into the wide array of natural wonders found throughout the islands. There are nightly lectures and briefings to prepare guests for the next day's discoveries. These sessions are recorded and broadcast on stateroom television for guests who are unable to attend the live briefings. The experience focuses on providing guests with personal enrichment and an understanding of the ecological conservation efforts needed to maintain the islands.

Celebrity Xpedition also provides teachers and students the opportunity to sail on the ship and learn more about the unique marine environment of the islands.

DESTINATIONS – WHERE ARE WE NOW?

In 2008, the Celebrity Cruises Galápagos Fund awarded $235,669 to 14 organizations in support of projects ranging from installation of productive greenhouses to wireless point-to-point communication systems for the Baltra Island Airport. For example, the Galápagos Conservancy was awarded an Ocean Fund grant to conduct an ecosystem-level analysis of fishing impacts in the Galápagos Marine Reserve and develop recommendations for fisheries management.

Royal Caribbean Cruises Ltd. has joined the Cruise Lines International Association in efforts to encourage the adoption of environmental and social good practices among providers of shore excursions. Alongside Conservation International, we have taken the lead in developing a set of criteria to help cruise lines identify suppliers who not only meet standards of quality and value-for-money but also safeguard local communities and the environment.

Integrating environmental criteria in selection and contracting procedures with shore excursion providers will enable us to respond to a growing demand by our guests for environmentally and socially responsible products and services. Suppliers will be offered incentives for good practices, and implementation of the criteria will be verified by a third party. This tool will help us work in partnership with our shore-excursion providers to set and achieve the sustainability goals that are a key component of our environmental stewardship strategy.

DESTINATIONS – WHERE ARE WE GOING?

We recognize the need to reduce our environmental footprint in the destinations we visit. We are developing a road map for these reductions, with environmental criteria and indicators for sustainable marine shore excursions. These indicators will be the focus of our efforts on destination stewardship in 2009.

Draft criteria will be presented to a wide group of stakeholders, including shore-excursion providers, to solicit feedback. Then, in a phased approach over 2009 and 2010, Royal Caribbean will work hand-in-hand with suppliers to implement the environmental criteria for sustainable marine shore excursions at more than 300 destinations. While all of our shore excursions are currently internally vetted, by 2015 more than half will also be third-party verified to a recognized international sustainability standard.

Radiance of the Seas' Cruising and the Environment Program

In 2004, Royal Caribbean International's *Radiance of the Seas* established the Cruising and the Environment program, consisting of a lectures series, a children's program called Enviro Afternoon, an Environmental Kiosk and the Captain's Corner. The Environmental Officer, in cooperation with Adventure Ocean, our onboard kids' program, and the shoreside Environmental Stewardship Department, sponsored the Enviro Afternoon program modeled after the Officer Snook Program, providing opportunities for children to learn about water pollution prevention. The EO participated by hosting a question-and-answer session in Adventure Ocean and playing water conservation and pollution prevention games with the children.

The Environmental Kiosk was developed in partnership with the marine, facilities, and hotel departments onboard. The kiosk display consists of two 42-inch plasma screens that are connected to a computer. One screen displays an interactive program titled Sea Profiles, which was produced through the Ocean Fund. Sea Profiles allows guests to interact and explore the oceans with the click of a mouse. The second screen displays the ship's actual global position on an electronic chart.

The Captain hosts the Captain's Corner during each cruise. The session begins with a 15-minute video "Behind the Scenes" and is followed by a question-and-answer session with the Captain, Chief Engineer, Hotel Director, and Environmental Officer. These sessions are open to all guests and create the opportunity to ask officers questions about a wide variety of topics.

In 2010, we also will focus on working with leading practitioners on the development of destination sustainability criteria. Our goal by 2015 is to conduct regular assessments in partnership with the top destinations in which we operate.

EDUCATION - WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

It is no small task to make sure our guests and crew fully understand the importance of complying with onboard policies and procedures related to managing chemicals and waste streams, water and energy conservation, safety, security, and medical/public health concerns. The complexity of this educational challenge is compounded because of the limited amount of time guests spend onboard, generally between three and seven days – and the fact that we must remember they are on vacation!

We must also provide training and education for our officers, staff and crew on a continuous basis, as our shipboard employees are in a perpetual state of rotation. All officers, staff and crew must complete specific training requirements mandated by international law and internal environmental policies and procedures. Our ports of call provide additional educational opportunities and challenges related to environmental and cultural issues.

In 1996, the position of Environmental Officer (EO) was created to provide enhanced oversight of shipboard environmental programs. This “three-stripe” position has evolved to include broad responsibilities for all significant environmental aspects of shipboard operations.

EOs are responsible for training all crew members on their ships in the company’s policies and expectations, and the ways in which Save The Waves® affects each employee. All new and returning officers, staff and crew receive orientation and instruction concerning their responsibilities in the Save The Waves® program within 48 hours of joining a Royal Caribbean International, Celebrity Cruises or Azamara Cruises ship. This training is mandatory and must be repeated with each contract.

After their first Save The Waves® training, each officer, staff and crew member must sign a pledge to uphold his/her responsibilities to protect the environment. This personal commitment ensures that everyone fully understands the importance of this program and will do his or her utmost to incorporate Save The Waves® in every aspect of onboard life. Additionally, each officer, staff and crew member is encouraged to take time to explain the concept and importance of Save The Waves® to our guests, and it is something that we believe is a source of significant pride throughout our corporate community.

Environmental Officers also provide educational programs and tours for guests, local schools and non-profit organizations in ports of call. They develop environmental lectures based on the itinerary, giving guests insights on the local area. In addition, lectures are offered regarding the company’s Save The Waves® program, waste management practices, and Advanced Wastewater Purification systems.

Onboard laboratories

Royal Caribbean International, the University of Miami’s Rosenstiel School of Marine and Atmospheric Science (RSMAS) and the National Oceanic and Atmospheric Administration’s Atlantic Oceanographic and Meteorological Laboratory joined forces in 2000 in an unprecedented collaboration to use state-of-the-art technology to study the ocean and atmosphere. *Explorer of the Seas* was outfitted with high-tech atmospheric and oceanographic laboratories. Over 300 visiting scientists have since been aboard to collect atmospheric, ocean and climate data. The initiative has helped answer some of today’s most significant questions in atmospheric, ocean and climate research. Furthermore, more than 80,000 guests have had the opportunity to interact with scientists and view real-time monitoring of oceanographic and atmospheric conditions.

Today, using advanced technology, the scientists at RSMAS have turned the *Explorer of the Seas*’ atmospheric and oceanographic laboratories into remotely operated, unmanned labs. Scientists can now log into the laboratory data collection servers and download atmospheric, ocean, and climate data on a daily basis. (To learn more about the *Explorer of the Seas* Research Program, visit oceanlab.rsmas.miami.edu)

We actively support the efforts of our EOs and encourage each ship to develop partnerships with local organizations. Through this outreach, we hope to inform residents of port communities about environmental conservation, waste management practices, recycling, and the innovative technologies on our ships. For example, several years ago, *Adventure of the Seas* created a partnership with the St. Maarten Pride Foundation to educate and inform islanders about the importance of environmental conservation. The ship's EO facilitates environmental tours aboard the ship for groups of school children and service groups from St. Maarten. On the tour, the students learn about the numerous environmental processes that are conducted onboard, from garbage processing and recycling efforts to wastewater discharge.

EDUCATION - WHERE ARE WE NOW?

We know it is not enough to have the best waste-management equipment and the highest standards of environmental protection to become responsible stewards of the marine environment. It takes dedicated, highly motivated experts to oversee and advise all officers, staff and crew about their roles in protecting the environment. Therefore, every ship's Environmental Officer receives specialized training in environmental management. Their responsibilities include overseeing and verifying all environmental systems, equipment, procedures and training onboard in a process devoted to *continuous improvement*.

Every year, the Environmental Stewardship Department hosts Environmental Officer Training workshops. In 2008, two Level II workshops were facilitated at our Miami headquarters. Participants gained hands-on training on our Management Systems, Advanced Wastewater Purification equipment maintenance, and water-quality sampling. These bi-annual, one-week workshops provide opportunities for officers to meet and share good practices for managing the increasingly complex environmental equipment and tools onboard.

Celebrity Solstice's "Team Earth" interactive exhibit, created in partnership with Conservation International, inspires and educates guests about the wonders of the planet as well as the importance of onboard energy efficiencies.

EDUCATION - WHERE ARE WE GOING?

The Environmental Officer's role has increased significantly in recent years, and we see that trend continuing as we broaden our conservation and educational activities on our ships and in ports of call. Our ultimate goal is to significantly increase the public presence of Save The Waves®, our environmental principles, and programs. Our long-term vision for 2015 is to reach 80 percent of our guests, 100 percent of our crew and staff, and 100 percent of key people in our destinations.

***Celebrity Solstice* Takes "Team Earth" Venue to Sea**

In partnership with leading conservation organization Conservation International, *Celebrity Solstice* features the Team Earth venue, an interactive exhibit designed to inspire Celebrity guests as well as capture their interest and imagination through brilliant nature photography, museum-quality exhibits and digital touch-screen displays. Onboard *Celebrity Solstice*, the Team Earth venue is a dynamic and engaging location, presenting news, inspiring films, audio clips and compelling stories about the wonders of the planet. Guests can also see how Celebrity achieved the numerous energy efficiencies that it did on *Celebrity Solstice* and how similar efforts across the fleet are significantly minimizing every Celebrity ship's impact on the environment. Guests visiting the Team Earth venue learn not just about the energy-efficient attributes of *Celebrity Solstice* and the entire Celebrity fleet, but about notable conservation efforts around the world; they also have the opportunity to join the Team Earth online community to receive pertinent news and support global conservation efforts well beyond the time they return home from their cruise, if they choose.

Young visitors with the Make-A-Wish Foundation

OUR CORPORATE CITIZENSHIP PROGRAMS ENHANCE OUR RELATIONSHIPS WITH OUR COMMUNITIES, CUSTOMERS AND EMPLOYEES, WHICH IN TURN STRENGTHENS OUR COMPANY AND BENEFITS OUR SHAREHOLDERS.

WHAT ARE THE ISSUES AND WHAT ARE WE DOING ABOUT THEM?

Throughout our company's 40-year history, we have strived to be a good neighbor and community partner. Our corporate citizenship programs enhance our relationships with our communities, customers and employees, which in turn strengthens our company and benefits our shareholders. By creating a global Community Relations program, we contribute to making communities better places to live and work. From our U.S. and international offices to wherever our ships sail worldwide, we are committed to helping out at the local level. We provide monetary funding and in-kind cruise donations to nonprofit organizations, and we organize annual volunteer activities around the world.

Executive officers of Royal Caribbean Cruises Ltd. frequently serve on boards of non-profit organizations in local communities, with several executives serving on more than one. This gives our company the opportunity to extend its reach into the underserved areas of our communities by supporting organizations dedicated to children and education, with a major focus on foster-care programming.

In order to become a neighbor of choice, a company must establish a legacy of trust. We have sought to achieve this by:

- Building positive and sustainable relationships with key individuals, groups and organizations in its communities;
- Demonstrating sensitivity to community concerns and issues; and
- Designing and implementing community programs (philanthropy, volunteerism, partnerships, and in-kind donations) that improve the community's quality of life and promote the company's long-term business strategies and goals.

Community organizations often encounter challenges when government agencies and local municipalities do not have the resources to meet high demands for services, and/or have limited access to or communication with local corporate neighbors due to limited capacity on both sides. Many nonprofit organizations fill the gaps in funding and other needed resources by seeking support from private and publicly traded corporations.

For global companies, the call to take a strategic approach to community relations represents a formidable challenge. Requirements include:

- Defining the link between community involvement, community impacts and business activities and success;
- Spanning the cultural gap between the business and civil sectors; and
- Planning to move from a reactive, crisis-response organization to a proactive opportunity seeker and valuable community resource.

In keeping with our mission to enhance the well-being of our communities, our company offers funding and donations to nonprofit organizations with like-minded goals. By encouraging volunteerism, fulfilling the wishes of children, offering scholarships, and helping protect the world's oceans, we continually work to be a true partner to our communities.

For example, we currently award sponsorships and cruise donations on a quarterly basis. Our corporate philosophy is to fund organizations that benefit and offer services to the entire community, and we focus support on three areas: 1) children and families, specifically foster-care programming, 2) educational programming, and 3) marine conservation, through our Ocean Fund.

Our Kids

Our Kids of Miami-Dade/Monroe, Inc. is a private, not-for-profit agency created in anticipation of the privatization of foster care, adoptions and child welfare services in Miami and the Florida Keys. Adam Goldstein, President and CEO of Royal Caribbean International, has served as Chairman for the past three years.

We are very proud of the following accomplishments:

- 43 percent decrease in the number of children in foster care;
- 33 percent decrease in the time it takes for a child to reach permanency;
- exceeding fiscal year adoption target by 82 adoptions, 27 percent;
- creating over 1600 new families

Since 1997, employees from our South Florida offices have participated in Kids and the Power of Work (KAPOW). Founded in 1991 by Grand Metropolitan and the National Child Labor committee, KAPOW is a national network of business and elementary school partnerships that aims to raise awareness of career opportunities through professionally developed lessons taught in the classroom by volunteers. KAPOW allows our employees to visit schools and help students realize the benefit of education for their future by understanding the connection between their class work and the working world. (To learn more about KAPOW, please visit www.kapow.org)

Royal Caribbean's **G**et **I**nvolved, **V**olunteer **E**verywhere (G.I.V.E.) program was launched in 1997 and has become one of the largest volunteer efforts by a single company on a single day. Every spring, employees and their friends and families, vendors and business partners, join forces nationally and internationally to assist non-profit and community organizations in improving the quality of life in their communities. Our employees have pitched in at schools, children's homes, and neighborhoods in the United States, the Caribbean, and Europe. We've expanded this to G.I.V.E. for the Holidays and now include shipboard employees in raising money for destination-based charities of their choice.

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. Our Wishes at Sea program, established in 2000, grants children's wishes by making a certain number of cruise packages available for donation each year. Through our cruise donation program, thousands of families have enjoyed a special time together during their difficult period. (To learn more about Make-A-Wish Foundation please visit www.wish.org)

Make-A-Wish Foundation

We work closely with local Make-A-Wish chapters to help create the perfect wish for each child desiring an unforgettable, dream-come-true vacation with his or her family. All of our corporate offices around the globe run annual employee giving campaigns for their local Make-A-Wish chapters, helping to grant wishes to children around the world. We also have executive officers serving on local chapter boards in cities where we maintain offices. In addition, we work with our travel partners to help collect frequent flyer miles from their customers and employees; these partnerships collect more than half a million miles a year. Additionally, we participate in the Foundation's Destination Joy campaign and Walk for Wishes programs.

Our company has a long-standing partnership with United Way. Each of our North American offices runs an annual employee giving campaign that helps to create lasting, positive change in the lives of children, teens, families and seniors in the various communities in which we do business. With our corporate headquarters being located in Miami, the largest of these campaigns takes place in partnership with United Way of Miami-Dade. In addition, several of our executives hold volunteer leadership roles with United Way, extending the impact that our company is making in the community.

WHERE ARE WE NOW?

We have a tiered approach to community involvement that includes volunteerism and support programs. Our volunteer programs include: G.I.V.E. Day, RCL's corporate volunteer day; G.I.V.E. for the Holidays events; projects in Labadee, Haiti and Overtown, Miami; the Make-A-Wish Foundation's Wishes at Sea, Destination Joy and Walk for Wishes; and Executive Board placement. We provide support for the following: hurricane relief, personal crisis aid, mentor programs, quarterly giving to children and families with a focus on education and foster care programming, the Fain Scholarship program and the crew employee fund.

Our strong belief in education and mentoring programs runs throughout the company, and we are proud that our employees participate in City Year, Take Stock in Children, BIGs in School, and School to Work programs.

Royal Caribbean is proud to partner with City Year Miami at Dunbar Elementary in Miami's Overtown neighborhood. As tutors and mentors, our City Year Miami corps members provide critically needed services to some of Miami-Dade County's most underserved children and youth through after-school programming and civic engagement. Royal Caribbean sponsors City Year because it fits with our goal of promoting children's and family educational programming, and it serves the communities where our employees live and work. The return from our investment in City Year is exponential; it increases employee morale and has a direct connection to positive change in the community. (To learn more about City Year Miami, please visit www.cityyear.org/miami.aspx.)

Take Stock in Children is a public-private partnership of state government, business, schools, non-profit organizations and private citizens. The program addresses one of the most critically significant problems facing youth today: high-school dropouts and youth crime. Take Stock helps low-income students succeed by providing early intervention, volunteer mentors, scholarships and long-term support. Royal Caribbean employees participate by serving as mentors for junior high and high school students. Upon graduation and completion of the Take Stock program, these deserving students receive a four-year college scholarship from Royal Caribbean and Take Stock. (To learn more about Take Stock in Children, please visit www.takestockinchildren.com.)

Employees also help children reach their potential through professionally supported mentoring in the Big Brothers Big Sisters, BIGs in School, and School to Work programs. BIGs in School provides employees a chance to work with a child one hour each week at an elementary school near their home or office. School to Work offers opportunities to work with high school students at the employee's worksite four hours per month during the school year. During these one-on-one sessions, students learn valuable skills and are exposed to a variety of career possibilities. (To learn more about Big Brothers Big Sisters, please visit www.wementor.org.)

We are able to broaden the reach of our community partnerships and assistance through an alliance with the Pan-American Development Foundation. PADF empowers disadvantaged people and communities in Latin America and the Caribbean to achieve sustainable economic and social progress, strengthen their communities and society, and prepare for and respond to natural disasters and other humanitarian crises, all of which advances the principles of the Organization of American States. Our partnership with the Foundation maximizes our reach to many impoverished neighborhoods and allows us to leverage resources to create a greater impact for communities with the greatest needs. In addition, crew members from our ships volunteer often with the Foundation's many partners throughout Latin America and the Caribbean. (To learn more about the Pan American Development Foundation, please visit www.padf.org.)

WHERE ARE WE GOING?

Given the world's economic situation in 2008-2009, it is more important than ever for us to focus our community giving and outreach where the impact will be most meaningful. We will work to identify the areas of greatest need in our global communities, expand our sphere of influence, leverage partnerships and execute well-coordinated efforts with quality and confidence. Then we can celebrate our successes with neighbors, guests, crew, staff and friends.

We will work to identify the areas of greatest need in our global communities, expand our sphere of influence, leverage partnerships and execute well-coordinated efforts with quality and confidence.

Kids and the Power of Work (KAPOW)

Liberty of the Seas
at Aker Yards in Turku, Finland

ROYAL CARIBBEAN CRUISES LTD. IS COMMITTED TO PROVIDING THE SAFEST ENVIRONMENT FOR GUESTS, CREW AND STAFF BY SETTING THE HIGHEST SAFETY AND SECURITY STANDARDS.

Royal Caribbean Cruises Ltd. is committed to providing the safest environment for guests, crew and staff by setting the highest safety and security standards. Our *Above and Beyond Compliance* philosophy drives our crew and staff to uphold strict safety and security measures, through our comprehensive safety training programs and by ensuring our ships and equipment are properly maintained. We train our crew and staff to handle situations that may compromise safety and actively promote a safe and healthy shipboard environment. Safety and security are our highest priorities. New innovation and technology, combined with a focus on *continuous improvement*, leads us to work closely with our government partners (such as the United States Coast Guard and the Federal Bureau of Investigation) to help assure we are the best that we can be in these areas. Initiatives such as dedicated safety centers, enhanced mustering procedures, state-of-the-art closed circuit video systems, dedicated guest security teams and guest stateroom door-viewers (peep holes), reflect that innovation and advancement are at the heart of our Safety and Security programs.

Innovation of our products is achieved by introducing new concepts on our new ships and continuously making improvements to our existing fleet to enhance safety and security.

We uphold the highest safety standards
In all cases, the safety of life and safety of ship are the most important considerations as we embrace a culture where safety, excellence and *continuous improvement* are a way of life. We work diligently to meet or exceed applicable shoreside and shipboard safety and health regulations and requirements including those of flag administrations, port states and international conventions. This includes monitoring advancements in technology and design criteria, so that products, systems and processes, as well as newbuilding and development projects, incorporate the company's high standards for safety, security and health performance. We also contract with vendors, suppliers, and service providers who have made their own commitment to similar standards for safety, security and health, as well as *continuous improvement*. However, having safety rules is not enough. Our commitment to safety means each of us needs to be alert to safety risks as we go about our jobs.

SAFETY OF OUR SHIPS

We protect and properly maintain our unique vessels and equipment
Our commitment to acquire state-of-the-art ships, along with our continuous maintenance programs and revitalizations to incorporate the current signature brand elements, provides us with the flexibility to deploy our ships among our brand portfolio and expand into growing international markets. In addition to expanding our fleet, we place a strong focus on product innovation to drive new demand for our products and stimulate repeat business from our guests.

Innovation of our products is achieved by introducing new concepts on our new ships and continuously making improvements to our existing fleet to enhance safety and security. To offer guests a wider range of activities and amenities and to ensure consistency across our fleets, we also embarked on a program of revitalizing our older ships to update and refresh their interiors and to incorporate signature brand elements.

We have long-established partnerships with shipyards, safety consultants and classification societies to ensure that all aspects of safety are addressed throughout the design and construction process. We also work closely and transparently with government authorities in our flag states and the U. S. Coast Guard. We constantly leverage technology to use the latest tools and methods for safety-based design.

With our Celebrity Cruises' Solstice-class ships and Royal Caribbean International's Oasis-class ships, we've applied new state-of-the-art damage stability rules prior to the regulations coming into force.

SAFETY OF OUR EMPLOYEES

We engage a safe and healthy work environment
We are committed to providing a safe and healthy work environment and preventing accidents. Employees are accountable for observing the safety and health rules and practices that apply to their jobs and for taking precautions necessary to protect themselves and their co-workers.

We have developed a culture where accidents, injuries and unsafe practices or conditions are immediately reported. Employees are expected to report to work free from the influence of any substance that could prevent or impair them from performing their jobs safely and effectively. All of our employees working on our ships and shoreside must know the health and safety requirements associated with their jobs.

A safe and secure working environment also means a workplace free from violence. Threats (whether implicit or explicit), intimidation and violence have no place at our company and will not be tolerated. We have a responsibility to provide a healthy and safe workplace; it is essential for employee and guest satisfaction. Each employee is expected to work safely and encourage others to maintain a healthy and safe workplace, because they have both a personal responsibility to themselves and their families to return home free from injury and an ethical responsibility to keep their fellow employees and guests safe. Our crew cannot have fun or adequately deliver an exceptional vacation experience if any employee or guest is injured.

It is our policy to ensure the safety of our employees and to provide clear and concise procedures to be followed in the event of an emergency. We have clear evacuation and contingency plans to help ensure all employees and guests are safe and secure.

SAFETY OF OUR GUESTS

We take care of our guests
We assign personnel to safety and security activities who are motivated and committed to excellence and provide them with the proper resources. We also provide training to help ensure that employees act responsibly to maximize the potential to prevent injuries, illnesses or property damage.

Guest safety and security is at the very core of our design process. Our ships are designed to provide a safe and secure environment for all guests regardless of age, demographics or special needs. We have fully equipped and staffed medical facilities, and we've adopted and comply with American College of Emergency Physicians' guidelines.

In our tradition of *continuous improvement*, we continue to make enhancements to our guest safety and security programs with a clear focus on incident prevention and response.

Freedom of the Seas

OUR SHIPS' MEDICAL FACILITIES ARE BUILT, EQUIPPED AND STOCKED TO MEET AND EXCEED AMERICAN COLLEGE OF EMERGENCY PHYSICIANS HEALTH CARE GUIDELINES FOR CRUISE SHIP MEDICAL FACILITIES.

WHAT ARE THE ISSUES AND WHAT HAVE WE BEEN DOING ABOUT THEM?

At Royal Caribbean Cruises Ltd. we want to ensure that our guests have the best vacation experience possible. Of course, we hope they do not have to visit our onboard medical facility, however, in the event a guest or crew member becomes ill or injured, our medical staff is available to provide assistance. We also provide services for guests with special medical needs.

The American College of Emergency Physicians sets guidelines for shipboard medical facility size, contingency planning, portable medical equipment and supplies, medical staff credentials, medical record and communication systems, emergency medical equipment, medications, procedures, basic laboratory and x-ray facilities, and health, hygiene and safety programs for medical personnel. Our ship's medical facilities are built, equipped and stocked to meet and exceed American College of Emergency Physicians Health Care Guidelines for Cruise Ship Medical Facilities.

Our dedicated Care Team professionals are available to provide 24-hour compassionate support to guests and crew.

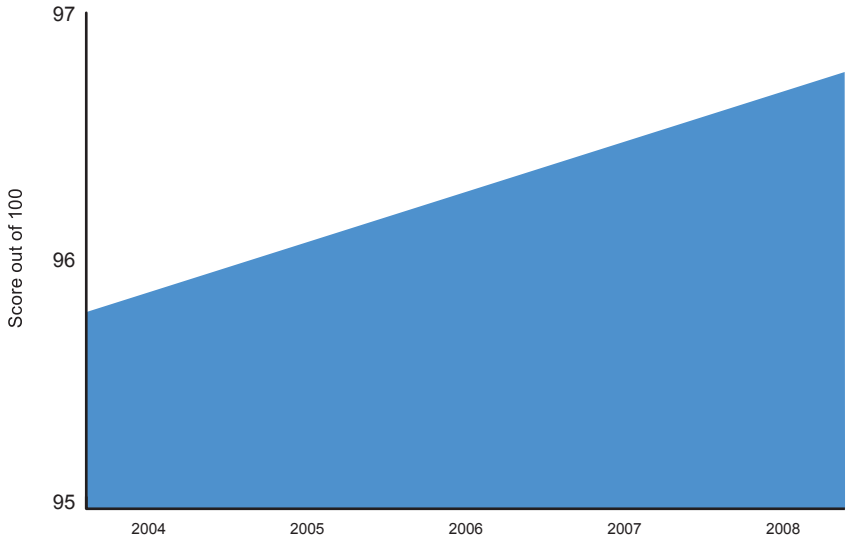
Our crew medical program also coordinates medical care for officers and crew who may become ill or injured while in the service of the vessel. Crew Medical's team of experienced, professional case managers and registered nurses coordinates crew medical care and support services through the ship's doctor or a land-based medical doctor in ports of call and/or their country of origin worldwide. Our crew also benefit from a Crew Wellness program, overseen by an Occupational Health Board-Certified registered nurse. Throughout the year, this program conducts education and awareness programs that promote healthy lifestyle changes, managing illness and other health-related topics.

In 2006, we established a dedicated Care Team of trained specialists available to provide compassionate and logistical support in the event a guest experiences a personal emergency while sailing with us. Whether a family tragedy at home, an illness or emergency on board, or an incident while ashore, our Care Team is capable of arranging logistics or professional assistance and provides a coordination point for communication between Royal Caribbean and our guest, their family members and traveling companions. In addition, we have extended all Care Team services to our crew members.

In 1986, the National Center for Environmental Health at the U.S. Centers for Disease Control and Prevention became responsible for the Vessel Sanitation Program (VSP). Their *VSP Operations Manual - 2000* carries on a 25-year tradition of government and industry partnership by providing cleanliness guidelines for communicable disease prevention, gastrointestinal illness surveillance, potable water, swimming pools, whirlpool spas and hot tubs, food safety, integrated pest management, housekeeping and child-activity centers. Our Public Health program is responsible for, and dedicated to, the administration of all public health programs, vessel inspections and training requirements for all of our ships. We work closely with the CDC's Vessel Sanitation Program and the U.S. Public Health Service (USPH), as well as international governmental regulatory and compliance public health authorities to maintain a clean, healthy and safe shipboard environment for our guests and crew. This is an essential

part of our daily shipboard focus. As a part of this program, every ship undergoes bi-annual USPH inspections to ensure we remain in compliance with their stringent regulations.

Figure 8 – RCL USPH Inspections Scores Trend (2004-2008)



Going *Above and Beyond Compliance* is our ultimate goal. Our fleet's USPH Inspection record is testimony to our commitment to that philosophy (See Figure 8).

WHERE ARE WE NOW?

Azamara Cruises, Celebrity Cruises and Royal Caribbean International make medical services available through an appropriately sized and equipped shipboard medical facility on each ship. These facilities meet or exceed Health Care Guidelines for Cruise Ship Medical Facilities, established by the American College of Emergency Physicians. They are staffed by licensed international and domestic physicians and nurses whose goal is to:

- Provide medical care for guests and crew that initiates diagnostic and/or therapeutic intervention to stabilize patients; and
- Facilitate the medical debarkation or emergency evacuation (circumstances permitting) of seriously ill or injured patients

Our team of dedicated Care Team professionals are available to provide 24-hour compassionate support to guests and crew in the event of unforeseen circumstances. Each situation presents unique challenges that our team strives to make easier on those involved.

Today, each ship is staffed by one or more licensed physicians and one or more licensed nurses. All shipboard personnel are provided training on public health regulations and requirements by former United States Public Health inspectors.

Our crews are also trained by qualified shipboard managers, department heads and traveling Public Health Inspectors on topics including:

- Food safety;
- Proper hygiene and safe food-handling practices;
- Hazard and Critical Control Point (HACCP) food safety process;
- Potable water;
- Pools and spa water and safety; and
- Integrated pest management systems.

Our fleet has a robust sanitation program that strives to go *Above and Beyond Compliance*. Our training program for officers, staff and crew provides them an understanding of how to identify and analyze hazards. Over the past four years, our USPH inspection scores have been above 96 percent. We are very proud of our USPH inspection record and strive to continually improve our public health policies and procedures.

We also have a Public Health Committee that is committed to providing a safe and healthy environment for guests and crew. This group guides our public health program by reviewing and providing oversight of:

- Outbreak prevention planning, evaluation and implementation of public health-related policies, regulations, best practices, procedures and lessons learned.
- Reviewing and discussing current challenges, opportunities for improvement, public health-related training, equipment, and compliance issues.
- Reviewing public health inspection scores and findings, reviewing trends on internal and external public-health reviews to identify their root causes and implementing action plans as necessary, and promoting *continuous improvement*.

WHERE ARE WE GOING?

Our shipboard medical centers will benefit from new medical technologies and continue their diagnostic partnerships with land-based centers of medical excellence.

Our Care Team is driven to provide the best possible support for officers, staff, crew and guests and/or family members or companions. We will continue to improve our resources and care options for unexpected events and make certain that our Care Team is fully trained and ready to assist in any given situation.

In Crew Wellness, our goals include developing proactive programs to further educate and improve crew awareness in all aspects of health and wellness, such as available health screening, educational materials, and assistance with the management of chronic illness.

Our Crew Medical department will continue to develop partnerships with local port agents, health-care providers, and network affiliates to improve the quality of medical care for our crew, which in turn will promote successful recovery and return to work onboard.

MESSAGE FROM OUR SENIOR VICE PRESIDENT FOR SAFETY, SECURITY, ENVIRONMENT AND MEDICAL/PUBLIC HEALTH

As Senior Vice President of Safety, Security, Environment and Medical/Public Health, one of my more important responsibilities is to maintain our focus on continuously improving these programs, while keeping incident prevention at the heart of all we do. I have the privilege of working with a team of talented professionals whose focus is to be above and beyond regulatory compliance and to go the extra mile to safeguard our guests, crew, ships and the environment.

In this report, you have read about some of the results of our efforts. I hope this content has given you a sense of our corporate-wide dedication and commitment to safe and responsible cruising. While this year's report is focused on our progress in the area of environmental stewardship, I look forward to expanding the informative nature of our future yearly reports by providing more in-depth insight into our safety, security and medical/public health programs and initiatives.

I am very proud of our strengths in each of my programs and I believe we are very much at the forefront of industry efforts in these important areas. As I look to the future, I see our ships being even more secure and sustainable in the years to come. Through innovation and technological advances, our focus on safe and responsible cruising will enable us to do even more to assure a clean ocean environment, sustainable port communities and satisfied guests.

Now that you have read about our achievements, I invite you to sail with us so you can experience our progress firsthand.

Gary Bald
Senior Vice President, Safety, Security,
Environment and Medical/Public Health
Royal Caribbean Cruises Ltd.

Celebrity Solstice

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ROYAL CARIBBEAN CRUISES LTD.
1050 Caribbean Way
Miami, Florida 33132
(305) 539-6000
(305) 539-4440 – TDD