

2002 ENVIRONMENTAL REPORT



Alongside a gas-turbine engine that powers all Millennium- and Radiance-class ships, Chief Engineer Iraklis Baltasvias (pointing) explains a maintenance procedure to Capt. Gerasimos Andrianatos. First Engineer George Spirellis makes the adjustment.

Royal Caribbean International and Celebrity Cruises sail to more than 200 ports of call, equipping our fleet with the most advanced environmental technologies while upholding the most stringent environmental policies. We understand that because we make our living from the sea, we must adhere to the highest standards of marine conservation.

Our Environmental Management System, for which both brands have met ISO 14001 environmental standards, stresses continual improvement. We have a dedicated position for an Environmental Officer on every ship. This senior officer provides oversight and verification of the ship's environmental operations, making sure that all waste streams are managed properly. Additionally, the Environmental Officer is responsible for maintaining crew training for our Save The Waves®, ISO 14001, and health and safety programs.

RECOGNITION AND PROTECTION

In 2002, Celebrity Cruises was the only cruise line to be awarded the prestigious William M. Benkert Award for Environmental Excellence, the top national award for marine environmental protection given by the U.S. Coast Guard. This award recognizes Celebrity's commitment to an environmental program that far exceeds mere compliance with regulatory standards.

Our industry-leading use of gas turbines was recognized in 2002 by *Lloyd's List*, a leading maritime publication, when *Millennium* received the "Innovation in Shipbuilding" award. *Porthole Cruise Magazine* acknowledged Royal Caribbean International's environmental stewardship by naming it "Best Eco-Friendly Cruise Line" for 2002.

Conservation International just published an interim summary report on the cruise industry, "A Shifting Tide – Environmental Challenges and Cruise Industry Response," that applauds numerous aspects of the environmental practices and policies of Royal Caribbean International and Celebrity Cruises.



In 2002, our fleet conducted reviews with onboard testing of several advanced wastewater treatment systems. Research concluded that some systems purify wastewater almost to drinking-water standards. By summer 2003, half of our combined Alaska fleet will have the most advanced wastewater treatment systems onboard. We participated last summer in separate studies of cruise-vessel discharges by Alaska's Department of Environmental Conservation and the Environmental Protection Agency, which determined that the effluent has no discernable impact when purified to regulatory standards. The EPA study, for example, found that dilution rates of discharges from ships at sea were far better than anticipated – up to one part per 640,000.

Our pursuit of advanced technologies has made our fleet more and more environmentally friendly. With *Constellation* and *Brilliance of the Seas* in 2002, we launched our fifth and sixth ships equipped with smokeless gas-turbine engines. This technology drastically reduces exhaust emissions of nitrous oxide (by 85 percent) and sulfur oxides (by more than 90 percent). By June 2004, eight of our ships will be so equipped.

COMMITMENT TO THE FUTURE

Royal Caribbean Cruises Ltd. has remained steadfast in its support of ocean research with the oceanic and atmospheric laboratories operating the past 2 1/2 years onboard *Explorer of the Seas*. Our joint venture with the University of Miami's Rosenstiel School of Marine and Atmospheric Science provides valuable tools for researchers to study ocean phenomena in the eastern Caribbean (www.rsmas.miami.edu).

We also support marine conservation through our Ocean Fund. In 6 1/2 years, we have donated \$6 million to 37 different organizations for projects ranging from marine science education to the protection of coral reefs, marine mammals, sea turtles, and endangered fish populations.

Separately, the crew of *Sovereign of the Seas*, the company's 2001 Environmental Ship of the Year, donated its \$25,000 prize to establish an artificial reef in the Bahamas. Through the Reef Ball Foundation, concrete reef balls seeded with coral polyps are strategically placed where new reefs are desired. *Monarch of the Seas*, the 2001 Innovative Ship of the Year, used its prize to educate children in Key West on protecting reefs through proper waste disposal and recreational boating practices.

I am proud of the commitments and progress we have made to ensure that our ships are equipped with the latest technologies to protect our fragile ocean environment. I am also proud of the men and women who serve on our ships and their dedication to our commitment to our ABC (Above and Beyond Compliance) program.

Sincerely,

CAPT. WILLIAM S. WRIGHT
Senior VP, Safety & Environment