



Fred.Olsen Cruise Lines

ENVIRONMENTAL, SOCIAL & GOVERNANCE
REPORT 2020





Fred. Olsen Cruise Lines ESG report 2020

Table of contents

1	INTRODUCTION	3
1.1	Managing Director letter	3
1.2	FOCL Sustainability performance at a glance	4
1.3	About the report	5
1.4	About Fred. Olsen Cruise Lines	6
2	GOVERNANCE, PLANET, PEOPLE AND PROSPERITY	8
2.1	Governance	8
2.2	Planet	15
2.3	People	18
2.4	Prosperity	22
3	THE WAY FORWARD	24
4	INDICATORS AND KPIS	25
5	GLOSSARY	28

1 Introduction

1.1 Managing Director letter

At Fred. Olsen Cruise Lines, we are firm believers in the power of travel to open minds, build connections and inspire shared humanity. Those three ideas are the pillars of everything we do, including planning our sustainability efforts.



For over 170 years, our guiding principles have been to safeguard the well-being of our guests, our employees and the oceans upon which we sail. We have a steadfast commitment to the environment and responsible business practices, and we judge ourselves to a high standard.

We are working hard towards improving our sustainability, for example, we have committed to eliminating or significantly reducing all non-essential single-use plastics within our fleet and other items by the end of 2022.

To prepare for growth within our Company we are currently expanding the footprint of our head office in Ipswich, the new build will bring together three business units under one solar roof helping to reduce power usage over three sites to a more efficient, sustainable and environmentally friendly single location. Fred. Olsen continues to maintain a strong presence within the Suffolk area, strengthening our commitment to supporting the local economy

We recently introduced two new ships, Bolette and Borealis to our fleet and retired two older ladies that will now start a new life as floating hotels; these moves allow us to continue driving sustainability improvements and continue our commitment to reduction in Green House Gasses.

We are working towards embracing technological advances in bio-fuels, extensive use of the shore power systems (fitted on our two new vessels) as well as imaginative itinerary planning and waste management technologies.

We have become signatories to the UK Chamber of Shipping Safety Culture Charter taking a proactive role in improving safety within our fleet and the wider cruise community. Our objective is to improve safety awareness creating an environment that's safe, welcoming and inclusive for everyone on board.

While these are among our latest sustainability efforts they are by no means the last. We continue to be critical of ourselves and our operation looking to identify new ways to make Fred. Olsen Cruise Lines a stronger Company and better corporate citizen. I'd like to thank our employees, guests and partners for their support on these initiatives, and I look forward to sharing more of them with you in the future.

Regards

Peter Deer,

Managing Director,

Fred. Olsen Cruise Lines Limited



1.2 FOCL Sustainability performance at a glance

Key facts and figures related to main topics:

Health & Safety Performance

Lost Time events per million work hours	Hours of work lost due to crew accidents
LTI rate for 2020 – 0.0687	Lost hours during 2020 – 269.5
Total LTI Events – 10 (LTI Event is greater than 10 hours)	Total Reportable Incidents – 1

Company Diversity

Subject	Count	
Nationalities onboard	43 nationalities / 6 continents	
Male / Female count of crew onboard	79%	21%
Male / Female count for shorebased operation	33%	67%

GHG Emissions

900.77e (g) per KM per Available Lower Birth	
50,800.71 CO _{2e} MTS	0.72 CO _{2e} MTS / KM travelled

Fuel Consumption

2019	2020
60,603.31	15,922.71

Company Performance (ALBD)

	2019	2020
Net Ticket Income - NTI (£'000)	155,102	21,312
Available Lower Birth Day - ALBD's	1,418,783	292,426
NTI per ALBD (£)	109.32	72.88

Regulatory compliance

Internal Audit Findings

	2019	2020
Shoreside	17	0
Fleet	28	0
Manning Agent	0	1

External Audit Findings

	2019	2020
Shoreside	7	0
Fleet	0	0



Manning Agent	3	2
---------------	---	---

Port State Findings

Year	2019	2020
Count	14	20

1.3 About the report

We work closely with key stakeholders to address sustainability issues within our operations and where relevant the wider cruise industry. Our stakeholders are diverse and include:

<u>Internal</u>	<u>External</u>
<p>The Board</p> <p>Directors and Senior Management Team</p> <p>Technical Managers (Fred. Olsen Cruise Technical - FOCT)</p> <p>Safety and Security Manager</p> <p>Onboard Senior Management</p> <p>Responsible Persons (relevant to SQM content)</p> <p>All onboard crew</p> <p>All shoreside employees</p>	<p>Flag State – Bahamas Maritime Authority</p> <p>Port States – Relevant to all cruise destinations</p> <p>Classification Society – DNV / Lloyds</p> <p>CLIA – Cruise Lines International Association</p> <p>UK Chamber of Shipping</p> <p>Guests (Passenger)</p> <p>External suppliers, to include:</p> <ul style="list-style-type: none"> • Port Services • Bunker Services • Contract Maintenance Suppliers (Dry Dock) • Public Health Bodies • Safety Equipment Providers • Security Equipment Providers • Manning Agents • Human Resources (Shore Based) • IT Services (Shore Based)

This Sustainability Report covers and prioritises information on the basis of relevance to Fred. Olsen Cruise Lines Limited and an open and inclusive approach to our stakeholders. The information in this Sustainability Report includes significant actions or events in the reporting period, and it does not intentionally exclude relevant information that would influence or inform stakeholder assessments or decisions or that would reflect significant economic, environmental or social impacts.

This report is part of our initiative to better understand our impacts, to improve our performance wherever possible and to maximize the benefits of our activities where appropriate, with the aim of managing our company for long-term sustainability. It specifically focuses on data for 2020 (January 1 2020 – December 31 2020), unless otherwise noted.

All references to money are highlighted with the respective national currency indicator.

Reporting History

This report is our first Sustainability Report, drawing on information and content relevant to 2020 (January 1 – December 31 2020).

Following publication of this report our goal is to report on sustainability performance annually.

Information Integrity

Information provided in this report was compiled in management systems, extracted from databases and verified by our management for accuracy. We believe this information fairly represents our corporate responsibility activities and performance results for the reporting period. Information relating to Greenhouse Gas (GHG) Emissions Inventory and GHG Assertion has been verified by DNV.



Throughout the report we've included links to helpful information that is available on the Fred. Olsen Cruise Lines website.

Terminology

In this report we attempt to avoid the use of industry jargon and provide definitions for terms that aren't commonly used outside of our industry. Select definitions can be found in the Glossary.

1.4 About Fred. Olsen Cruise Lines Limited

Fred. Olsen originated in Hvitsten, a small town on the shores of Oslofjord, Norway, in 1848 when three Olsen brothers – Fredrik Christian, Petter and Andreas – bought their first ships and began an international shipping company. Over 170 years later, and now into the fifth generation of the family, Fred. Olsen Cruise Lines operate cruises from the UK and inspirational fly-cruises aboard four smaller, intimately-sized ocean-going ships, and sail to some of the world's greatest and most authentic destinations to provide guests with simply unforgettable holiday experiences.

The Companies main headquarters are in Oslo while the Fred. Olsen Cruise Lines office is located in Ipswich, the county town of Suffolk, England.

While the cruise industry has gone for bigger ships brimming with more and more people, we've always believed that small is better.

- Because smaller ships bring big benefits, they mean we can treat passengers as guests, like the family-run business we are.
- They can dock at smaller ports, much closer to the parts of our planet we're most passionate about showing.
- They mean we can avoid overcrowding, both aboard and ashore, so our guests can disembark easily and enjoy the freedom to see, explore and experience.
- They mean we can offer warmer, more personal levels of service.
- It would be easy to scale up, cram in and cut corners, but we never will.
- Because to us, the size we are is the size we should be.

Business Strategy

To grow market share by increasing demand for Fred. Olsen Cruise Lines amongst retired adults who currently cruise but have yet to try Fred. Olsen.

And, to sustainably grow yields/revenue and ultimately position the brand to expand with new and more sustainable ships

Our Vision

To make Fred. Olsen Cruise Lines famous as the market leader in smaller ship cruising in the UK.

Our Purpose

As the world of cruising becomes ever bigger, ever busier, and (some say) ever brasher, Fred. Olsen Cruise Lines stands for a different way: The Olsen Way

Principles

1. We are proud to sail our own course
The trend for everything to get bigger and busier is not for us. Being family run, we can offer people who love to travel something that the other cruise companies can't
2. We believe smaller is better
Our ships are smaller, (never sailing with more than 1,400 guests) and we can explore even more fascinating places
3. We create by hand not mass produce
Every year all our itineraries are created from scratch by our skilled journey planners, Martin Lister and Clare Ward.



And personally approved by our Chairman, Fred. Olsen Jnr

4. It's all about the people. All of it. Everything
There are certain things that can only happen when real people put genuine care and positivity into what they do
5. We are travellers not tourists
Our way is about creating experiences that attract like-minded travel enthusiasts. For example, our tours are kept to no more than 25 people and offer a real and informed perspective
6. 170 years of sailing safely
Our guests and crew are precious cargo and our ships are safe, well-oiled machines drawing on 170 years of sailing experience
7. We design with elegance, simplicity, and attention to detail
Where other cruise lines go for off-the-peg, we choose quality and always simple elegance over showy pretension
8. Maritime is in our DNA
Our fleet is made up of proper ships, not floating resorts. Our family have been in shipping for five generations, we could never lose sight of our love for the sea
9. We travel respectfully
We have great respect for the natural world and the diverse cultures of the places we visit. So we always minimise the impact our cruise line has on these environments
10. 'I det beste selskap' Or simply put, travelling in the best of company
When cruising with Fred. Olsen, you're in the best of company. The warm and civilised atmosphere we create on our ships means we can be proud to say we have more returning guests than any other cruise line

Our Values

- We are CARING *"We trust and care for each other, our guests and the environment"*
- We are REAL *"We are always ourselves and respect others"*
- We are a TEAM *"We are more than a team; we are a family"*
- We are POSITIVE *"We live and share a positive attitude"*



2 Governance, Planet, People and Prosperity

2.1 Governance

Business context

Fred. Olsen Cruise Lines continually strives for the highest level of compliance within the industry we are proud to be part of, compliance ensures we both meet the minimum requirements set by the industry governing bodies and the higher standards we expect of ourselves.

Our activities

Due to the unprecedented situation arising from the worldwide COVID-19 pandemic, normal operations were suspended in Qtr. 1 2020 resulting in the fleet sailing back to the UK for an extended period of non-operation. FOCL worked in conjunction with relevant UK and International government bodies to ensure all guests and non-essential crew were repatriated to their home countries with as minimal disruption as possible and with strict COVID-19 health protection measures in mind.

Where non-essential crew were not able to immediately return home, FOCL offered a place of refuge onboard a Fred. Olsen ship until travel restrictions eased and homeward flight plans could be arranged.

Throughout 2020 the Fred. Olsen Cruise Lines fleet remained in the Port Babcock (Rosyth – Scotland) where planned maintenance and refurbishment activities were conducted.

In preparation for a return to service, the members of the Leadership Team and supporting managers worked closely with Industry and Government bodies to establish a framework of documents that formed the content of a review of the Safety Management System. Resulting policy and guidance was published covering guest and crew safety as well as operation safety matters.

During this period, Boudicca and Black Watch were sold from the fleet taking on a new life as hotel ships under new ownership and replaced with two new ships Bolette and Borealis (ex HAL Rotterdam and Amsterdam). Both ships were rebranded with the Fred. Olsen livery and maintained in line with Flag and Classification requirements.

Audits

The 2020 audit cycle has been adversely affected by the COVID-19 global pandemic. Communications have been maintained with DNV and Lloyds Register relevant to the office and vessel audit programmes. Full resumption of audit schedules will resume in 2021.

Port State Inspections

Port State Control inspections aim to verify whether foreign flagged vessels comply with applicable international conventions on safety, pollution prevention and crew living and working conditions. Where vessels are not found to be in substantial compliance, the PSC system imposes actions to ensure they are brought into compliance. FOCL manage Port State findings in two ways:

1. Via direct communications with the relevant Port State to indicate that a finding has been addressed. These findings are subsequently verified during the next visit to that Port State or may also be verified by 'other' Port State inspectors as the fleet move to new areas
2. All findings are duplicated within the Company event and non-conformance management system 'EVERS'. These findings remain open until adequate corrective and preventive actions have been taken by the assigned 'Responsible Person'

Ethical Trading

At Fred. Olsen Cruise Lines Ltd we believe strongly in ethical principles and good stewardship. We recognise that our ethical and social performance and reputation is a key part of our overall commercial success

Our Ethical Trading Policy covers several key areas, these are:



- Employees
- Customers
- Suppliers
- Transparency
- Ethical Trading Code
 - No forced, bonded or involuntary labour shall be used
 - Child labour shall not be used
 - Working conditions are safe and hygienic
 - Remuneration and working hours
 - No discrimination is practised
 - No harassment, threats, abuse or intimidation shall be practised
 - Entitlement to work

A full copy of the policy can be viewed via the following link [Ethical Trading Policy FOCL.PDF \(rackcdn.com\)](https://www.fredolsen.com/ethical-trading-policy-focl.pdf)

Board composition

<u>Borealis Cruise Limited</u> CHILVERS, Richard – Director DEER, Peter Colin – Director WRIGHT, Claire Louise – Director	<u>Bolette Cruise Limited</u> DEER, Peter Colin – Director WRIGHT, Claire Louise – Director
<u>Balmoral Cruise Limited</u> REEVES, Alfred Henry – Secretary CHILVERS, Richard – Director REEVES, Alfred Henry – Director	<u>Fred. Olsen House 'JV' Limited</u> EDGAR, Penelope Jane – Secretary DEER, Peter Colin – Director EMERY, Nicholas Andrew – Director MINDELL, Belinda Rosemary – Director WARD, Clare Marion – Director
<u>Fred. Olsen Cruise Lines Limited</u> DOWLER, Jeremy – Secretary AA, Richard Olav – Director DEER, Peter Colin – Director DOWLER, Jeremy – Director OLSEN, Anette Sofie – Director OLSEN JUNIOR, Thomas Fredrik – Director	<u>1st Olsen Holdings 'Ltd'</u> AA, Richard Olav – Director OLSEN, Anette Sofie – Director OLSEN, Thomas Fredrik – Director DOWLER, Jeremy – Secretary OLSEN JUNIOR, Thomas Fredrik – Director

Fred. Olsen Cruise Lines Limited – Leadership Team

Peter Deer - Managing Director

"I have been involved with the Fred. Olsen companies for coming up to 30 years, having joined the group in 1993 as an accountant. I did take a hiatus to work for a fruit-shipping company in the late 1990s, but the Fred. Olsen brand really resonated with me, and I returned less than six years later.

"In that time, I have seen the Cruise Lines business grow, from small beginnings and just one ship, to the enterprise that we have today.

"I became Managing Director in 2019, and for me, my main aim is to ensure that people stay at the heart of this business, whether that is our guests, our team members or our suppliers and partners.

"In my first year as Managing Director, I have helped us to sail difficult waters through a global pandemic, but by putting our guests at the heart of all we do, we have continued to win awards at a time when we have no ships sailing, and that really is testament to the fantastic team that I have working with me, and the support we have from our Board."



Stuart Ferguson – Head of Quality and Resources

"As Head of Quality & Resource I oversee a number of departments including Marine Personnel, Bunker & Procurement, HSSEQ (Health, Safety, Security, and Environmental & Quality) and Medical.

I have been in the marine industry since 1988, initially serving on BP Tankers and moving to the Cruise industry in 1994 where I joined Sky Princess as the Navigating Officer. Having achieved my Masters Licence in 1998, shortly afterwards moving out of rank to the safety & training position for Princess / P&O New build projects. In 2006 I moved away from ship / yard postings into an audit role where I stayed until 2012 as lead auditor with Princess Cruises working with Carnival Corp.

I enjoy the daily challenges and rewards I get working with this company, the opportunities to work closely with the Owner, Senior Management and the team in FOCT. I firmly believe FOCL is unique in the cruise industry and the strengths that come with a smaller operation set us apart from other companies."

Thomas Rennesland – Hotel Operation Director

"Looking after the entire Hotel Operation both shore side and shipboard, my job is to support approx. 1200 ship board and shore side colleagues to ensure they have the tools to provide memorable vacation experiences to our guests.

I joined Fred Olsen in 2010 on-board Black Watch as Hotel Director. I spend more than 25 years working on cruise ships including Seven Seas Cruise Lines, Seabourn Cruise Lines, Cunard and Carnival Cruise Lines before joining FOCL. My biggest professional achievement was being Hotel Director as part of the start-up team launching Cunard's Queen Mary 2 in 2004."

Jackie Martin – Sales & Marketing Director

I joined Fred. Olsen Cruise Lines in April 2019 from Bourne Leisure where I was Sales & Marketing Director for Butlin's. Whilst I am new to the cruise sector I'm very familiar with travel sales and marketing in general and also with working in a family owned and managed business. I'm incredibly proud to be leading the Sales, Marketing and PR teams who all work very hard to promote the brilliant Fred. Olsen brand to a new to Fred. and lovely loyal guest audience.

Clare Ward - Product and Customer Service Director

I joined Fred Olsen in 2012 and I am proud to lead a team of fantastic individuals which cover areas of Product Development (Itineraries and tours), off ship operations, and pre and post cruise guest communications.

I started my career as a Financial Analyst for Coca Cola Schweppes and have had a variety of Product Strategy and Commercial Roles in Whitbread Plc, immediately prior to working here I spent 6 years as a General Manager in David Lloyd Leisure. Whilst this is my first Cruise Company I have had significant experience in the wider hospitality business.

Suppliers

The Company considers a supplier to be an external party that provided goods or services to Fred. Olsen Cruise Lines, which have a direct impact on either the safe operation of our fleet or guest's experience pre-, during- and post cruise. These services may fall within the scope of, but are not exclusive to, the following areas of the business:

- Hotel Operations
- Operations (Technical and Non-Technical)
- Sales and Marketing
- Information Technology
- Human Resources

Suppliers may be approved based on the following criteria:

1. Supplier holds a valid ISO or equivalent certificate;
2. Supplier has been audited with a positive result by Fred. Olsen Cruise Lines;
3. Supplier can document to have been audited with a positive result by others;
4. Supplier is well known to Fred. Olsen Cruise Lines and has made deliveries/provided services to our satisfaction over a period of time;
5. Supplier is recommended by others within the business.



Flag / Class Engagement

We are proud of the relationship we hold with both our Flag and Classification Societies, this relationship has been formed over many years of open conversation and a level of transparency in all areas of operation. With the purchased of Bolette and Borealis we now look forward to building a healthy and professional working relationship with Lloyds Register who will act as classification society for our two newer ships.

Throughout 2020, our communications and excellent working relationships with both Flag and Class has helped us navigate through the initial onset of COVID-19, the sale, purchase and registration of tonnage and, continued compliance with regulatory requirement standards.

Guests

1 - Safe Sailing Charter <https://www.fredolsencruises.com/travel-confidence>

Fred. Olsen Cruise Lines offered a Safe Sailing Charter to guests to promote guest safety and confidence during the 2020 season.

Fred. Olsen Cruise Lines Limited are working hard to make sure when we return to cruising, our guests continue to have a relaxing and safe experience on board.

During 2020, we have been working alongside government departments, the UK Chamber of Shipping, other cruise lines and CLIA (our industry body) to establish an agreed set of health and safety protocols which all UK cruise lines will follow when we return to sailing.

2 - Plain Sailing Guarantee - <https://www.fredolsencruises.com/travel-confidence>

Fred. Olsen Cruise Lines offered a Plain Sailing Guarantee to guests to compliment the Safe Sailing Charter and provide further confidence to our guests. The guarantee was designed to give guests reassurance about their booking while the cruising industry adapted to and planned for the COVID-19 situation.

The guarantee covered:

- * No-risk deposits
- * Transfer on guests terms
- * No quibble refunds

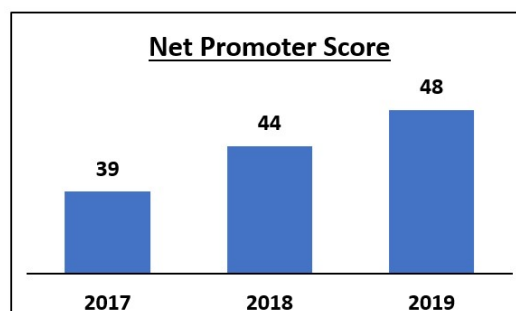
3 - Fred. Olsen's unique Enjoyment Promise <https://www.fredolsencruises.com/travel-confidence>

A further support offered to guests is the Enjoyment Promise where a guest has the option to curtail their cruise within 48 hours of departure and receive a full refund

Guest Feedback

Feedback from our guests is the most important and valuable insight we receive, helping us to ensure that our attentive staff, crews and expertly crafted itineraries provide a holiday of a lifetime. This is why we encourage our guests to provide open, honest reviews about all aspects of each cruise we operate, via our customer survey process. This also includes gathering a "Net Promoter Score" (NPS) after each cruise, which measures the likelihood of a customer recommending a brand to friends or family, generating a score ranging between -100 and 100.

Industries which use the NPS method consider a score of around 50 to be "Excellent" and above 70 to be "World Class". Since we began collecting the score, we have consistently improved to 47 during 2019, and we continue to evolve our methods of understanding customer needs and wants in order to reach the "World Class" target of 70:





We also gather additional guest feedback from the customer review site Feefo, where we've been awarded 'Gold Trusted Merchant' status for the fourth year running.

Follow the below link to our Company website to see some of the comments we've received from guests who have cruised on our ocean fleet: Bolette, Borealis, Balmoral and Braemar

[Fred. Olsen Guest Reviews | Fred. Olsen Cruises](#)

Passenger Bill of Rights

The Members of the Cruise Lines International Association are dedicated to the comfort and care of all passengers on oceangoing cruises throughout the world. To fulfil this commitment, our Members have agreed to adopt the following set of passenger rights

[Passenger Bill of Rights | Fred. Olsen Cruises](#)



Labour Relations & Fair Employment

In keeping with our commitment to integrity, honesty, and high ethical standards, we follow the complex employment laws and regulations that apply to our global operations, including all of the provisions of the International Maritime Organization Conventions. (IMO and ILO) and Flag Administration regulations in effect for seafarers. We also recognize our employees' rights to freedom of association and participation in collective bargaining. 100% of our shipboard employees are covered by collective bargaining agreements.

Our longstanding policy is to afford equal opportunity for employment to all individuals regardless of race, creed, colour, religion, national origin, gender, sexual orientation, gender identity or expression, age, or marital status.

We aim to provide a fair and ethical workplace to all employees. We require all of our employees to complete our Code of Conduct and Ethics training, which serves as a guide to ethical business conduct and covers a wide range of business practices and procedures including employee responsibilities, anticorruption, and conflict of interest. Our employees also receive training on how to recognize and report misconduct. We encourage all employees to report concerns immediately to their direct supervisor, the Marine Personnel Manager, or the DPA. We follow a policy of "See something, Say something." Our policy safeguards employees from retaliation when they make a report in good faith. Employees may make a report anonymously online or by direct communications with an internal or external representative.

We don't specifically reference the term 'whistle-blower' within any internal documentation however our crew are well aware of their rights with regards to this subject. Should such an event we thoroughly investigate and resolve all reports of misconduct.

Grievances

We occasionally receive grievances about labour practices, human rights, impacts on society, climate and environmental impacts, guest privacy and guest relations. A grievance may come direct from the person (Guest or Crew) involved or may come through a third party; where the person has gone to a regulatory body with the initial grievance. We evaluate all grievances and try to complete their evaluation within a reasonable timeframe based on circumstances and legal complexity.

Grievances	2018	2019	2020
DPA	0	0	0
Unions	0	0	0
Flag	1 ¹	1 ²	0

DPA – Significant Investigations

- ¹ 2018 – Guest notified Flag of accident that occurred on gangway. Incident well documented in company system. No further action required from Flag.
- ² 2019 - Guest contacted the Bahamas Maritime Authority to report he witnessed an incident where a fishing line was entangled in the ships propeller and implied that a Fishing Vessel was affected by the incident. The incident was well documented via the company reporting system which confirmed that whilst there was an incident involving a line caught in a propeller that resulted in delays to a cruise itinerary but not a line attached to a fishing vessel – no further action required by Flag

The lack of frequency or seriousness of grievances reported directly or indirectly to Fred. Olsen Cruise Lines would indicate 'we' operate to the highest standards of safety, compliance and moral management, that said, any report is seen as an opportunity to learn, develop and improve the way we operate our business and treat all people associated with our brand



Risk and Opportunity Oversight

Fred. Olsen Cruise Lines maintain a risk and opportunity register to assist in highlighting known areas of concern that are relevant to the continued growth and prosperity of the Company. The content with the register considers the following points:

- Provide assurance that the Company and quality management system can achieve the intended results
- Enhance and improve the growth and prosperity of the Company
- Reduce or prevent undesirable events, occurrences
- Prepare the Company for undesirable events, occurrences
- Achieve improvement

The register considers the following categorisations to be relevant

- Emergency Preparedness
- Financial
- Information technology
- Legal
- Political
- Resource
- Technical Management

Issue Priority Matrix

Severity	Likelihood				
	1	2	3	4	
	Highly Unlikely	Unlikely	Reasonably Possible	Probable	
5 (Major)	5	10	15	20	C: Critical risk; immediate action required
4 (High)	4	8	12	16	H: High risk; senior management attention needed
3 (Moderate)	3	6	9	12	M: Moderate risk; management response must be specific
2 (Minor)	2	4	6	8	L: Low risk; manage by routine procedures
1 (Insignificant)	1	2	3	4	

The register is reviewed both periodically and annually to ensure the subject matter remains dynamic and reactive to current situations while maintaining a formal review process that allows for strategic planning for the year ahead

Strategic Planning examples:

Itinerary Planning – creating future itineraries that stand out from the norm, offering our guests the opportunity to see and experience new locations that other operators may not have considered. Each itinerary is assessed to ensure it fits in with our brand values, provides our guests a safe and amazing experience, while ensuring the itinerary remains operational and financially viable

Emergency preparedness – to ensure that the fleet and shoreside operations are ready to respond to an emergency situation either onboard, ashore as part of a cruise itinerary or as part of an external threat that may have a direct or indirect impact to our business or assets. Scheduled exercises in line with IMO requirements are held to test onboard and shoreside responses to such events.



2.2 Planet

Our activities

Fred. Olsen House

2020 has seen the completion of phase two of the Fred. Olsen House build.

Phase 1 – prepare site and build new office next to existing office

Phase 2 – move all employees from current office to new build

Phase 3 – retrofit original office site

Phase 4 – incorporate 'old' and 'new' sites into one office space for FOCL, FOT and FOL

A sustainability report was commissioned ahead of the build to appraise the sustainable/renewable and low and zero carbon (LZC) technology options currently available for the proposed new build and to provide a recommendation on the most appropriate solutions to adopt.

While the report was based on installation to the new build extension, some of the technology could be rolled out to the refurbished existing building.

In order to benchmark the proposed development, estimated energy demands and CO2 emissions were calculated. These were used to assess the reductions in energy consumption and CO2 emissions possible by applying suitable sustainable / renewable and low carbon technologies.

At the time of this report, the full office build has not been completed and office is not being utilised due to COVID-19 restrictions. Therefore there is no available data to quantify the design features implemented following review of the sustainability report. However, existing solar panels from the original Fred. Olsen house building have generated **36,656 kWh** equating to **7.39%** of total power usage for Fred. Olsen House for 2020.

In November 2020 Fred. Olsen cruise Lines along with Fred. Olsen Travel and Fred. Olsen Limited Three Ipswich-based Fred. Olsen companies have received a joint Modeshift STARS award, in recognition of their efforts to support and promote sustainable travel with the creation of their new head office.

Modeshift STARS accreditation is awarded to companies, organisations and groups who encourage a change in travel behaviour and reduce the number of single occupancy vehicle journeys to, from and between their sites.

Construction of the new Fred. Olsen House, in White House Road, Ipswich, was completed this summer, and when office working resumes it will allow for all of the Ipswich-based Fred. Olsen companies – Fred. Olsen Limited, Fred. Olsen Cruise Lines and Fred. Olsen Travel – to come together under one roof.

As part of the new build, Fred. Olsen has increased the amount of bicycle parking, created four charge points for electric vehicles and installed five new showers so that those walking, running or cycling to work can freshen up when they arrive.

The company also operates the Cycle to Work scheme, and all Fred. Olsen employees who walk, run or cycle to or from work are able to enter into a monthly draw to win prizes.

Environment

We believe in reducing our impact on the environment. We continue to work towards reducing waste, improving energy efficiency and have significantly reduced the use of single-use plastics from all our ships.

Minimising our environmental impact is a journey that never ends, we're always looking for greener ways to sail the ocean waves.

Waste Management

Responsible energy management is an important component of our goals to reduce waste while improving efficiency management. It's one of the most powerful levers we have to reduce our environmental footprint while



reducing costs and therefore improving our financial status. In line with MARPOL Annex V we are currently reviewing all onboard garbage operations to continue reducing waste to a minimum, this will be a long term project that requires the support of our onboard waste management teams, onboard senior management and shoreside support teams. The review will focus on key onboard operations such as hotel / catering with specific reference to food wastage

Fuel Management

When itineraries are planned, they are planned firstly on the region and destinations. Following this, during the operational proofing of the itineraries before they go on sale, there are two areas where fuel management is taken into account.

The itineraries are reviewed for the calculated speeds, to ensure the average speed across every passage should be achievable, as well as taking into account what the cruising conditions maybe like that time of year. If speeds are deemed too high or unachievable for that time of year, then the itinerary are changed to allow for slower speeds. In general having the slower speeds means less fuel consumption during a cruise.

Secondly as part of the Operational review, the itineraries are checked to ensure there are sufficient options for bunkering fuel, so that we will have different options available to us during the cruise, allowing to look at the most cost effective plan. At this stage of the itinerary planning process, suggestions can be made to replace certain ports on the itinerary, or include other ports onto the itinerary so than based on current knowledge, better fuel management can be achieved.

Green House Gas

Fleet

During 2020 the fleet remained predominately in one location relying on power supplied from the engines to ensure key onboard functions remained in place (lighting / heating etc.) as a result the distances travelled were greatly reduced resulting in increased CO₂ figures.

Green House Gas (GHG) emissions are calculated as following:

Total CO_{2e} Tonnes Generated / Total Distanced Travelled / Available Lower Berths (ALB) x 1000000

Fuel conversion rates:

- Heavy Fuel Oil (**HFO**) – total fuel consumed x 3.114 = CO_{2e} / MTS
- Very Low Sulphur Oil (**VLSO**) – total fuel consumed x 3.151 = CO_{2e} / MTS
- Marine Gas Oil (**MGO**) – total fuel consumed x 3.206 = CO_{2e} / MTS

	Total CO _{2e} Generated MTS	Total Distance	CO _{2e} MTS/km	ALB	CO _{2e} (g) per KM per ALB
Balmoral	29,301.04	34,660.18	0.85	1325	638.023
Bolette	3,546.51	2,778.00	1.28	1338	954.141
Borealis	5,955.79	2,778.00	2.14	1357	1,579.891
Braemar	11,997.37	30,124.63	0.40	924	431.015

Total CO _{2e} Generated MTS	Total Distance	CO _{2e} MTS/km	Fleet Average
50,800.71	70,340.81	0.72	900.77

Shorebased Office

Due to disruptions caused by ongoing building works at Fred. Olsen House accurate GHG data is not available. Simulation information relating to solar power generation that indicates predicted CO₂ Emissions avoided totalling 47,941kg / year.



Nature Loss

Fred. Olsen Cruise Lines strive to minimise our impact on nature and the environment. Working within our own strict parameters to ensure that our operation has an absolute minimum impact on nature loss.

As a responsible cruise operator we work closely with our agents associated with the ports we visit to ensure our impact on the local ecosystem complies with national and international regulatory requirements.

Where shore excursions are available in destinations on our Itineraries we work with trusted local tour providers ensuring they comply with local laws and regulations. A recent initiative has been to stop supplying plastic bottled water to guests when leaving to go shoreside

While operating Rigid Inflatable Boat (RIB) Tours we enforce a strict policy that should a RIB encounter wildlife the tour will deviate away to a safe distance to ensure the least disturbance or wait until the wildlife has moved on (if the RIB finds itself too close - whale or dolphin encounters).

Ballast Water Management

Ballast water is seawater pumped into dedicated tanks on a ship to provide weight or ballast at the bottom of the ship to maintain stability. It can impact biodiversity by introducing non-indigenous invasive species when the ship discharges that water.

All vessels operate to a Ballast Management Plan that allows for frequent exchange of ballast water to prevent contamination of diverse environments, our current practice holds ballast water while in port whenever possible. If we can anticipate a discharge, we'll exchange ballast water from one location in deep waters in transit prior to arriving in another location. This avoids the transfer of non-indigenous species between two different nearshore marine environments and has been shown to minimize potential impacts.

We record and report all ballast water exchanges and discharges as local, national and international laws and regulations require.

Where necessary, all ships have been installed with ballast water treatment systems that meet IMO requirements and US Coast Guard (USCG) requirements. This allows for treatment of ballast water prior to discharge where we have not been able to manage ballast as efficiently as necessary.

Biofouling

Biofouling occurs when marine organisms such as mussels, barnacles, algae or other living organisms attach to ships. Preventing biofouling minimises the potential of transporting non-native species to other locations where they could overwhelm native populations. Biofouling prevention thus preserves biodiversity in the places we sail.

The very nature of our itineraries mitigate the potential for hull biofouling. Where possible we minimise our stay in port to no more than 12 hours, limiting the time marine species have to attach to the hull. Additionally, sailing speeds between ports are typically fast enough to 'scrub' the hull of any marine species.

The hulls of our ships are treated with an antifouling hull coatings, hull cleaning, maintenance and the use active Marine Growth Prevention Systems (MGPS). Special silicon-based underwater coatings maintain a smooth surface which inhibits marine growth attachment. Periodic hull cleaning removes the incidental growth that does occur, and periodic maintenance of internal seawater pipes and systems removes any accumulated biofouling in our internal seawater systems.

Fresh water availability

Water management is a key factor for the efficient operation of our cruise business as well as a basic necessity for our crew and guests. There are three available sources of fresh drinking water, these being:

1. Bunkered water purchased periodically throughout the duration of a cruise,
2. Manufactured water (reverse osmosis), water that is purified using an onboard water treatment plant
3. Local purchase of bottled water – Fred. Olsen Cruise Lines banned the purchase and sale of bottled water in 2019.



Good planning practices and onboard water management / monitoring ensure an efficient use of fresh water is maintained at all times.

Spills

FOCL vessels had one environmental spill during 2020 - While receiving fuel from a bunker barge in the Port Babcock (Rosyth Scotland) approximately 0.3 litres of fuel oil leaked from a hose belonging to the bunker provider. A letter of protest was issued to the relevant supplier and all related risk assessments were reviewed to reduce the probability of a similar occurrence.

We maintain an agreement with Hudson Marine who provide 24/7 support should we ever have a significant environmental spill.

2.3 People

Business context

Fred. Olsen Cruise Lines recognises that the key to our success is "our people" - from the initial engagement with potential guests through marketing activities onto liaising with guests during the booking process and finally onboard during their cruise. We know that at any point a breakdown in communication or drop in standards will result in a lost opportunity to build a lasting 'relationship' with our guests. As such our levels of expectations from all employees (ashore or onboard) ensure the Fred. Olsen approach to employment, training, development and employee retention is of the highest standards. In the last two years we have focussed our training delivery on management skills, leadership development and performance management training in order to ensure all our managers are well equipped to manage our people and retain them in the business. We have ensured that training is consistent ashore and on board to create a common language and understanding.

COVID-19

During 2020 and fully in line with the impacts of the global COVID-19 pandemic staff retention and levels dropped considerably.

A percentage of staff within the Ipswich and Oslo operations were furloughed on government schemes to assist the Company during 2020, this helped to maintain the expanse of knowledge within the organisation while protect the longer term future of the Company and the affected staff members.

Unfortunately redundancies were made during 2020 to recognise the projected staffing levels required as the Company prepared plans for a return to operations in 2021. While regrettable, in all instances an open offer from the Managing Director was made to all affected staff that when the business returned to full operating capacity they would be offered a 'first refusal' on reemployment.

As the fleet was placed into a non-operational status the majority of the crew were not required to serve onboard. Onboard manning levels were based on Safe Manning levels + levels required to operate one ship as a Hotel that would cater for a crew to maintain all four vessels and prepare Bolette and Borealis for inclusion into the Fred. Olsen Cruise Lines fleet.

Crew Satisfaction

Our crew are the greatest asset within our business, during normal operational times they are the seen and unseen factor that makes the product work. For the major part of 2020 we have been working with a reduced crew head count due to implications arising from the COVID-19 pandemic. During this time the remaining crew have been working hard to maintain the fleet in good working order ensuring that when operations resume each ship is ready to accept guests and sail.

During the layup period various activities were undertaken to ensure our crew remained safe from the COVID-19 virus and moral was maintained onboard. An onboard survey was conducted in December 2020 to gauge overall rating on four key aspects.

Rating from 5 (Excellent) down to 1 (Poor)



	Rating / Response % rate				
	5	4	3	2	1
Communication	54%	38%	6%	0%	1%
Support	43%	40%	15%	1%	1%
Facilities	44%	37%	13%	3%	3%
Onboard Events	44%	39%	13%	2%	1%
Overall %	47%	39%	12%	1%	1%

The analysis provided following the survey was reviewed both by shoreside and onboard management to assess if immediate actions were required to improve services and support to our crew. A secondary more in depth review followed, taking into account individual comments and lagging indicators to help improve the services and support to the crew.

Again, our crew are our greatest asset.

Community impact

With smaller ships and fewer guests, we show more respect for the places we visit and for the people who live there. While helping to support local economies we are respectful of the impact too many people can have on a small community therefore our approach balances the needs of our Company with the need and infrastructure of the destinations we visit.

Charity Work

RNLI – longest standing corporate partner

Fred. Olsen Cruise Lines continues to be the RNLI's longest spanning corporate partner, having supported the charity since 1968. During this time, Fred. Olsen guests have funded five lifeboats; three mobile training units; three seminar rooms at The Lifeboat College in Poole, Dorset; the development and funding of three DODO (drive-on, drive-off) lifeboat-launching trolleys; as well as training, crew kit and running costs for stations in Clacton, Calshot, Dover, Hoylake, Kyle of Lochalsh, Queensferry, Tynemouth, Bangor, Gravesend, Harwich, New Brighton and Dover.

In May 2010, Fred. Olsen was presented with an RNLI 'Lifetime Achievement Award' in recognition of its ongoing commitment, as the charity's longest-standing corporate partner.

Over £50,000 of food donated to good causes in 2020

When we made the decision to pause our operations in March, owing to the COVID-19 pandemic, Fred. Olsen Cruise Lines donated over £20,000 of fresh fruit and vegetables due to be loaded onto Braemar to good causes in Barbados, where the supplies were due to be loaded.

Fred. Olsen donated the container – comprising 18 pallets / 17,598kgs of chilled fruit and vegetables – to a number of deserving local charities, with the kind co-operation of the Barbados Port. These included the YWCA, Barbados Homeless Society and The Red Cross, as well as the Salvation Army and St. Dominic's Catholic Church children's feeding program.

In June 2020, a further £33,000 worth of food was donated to food distribution charity FareShare, which works to support those in difficult circumstances, including isolation, poverty or homelessness in Scotland, while the ships were laid up in Rosyth, Edinburgh. The donations, which equated to over 30 pallets worth of food, included cereals, biscuits, dried fruits, nuts and seeds, jams and sauces, chocolates, cured meats, baking ingredients, rice and more.

St Elizabeth Hospice – Elmer's Big Parade Suffolk

Fred. Olsen Cruise Lines cares deeply about the community in which its head office is based, in Ipswich, Suffolk. In 2019, Fred. Olsen Cruise Lines became the biggest sponsor and fundraiser for Elmer's Big Parade Suffolk in



support of St Elizabeth Hospice, the main hospice to support those living in east Suffolk. In total, the company and individual team members raised over £15,000 for the cause.

Fred. Olsen Cruise Lines went on to purchase their Elmer sculpture at auction, raising further funds for the charity, and in January 'Elmer's Travel Trunk' set sail on the 70-night 'South American Exploration' aboard Braemar, to raise awareness of the hospice right across the world.

Training

Investors in People

Fred. Olsen Cruise Lines is accredited by Investors in People, which puts the company on the map as an employer of choice.

The Investors in People Standard is an internationally recognised standard which sets out the criteria for high performance through its people. It's a simple framework to benchmark the effectiveness of leadership and management practices in any organisation. The benefit of organisations being IIP Accredited are that they are more profitable, more sustainable and more optimistic about the future.

To achieve the accreditation, Fred. Olsen Cruise Lines had to meet certain criteria that demonstrated the company had effective leadership and management practices, and that the team worked hard to support and encourage each other to achieve.

As part of the accreditation process, a variety of members of the team had an informal interview with a representative from Investors in People to talk about their experiences of working at Fred. Olsen Cruise Lines and how the team, including those in leadership roles, work together.

Performance

The Fred. Olsen onboard family is diverse, pulling from all areas of the globe. Historically it has been understood that certain maritime skill sets are drawn from particular regions of the world, however at Fred. Olsen the skill comes before a person's place of birth. An example would be that we are proud to have a Philipino Master serving onboard, this is also a point that the person in question is also extremely proud of as not only is he our first Philipino Master he is also the first Philippine Master serving on a non-Philippine flagged Cruise Vessel).

We demonstrate our commitment to diversity by showing for 2020 our onboard crew was made up from 43 countries and 6 continents.

At the time of creating this report we can provide the Gender diversity of the onboard crew but do not have a breakdown by department / sub department

Diversity Labour Sourcing <u>Nation</u>					
Argentina	0.14%	Germany	0.09%	Poland	1.45%
Australia	0.05%	Grenada	0.05%	Portugal	0.09%
Austria	0.19%	Hungary	0.05%	Romania	0.89%
Barbados	0.05%	India	6.27%	Russian Federation	0.14%
Bosnia & Herzegovina	0.09%	Indonesia	5.71%	Serbia	0.84%
Brazil	0.05%	Ireland	0.14%	Slovakia	0.05%
Bulgaria	0.42%	Italy	0.05%	Slovenia	0.09%
Canada	0.05%	Jamaica	0.05%	South Africa	0.51%
Chile	0.09%	Malta	0.05%	Spain	0.19%
Croatia	1.92%	Mauritius	0.14%	Sweden	0.05%
Cuba	0.05%	Montenegro	0.37%	Thailand	9.27%
Czech Republic	0.05%	Nepal	0.42%	Ukraine	0.66%
Estonia	0.23%	Netherlands	0.05%	United Kingdom	7.30%
Finland	0.19%	Norway	0.23%		
France	0.09%	Philippines	61.14%		

Diversity Labour Sourcing <u>Region</u>	
Australia	0.05%
Europe	15.96%
Asia	82.82%
Africa	0.66%
North America	0.23%
South America	0.28%

Onboard Gender Diversity	
Male	79%
Female	21%



CEO Pay Ratio

The Companies (Miscellaneous Reporting) Regulations 2018 require quoted organisations with more than 250 UK employees to disclose their CEO pay ratios. Whilst we are not required to report on this currently, we have already calculated the ratio for Fred Olsen Cruise Lines and the wider FO Group.

As a further move towards transparency, the government hopes that this disclosure, and the required disclosure of supporting and explanatory information, will allow interested parties inside, and outside of, the organisation to understand how remuneration policies across the organisation compare to the executive pay policy.

The CIPD (Chartered Institute of Personnel and Development) states: pay of a FTSE 100 CEO with that of a UK full-time worker, the pay ratio stands at 122:1, or 149:1 when comparing with all UK employees comparing the average or 'mean' pay of a FTSE 100 CEO with that of a full-time worker across the whole UK economy, or 160:1 when comparing with all UK employees.

In Fred. Olsen Cruise Lines the ratio is: 12:1

Onboard the ratio is 15:1 (Salary is based on position and wage scales as negotiated through the Norwegian Seafarers Union).

Shoreside Gender Ratios

We also track and report on gender split within the organisation onshore. Currently the gender split in Fred. Olsen Cruise Lines onshore is 66.9% Female and 33.1% Male and in the Leadership Team itself we have a 40% Female and 60% Male split. We are working to improve the Leadership ratios through the Fred. Olsen Womens' Leadership Network. To date we have completed two cohorts and we expect to start our third cohort in 2022, following pandemic imposed delays. Many of the women involved have been awarded the CMI Level 5 award in Leadership and Management.

Gender pay Gap reporting and Actions

The UK Gender Pay Gap across all UK industries is currently 18% on average (UK Gov. website), the gender pay gap within Fred. Olsen Cruise Lines is 32%. This indicates that in senior positions, we have predominantly male employees but additionally we need to consider and review all our salaries and check equal pay and parity in pay for given roles.

We are currently doing a number of projects in order to close our gap. These include the following

1. **Hay Job Evaluation-** The general purpose for carrying out job evaluation is to enable organisations to map out all their roles in a manner that delivers the following benefits:
 - a. Recognising equivalent levels for the purposes of salary and grading
 - b. Improving succession planning
 - c. Creation of more useful and focussed job descriptions
 - d. Ensure equal pay for same roles/levels in the organisation
2. **Women's Leadership Network-** Our WLN aims to give women the usual leadership skills but with the emphasis on being confident to utilise personal style and understand where that style adds value. Having a group of women together to form a network aims also to inspire confidence and self- esteem and provide a useful network to discuss issues that arise in normal work life.
3. **Focussed Recruitment-** aiming to find a balance in shortlists of men and women.
4. **The interview process-** ensuring that there are women on the interview panels for all management level positions
5. **Women Returner inductions-** designing a process of support for women who return to work after extended periods of absence



6. **Language in our advertisements**- Ashton's Legal presented some findings that certain words prevent women or put women off from applying to certain jobs. They found that words like "challenge" can be off putting. We aim to create a local Women's Group of HR practitioners in the area that can focus on this research and understand how to advertise roles that will attract more women applicants
7. **Tackling unconscious bias**-Implicit or unconscious bias happens by our brains making incredibly quick judgments and assessments of people and situations without us realising. Our biases are influenced by our **background, cultural environment** and **personal experiences**. We may not even be aware of these views and opinions, or be aware of their full impact and implications. HRD to deliver sessions on this for all senior Managers to challenge thinking and beliefs.

Health and Well-Being

All events are recorded using the in-house EVERS reporting tool. Information is captured and recorded in a central database to assist in ensuring:

- Events are competently reported
- Effective corrective / preventive actions are implemented
- Trending is conducted to highlight key areas of concern
- Reports are shared throughout the fleet to assist in reduce the risk of similar event occurring
- The Company has a full and accurate record of events therefore is prepared for external communications relevant to guest / crew events

The following section provides information specific the crew events resulting in lost time, this does not include general sickness.

The annual Fleet Lost Time Incident (LTI) rate for 2020 is 0.069 work days lost per 1,000,000 work hours

Note - FOCL classify an LTI event as an event resulting in lost time greater than 10 hours (working day)

LTI Rate	Average	2014	2015	2016	2017	2018	2019	2020
	149 ³	144	185	177	199	103	86	38
	2.34 ³	2.29	2.18	2.29	2.27	2.83	2.20	0.07

³ Average taken for 2014/2019 - excludes 2020 data due to change of operating practices arising from COVID-19

The annual Total Recordable Incident Rate (TRIR) for 2020 is 0.95 incidents per 100 full-time workers during a one-year period.

$$\text{TRIR} = \frac{\text{Incidents}}{\text{Hours}} \times 364000^4 \text{ (Standard employee group)}$$

⁴ Standard employee group is calculated on 100 (average data set) x 70 (hours in working week) / 52 (working weeks)

	Average	2014	2015	2016	2017	2018	2019	2020
TRI's	149 ⁵	144	185	177	199	103	86	38
TRIR	3.89 ⁵	3.88	4.90	4.60	5.13	2.66	2.16	0.95

⁵ Average taken for 2014/2019 - excludes 2020 data due to change of operating practices arising from COVID-19

The tracking of the LTI and TRIR rates are considered 'predictors' in the effectiveness of safety management onboard. All LTI / TRI events are investigated via the EVERS process with a view to reducing the probability of a similar event. For 2021 onwards greater focus will be applied on LTI and TRI rates within fleet and shoreside management monthly safety reports.



2.4 Prosperity

Business context

2020 and the COVID-19 pandemic stopped the business operating from March through to the end of the year. The Company has put all its efforts into maintaining the fleet in lay-up whilst minimising costs, this has had a huge impact on the Company from a business context which will be at the forefront of a review of operations.

Tonnage Tax

FOCL is established within the UK Tonnage Tax system and pays its corporate taxes based on the registered net tonnage of its ocean-going vessels for 2019 was tonnage tax paid was £29k, and for 2020 £34k.

For further information on our tax policy refer to <https://www.fredolsencruises.com/legal/tax-policy>



3 The way forward

As we put 2020 behind us and focus our attention on 2021, we look forward towards a return to operations with a refreshed fleet and a drive towards re-establishing Fred. Olsen Cruise Lines as a leading cruise operator in the UK marketplace. While we anticipate 2021 will not be a full operation year we remain positive and resolute in planning for the continued future of our business.

Technical

Fred. Olsen Cruise Lines will continue to focus on working towards measures pushed forward by the Marine Environment Protection Committee (MEPC) of the International Maritime Organisation aimed at supporting the achievement of the objectives set out in the initial IMO strategy on reduction of greenhouse gas (GHG) emissions from ships, in line with the Paris Climate Change Agreement under UNFCCC and the United Nations 2030 Agenda for Sustainable Development.

Fuel saving initiatives will be the primary tool in working towards a 30% reduction in GHG by 2030, these initiatives will include embracing technological advances in bio-fuels, extensive use of the shore power systems fitted on our two new vessels as well as imaginative itinerary planning.

Sales and Marketing

We predict that there is a lot of pent-up demand for travel and cruising and believe that at some point during the spring, bookings should increase significantly (when the vaccine roll-out programme has gathered momentum, virus cases decline and better weather lifts the national mood). We are therefore currently re-planning our activity as the January and February Wave Season (traditionally our busiest booking period of the year) is much quieter than usual due to the pandemic and National Lockdown. Marketing activity planned for January is being re-phased into the spring and early summer. We still plan to launch our future year itinerary programme (2022/3) in March although our main brochure is likely to be issued a few weeks after this along with activity to showcase our new ships and our unique way of cruising to a new guest audience. In the meantime we will be continuing with our award-winning Virtual Cruise programme on Facebook, also adding updates from our ships as we are 'getting ready' to resume service.

Hotel Operations

Hotel Ops are well underway with planning for re-entry into service and working on refurbishing the new vessels.

We will focus on re-integration of our fabulous workforce who has been at home for a very long time. Together with them we will successfully enter into service while adapting to the new normal in the COVID-19 world with relevant measures in place. We will introduce two new FOCL vessels with exciting new features and services while retaining recognisable elements for our past guests.



4 Indicators and KPIs

Governance	Metric	Data Set	
		Onboard	Ashore
% number of employees given anti-corruption training	%	100% ⁶	0% Claire Wright
Number of corruption cases	Number	0	0

⁶ All crew complete onboard Familiarisation process that includes reference to anti-corruption / bribery

Planet	Metric	Data Set	
		2019	2020
Consumption of marine gas oil for Cruise vessels	Tonnes	33,732.70 mts	11,422.71 mts
Consumption of Very Low Sulphur Fuel Oil for Cruise vessels	Tonnes	5,011.39 mts	4,500.00 mts
Consumption of heavy fuel oil for Cruise vessels	Tonnes	21,859.22 mts	0 mts
Total Fleet CO _{2e} emissions	CO _{2e} MTS	192,007.54	50,800.71
	CO _{2e} MTS/km	0.30	0.72
Shorebased CO _{2e} emissions	CO _{2e} MTS	Not available	Not available
Plastic use (if possible)	Tonnes	Not available	Not available
Environmental spills		2	1



People	Metric	Data Set			
% number of employees in age groups	%	Onboard Age groups:		Ashore Age groups:	
		18-29	21%	18-29	24%
		30-39	42%	30-39	32%
		40-49	24%	40-49	25%
		50-59	11%	50-59	16%
		60+	2%	60+	3%
% number of employees in gender groups	%	Male	Female	Male	Female
		79%	21%	33%	67%
Number of shorebased employees	Number	122 full time / 27 part time			
Number of ship/offshore employees	Number	2136			
Number of employees on special contract	Number	Onboard		Ashore	
		0		0	
Number of serious incident to employees	Number	Onboard		Ashore	
		Nil		Nil	
LTI rate - Lost Time events per million work hours	Number	2019	2020	2019	2020
		2.2046	0.0687	0	0



Prosperity	Metric	Data Set							
New employees hire split by age and gender	Number	Onboard				Ashore			
		Age groups:		Gender		Age groups:		Gender:	
				Male	Female			Male	Female
		18-29	55	47	8	18-29	1	1	0
		30-39	45	39	6	30-39	2	2	0
		40-49	12	11	1	40-49	0	0	0
		50-59	7	6	1	50-59	0	0	0
		60+	4	4	0	60+	0	0	0
Employee turnover split by age and gender	%	Onboard				Ashore			
		Age groups:		Gender:		Age groups:		Gender:	
				Male	Female			Male	Female
		83.5% ⁷				18-29	30%	21%	79%
						30-39	34%	37%	63%
						40-49	15%	8%	92%
						50-59	13%	20%	80%
						60+	8%	0%	100%
Research and development spend during year	£'000'	IT							
		151 - Track and Trace 60 - Thermal Scanning and Check-In 192 - Table management				10 - FOCL App dev 10 - Local lockdown checker			

⁷ Unable to provide gender / age breakdown at this point



5 Glossary

ALB - Available Lower Berths onboard a vessel

Audit - Systematic, documented, periodic and objective assessment of an organization's performance, management systems and processes.

Ballast Water - Seawater that is taken on board a ship and stored in tanks to control draft, list, trim and stability.

Bilge Water - Water from equipment maintenance and minor leaks that collects in the lowest part of the ship.

Black Water - Wastewater from toilets, urinals and medical sinks.

Bunkered Water - Potable water that is purchased from a municipal or private system at a port and stored on board in tanks.

CO₂ (Carbon Dioxide) - A naturally occurring chemical compound composed of two oxygen atoms covalently bonded to a single carbon atom. It is a gas at standard temperature and pressure, and it exists in Earth's atmosphere in this state, as a trace gas at a concentration of 0.39 percent by volume.

DPA - Designated Person Ashore

FOCL - Fred. Olsen Cruise Lines Limited

GHG - Greenhouse Gas

Gray Water - Wastewater that is generated from activities such as laundry, bathing, cooking and dishwashing

LTI (Lost-Time Incident) - Lost Time events per million work hours

MLC 2006 (Maritime Labour Convention 2006) - An international treaty that provides comprehensive rights and protection at work for the world's seafarers. The convention sets out seafarers' rights to decent conditions of work on a wide range of subjects and aims to be globally applicable, easily understandable, readily updatable and uniformly enforced.

MARPOL - The International Convention for the Prevention of Pollution from Ships. MARPOL was designed to minimize pollution of the seas.

MTS (Metric Tonne) - 1 metric tonne = 2,204.62 pounds (lbs.) = 1,000 kilograms.

NO_x - Oxides of nitrogen that are a family of gases released from the combustion of fuel.

Port State - A State with an international port (any port visited by a vessel that is not flagged with that state becomes a Port State)

SOLAS (Safety of Life at Sea) Convention - The most important and comprehensive international treaty governing the safety of merchant ships.

Stakeholder - Any individual or group, within or outside a company, that has an interest in or may be impacted by that company and that, accordingly, has expectations, requires information or holds legitimate economic interests.

STCW - The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers which sets qualification standards for masters, officers and watch personnel on seagoing merchant ships.

TRIR - Total Recordable Incident Rate

WEF - World Economic Forum