



Carnival Cruise

taking a voyage with a reasonable risk

Team D4 <https://youtu.be/gT1sERrw4oY>

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Introduction



Introduction of Carnival Corporation & PLC

Carnival Corporation & PLC

Biggest cruise company providing Carnival cruise, Princess cruise lines and others.



37.1% of
market share

Symbol of
leisure and
enjoyment

MSCI ESG

CCC

- ✓ Environmental
- ✓ Social
- ✓ Governance

Carnival corporation,
socially responsible?

Introduction of Carnival Corporation & PLC

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(as of **Feb 2021**)

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Carnival corporation,
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**Symbol of
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(Source: <https://cruisemarketwatch.com/market-share/>)

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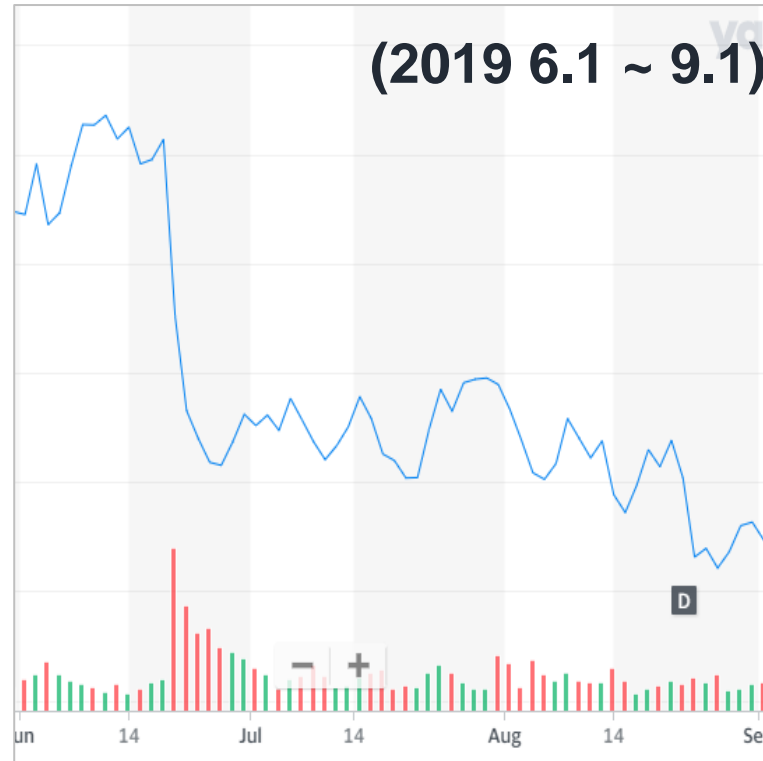
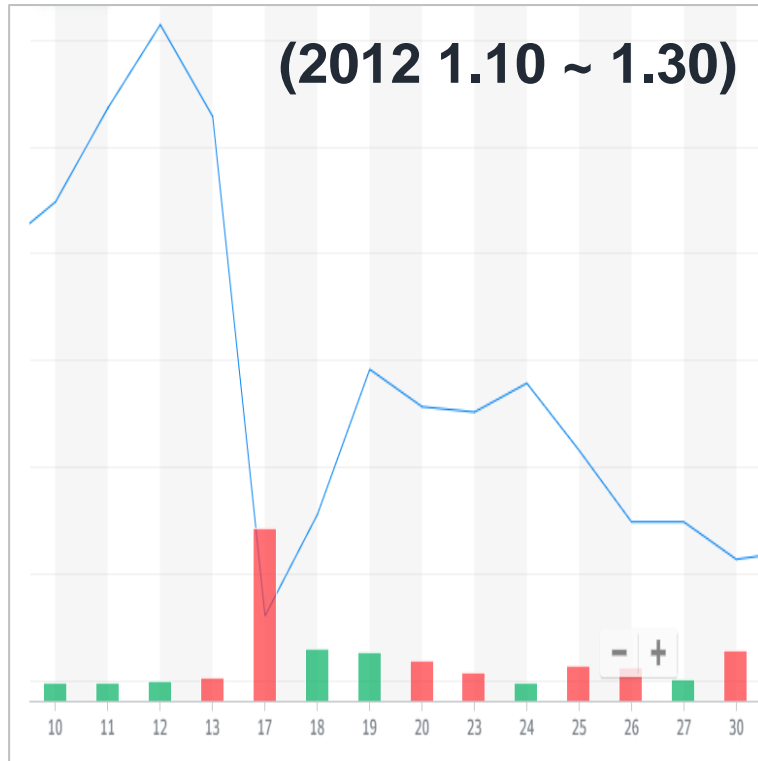
**Carnival corporation,
socially responsible?**

(Source: <https://cruisemarketwatch.com/market-share/>)

Carnival Corporation and Controversies

Cost of social irresponsibility

Ethical, operational harm leads to the drop of stock price, and hinder growth



(source: Yahoo finance [CCL Interactive Stock Chart | Carnival Corporation & plc Stock - Yahoo Finance](#))

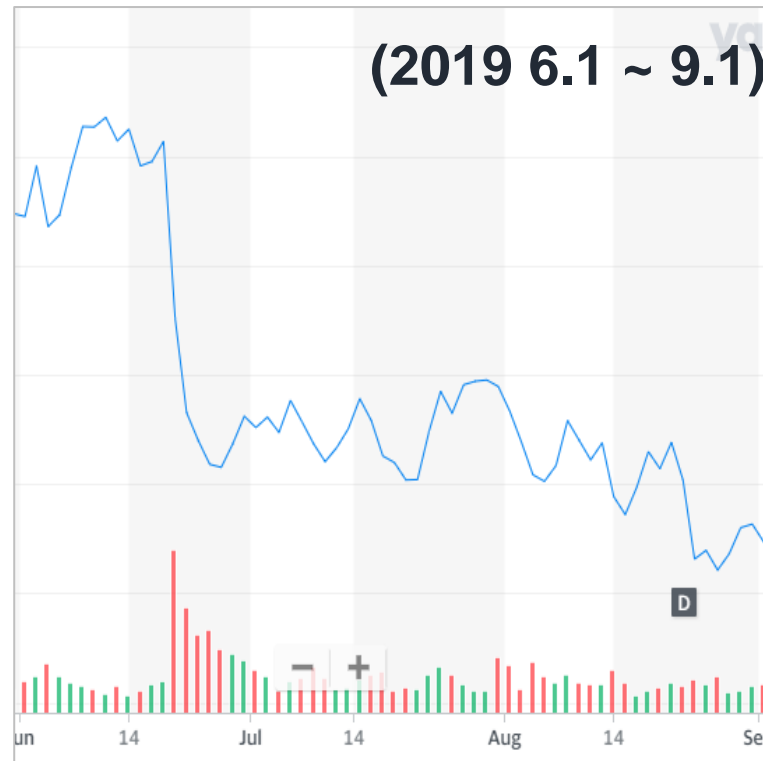
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2012, 1/13
(2012 1.10 ~ 1.30)
**Costa Concordia
accidents**

Stock price dropped
more than **15%**
immediately



(source: Yahoo finance [CCL Interactive Stock Chart](#) | [Carnival Corporation & plc Stock - Yahoo Finance](#))

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2019, 6/3 (2019 6.1 ~ 9.1)
Illegal dumping

Stock price dropped
nearly **18%** in the 3rd
quarter of 2019



(2020 2.1 ~ 4.1)



(source: Yahoo finance [CCL Interactive Stock Chart](#) | [Carnival Corporation & plc Stock - Yahoo Finance](#))

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2019, 6/3 (2019 6.1 ~ 9.1)
Illegal dumping

Stock price dropped
nearly **18%** in the 3rd
quarter of 2019



2020, 2/1 ~ 4/1 (2020 2.1 ~ 4.1)
**Poor Covid-19
response**

Stock price dropped
nearly **80%** for 2
months after the
outbreak



(source: Yahoo finance [CCL Interactive Stock Chart](#) | [Carnival Corporation & plc Stock - Yahoo Finance](#))

“Doing well by doing good”



02

Comparative Analysis

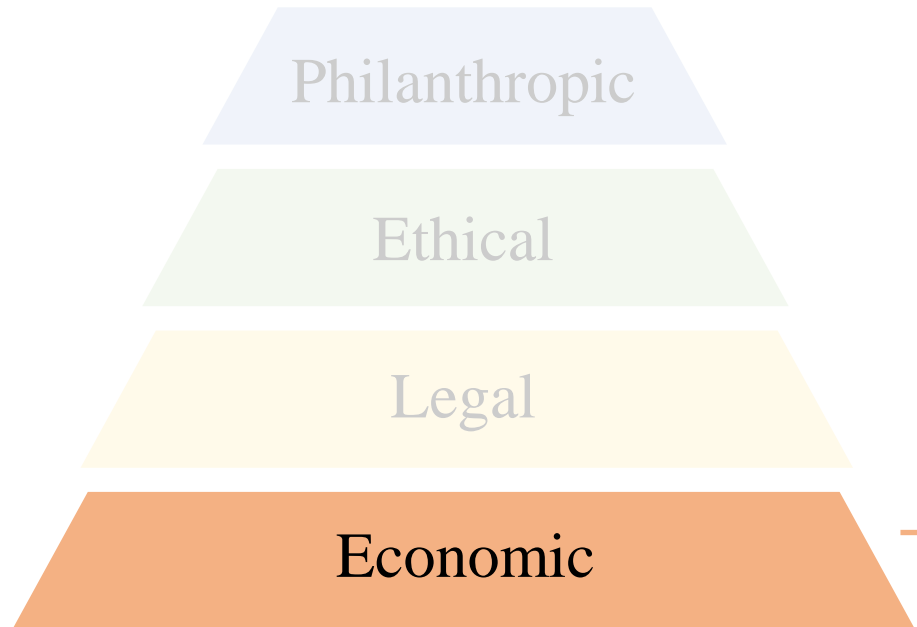


Components of CSR



Source: Carroll, A. B., & Buchholtz, A. K. (2008). *Business and Society: Ethics and Stakeholder Management* (7th ed.). South-Western Cengage Learning.

Economic Responsibility



- ✓ *Revenue*
- ✓ *Net income*
- ✓ *EPS*
- ✓ *P/E ratio*
- ✓ *Market capitalization*

Economic Responsibility



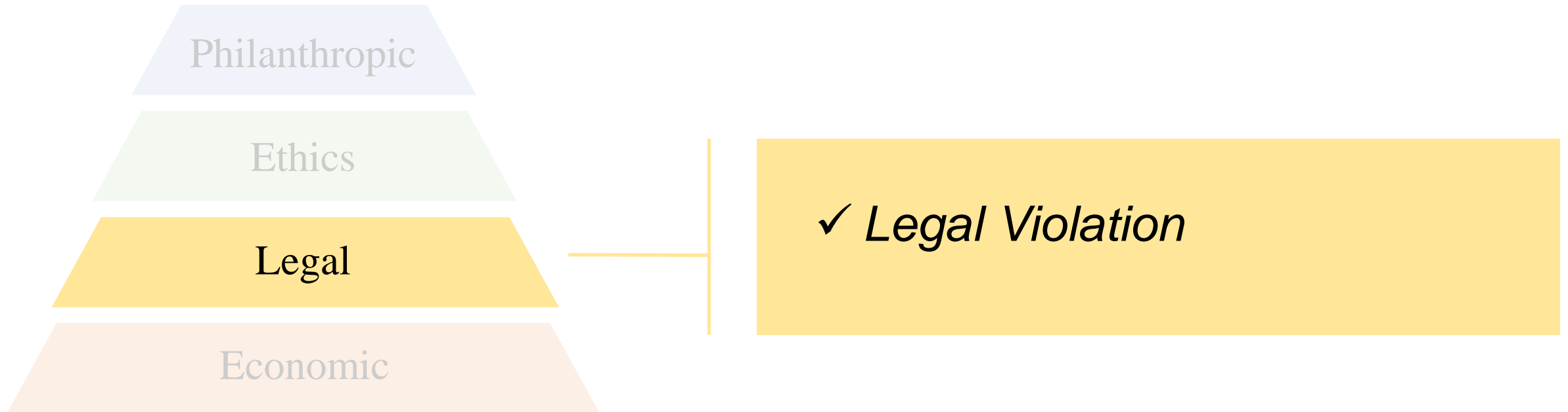
| | | | |
|-----------------------------------|----------------------|---------------------|---------------------|
| Revenue (2019) | \$ 20,825 M | \$10,951 M | \$ 6,462 M |
| Net Income (2019) | \$3,041 M | \$ 2,003 M | \$ 930 M |
| EPS (2019) | \$ 4.4 | \$ 9.54 | \$ 4.3 |
| P/E ratio (2019) | 10.31 | 14.74 | 13.58 |
| Market capitalization (2019/2021) | \$35.11 B /\$23.00 B | \$28.13B /\$16.05 B | \$12.58 B /\$7.43 B |

Source: 2019 Annual Report, macrotrends, Ycharts.com

(2019, December 26 / 2021, February 12)

#Appendix 1~3

Legal Responsibility



Legal Responsibility

Repeated violations of environmental regulations

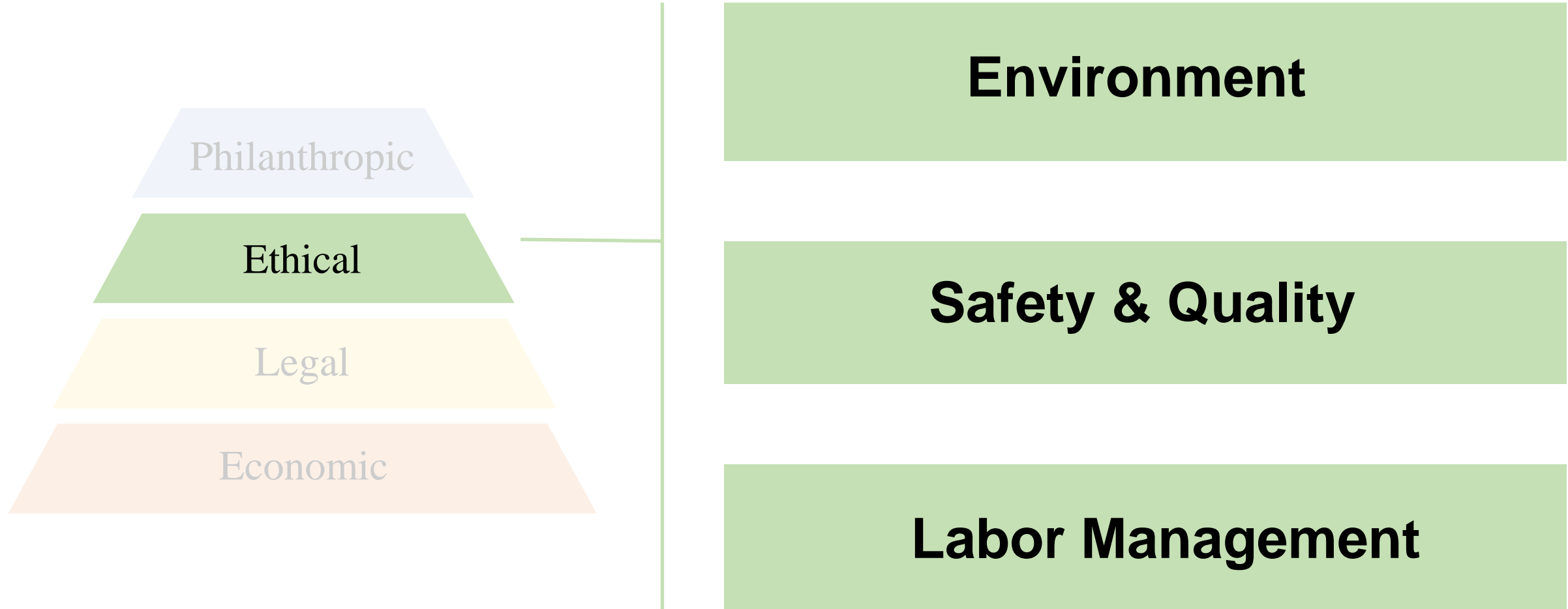
- ✓ In 2016, \$40 million penalty fined for illegally dumping oil-contaminated waste
- ✓ In 2019, additional \$20 million fined for violating probation terms from 2016

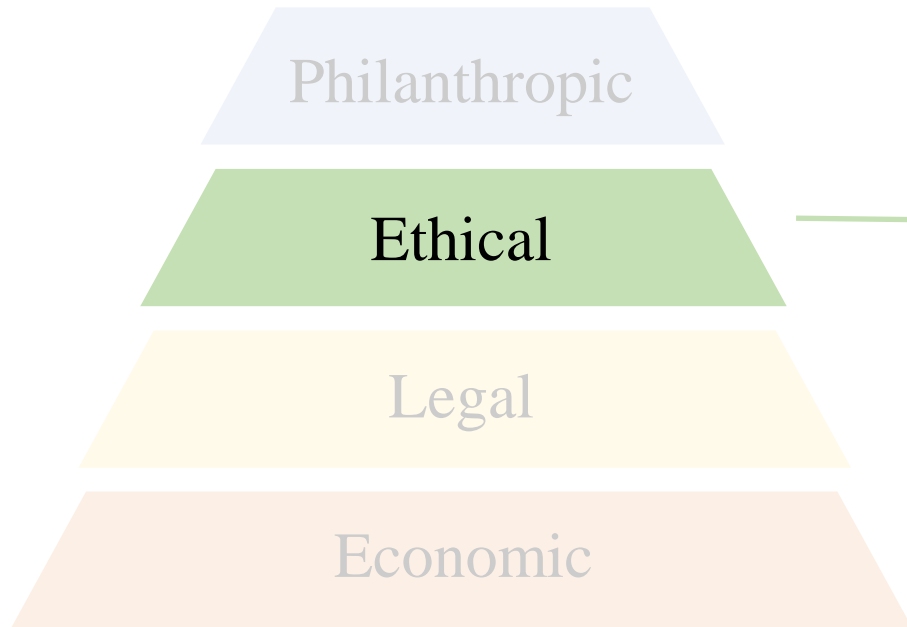
Repeated forms of **corporate dishonesty**

- ✓ Falsifying records
- ✓ Directing employees to lie during inspection
- ✓ Using a magic pipe to circumvent monitoring
- ✓ Sending in teams ahead of court supervision

Source: New York Times (June 4, 2019)

Ethical Responsibility





Environment

- ✓ *Emission Gas Control System*
- ✓ *Cold Ironing System*
- ✓ *Advanced Water Treatment System*
- ✓ *Plastic Waste Reduction*



Environment



| | | | |
|--|-----------|-----------|-----------|
| Emission Gas Control System | 77% (B) | 60% (C) | 91% (A) |
| Cold Ironing System | 45% (A) | 8% (C) | 35% (B) |
| Advanced Water Treatment System | 66% (C) | 85% (B) | 93% (A) |
| Single-use Plastic Item Reduction per vessel | 0.77M (C) | 1.60M (B) | 2.36M (A) |

Final Score

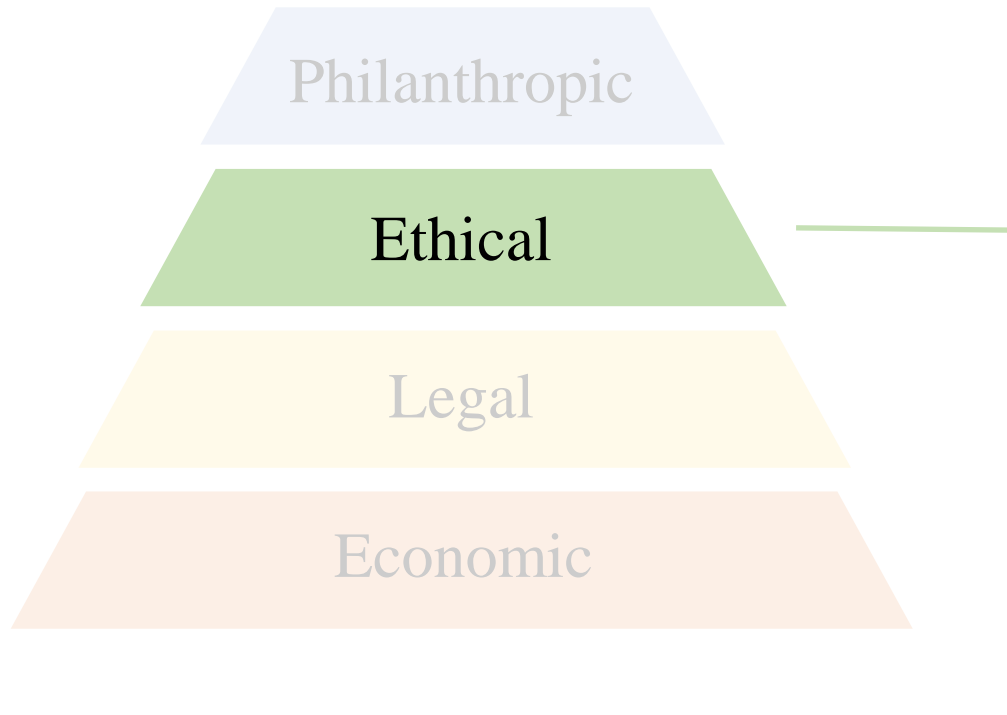
B-

C

A

Source: 2019 Sustainability Report(CCL, RCL), 2019 Stewardship Report(NCL), Cruise Ship Report Card 2020(Friends of the Earth)

#Appendix 4~5



Safety & Quality

- ✓ *On board crimes & accidents*
- ✓ *Sexual Assaults*
- ✓ *Covid-19 Response*



Safety & Quality



| | | | |
|-----------------------------|---|----|----|
| On Board Crimes & Accidents | B | B- | B- |
|-----------------------------|---|----|----|

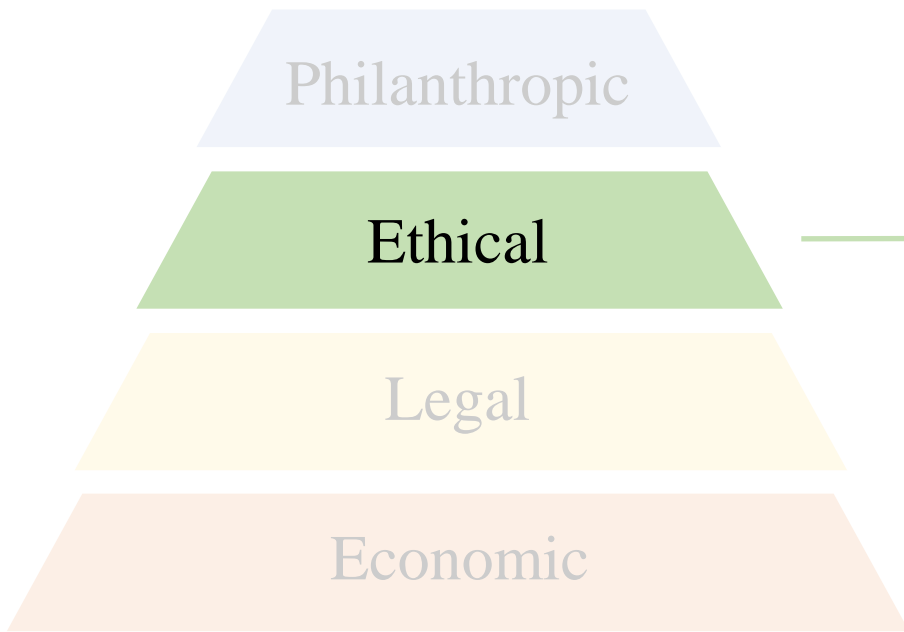
Source: U.S. Department of Transportation, Cruise Line Incident Reports, CruiseJunkie.com

| | | | |
|----------------|---|---|---|
| Sexual Assault | B | B | B |
|----------------|---|---|---|

Source: U.S. Department of Transportation, Cruise Line Incident Reports

| | | | |
|-----------------|---|---|---|
| Covid-19 Issues | C | - | - |
|-----------------|---|---|---|

| | | | |
|-------------|----|---|---|
| Final Score | B- | B | B |
|-------------|----|---|---|



Labor Management

- ✓ *Employee Safety & Education*
- ✓ *Wage*
- ✓ *Employee Satisfaction & Welfare*
- ✓ *Diversity & Inclusion, Equality*



Labor Management

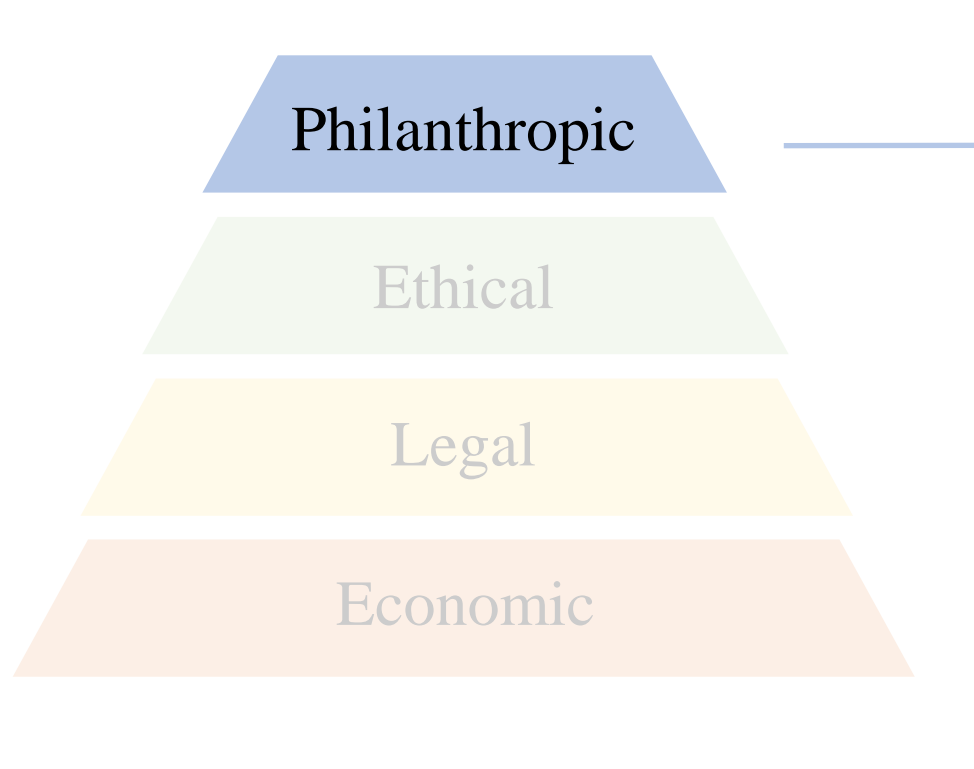


| | | | |
|---------------------------------|-----------|-----------|-----------|
| Employee Safety & Education | A | B | C |
| Wage | B | A | C |
| Employee Satisfaction & Welfare | A | A | B |
| Diversity, Inclusion & Equality | B | B | B |
| Final Score | B+ | B+ | B- |

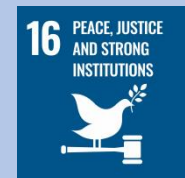
Source: 2019 Sustainability Reports, Indeed, Careerbliss

#Appendix 13~20

Philanthropic Responsibility



- ✓ *Disaster Relief*
- ✓ *Community Support*
- ✓ *Education & Children Support*



Philanthropic Responsibility

Disaster Relief



Community Support



Education & Children Support



Source: 2019 Sustainability Reports

#Appendix 21~23

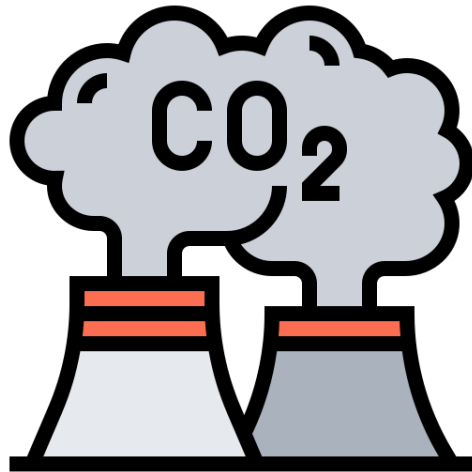
General view on Carnival corporation



General view on Carnival corporation



Sustainable Company?

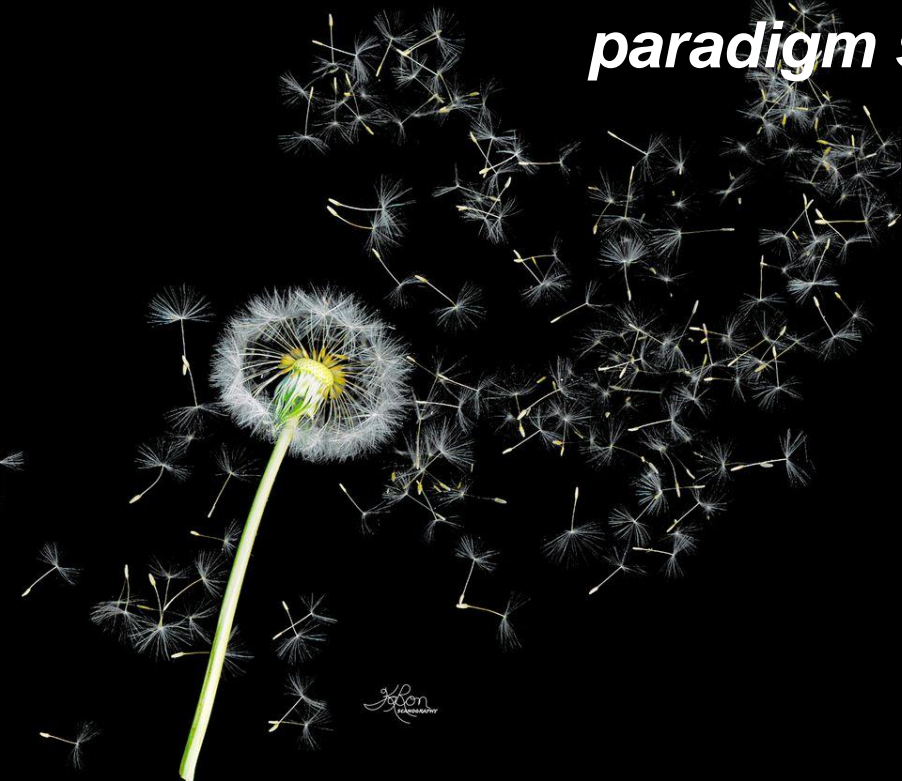


X 15 Carbon

(160 kg a day per passenger)

Sustainable Company!

*With our recommendations, Carnival will grow into a
paradigm shifter creating shared value*

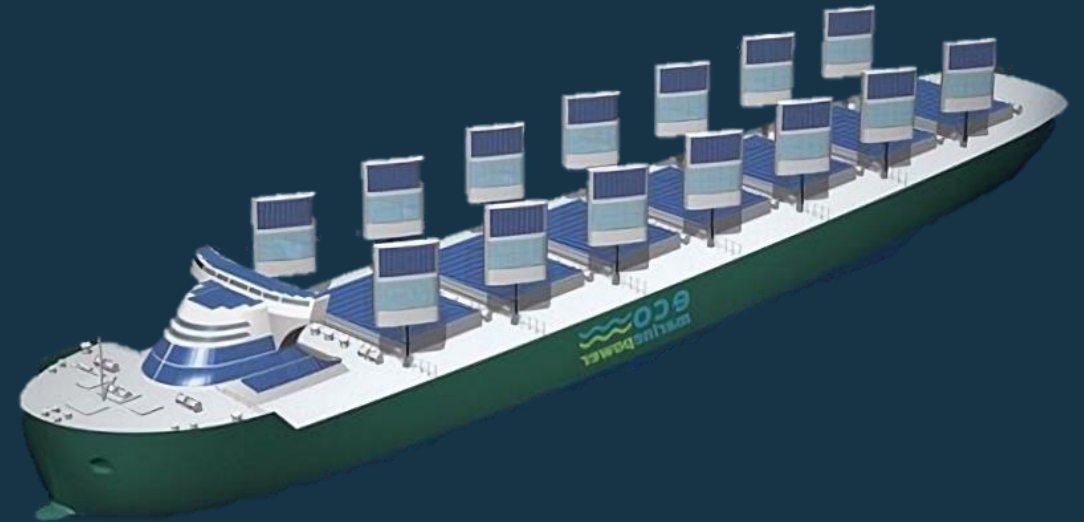


03

Recommendation



Introduction of Eco-Cruise Line



New Business Model, Carnival Eco-Cruise Line



5 DAY
The Bahamas from Port Canaveral (Orlando), FL

CRUISES FROM
\$269*
PER PERSON

SHOP NOW

(image source: Carnival.com)

New Business Model, Carnival Eco-Cruise Line



5 DAY
The Bahamas from Port Canaveral (Orlando), FL

CRUISES FROM
\$269*
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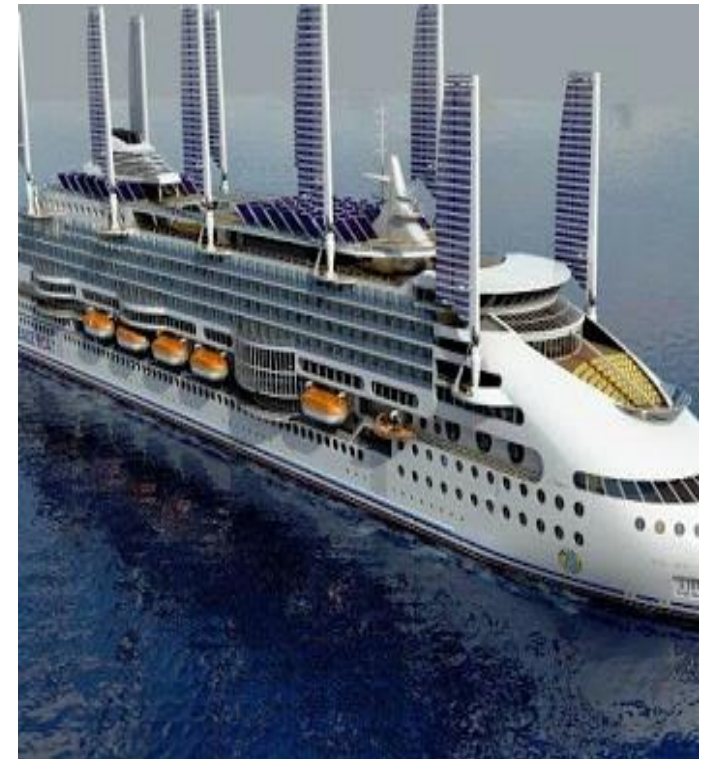
SHOP NOW

(image source: Carnival.com)

Eco Project



Eco-Vessel



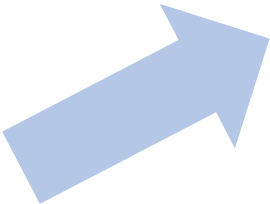
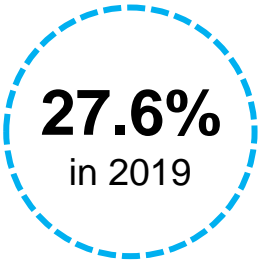
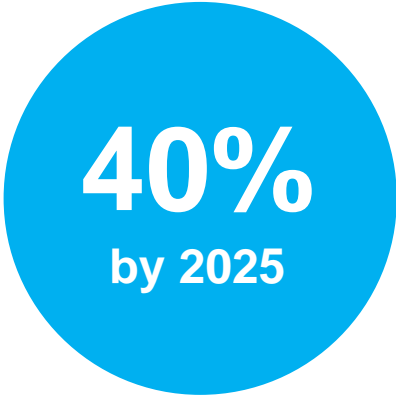
(image source: Greenmatters.com)

Deep inside of Eco project

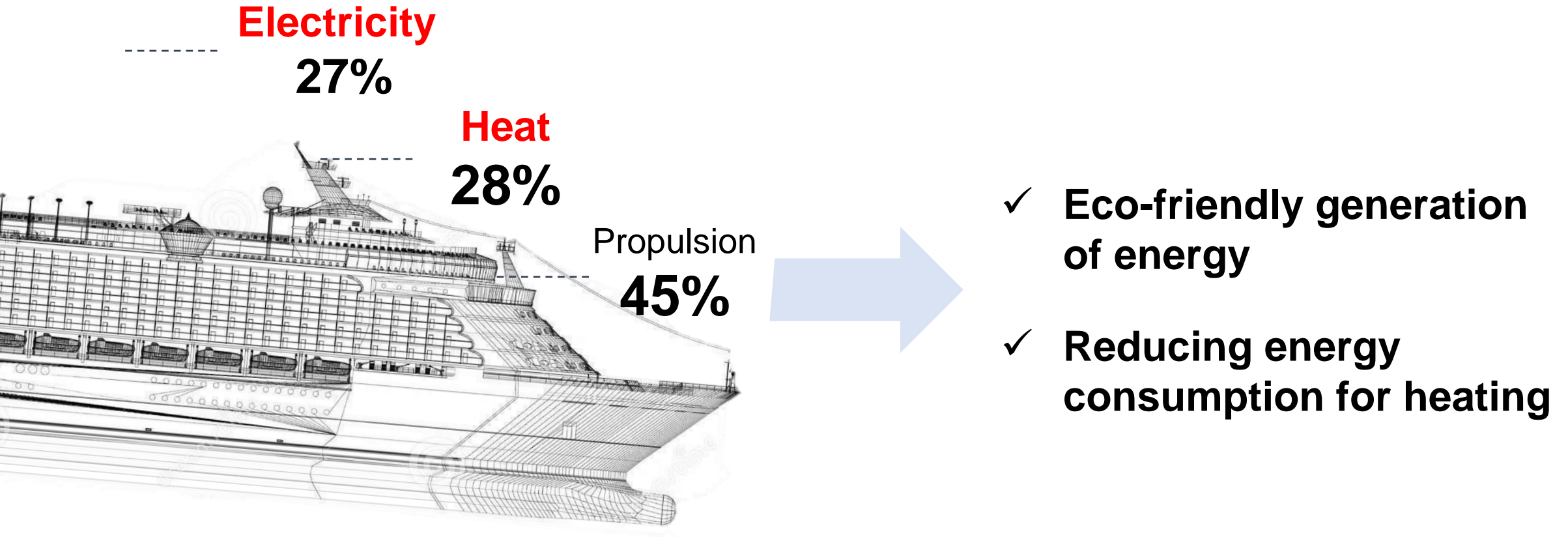


Passengers learn and experience recycling during the travel

Recycling Waste Goal



Deep inside of the Eco-Vessel



x3000 high sulfur oxide than gasoline

Source: Energy and Exergy Analysis of a Cruise Ship (2018), Francesco B., MDPI

Source: Samsung Heavy Industry

Deep inside of the Eco-Vessel

LNG

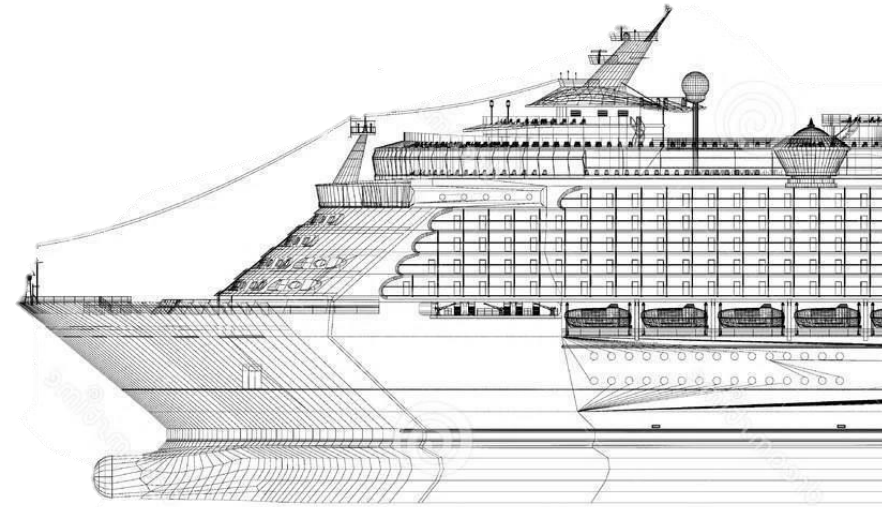


- ✓ Eliminating toxic emission(SOx, NOx, PM)
 - ✓ CO₂ 20% reduction
-

Renewable Energy

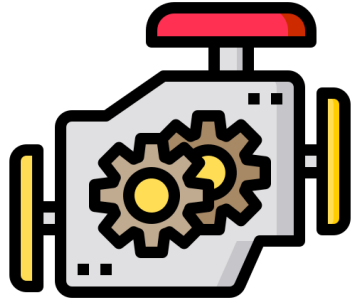


- ✓ Covering 100% of ship's electricity use
-



Deep inside of the Eco-Vessel

Advanced Engine

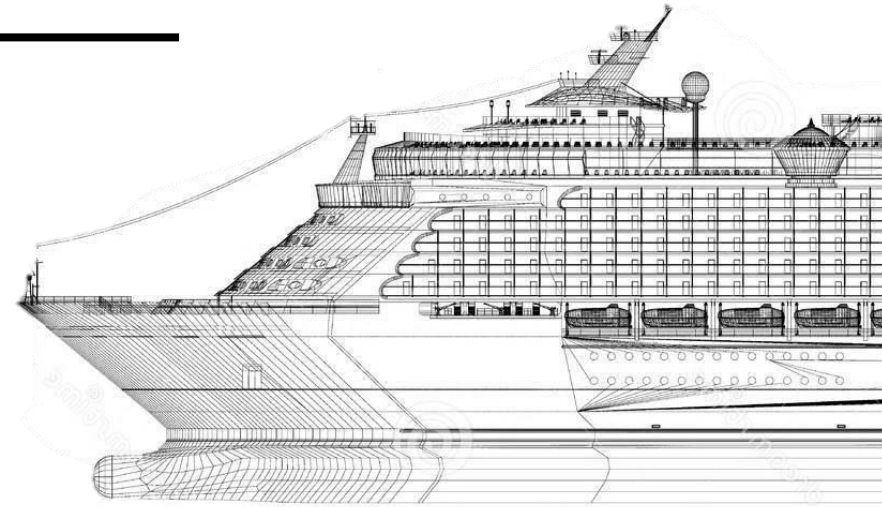


- ✓ Fixing inefficiency
 - ✓ Engine electronic control system
-

Efficient heating & Insulation




- ✓ Utilizing engine heat for space heating
 - ✓ Energy saved with insulation
-



Source: Baldi, F., Ahlgren, F., Nguyen, T., Thern, M., & Andersson, K. (2018). Energy and Energy Analysis of a Cruise Ship. MDPI Energies, 1–41. <https://doi.org/10.3390/en11102508>

Estimated cost and benefit for Carnival Eco-cruise line

By 2025, 11 Eco-cruises operating



**Estimated Cost
\$ 46M per
a vessel**

**Economic
benefit from
fuel savings**

#Appendix 25~27

Estimated cost and benefit for Carnival Eco-cruise line



\$ 21M OF NPV
Per a vessel

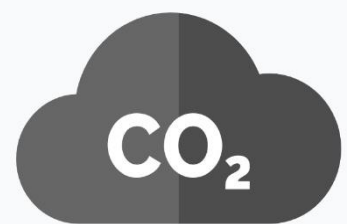
\$ 46M per a vessel

Economic benefit from fuel savings

#Appendix 25~27

Environmental Impacts of Eco Cruise Line

In 2025, at least, annually



209,671 Metric ton
GHG emission prevented



1.32M ton
water saving



7447 ton
fuel saving



98M kWh
electricity saving



Metric tons of
8,947 SOx
22,692 NOx
177 PM
toxic emission prevented

#Appendix 28~30

1% profit donation to
environmental organizations
(Estimated to be 3M USD)

**Creating
Shared Value,
Eco-Cruise Line**

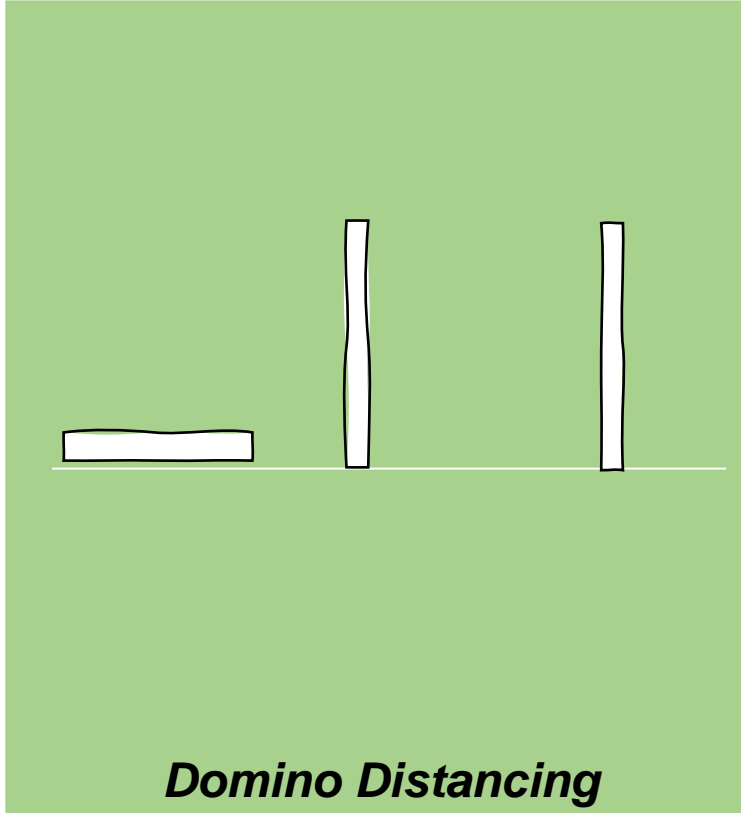


Dishonesty to Honesty : Domino Model

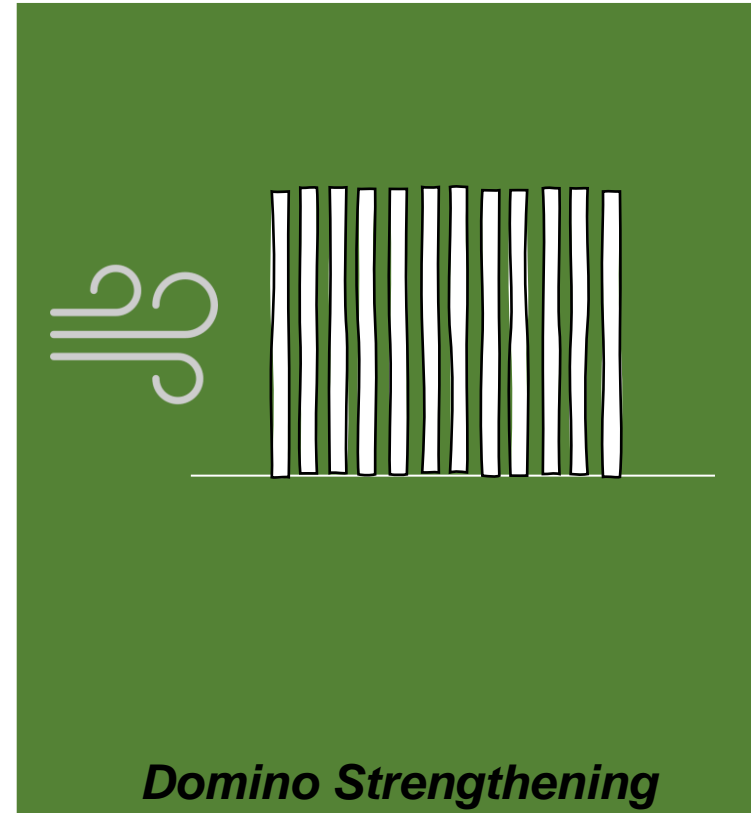


Introduction of the Domino Model

In-N-Out System

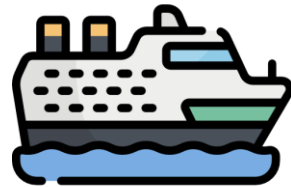
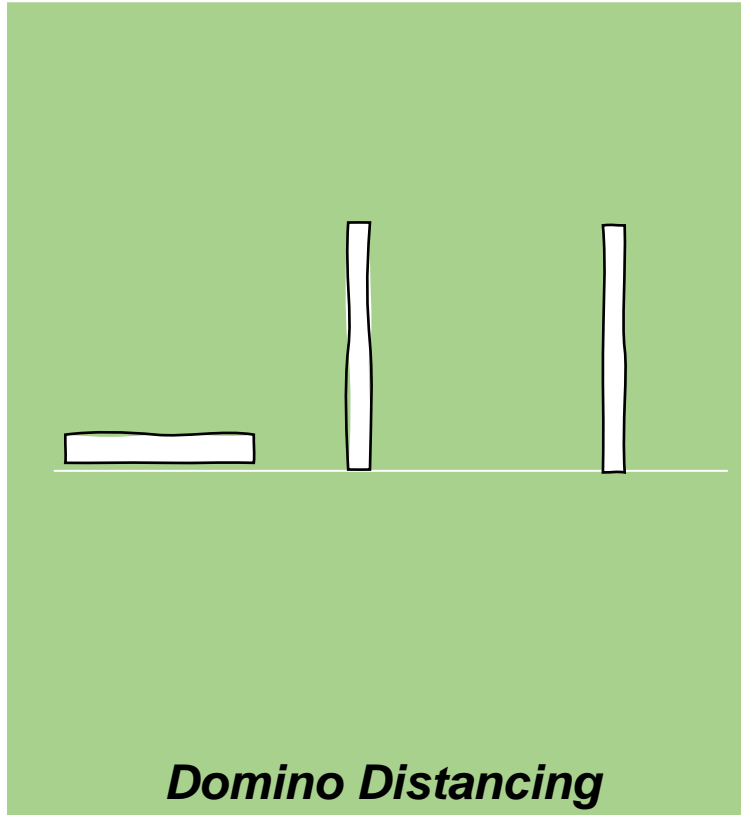


Responsible Wage System



Distancing the Dominoes by In-N-Out System

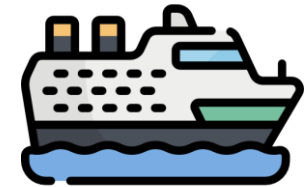
In-N-Out System



- ✓ People
- ✓ Resource



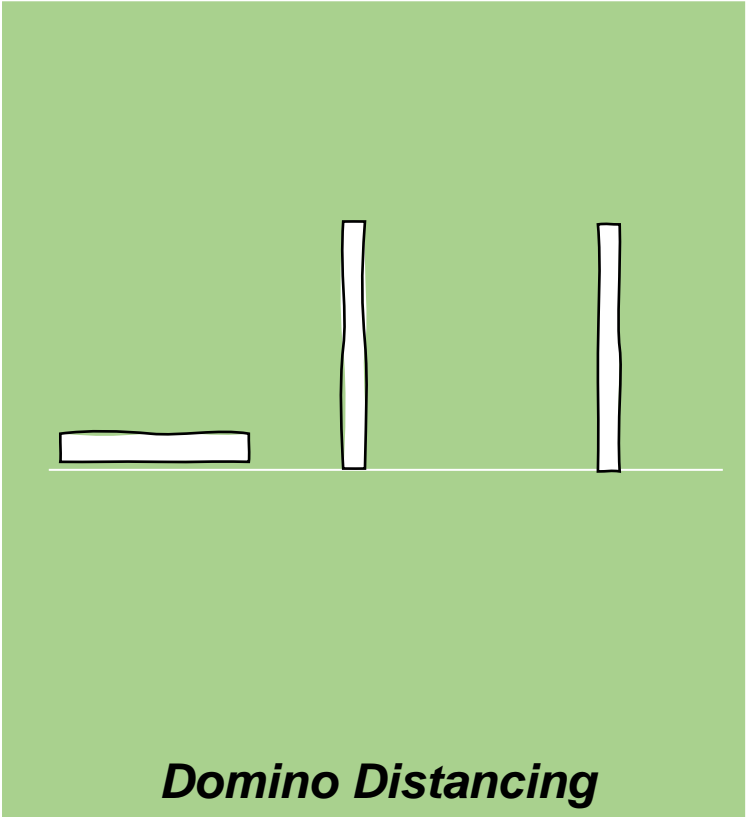
- ✓ Sailing days
- ✓ Total NM sailed
- ✓ Sailing Condition



Amount of Waste

Distancing the Dominoes by In-N-Out System

In-N-Out System



Amount of
Waste

High



Investigate

Adequate



Clear

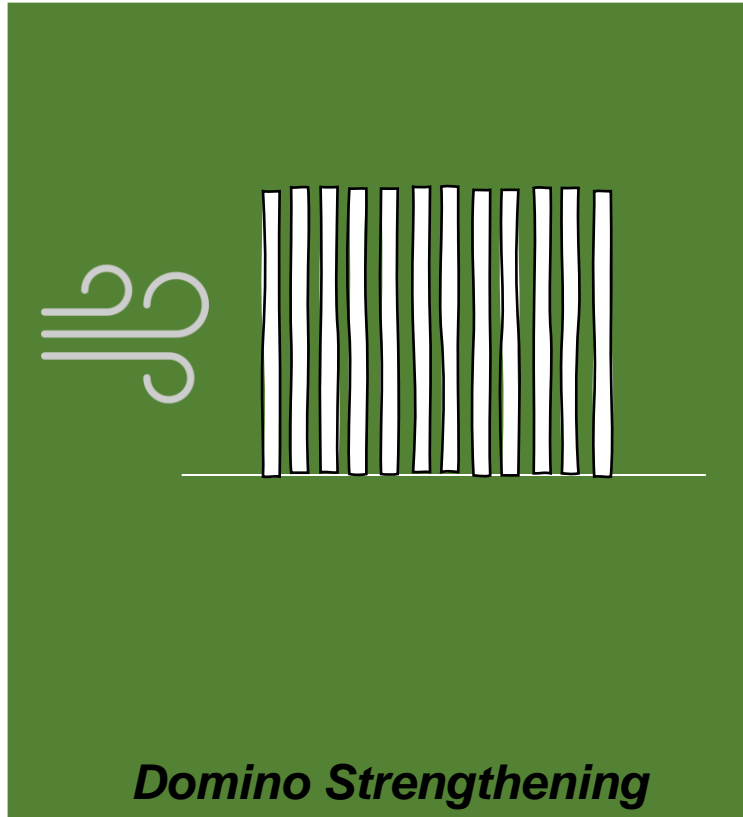
Low



Investigate

Strengthening the Dominoes by Responsible Wage System

Responsible Wage System



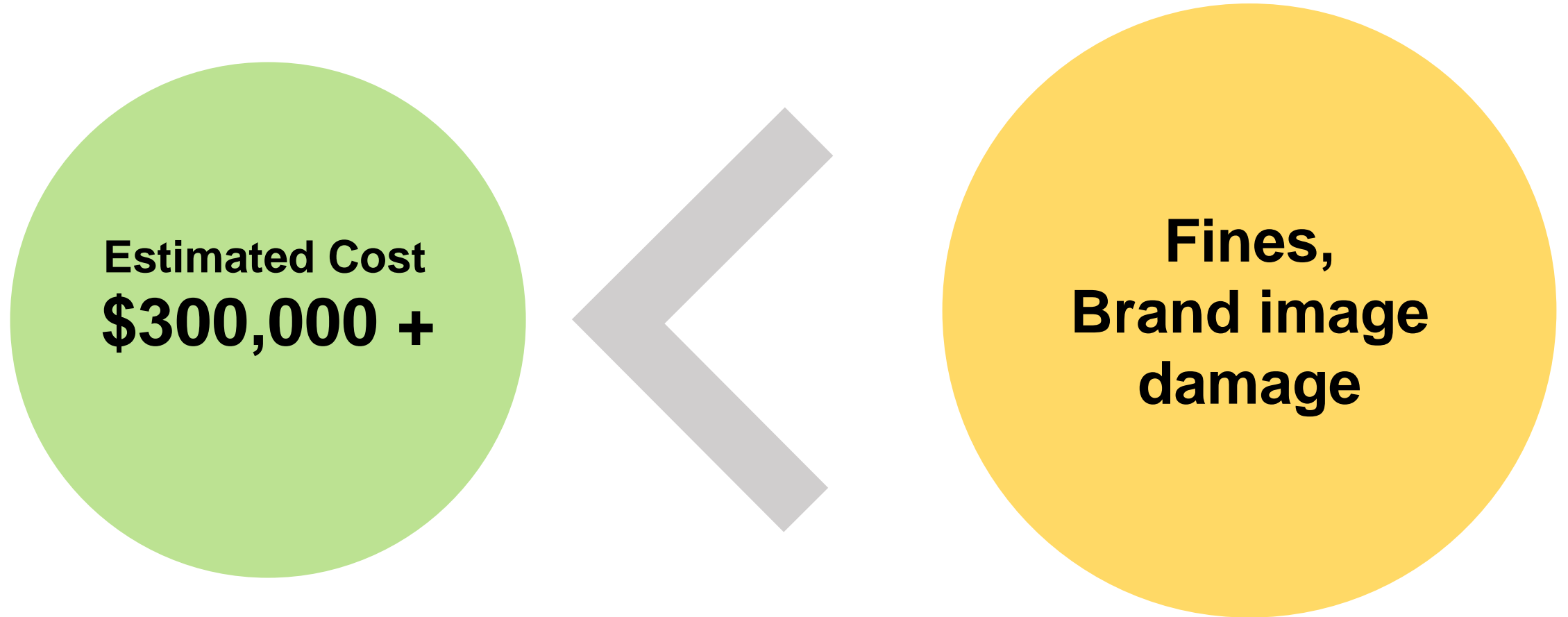
Ethical Performance
Bonus Policy
(short-term)



Wage based on KPI
with CSR scores
(long-term)

#Appendix 31

Estimated cost of implementing the Domino Model

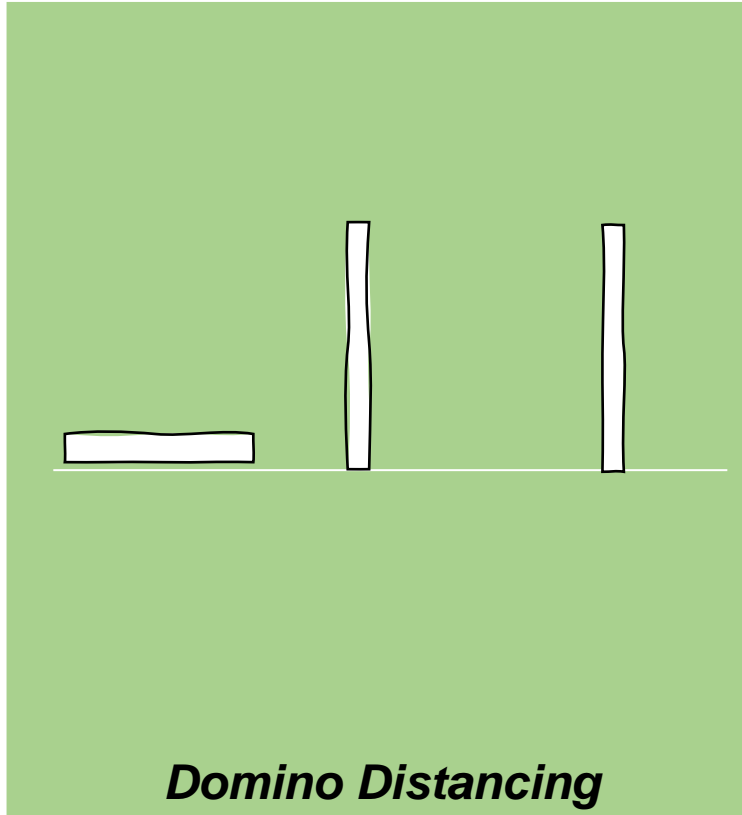


from 'WebFX, AI Pricing: How Much Does Artificial Intelligence Cost?'

#Appendix 32

Dishonesty to honesty with the Domino Model

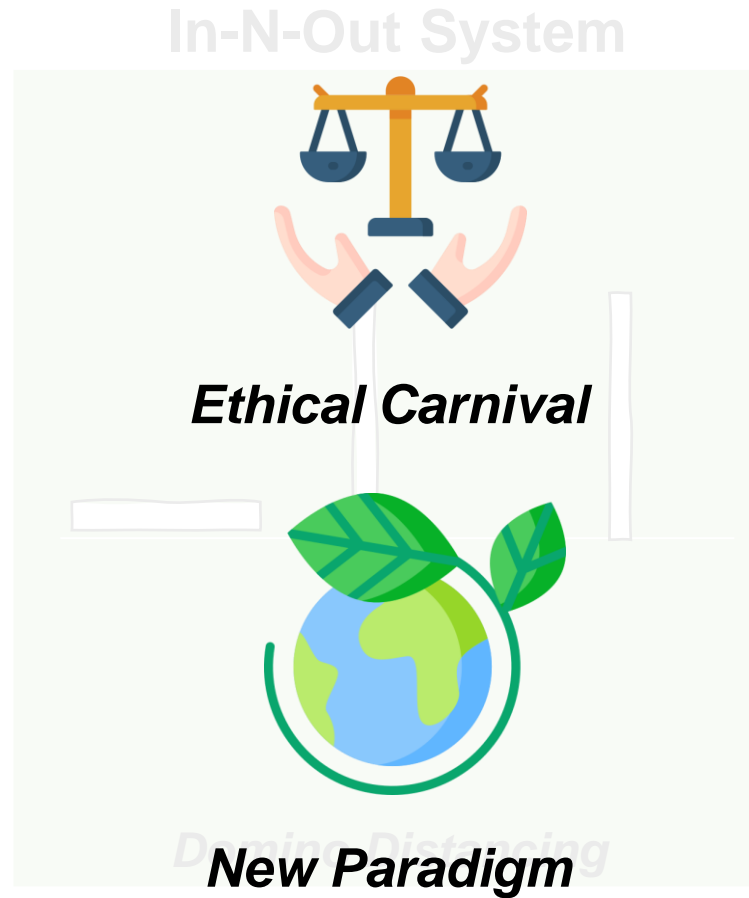
In-N-Out System



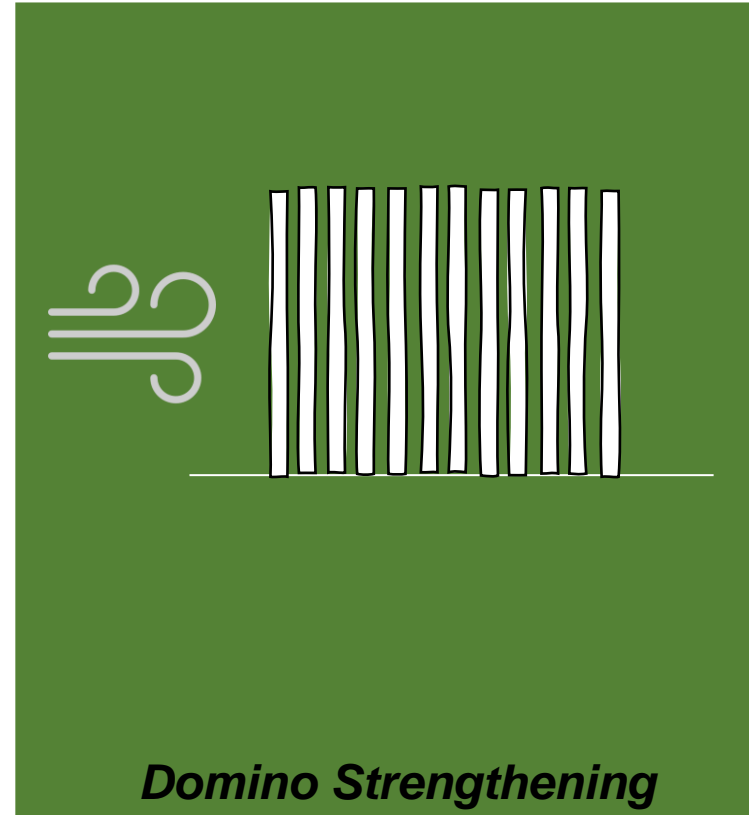
Responsible Wage System



Dishonesty to honesty with the Domino Model



Responsible Wage System



04

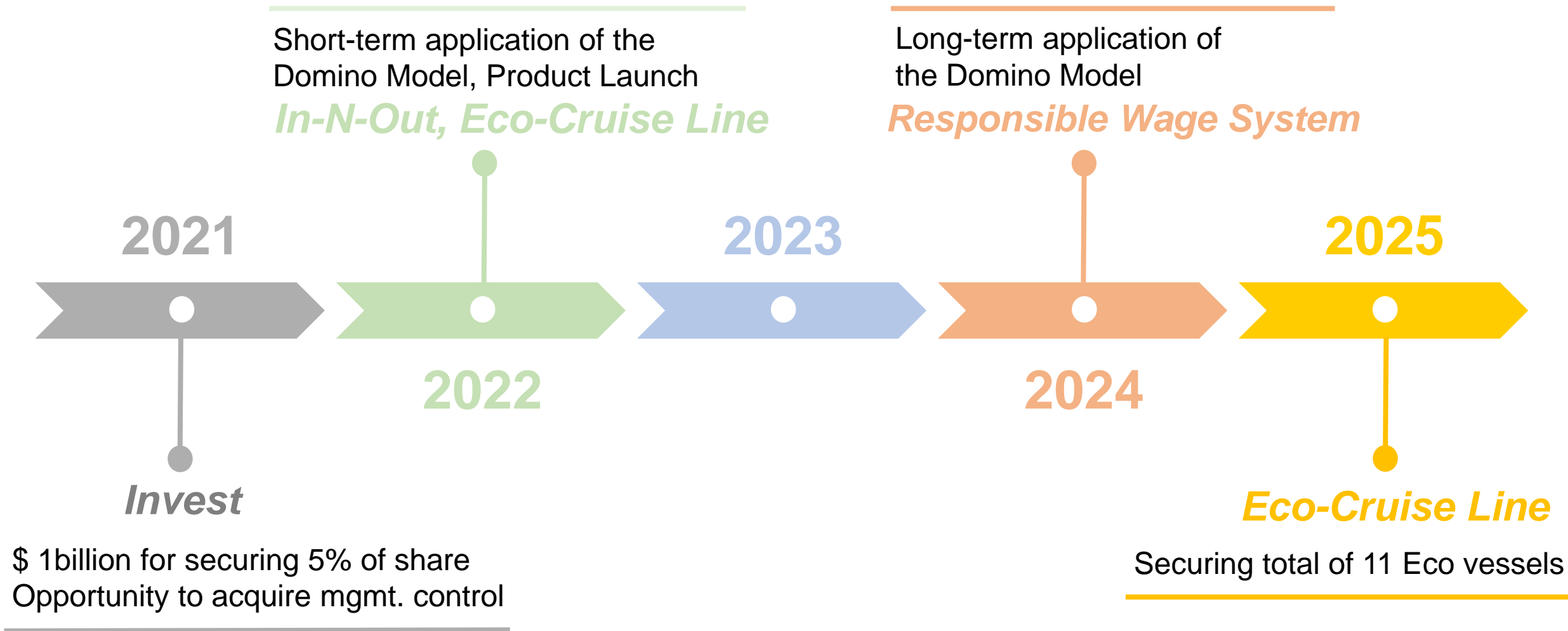
Investment Plan



Active Investment



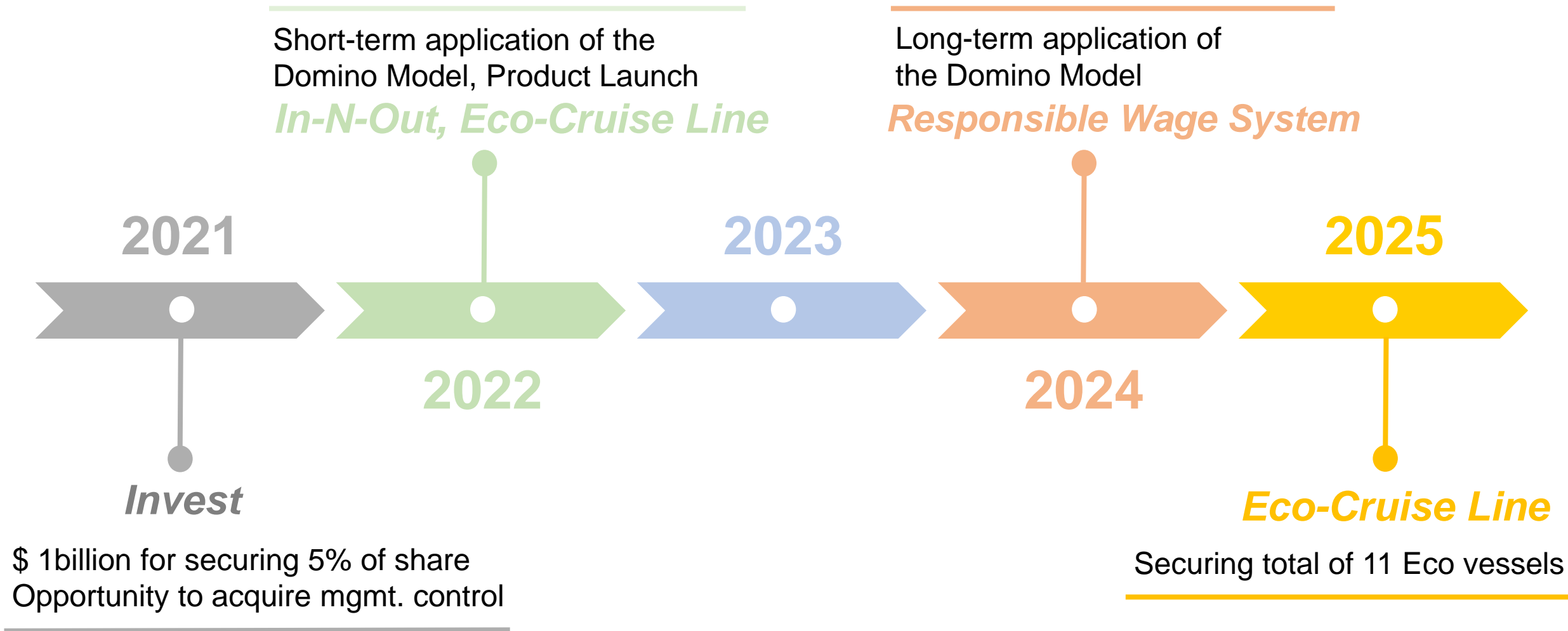
Investment Plan



Investment Plan



Investment Plan



Investment Plan

Worries?

- ✓ Disagreement
- ✓ Failure to persuade

Invest

\$ 1billion for securing 5% of share
Opportunity to acquire mgmt. control

Short-term application of the
Domino Model, Product Launch

In-N-Out, Eco-Cruise Line

2023

Long-term application of
the Domino Model

Responsible Wage System

2024

2025

Eco-Cruise Line

Securing total of 11 Eco vessels

Investment Plan

Short-term application of the
Domino Model, Product Launch
In-N-Out, Eco-Cruise

Worries?

- ✓ Disagreement
- ✓ Failure to persuade

Invest

\$ 1 billion for securing 5% of share
Opportunity to acquire mgmt. control

Top Institutional Holders

| Holder | Shares | % Out |
|-------------------------------|------------|-------|
| Vanguard Group, Inc. (The) | 57,454,742 | 6.16% |
| Public Investment Fund | 50,830,926 | 5.45% |
| Truist Financial Corp | 38,569,325 | 4.14% |
| Blackrock Inc. | 37,971,692 | 4.07% |
| Northern Trust Corporation | 25,201,837 | 2.70% |
| State Street Corporation | 22,273,809 | 2.39% |
| Primecap Management Company | 15,632,127 | 1.68% |
| Geode Capital Management, LLC | 9,480,620 | 1.02% |

Source: Yahoo Finance

#Appendix 33~36

Investment Plan

Short-term application of the
Domino Model, Product Launch
In-N-Out, Eco-Cruise

Worries?

Disagreement

Failure to persuade

Not probable

\$ 1 billion for securing 5% of share
Opportunity to acquire mgmt. control

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Source: Yahoo Finance

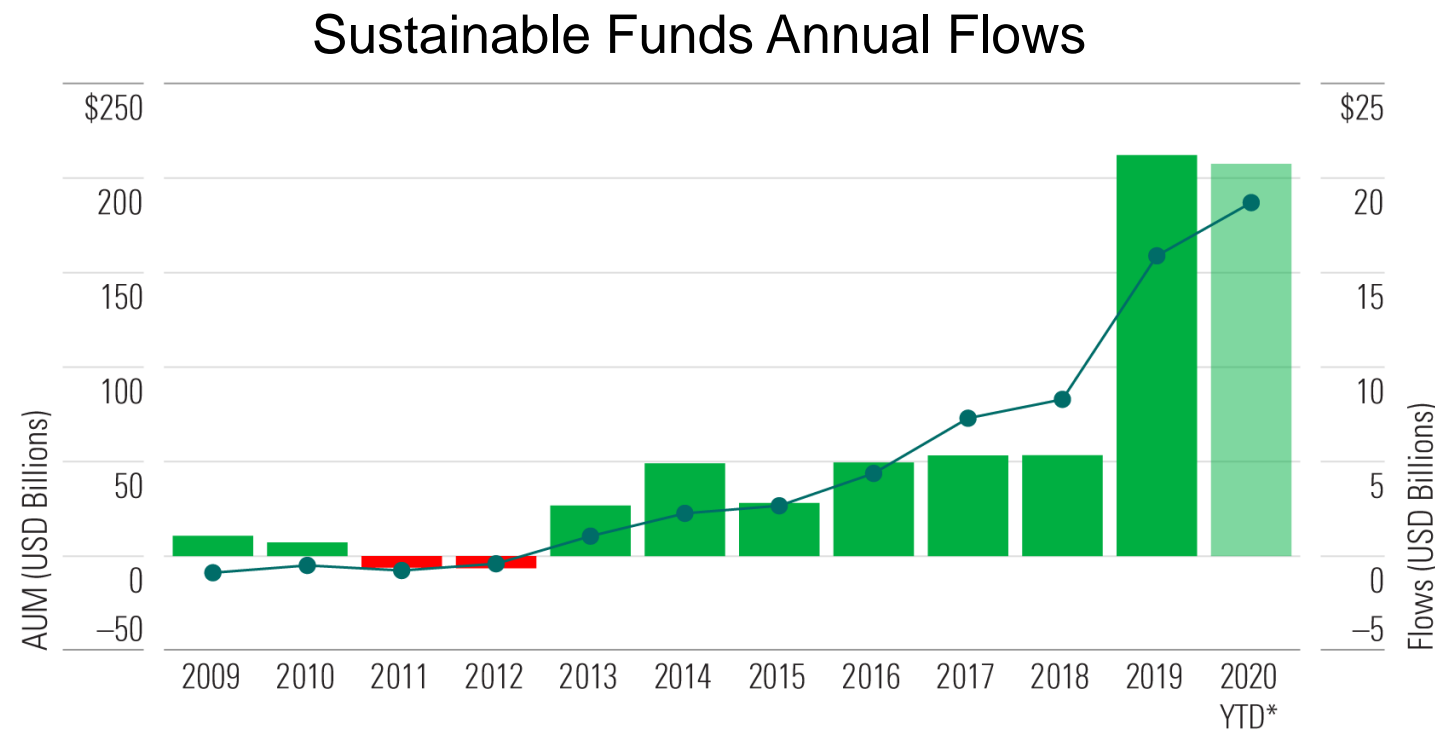
#Appendix 33~36

Expected Outcomes

Implementation of recommendation



- ✓ CSR Leader
- ✓ Improved ESG rating



Source: Morningstar Direct. Date as of 6/30/2020

Expected Outcomes

**Implementation of
recommendation**

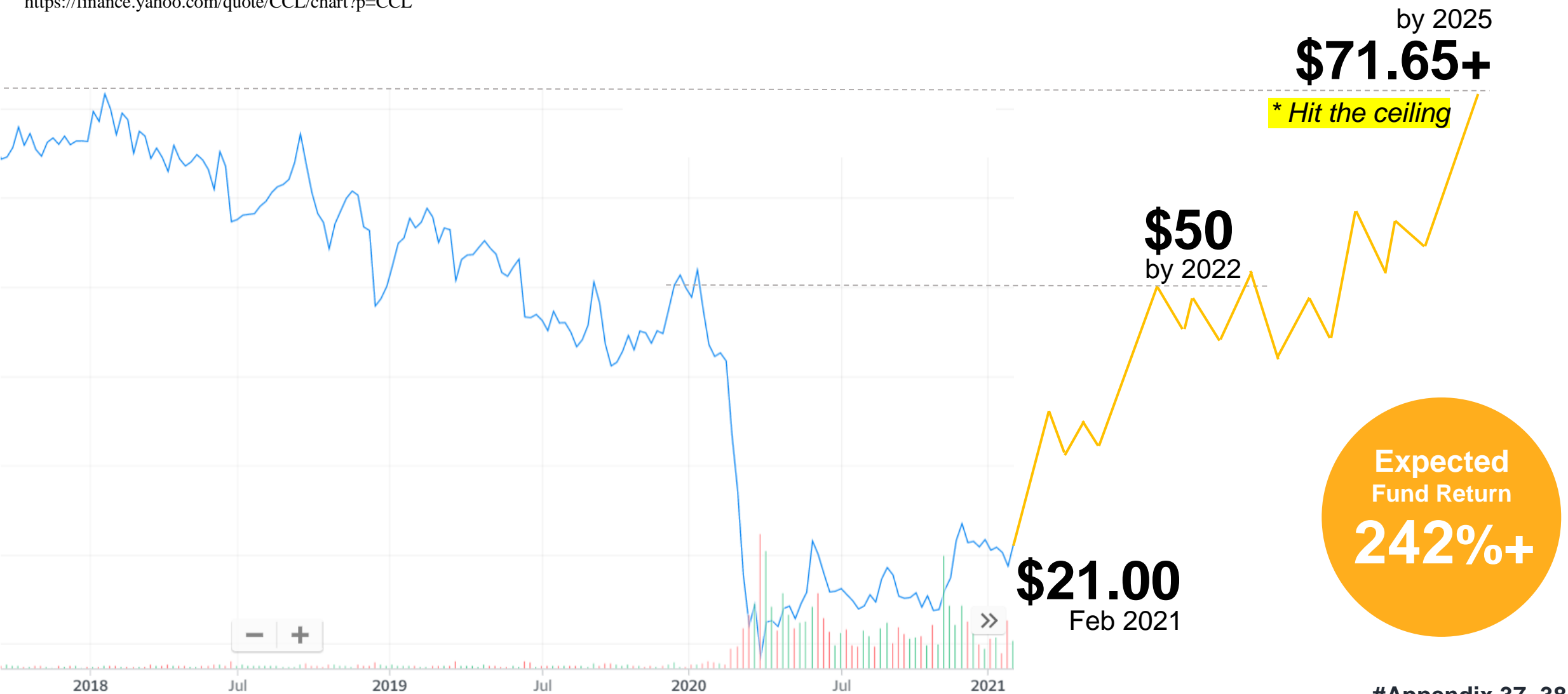


- ✓ **CSR Leader**
- ✓ **Improved ESG rating**

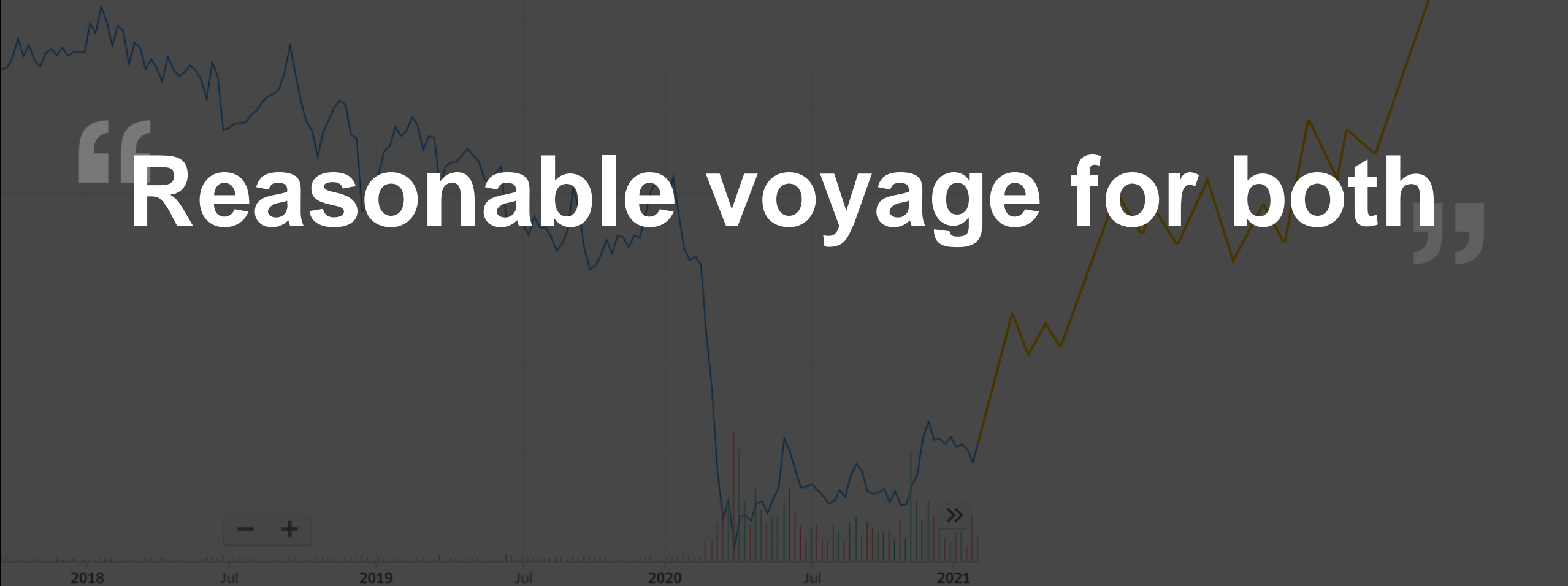


Expected Outcomes

Source: Yahoo Finance,
<https://finance.yahoo.com/quote/CCL/chart?p=CCL>



“Reasonable voyage for both”



Any Question?



Appendix



Appendix 1 - Economic Responsibility (1/3)

Financial Comparison (2015~2019) – Carnival Corporation & PLC

| CCL | 2019 | 2018 | 2017 | 2016 | 2015 | avg |
|--------------------------|-------------|-------------|-------------|-------------|-----------|--------|
| Revenue (in millions) | \$ 20,825 | \$ 18,881 | \$ 17,510 | \$ 16,389 | \$ 15,714 | |
| Revenue growth rate | 0.102960648 | 0.078298115 | 0.068399536 | 0.042955326 | | 7.32% |
| Net income (in millions) | \$ 3,041 | \$ 3,029 | \$ 2,770 | \$ 2,580 | \$ 2,106 | |
| Net income growth rate | 0.003961704 | 0.093501805 | 0.073643411 | 0.225071225 | | 9.90% |
| EPS | \$ 4.40 | \$ 4.26 | \$ 3.82 | \$ 3.45 | \$ 2.70 | |
| EPS growth rate | 0.03286385 | 0.115183246 | 0.107246377 | 0.277777778 | | 13.33% |

Financial Comparison (2015~2019) – Royal Caribbean Cruises Ltd.

| RCL | 2019 | 2018 | 2017 | 2016 | 2015 | avg |
|---------------------------|---------------|--------------|--------------|--------------|--------------|--------|
| Revenue (in thousands) | \$ 10,950,661 | \$ 9,494,849 | \$ 8,777,845 | \$ 8,496,401 | \$ 8,299,074 | |
| Revenue growth rate | 0.153326504 | 0.081683374 | 0.033125084 | 0.02377699 | | 7.30% |
| Net income (in thousands) | \$ 2,002,847 | \$ 1,873,363 | \$ 1,625,133 | \$ 1,314,689 | \$ 1,065,056 | |
| Net income growth rate | 0.069118478 | 0.152744422 | 0.236134934 | 0.234384859 | | 17.31% |
| EPS | \$ 9.54 | \$ 8.86 | \$ 7.53 | \$ 6.08 | \$ 4.83 | |
| EPS growth rate | 0.076749436 | 0.176626826 | 0.238486842 | 0.258799172 | | 18.77% |

Source: 2019 Annual Report

Appendix 2 - Economic Responsibility (2/3)

Financial Comparison (2015~2019) – Norwegian Cruise Line Holdings Ltd.

| NCLH | 2019 | 2018 | 2017 | 2016 | 2015 | avg |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------|
| Revenue (in thousands) | \$ 6,462,376 | \$ 6,055,126 | \$ 5,396,175 | \$ 4,874,340 | \$ 4,345,048 | |
| Revenue growth rate | 0.067257065 | 0.122114461 | 0.107057571 | 0.121814995 | | 10.46% |
| Net income (in thousands) | \$ 930,228 | \$ 954,843 | \$ 759,872 | \$ 633,085 | \$ 427,137 | |
| Net income growth rate | -0.025779107 | 0.256584004 | 0.200268526 | 0.48215912 | | 22.83% |
| EPS | \$ 4.30 | \$ 4.25 | \$ 3.31 | \$ 2.78 | \$ 1.86 | |
| EPS growth rate | 0.011764706 | 0.283987915 | 0.190647482 | 0.494623656 | | 24.53% |

Source: 2019 Annual Report

Appendix 3 - Economic Responsibility (3/3)

Market Capitalization – Carnival Corporation & PLC



Market Capitalization – Royal Caribbean Cruises Ltd.



Market Capitalization - Norwegian Cruise Line Holdings Ltd.



Appendix 4 - Ethical Responsibility: Environment(1/2)

| Cruise Line | Sewage Treatment | Air Pollution Reduction | Water Quality Compliance | Transparency | Criminal Violations | 2020 Final Grade |
|---------------------------|------------------|-------------------------|--------------------------|--------------|---------------------|------------------|
| Disney Cruise Line | C | A- | A | A | | B- |
| Silversea Cruises | D- | F | A | A | | C |
| Celebrity Cruises | C | F | F | A | | D+ |
| Virgin Voyages | C | F | F | A | | D |
| Oceania Cruises | D | F | C+ | F | | D |
| Royal Caribbean Int'l | C- | F | F | A | | D |
| Regent Seven Seas Cruises | C | F | A | F | | D |
| Norwegian Cruise Lines | C | D- | F | F | | D- |
| Holland America Line | C | F | F | F | ✓ | D- |
| AIDA Cruises | C- | F | F | F | ✓ | F |
| MSC Cruises | D- | F | F | F | | F |
| Seabourn Cruise Line | C | F | D- | F | ✓ | F |
| P&O Cruises | D- | F | F | F | ✓ | F |
| Costa Cruises | F | F | F | F | ✓ | F |
| Princess Cruises | C- | C | D+ | F | ✓ | F |
| Cunard Cruise Line | C | F | F | F | ✓ | F |
| Crystal Cruises | F | F | N/A | F | | F |
| Carnival Cruise Lines | F | D | F | F | ✓ | F |

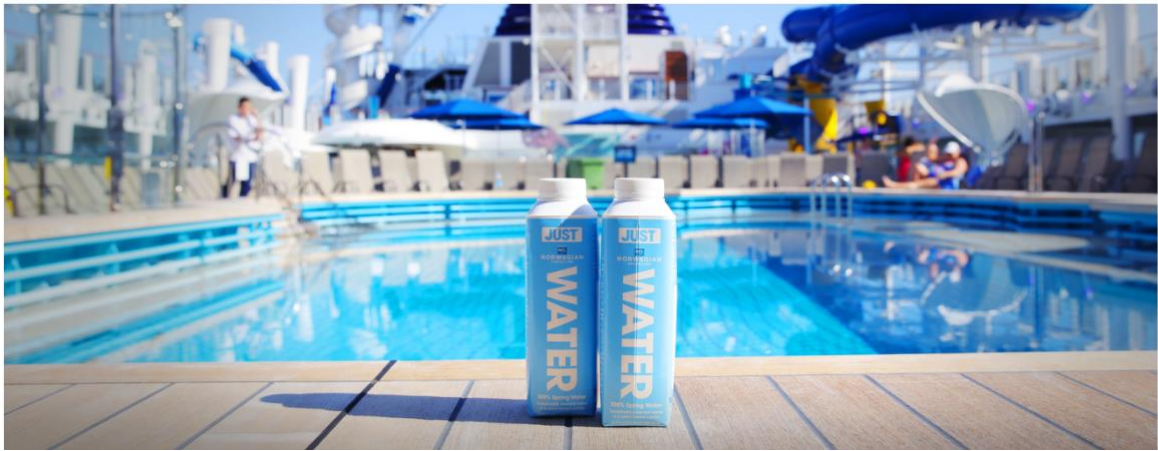
• Cruise Ship Report Card 2020 (AWTS)

Friends of the Earth Cruise Ship Report Card compares the environmental footprint of 18 major cruise lines and 193 cruise ships. Friends of the Earth relied on data gathered from the internet, government sources, the cruise line industry, and other public sources in order to determine the grades assigned to the cruise lines. Friends of the Earth did not independently verify that the technology graded in the report card was installed on the individual cruise ships.

To determine a cruise line's **Sewage Treatment grade**, we compared the number of cruise ships in the cruise line that have installed advanced sewage treatment systems against the total number of ships in the cruise line. Ships with AWTS were downgraded in 2020 since no companies publicly report on the performance of those advanced systems.

Source: Friends of the Earth, <https://foe.org/cruise-report-card/>

Appendix 5 - Ethical Responsibility: Environment(2/2)



CLOSING THE LOOP

The phase-out and reduction plan has two phases and aligns with our Single-Use Item Policy. The first phase was completed by the end of 2019 with the sourcing of approximately 80 million plastic items reduced, including straws, cups, lids, stir sticks, cocktail picks, toothpicks, and plastic shopping bags, which have since been eliminated or replaced with sustainable alternatives such as plant-based products or reusable options.



55 MILLION

Plastic straws eliminated fleetwide annually



11 MILLION



Plastic water bottles eliminated fleetwide annually

A PLASTIC-FREE MOVEMENT

We closed-off 2019 with 60% less single-use plastic. A journey that started with our waste goals and management and became a movement throughout the organization and beyond. It began by debuting a straw upon request program. Then a single-use plastics task force emerged to conduct audits and set a plan in place. Our Supply Chain team diligently worked to remove 77 million plastic straws from the fleet in 2018 and introduced our first aluminum can water bottle on *Celebrity Edge*. We've replaced plastic stirrers and food picks, coffee creamer and condiments, and our plastics task force is now identifying ways to minimize and further eliminate the use of single-use plastic on board our ships.

- **2019 Annual Report**
NCL Single-use Plastic Items Reduction(66M)

- **Closing the loop**
CCL Single-use Plastic Items Reduction(80M)

- **A Plastic-Free Movement**
RCL Single-use Plastic Items Reduction(77M)

Appendix 6 - Ethical Responsibility: Safety & Quality (1/3)



Safety & Quality



Carnival Corporation & PLC

| CCL (market share 44.1%) | passengers | crews | others | sum | per market share |
|------------------------------------|------------|-------|--------|-----|------------------|
| Assault with serious bodily injury | 5 | 1 | | 6 | 0.1361 |
| Firing or tampering with vessels | | | 2 | 2 | 0.0454 |
| Theft > \$10,000 | 1 | | 3 | 4 | 0.0907 |
| Overboard | 9 | | | 9 | 0.2041 |
| Sexual Assaults | 39 | 9 | 2 | 50 | 1.1338 |

On board crimes & accidents: **B**

Sexual Assaults: **B**

Source: U.S. Department of Transportation, Cruise Line Incident Reports, CruiseJunkie. com

Appendix 7 - Ethical Responsibility: Safety & Quality (2/3)



Safety & Quality



Royal Caribbean Cruises Ltd.

| RCL (market share 23.9%) | passengers | crews | others | sum | per market share |
|------------------------------------|------------|-------|--------|-----|------------------|
| Assault with serious bodily injury | | | | 0 | 0.0000 |
| Firing or tampering with vessels | | | | 0 | 0.0000 |
| Theft > \$10,000 | 2 | | 7 | 9 | 0.3766 |
| Overboard | 10 | | | 10 | 0.4184 |
| Sexual Assaults | 22 | 7 | 3 | 32 | 1.3389 |

On board crimes & accidents: **B-** Sexual Assaults: **B**

Source: U.S. Department of Transportation, Cruise Line Incident Reports
CruiseJunkie. com

Appendix 8 - Ethical Responsibility: Safety & Quality (3/3)



Safety & Quality



Norwegian Cruise Lines Holdings

| NCLH (market share 8.8%) | passengers | crews | others | sum | per market share |
|------------------------------------|------------|-------|--------|-----|------------------|
| Assault with serious bodily injury | 3 | | | 3 | 0.3409 |
| Firing or tampering with vessels | | | | 0 | 0.0000 |
| Theft > \$10,000 | | 1 | 1 | 2 | 0.2273 |
| Overboard | | 3 | | 3 | 0.3409 |
| Sexual Assaults | 11 | 2 | | 13 | 1.4773 |

On board crimes & accidents: **B-** Sexual Assaults: **B**

Source: U.S. Department of Transportation, Cruise Line Incident Reports
CruiseJunkie. com

Appendix 9 - Covid-19 Response of Carnival (1/2)



Updated Confirmed Cases

| | |
|------------------|------|
| Diamond Princess | 712 |
| Ruby Princess | 696+ |
| Costa Atlantica | 148 |
| Grand Princess | 103+ |

abc.net (2020, April 16)
News.yahoo.com (2020, March 26)
Safety4sea.com (2020, April 28)

Safety & Quality

COVID 19 Issues

Cruise ships with COVID-19 outbreaks

| SHIP | PARENT COMPANY | CONFIRMED COVID-19 CASES |
|----------------------|-------------------------|--------------------------|
| Diamond Princess | Carnival Corp. | 712 |
| Ruby Princess | Carnival Corp. | 612 |
| Oasis of the Seas | Royal Caribbean Cruises | 157 |
| Grand Princess | Carnival Corp. | 78 |
| Celebrity Eclipse | Royal Caribbean Cruises | 76 |
| MS A'Sara | Gate 1 Travel | 45 |
| Disney Wonder | Walt Disney Company | 38 |
| Costa Luminosa | Carnival Corp. | 36 |
| Symphony of the Seas | Royal Caribbean Cruises | 31 |
| Artania | Phoenix Reisen | 27 |
| Voyager of the Seas | Royal Caribbean Cruises | 26 |

| | | |
|----------------------|--------------------------------|----|
| Ovation of the Seas | Royal Caribbean Cruises | 23 |
| Carnival Freedom | Carnival Corp. | 14 |
| Celebrity Solstice | Royal Caribbean Cruises | 11 |
| Zaandam | Carnival Corp. | 9 |
| World Dream | Genting Hong Kong | 8 |
| Silver Explorer | Royal Caribbean Cruises | 6 |
| Costa Favolosa | Carnival Corp. | 6 |
| MS Braemar | Bonheur ASA | 5 |
| Marella Explorer 2 | TUI Group | 5 |
| Majesty of the Seas | Royal Caribbean Cruises | 2 |
| Costa Magica | Carnival Corp. | 2 |
| Celebrity Apex | Royal Caribbean Cruises | 2 |
| MSC Opera | Mediterranean Shipping Company | 2 |
| Jewel of the Seas | Royal Caribbean Cruises | 2 |
| Sun Princess | Carnival Corp. | 1 |
| Carnival Valor | Carnival Corp. | 1 |
| Celebrity Infinity | Royal Caribbean Cruises | 1 |
| Explorer of the Seas | Royal Caribbean Cruises | 1 |
| Norwegian Bliss | Norwegian Cruise Line Holdings | 1 |
| Norwegian Breakaway | Norwegian Cruise Line Holdings | 1 |
| Silver Shadow | Royal Caribbean Cruises | 1 |
| Costa Victoria | Carnival Corp. | 1 |
| Norwegian Encore | Norwegian Cruise Line Holdings | 1 |
| MSC Fantasia | Mediterranean Shipping Company | 1 |

Sources: CDC; The Guardian; KUSI; NBC News; CNN; Independent; Western Australia DOH; The New South Wales Ministry of Health; Australian Broadcasting Corporation; Holland America PR; Miami Herald; COVID-19 Cruise Tracker; NY Times; USA Today; Seatrade Cruise News; WKBN; South Florida Sun Sentinel; SiLive.com; WESH; TUI Group; Cruise Law News; The Daily Mail; Axios

Updated as of April 9, 2020.

BUSINESS INSIDER

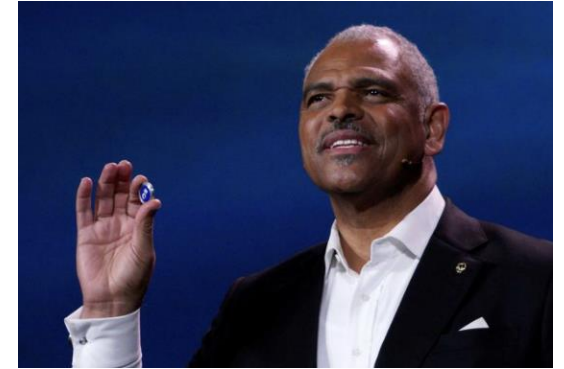
Appendix 10 – Covid-19 Response of Carnival (2/2)

Carnival Cruise Lines (Covid 19 Issues)

The news, when it reached the *Grand Princess* early on March 4, barely registered at first. In a letter slipped under passenger cabin doors, Grant Tarling, Carnival Corp.'s chief medical officer, announced that the U.S. Centers for Disease Control had begun "investigating a small cluster" of Covid-19 cases in California that might have been linked to the ship. Thirteen days after leaving San Francisco for Hawaii, the vessel would be skipping a scheduled stop in Mexico on its return voyage and sailing back early to its Bay Area port.

That day, passengers noticed new hand sanitizer stations and crew members wearing gloves, but life on the *Grand Princess*, which advertises 1,301 cabins, 20 restaurants and lounges, about a dozen shops, and four freshwater swimming pools, otherwise went on as normal. Guests prepared for a ukulele concert, played bridge at shared tables, and took line-dancing classes. That night, Laurie Miller and her husband, John, attended *True or Moo*, a show featuring an emcee in a cow costume; the following morning, John joined about 200 other passengers in the ship's Broadway-style theater for a lecture on Clint Eastwood movies. "I'm surprised they're even letting this event happen," he whispered to a nearby friend. "This is a big crowd." (omitted)

President and Chief Executive Officer Arnold Donald says his company's response was reasonable under the circumstances. "This is a generational global event—it's unprecedented," he says. "Nothing's perfect, OK? They will say, 'Wow, these things Carnival did great. These things, 20/20 hindsight, they could've done better.' "Donald says that if his company failed to prepare for the pandemic, it failed in the same way that many national and local governments failed, and should be judged accordingly. "Each ship is a mini-city," he says, and Carnival's response shouldn't be condemned before "analyzing what New York did to deal with the crisis, what the vice president's task force did, what the Italians, Chinese, South Koreans, and Japanese did. We're a small part of the real story. We're being pulled along by it."



(Carr, A., Palmeri, C. (2020, April 16). Carnival Executives Knew They Had a Virus Problem, But Kept the Party Going. Retrieved February 18, 2021, from <https://www.bloomberg.com/features/2020-carnival-cruise-coronavirus/>)

Covid-19 Response : C

Appendix 11 - Covid-19 policies of the three companies (1/2)

An Industrywide Approach - CLIA

The Cruise Lines International Association (CLIA) – with input from Carnival Corporation and our cruise line brands and fellow CLIA members – announced on Sept. 21, 2020, the adoption of a strong set of health protocols that represent core elements for returning to service in the Americas.

Highlights include:

- **Testing:** 100% testing of passengers and crew for COVID-19 prior to embarkation.
- **Mask-Wearing:** Mandatory wearing of masks by all passengers and crew onboard and during excursions whenever physical distancing cannot be maintained.
- **Distancing:** Physical distancing in terminals, onboard ships, on private islands and during shore excursions.
- **Ventilation:** Air management and ventilation strategies to increase fresh air onboard and, where feasible, using enhanced filters and other technologies to mitigate risk.
- **Medical Capability:** Risk-based response plans tailored for each ship to manage medical needs, dedicated cabin capacity allocated for isolation and other operational measures, and advance arrangements with private providers for shoreside quarantine, medical facilities and transportation.
- **Shore Excursions:** Only permit shore excursions according to the cruise operators' prescribed protocols, with strict adherence required of all passengers and denial of re-boarding for any passengers that do not comply.

Appendix 12 - Covid-19 policies of the three companies (2/2)

Carnival Corporation's CruiseHealth Program

- Health Screening, Illness Surveillance and Health Education
- Environmental Sanitization
- Guest Experience
- Health Care
- Ventilation Systems
- Partnership with Local stakeholders

RCL and NCLH's 'Healthy Sail Panel'

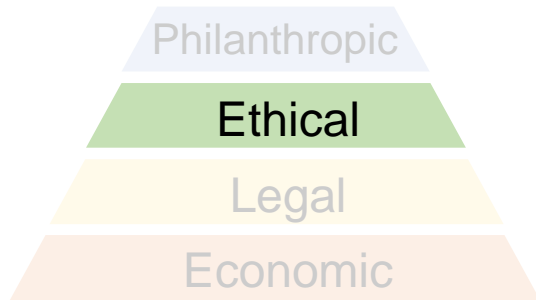
- Testing, screening, exposure reduction
- Sanitation, ventilation
- Response contingency planning & execution
- Destination & excursion planning
- Mitigating risks for crew members

Norwegian Cruise Line's Health&Safety Protocols

- All-new air filtration
- Enhanced screening protocols
- Increased sanitation measures
- Responsible social distancing
- Enhanced medical resources
- Extended ship to shore safety

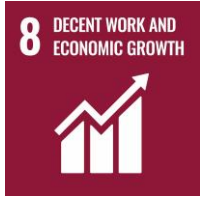


Appendix 13 - Ethical Responsibility: Labor Management (1/8)



Labor Management

Employee Safety & Education Program



Norwegian Cruise Lines Holdings

- Safety of Life at Sea (SOLAS) & International Safety Management (ISM) standard
- Safety Officer & Training

Carnival Cruise Lines

- CSMART Academy: SAFETY4SEA Award for 2nd consecutive year
- HESS (Health, Environment, Safety, Security) Event Report System
- Worker Health & Safety Committee: preemptive action & inspection
- Global Learning & Development Information System, Crew Tube

Royal Caribbean Cruises Ltd.

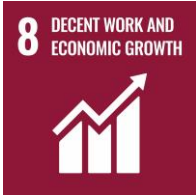
- Personal 24 days training per year
- Security officer certified from outside organization
- Crew member drill & emergency training
- Safety Command Center (SCC)

Appendix 14 - Ethical Responsibility: Labor Management (2/8)



Labor Management

Employee Safety & Education



Norwegian Cruise Lines Holdings

| | |
|----------------------|---|
| Safety Training | B |
| Report System | - |
| Preemptive Action | - |
| Employee Development | - |
| Education System | - |

C

Carnival Cruise Lines

| | |
|----------------------|---|
| Safety Training | A |
| Report System | B |
| Preemptive Action | A |
| Employee Development | B |
| Education System | A |

A

Royal Caribbean Cruises Ltd.

| | |
|----------------------|---|
| Safety Training | A |
| Report System | B |
| Preemptive Action | - |
| Employee Development | B |
| Education System | - |

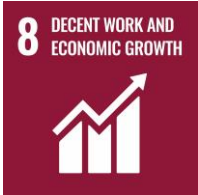
B

Appendix 15 - Ethical Responsibility: Labor Management (3/8)



Labor Management

Wage



Norwegian Cruise Lines Holdings

Average
\$40,000

Lowest
[Server]
\$17,000 (\$8.5/h)
(-52% than average)

C

Carnival Cruise Lines

Average
\$40,000

Lowest
[Reservation Agent]
\$20,000 (\$10/h)
(-18% than average)

B

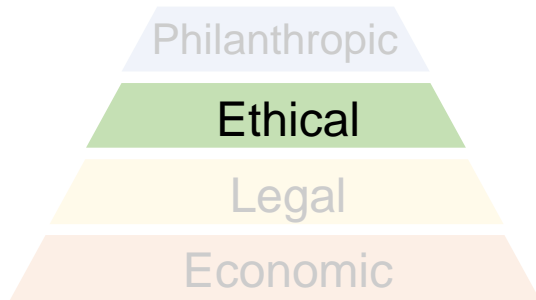
Royal Caribbean Cruises Ltd.

Average
\$60,000

Lowest
[Pier Agent]
\$24,000 (\$12/h)
(+8% than average)

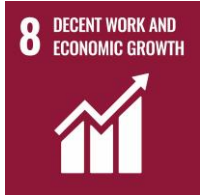
A

Appendix 16 - Ethical Responsibility: Labor Management (4/8)



Labor Management

Employee Welfare Survey Result



Norwegian Cruise Lines Holdings

- Insurance (100/100)
- Flexibility (100/100)
- Retirement (100/100)
- Leave (50/100)
- Financial Perk (100/100)
- Meal (100/100)

Carnival Cruise Lines

- Insurance (95/100)
- Flexibility (100/100)
- Retirement (67/100)
- Leave (67/100)
- Financial Perk (86/100)
- Meal (100/100)
- Childcare (100/100)
- Health & Wellness (100/100)

Royal Caribbean Cruises Ltd.

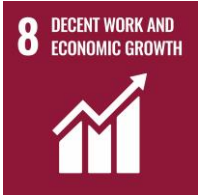
- Insurance (95/100)
- Flexibility (100/100)
- Retirement (67/100)
- Leave (67/100)
- Financial Perk (86/100)
- Meal (100/100)
- Childcare (100/100)
- Health & Wellness (100/100)
- Reimbursement (100/100)

Appendix 17 - Ethical Responsibility: Labor Management (5/8)



Labor Management

Employee Satisfaction Survey Result



| | Norwegian Cruise Lines Holdings (n=205) | Carnival Cruise Lines (n=304) | Royal Caribbean Cruises Ltd. (n=269) |
|--------------|---|-------------------------------|--------------------------------------|
| Happiness | 68 (Average) | 77 (Above Average) | 71 (Above Average) |
| Learning | 72 (Above Average) | 82 (High) | 79 (Above Average) |
| Support | 71 (Above Average) | 81 (High) | 80 (Above Average) |
| Appreciation | 69 (Average) | 80 (Above Average) | 82 (High) |
| Inclusion | 65 (Average) | 80 (Above Average) | 80 (High) |
| Compensation | 65 (Average) | 75 (Above Average) | 77 (Above Average) |
| Management | 64 (Average) | 77 (Above Average) | 76 (Above Average) |
| Trust | 62 (Average) | 76 (Above Average) | 76 (Above Average) |

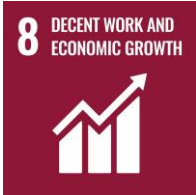
Source: Indeed Company Reports

Appendix 18 - Ethical Responsibility: Labor Management (6/8)



Labor Management

Employee Satisfaction & Welfare



Norwegian Cruise Lines Holdings

Employee Satisfaction
536/800

Employee Welfare
of recognized welfare
6
Satisfaction: 550/600

B

Carnival Cruise Lines

Employee Satisfaction
628/800

Employee Welfare
of recognized welfare
8
Satisfaction: 715/800

A

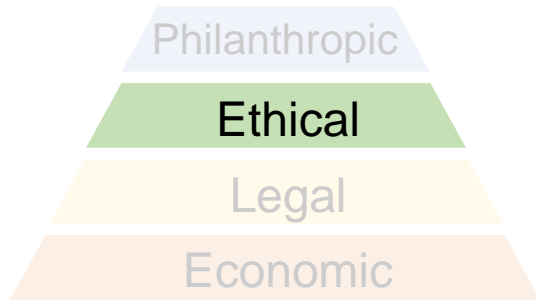
Royal Caribbean Cruises Ltd.

Employee Satisfaction
621/800

Employee Welfare
of recognized welfare
9
Satisfaction: 842/900

A

Appendix 19- Ethical Responsibility: Labor Management (7/8)



Labor Management

Diversity & Inclusion Equality Program



Norwegian Cruise Lines Holdings

- 44.4 % female employee
- 44 % ethnic minority employee
- 77 % employees are Democratic party supporter

Carnival Cruise Lines

- America's Best Employer for Diversity by Forbes
- Corporate Equality Index 100 for 3 consecutive years (LGBTQ Equality)
- 100 Best Corporate Citizen by Corporate Responsibility Magazine
- 20% female employee (Both onboard & shore employee)

Royal Caribbean Cruises Ltd.

- First women captain
- Women crew increase from 3% (2015) to 22% (2019) in Celebrity Cruise
- 77,000 employees from 126 nations
- UN Standard of Conduct for Business

Appendix 20 - Ethical Responsibility: Labor Management (8/8)



Labor Management

Diversity & Inclusion Equality



Norwegian Cruise Lines Holdings

| | |
|---------------------------------------|---|
| Gender Equality | A |
| National Diversity | B |
| Minority Employees (include LGBTQ) | B |
| Respect Human Right | - |

B

Carnival Cruise Lines

| | |
|---------------------------------------|---|
| Gender Equality | B |
| National Diversity | - |
| Minority Employees (include LGBTQ) | A |
| Respect Human Right | B |

B

Royal Caribbean Cruises Ltd.

| | |
|---------------------------------------|---|
| Gender Equality | B |
| National Diversity | A |
| Minority Employees (include LGBTQ) | - |
| Respect Human Right | B |

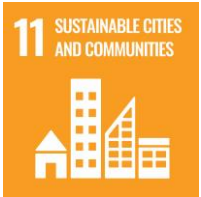
B

Appendix 21- Philanthropic Responsibility (1/3)



Philanthropic Support

Disaster Relief



Hurricane Dorian (2019)

- \$ 2 M USD donation for Bahama
- Partner with Tropical Shipping and 10 M pound food donation
- Partner with World Center Kitchen and 25,000 meal donation a day
- Total \$ 180 M USD investment plan in Bahama

Venice Flood (2019)

- € 100,000 donation to the port of Venice foundation for recovery of city

Ocean Rescue

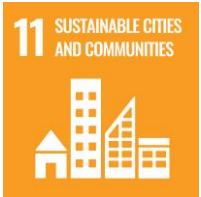
- Costa Cruises Captain, Pietro Sinisi rescued cargo ship on fire in Aegean sea
- 11 people saved

Appendix 22 - Philanthropic Responsibility (2/3)



Philanthropic Support

Community Support



Caribbean Region Support Effort Program

- Carnival Foundation
- Revitalization of Play Park
- Donation of laptop & stationery donation
- \$ 10 M USD donation pledge

Sahara Forest Project Support

- Collaboration with Sahara Forest Project Foundation
- Costa Cruise & AIDA cruise
- 3 hectares of eco-friendly farm
- Use salt-water cooled greenhouse, and solar energy.

Sanitary Donation

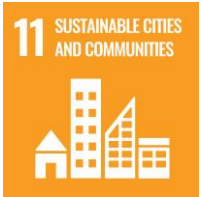
- Collaboration with Clean the World & Soap Aid
- 400,000 soap donated

Appendix 23 - Philanthropic Responsibility (3/3)



Philanthropic Support

Education & Children Support



Joy of Moving

- Collaboration with Kinder & Ferrero
- Motoric skill development
- Cognitive, emotional, relational skill development

School Build Project

- AIDA Cruise
- 7 schools financed with partnership

ST. Jude Children’s Research Hospital

- \$ 33 M USD donation until 2024
- \$ 18 M USD accumulated donation as of 2019

Appendix 24 - Environmental officer of Carnival

- Each ship in our fleet has a full-time Environmental Officer (EO), who monitors environmental compliance and the implementation of environmental procedures. Each EO reports directly to the ship's Captain, and has a direct line of communication with their Operating Line Compliance Manager (OLCM).
- Our brands also encourage **our guests to be aware of their own impacts on the environment. We provide, for example, environmental awareness information to passengers across a range of media. Our EOs are glad to answer any environmental questions our guests may have and provide insight into maritime environmental management for interested guests.**

Source: <https://carnivalsustainability.com/environmental-officer-responsibilities>

Appendix 25 - Cost and Benefit of Eco-vessel (1/3)

Cost of Eco-vessel

Renewable Energy

| Item | Calculation | Result |
|---|---|----------------------------|
| Average energy consumption on electricity generation per day | <ul style="list-style-type: none">- Average annual energy consumption per vessel of Carnival Cruise Line: <u>368,247,941 kW</u>- Average proportion of energy used for generating electricity: <u>27%</u>- Average daily energy consumption on electricity: $\{(368,247,941) * (0.27)\} / 365$ | 272,402 kW |
| <ul style="list-style-type: none">- Estimated operation hours of solar panel- “ wind power | <p>During daytime 2/3 day</p> | 8 hour 16 hours |
| Needed production capacity of solar and wind energy per hour | $272,402 \text{ kW} / (8+16 \text{ hour}) = 272,402 / 24$ | 11,350 kW |

Appendix 26 - Cost and Benefit of Eco-vessel (2/3)

Cost of Eco-vessel

Renewable Energy

| Item | Calculation | Result |
|--|---|---|
| - Facility cost of solar - " wind | \$ 1,356 (per kW) * 11,350 kW \$ 2,712 (per kW) * 11,350 kW | \$ 15,390,600 \$ 30,781,200 |
| Average fuel consumption and price for electricity per day | Average daily fuel consumption of Carnival Cruise Lines vessel: <u>87 metric ton (MT)</u> Average fuel consumed for electricity generation: <u>(87) * (0.27)</u> Average Bunker fuel price per MT (Oct. 2019 – Feb. 2021): <u>\$437.5</u> | 23.5 Metric ton \$10,281 per day |
| Discounted pay back Period (r=1%) | Initial Invest. = <u>\$ 46,171,800</u> Cash Flow per year = <u>\$10,281 * 365 = \$3,752,565</u> (Calculated by annuity NPV equation) | 13.2 years |
| Discounted net cash flow (useful year of 20) | Same as above | \$ 21,545,310 |

Appendix 27 - Cost and Benefit of Eco-vessel (3/3)

Economic Benefit of Eco-vessel

| | Cash Flow | Net Cash Flow | Discounted Cash Flow | Net Discounted Cash Flow |
|---------|------------------|------------------|----------------------|--------------------------|
| Year 0 | \$-46,171,800.00 | \$-46,171,800.00 | \$-46,171,800.00 | \$-46,171,800.00 |
| Year 1 | \$3,752,565.00 | \$-42,419,235.00 | \$3,715,410.89 | \$-42,456,389.11 |
| Year 2 | \$3,752,565.00 | \$-38,666,670.00 | \$3,678,624.64 | \$-38,777,764.46 |
| Year 3 | \$3,752,565.00 | \$-34,914,105.00 | \$3,642,202.62 | \$-35,135,561.85 |
| Year 4 | \$3,752,565.00 | \$-31,161,540.00 | \$3,606,141.21 | \$-31,529,420.64 |
| Year 5 | \$3,752,565.00 | \$-27,408,975.00 | \$3,570,436.84 | \$-27,958,983.80 |
| Year 6 | \$3,752,565.00 | \$-23,656,410.00 | \$3,535,085.98 | \$-24,423,897.82 |
| Year 7 | \$3,752,565.00 | \$-19,903,845.00 | \$3,500,085.13 | \$-20,923,812.70 |
| Year 8 | \$3,752,565.00 | \$-16,151,280.00 | \$3,465,430.82 | \$-17,458,381.88 |
| Year 9 | \$3,752,565.00 | \$-12,398,715.00 | \$3,431,119.62 | \$-14,027,262.25 |
| Year 10 | \$3,752,565.00 | \$-8,646,150.00 | \$3,397,148.14 | \$-10,630,114.11 |
| Year 11 | \$3,752,565.00 | \$-4,893,585.00 | \$3,363,513.01 | \$-7,266,601.10 |
| Year 12 | \$3,752,565.00 | \$-1,141,020.00 | \$3,330,210.90 | \$-3,936,390.20 |
| Year 13 | \$3,752,565.00 | \$2,611,545.00 | \$3,297,238.52 | \$-639,151.68 |
| Year 14 | \$3,752,565.00 | \$6,364,110.00 | \$3,264,592.59 | \$2,625,440.91 |
| Year 15 | \$3,752,565.00 | \$10,116,675.00 | \$3,232,269.89 | \$5,857,710.80 |
| Year 16 | \$3,752,565.00 | \$13,869,240.00 | \$3,200,267.22 | \$9,057,978.02 |
| Year 17 | \$3,752,565.00 | \$17,621,805.00 | \$3,168,581.41 | \$12,226,559.42 |
| Year 18 | \$3,752,565.00 | \$21,374,370.00 | \$3,137,209.31 | \$15,363,768.74 |
| Year 19 | \$3,752,565.00 | \$25,126,935.00 | \$3,106,147.83 | \$18,469,916.57 |
| Year 20 | \$3,752,565.00 | \$28,879,500.00 | \$3,075,393.90 | \$21,545,310.47 |

Appendix 28 - Environmental impact of recycling ratio increase

WORKING WITH WASTE MANAGEMENT:

In 2019, vessels who offloaded with Waste Management® in Florida were able to recycle over 2,300 tons of aluminum, cardboard/paper, scrap metals, plastics, wood pallets, and glass. These recycling efforts conserved the following resources:



**7,698
MATURE TREES**

Represents enough saved timber resources to produce 130,866,000 sheets of printing and copy paper.



**6,442 CUBIC YARDS OF
LANDFILL AIRSPACE**

Enough airspace to fulfill the annual municipal waste disposal needs for 8,272 people.



**4,442,702 KW-HRS
OF ELECTRICITY**

Enough power to fulfill the annual electricity needs of 425 homes.



**PREVENTED 3,714 METRIC
TONS OF GHG EMISSIONS**

The recycling of these materials prevented these GHG emissions.



**4,490,500 GALLONS
OF WATER**

Represents enough saved water to meet the daily fresh water needs of 59,873 people.

Multiplying conversion constant 20 leads to the impacts shown in the presentation slide

- Recycling 2,300 tons of recyclable wastes generated following environmental impacts
- Carnival's total wastes in 2019: 371,091 metric tonnes
- Carnival's current recycling ratio: 27.6%
- Increment of recycled wastes when the 40% recycling ratio goal achieved
- : $371,091 \times 12.4\% = 46,000$ metric tonnes
- Conversion Constant of 2300 tons → 46,000 metric tonnes: approximately 20

Appendix 29 - Environmental Impacts of LNG-Powered Ship(1/2)

Total Emission of CO2 and toxic waste of Carnival Corporation

| | 2017 | 2018 | 2019 |
|-----------------------------------|------------|------------|------------|
| Total CO2 Emission | 10,687,646 | 10,697,602 | 10,769,826 |
| Total Sulfur Oxides Emission | 99,622 | 99,543 | 91,953 |
| Total Nitrogen Oxides Emission | 257,665 | 258,410 | 258,102 |
| Total Particulate Matter Emission | 2,099 | 2,086 | 2,021 |

✓ *No meaningful changes in the annual emission*

Calculating Reduction Factor

| | CO2 | Sulfur Oxides | Nitrogen Oxides | Particulate Matter |
|----------------------------|--------|---------------|-----------------|--------------------|
| Operation rate | 10% | 10% | 10% | 10% |
| Generation from fuel usage | 97.3% | 97.3% | 97.3% | 97.3% |
| Reduction rate with LNG | 20% | 100% | 90% | 90% |
| FACTOR | 1.946% | 9.730% | 8.757% | 8.757% |

✓ *Lng-powered ships are assumed to account for 10% of total operation*

✓ *Emission generation from fuel usage(97.3% as of 2019) is assumed to be consistent for the future*

Appendix 30 - Environmental Impacts of LNG-Powered Ship(2/2) & Estimated Donation

Reduction amount of CO2 and toxic waste emission calculation

| | Total Emission | FACTOR | Reduction amount |
|--------------------|----------------|--------|------------------|
| CO2 | 10,769,826 | 1.946% | 209,580.81 |
| Sulfur Oxides | 91,953 | 9.730% | 8,947.03 |
| Nitrogen Oxides | 258,102 | 8.757% | 22,601.99 |
| Particulate Matter | 2,021 | 8.757% | 176.98 |

Estimated Donation to Environmental Organizations from 2023

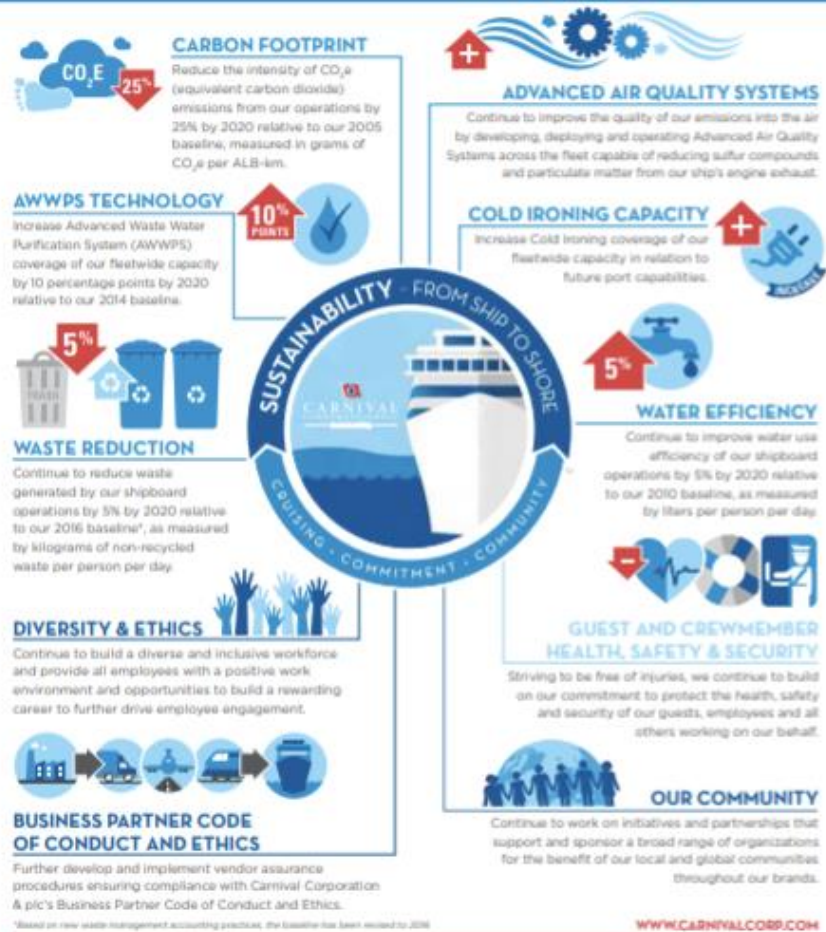
- ✓ Fully covering from Covid-19 operation risks from 2023
- ✓ Estimated profit of Eco-Cruise line to be 10% of same or more than net income in 2019
: \$3,041 M * 10% = \$30M
- ✓ Total donation to be 1% of the profit: \$ 3M

Appendix 31 - Carnival Corporation Sustainability KPIs 2020

Carnival Corporation Sustainability Goals

2020 SUSTAINABILITY GOALS

ENVIRONMENTAL • SAFETY • LABOR & SOCIAL



- Carbon Footprint 25% ↓
- AWWPS technology 10T% points ↑
- Waste Reduction 5% ↓
- Diversity & Ethics
- Business Partner Code of Conduct and Ethics
- Advanced Air Quality Systems
- Cold Ironing Capacity ↑
- Water Efficiency 5% ↑
- Guest and Crewmember Health, Safety & Security
- Our Community

(source: Carnival Corporation & PLC, Sustainability Key Performance Indicator)

Appendix 32 - The Domino Model

Carnival Corporation & PLC Management Incentive Plan

‘This Carnival Corporation & plc Management Incentive Plan (the “**Plan**”) is designed to focus the attention of certain officers and employees of Carnival Corporation & plc and/or its subsidiaries (the “Corporation”) on achieving outstanding performance results as reflected in **the operating income of the Corporation** and, to the extent applicable, **the operating income of one or any combination of the following entities**, operating companies or business divisions: (1) the Holland America Group, (2) Holland America Line, (3) Seabourn Cruise Line, (4) Carnival Australia, (5) Carnival Cruise Line, (6) Carnival UK, (7) Cunard Line, (8) P&O Cruises, (9) Princess Cruises, (10) Global Fine Arts, (11) Costa Cruises, (12) Costa Asia, (13) AIDA Cruises, or (14) any other operating company of the Corporation (each individually and, as applicable, collectively a “Brand”), as well as other relevant measures.’

(from the Carnival Corporation & PLC Management Incentive Plan’)

Costs for ‘Domino Distancing’ and ‘Domino Strengthening’

| Items | \$ |
|---|--------------------------------------|
| AI Simulator development | 300000* |
| Investigation Costs | (only when waste amount is abnormal) |
| * from 'WebFX, AI Pricing: How Much Does Artificial Intelligence Cost?' | |

Appendix 33 - ESG Investors investing in Carnival corporation (1/4)

Vanguard (6.16%)

Vanguard has been managing ESG investment products for over 20 years, starting with our FTSE Social Index Fund, which launched in 2000. It's now the largest ESG-screened index fund in the United States.*

For more than 45 years, we've taken a stand for all investors while advocating for improved corporate governance in the market. As a signatory to the [United Nations-supported Principles for Responsible Investment](#), we encourage companies to conduct business in a socially conscious way.

Public Investment Fund (5.45%)



Appendix 34 - ESG Investors investing in Carnival corporation(2/4)

BlackRock (4.07%)

BlackRock

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A banner image showing a close-up of solar panels with a worker in a hard hat and safety vest in the foreground. The text 'ESG integration' is overlaid in white.

ESG integration

ESG integration at BlackRock


Our activities to integrate sustainability considerations into the investment process mirror the diversity of clients we serve, as well as the range of investment strategies and asset classes we offer. Across BlackRock, we provide all of our investment teams with data and insights to keep them well informed of sustainability considerations.

Each of our investment teams is responsible for implementing ESG approaches in line with its investment mandate and is required to have a formal ESG integration statement to underpin its respective approach. Our portfolio managers are able to bring useful ESG information into their investment processes, discounting or emphasising this information as they would any other financial input.

[Read BlackRock's ESG integration policy >](#)

Appendix 35 - ESG Investors investing in Carnival corporation(3/4)

Northern Trust (2.7%)




Who We Serve ▾What We Do ▾About Us ▾Insights & Research ▾

Capturing ESG and Financial Sustainability

STEWARDSHIP

PROXY VOTING

“We believe organizations with a demonstrated commitment to corporate social responsibility and sustainable investing create greater value for shareholders and key stakeholders.”



President and Chief Executive Officer, Northern Trust
Michael O'Grady

State Street (2.39%)

STATE STREET.

ESG Investing

Solutions

Ideas

Values

About

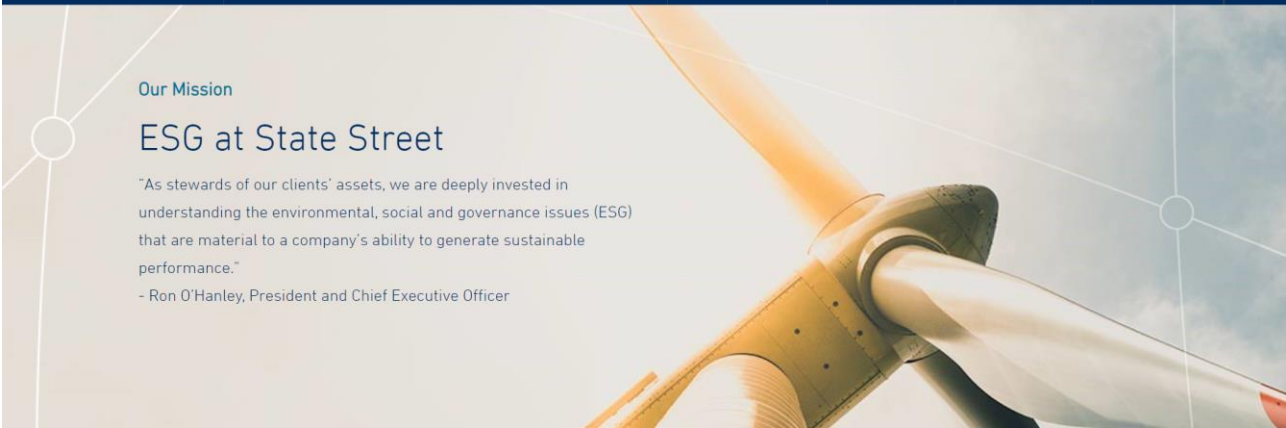
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Our Mission

ESG at State Street

“As stewards of our clients’ assets, we are deeply invested in understanding the environmental, social and governance issues (ESG) that are material to a company’s ability to generate sustainable performance.”

- Ron O’Hanley, President and Chief Executive Officer



Appendix 36 - ESG Investors investing in Carnival corporation(4/4)

Geode capital management, LLC (1.02%)



Responsible Investment Statement

Geode Capital Holdings LLC (with its subsidiaries, "Geode")

Geode is a process-driven asset manager providing global investment solutions across multiple asset classes. Geode's investment experience, flexibility and insights can assist investors both by providing beta exposure and generating alpha.

Geode excels at providing customized solutions to meet investors' needs. We recognize that Environmental, Social and Governance (ESG) factors may have an impact on a portfolio's risk and return profile, and that clients may also have other motivations for ESG investing. Geode believes it can best address these preferences through client-specific mandates that are customized to each investor's unique preferences and circumstances.

Geode's priority is fulfilling its fiduciary duty to its clients. Geode manages funds and accounts with the overriding goal of providing the greatest possible return to investors consistent with the investment guidelines for each fund and account. By becoming a Principle for Responsible Investing (PRI) signatory, Geode has committed, where consistent with its fiduciary duty to clients and each client's mandate, to the following principles:

1. **Geode will incorporate ESG issues into investment analysis and decision making processes, as appropriate.**
2. **Geode will be active owners and incorporate ESG issues into our ownership policies and practices.**
3. **Geode will seek appropriate disclosure on ESG issues by the entities in which we invest.**
4. **Geode will promote acceptance and implementation of the Principles within the investment industry.**
5. **Geode will work together to enhance our effectiveness in implementing the principles.**
6. **Geode will report on our activities and progress towards implementing the Principles.**

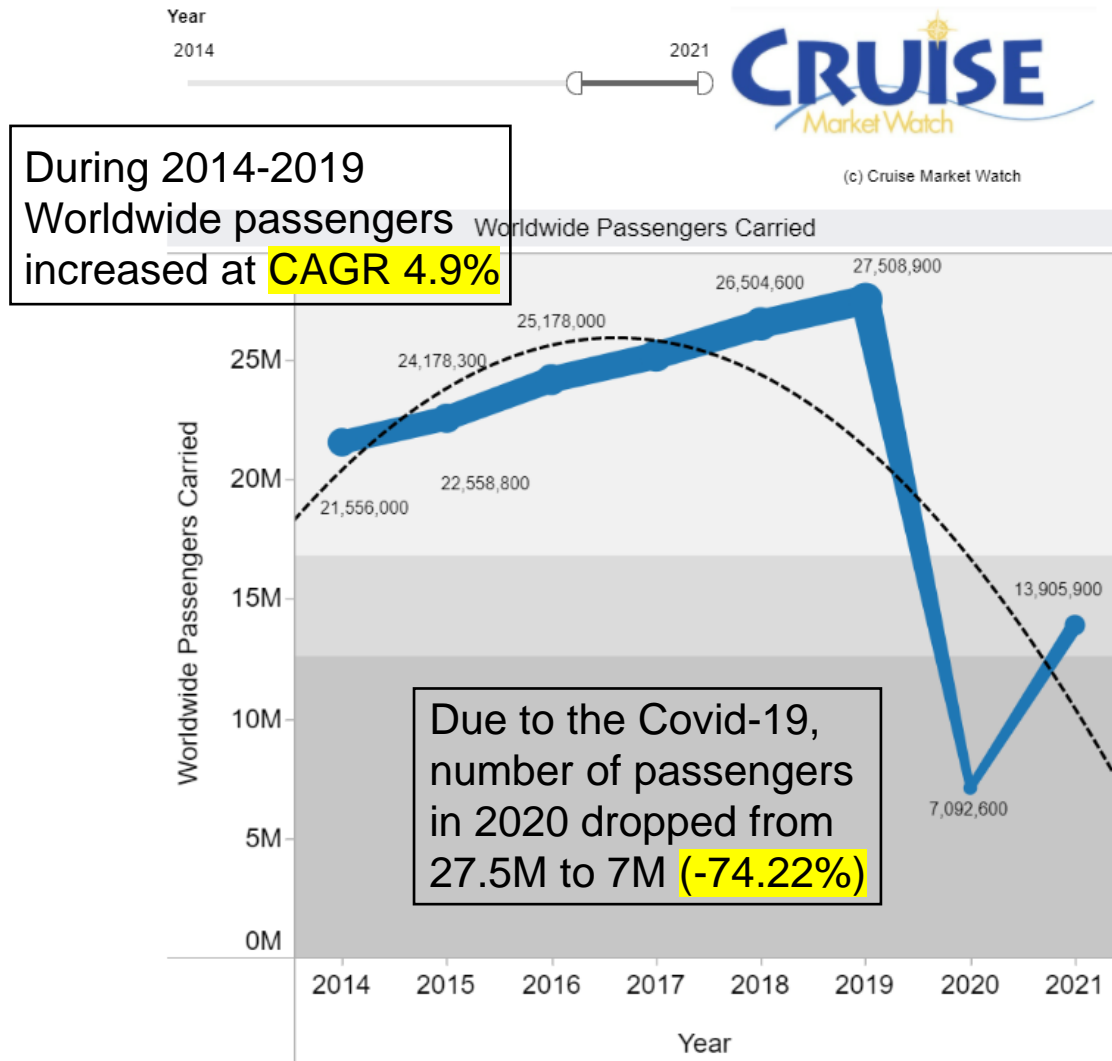
Primecap Odyssey Funds (1.68%) – Not an apparent ESG investor but values long-term perspective investment

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PRIMECAP Management Company takes a long-term perspective

PRIMECAP looks for stocks that will outperform the market over a three to five-year horizon. We strive to recognize values early and patiently wait for the market to reach a similar conclusion. Often, our search begins with companies and industries that are currently out of favor among investors. Consequently, our investment ideas are frequently early. However, conviction derived through our research efforts, gives us the fortitude to stay the course when the near-term fundamentals are challenging if we believe the long-term thesis is intact.

Appendix 37 - Stock Price Estimation(1/2)



From 2023, we expect passengers to grow **annually 5%**, at the **BAU** rate

In 2022, we expect number of passengers to be 28M, **increasing 100%** from the year before due to massive demand increase and recovers demand just before Covid19

In 2021, number of passengers is expected as 14M, **increasing 100%** from the year before

Stock Price Estimation

+\$70 till 2025
*** Hit the ceiling**

\$50 in 2022

\$20 currently

Source: Cruise Market Watch,
<https://cruisemarketwatch.com/growth/>

Appendix 38 - Stock Price Estimation(2/2)

- Optimistic view toward cruise industry recovery based on survey conducted by Cruise Line Industry Association

2020 INDUSTRY TRENDS

RESILIENCY AND OPTIMISM

One of the defining characteristics of the cruise industry is its resiliency. Despite a challenging year in 2020, there is reason for hope and optimism heading into 2021.

74%

of cruisers are likely to cruise in the next few years

2 out of 3

cruisers are willing to cruise within a year

58%

of international vacationers who have never cruised are likely to cruise in the next few years

Source: CLIA-Qualtrics Survey December 2020- 4,000 International vacationers each, eight countries, U.S, Canada, Australia, UK, Germany, France, Italy and Spain

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