



HURTIGRUTEN

SUSTAINABILITY REPORT 2018

A FOOTPRINT WE ARE PROUD OF



HURTIGRUTEN – LEADING THE WAY

Hurtigruten is the world's largest and greenest expedition cruise line.

We are committed to reducing our impact on the environment to ensure future generations will enjoy the astonishing beauty and wildlife of the regions we sail in, and we are constantly pushing the boundaries

Hurtigruten is a sustainability pioneer in the industry, especially when it comes to responsible operations in vulnerable regions. In summer 2019, we launched the world's first battery powered cruise ship, MS Roald Amundsen. Heavy fuel oil has been banned on all our ships for over a decade, and last year, we did the same with single-use plastics. Furthermore, we were pleased to announce that we will refit several of our vessels to include propulsion on batteries and from biogas created from rotten fish and other organic waste.

We are building the greenest fleet in the industry and our ultimate goal is to operate completely emission free. But we cannot do this alone, and we are therefore challenging the entire cruise industry to join us in operating more sustainable.

Hurtigruten's leading position, and our oper-

ations in vulnerable areas comes with great responsibility. With the UN Sustainable Development Goals as a framework – and a mission focused on innovation, technology and concrete changes – sustainability is a part of every detail of our operations. We want to set a new standard for others to follow.

We have commissioned this report to get a clear picture of how we are doing. We want to show others that it's possible to change drastically and still grow and thrive, and we want to clearly identify other areas where we can do even better. 2018 has been a great year for Hurtigruten. My biggest source of pride has been how the entire organization is contributing to making everything we do more sustainable.

Our ban on single-use plastic started as an idea in one of our Expedition Teams. A few months later we were the first major travel company and cruise line to remove all unnecessary single-use plastic from all our ships, restaurants and hotels - and we are on track to reduce plastic waste by nearly 30 tons each year.

We are proud to introduce the world's first hybrid-powered cruise ships, which will be the backbone of the world's greenest expedition cruise fleet. In 2018 we also announced a major refurbishment of our existing ships, replacing diesel engines with large battery packs and natural gas propulsion. We will be the first cruise company to run ships on biogas -a next-generation renewable fuel.

One of Hurtigruten's most important goals is to fight the exploitation and degradation of sites, nature, and local communities by mass tourism. Our training programs and the Hurtigruten Academy for competence development help all of our employees contribute to these efforts. We have also established Hurtigruten Foundation, to ensure that our guests of tomorrow can enjoy the same unique and authentic experience as our guests of today. The Foundation invests in local communities, supports grassroots initiatives in the waters and areas we operate, as well as protecting polar bears and fighting marine and plastic litter in the oceans. And Hurtigruten's guests are involved in these efforts too - we want them to come as guests and leave as friends.

Our ambitions for the coming years are even bigger. As the world's greenest cruise line, we are pushing for changes to improve the future of the cruise industry. And our entire organization is committed to contribute to these crucial changes.

I would also like to express my deep gratitude to all our guests for sharing our passion for creating a more sustainable way to travel.

Daniel Skjeldam
CEO Hurtigruten

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015, United Nations agreed upon and adopted the 2030 Agenda for Sustainable Development, and its 17 Sustainable Development Goals. The Sustainable Development Goals (SDGs) consist of 17 goals and 169 targets. The goals create a common global agenda for sustainable development for states, business and civil society and apply equally to all nations, including highly developed nations like Norway.





HURTIGRUTEN USES UN'S GOALS AS A FRAMEWORK

Hurtigruten is a responsible business and we are making a valuable contribution towards achieving the SDGs, and ensuring a sustainable future for generations to come. We take this commitment seriously and therefore use the SDGs as a framework for sustainability, helping us to map positive and negative impacts on key sustainability indicators relevant to our business, the local communities in which we operate, and to the wider global community. Hurtigruten also embraces the SDGs as a key driver for innovation, helping to identify and develop solutions the global community needs and can use to achieve sustainable development.

Our business touches both directly and indirectly on many of the 17 UN Sustainable Development Goals. Through a materiality assessment, involving staff and selected external stakeholders, we concluded that Hurtigruten has the most impact on five of the SDGs: 9, 11, 12, 13 and 14.

Impact goals are the five goals that we believe we can have the most positive impact on both society and our business, now and in the future. In addition, we have identified four UN Sustainable Development Goals that form the backbone of our business, resonating with our values, our culture and what we stand for, called our foundation goals. These are goals 4, 5, 8 and 16. Together, these nine goals form the basis of our sustainability strategy to 2030. This report is the second report on status towards our commitments under these five sustainability goals.

Finally, effective collaboration and partnerships (SDG 17) is an important enabler for us when it comes to meeting our objectives under each impact goal. Working closer with industry partners, research institutions, local communities and supply chain partners is necessary to have the positive impact we aspire to. We are proud of the work we do, each and every day, and strive to leave a net positive sustainable footprint, both at sea and in the coastal communities where our business is an important bloodline.

— Our mission: Provide safe, unique, active and sustainable travel experiences that create lifelong memories.

IMPACT GOALS



FOUNDATION



FIRST CRUISE LINE TO BAN SINGLE-USE PLASTIC

In 2018 we took a bold move and implemented a complete ban on single-use plastics throughout our operations. Within five months, we managed to remove all unnecessary single-use plastic from our operations. Key to realizing this goal has been the willingness, support and creativity shown by our suppliers, as well as the overwhelming commitment shown by our staff. We have worked closely with all major suppliers, managing to find suitable alternatives for all products in a short space of time. We have replaced plastic products throughout our fleet, on all decks and in all departments. This includes using glass instead of plastic cups in guests' cabins, substituting all plastic cutlery with metal cutlery, substituting plastic straws with paper straws, and reducing packaging for clothing and other goods and merchandise delivered to our ships.



We will continue to work with suppliers in 2019 to achieve our goal of zero single-use plastic on board, and to working on reducing all types of waste and ensuring a higher rate of recycling. We have worked closely with Helly Hansen, one of our main suppliers of clothing to guests and crew, in order to reduce packaging. Initially products were individually wrapped in plastic, but after working closely to find alternative solutions, Helly Hansen now package products in batches, reducing plastic packaging by over 90%.

A key source of ocean pollution is micro plastic. As part of our commitment to reducing plastic waste, we have widened the scope from single-use plastics and identified other areas in which we can take a proactive stance in the battle against plastic pollution in our environment. We stopped selling fleece clothing in our shops in



2018 in recognition of the documented impact of micro plastics. In addition, we have started to use washing nets for laundry, aiming to reduce our impact on the environment from micro plastics and microfibers. We also sell these washing nets to our guests on some of our ships.

We aim to reduce the use of polymer-based clothing and in 2018 we tested a range of natural fiber products in order to reduce the potential environmental impact of chemical pollution from clothing. We tested using bees wax, an environmentally friendly natural alternative to synthetic water repellents, on clothing. Initial results are promising and we will continue research and further develop our purchasing practices going forward.



FACTS AND FIGURES

32
TONS ↓

Our ban on single-use plastic means we have reduced 1 million straws and 400,000 plastic cups from our ships.

By swapping to butter dishes, we have removed over 800,000 plastic-packed individual butter portions from our dining rooms.

In 2018, our collaboration with Helly Hansen reduced plastic packaging on coats by over 90%.

All together, we have reduced 32 tons of single-use plastics in a year.

NEXT GENERATION FUEL INNOVATION

As part of our commitment to fuel technology innovation, throughout 2018 we continued our preparation for converting our coastal fleet to hybrid ships.

We have committed ourselves to make extensive investments, converting a large part of our fleet to LNG/battery hybrids. A key feature has been ensuring that vessels are compatible with climate-neutral advanced biogas, paving the way for low emissions shipping on all routes. These are ground-breaking projects, and have gained interest and acknowledgement both in Norway and internationally.

We are working closely with strategic partners in Norway to ensure a sufficient and stable supply of LNG (Liquified Natural Gas) and LBG (Liquid Biogas). Our aim is to maximize the use of electricity and advanced LBG, and minimize the use of LNG fuel. The first LNG/LBG



operated hybrid vessel will be converted in 2019, immediately reducing our NOx emissions by more than 90% and our CO2 emissions by more than 35%, compared to other cruise operators. Liquid Biogas is a fossil-free, renewable fuel produced from organic waste, such as offcuts from the fishing industry and waste from forest management. This again creating opportunities for cross-sector innovation between three key Nordic industries.

Hurtigruten is an active ambassador for shore-based power in Norwegian ports, and has been a key voice in calling for a national shore-based power strategy, as part of our collaboration with Bellona. In 2018, we were proud to be able to

— For global expeditions, both our existing fleet and our newbuilds will run on low sulphur MGO (Marine Gas Oil).



start testing shore-based power in the port of Bergen, following our collaboration with the supplier NG3, the port and local authorities. This was a major milestone in our long-term goal of increasing the use of renewable energy, and making the transition to electric power from traditional fuels when docked at port. Shore power is the provision of shore-side electrical power to a ship at berth enabling engine shut-down. Shore power saves consumption of fuel that would otherwise be used to supply power to the vessel, mainly the hotel facilities, while in port. Shore power eliminates the air pollution, is a significant contributor to green stays in port, and improves local air quality. Shore power in Bergen enables each of our vessels to reduce CO₂

emissions by 130 metric tons a year. The annual NO_x reduction per ship is estimated to 2.5 tons, compared to burning fossil fuel during port-stays in Bergen.

This work is ongoing, and part of our commitment to minimizing port emissions. We will continue to work for shore-based power facilities at key ports along the Norwegian coast. Two of our vessels, MS Kong Harald and MS Spitsbergen have started using shore-based electricity, and four more vessels are ready to undertake the final technical installations during 2019.





Our newbuilds will also have battery packs installed, and our existing fleet will be gradually retrofitted with battery packs, or other environmental friendly technology during planned docking. The hybrid vessels will be capable of fully-electric propulsion during peak-shaving, reducing carbon emissions by more than 20%, compared to other cruise ships of the same size. We expect this number to increase as the technology advances, and we are adding battery packs. Our choice of MGO as fuel is due to the limited distribution of LNG/LBG internationally, and the limited availability of shore power in the remote areas in which these vessels operate. We will need to rely on diesel as a fuel in the short to mid-term due to safety reasons and to ensure a regular and stable service to customers and the communities that rely on our services. In many of the areas we operate the access to alternative energy such as LNG, electricity and biofuel is limited or non-existent. Our pledge is to always use the fuel type that has the lowest emissions according to the prevailing conditions.

As mentioned – Hurtigruten is advocating a global ban on heavy fuel oil. Many years ago, in contrast to others, we made a conscious decision to leave out heavy fuel from our operations. Burning heavy fuel is not suitable when delivering authentic, sustainable and life-changing experiences in pristine and vulnerable areas, and the alternative lighter fuels are easily available all over the world. All our vessels use MGO (Marine Gas Oil) or low Sulphur MSD (Marine Special Distillate) with up to 12 times lower Sulphur emissions than heavy fuel oil, less NOx emissions and less soot.

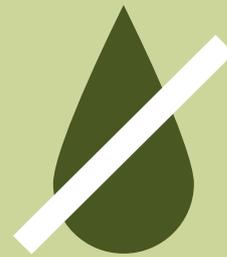
But our internal ban on the use of heavy fuel oil doesn't come without a cost. Operating with these lighter fuels has increased our annual operating costs by 125 million NOK, for our eleven ships operating on the Norwegian Coast. In addition, we incur extra costs for our three expedition ships that are also operated with MSD and MGO.



We are also advocating a ban on open loop exhaust gas cleaning systems (“scrubbers”). Scrubbers are used to enable the vessels to burn high Sulphur fuel in areas with a Sulphur cap, instead of choosing a more environmentally friendly fuel. Open loop scrubbers are using seawater to wash the exhaust gas from heavy fuel burning to reduce the Sulphur emissions, then discharges the process water back into sea. Norwegian Maritime Authorities have banned the use of open loop scrubbers in the World Heritage Fjords, a regulation we strongly support – and seek to expand further.

Hurtigruten aim to be at the forefront of fuel innovation and will closely follow developments in this area, including hydrogen fuel within the maritime industry.

FACTS AND FIGURES



In 2018 we achieved 99.7 % technical regularity, and no serious incidents.

We banned heavy fuel oil a decade ago, and are pushing for a global ban.

Lighter fuels are more expensive – this increased our cost by 125 million NOK for our eleven ships that operate “on” the Norwegian coast.

Additional costs are incurred for our three expedition ships that run on MSD and MGO.

INVESTING IN NEXT GENERATION'S EXPLORERS

In 2018 we proudly launched Hurtigruten Academy, our web portal for onshore and off-shore competence development. Sustainability is a key aspect of all training programs, as well as having a course dedicated to sustainability for ocean explorers.

Hurtigruten takes great pride in being a key provider of work and training opportunities for the next generation of explorers. In 2018 we had approximately 160 apprentices working for us, mostly onboard our ships sailing along the Norwegian coastline. In 2018 we introduced a new program for our young officers. Our aim is to increase the number of young people we employ on permanent contracts, with on-the-job training and mentoring that is of the same high quality as our apprenticeship programs. This means that more young people will be provided with stable job prospects while at the same time receiving training that is recognized throughout the industry.

A key focus for us is safe operations, and in 2018 we further improved our safety procedures by revising bridge procedures and check lists to ensure safer and more fuel-efficient maneuvering in ports. We also entered into a partnership with the University of Tromsø in 2018, to provide management

and communications training for our officers in the fleet. A key feature of this training is that it is based on experience gained in the airline industry, providing cutting edge training on service reliability, safety and continuity. The training program includes simulator training, which allows participants to experience real-life decision-making in a safe training environment. Exercises include our new bridge manual, and offer new perspectives on crew resource management in the maritime sector.

In 2018 we piloted a training module in collaboration with Matvett, aimed at training our crew in managing and reducing food waste. This has been very successful and will be launched to all crew as part of rolling out our food waste management program in 2019.

In addition to training our own crew, we take a key role in creating environmental ambassadors for Arctic and Antarctic regions amongst our guests. In 2018 we had over 350,000 guests



on board our ships, totaling almost 1.5 million overnight stays. Guests are keen to learn more about how to protect the environment and sustain local communities in the areas that we visit along the way. This provides us with an excellent opportunity to talk about environmental protection and the work that Hurtigruten is doing to promote sustainable communities. We provide a series of lectures on board every trip covering a range of topics from climate change to ocean plastic and eco-efficiency measures guests can take on board, and when they return home.



– In addition, our guests can make a significant contribution to climate and environmental science through getting involved in gathering and submitting data from the Arctic and Antarctic regions.

FACTS AND FIGURES

5375
TRAINING HOURS ⌚

In 2018 we trained 1466 of our employees

In 2018 we launched 92 new training modules for employees

In 2018 we had 5375 training hours in Hurtigruten Academy

CONTRIBUTING TO SCIENCE IN THE ARCTIC AND ANTARCTIC

Hurtigruten has been measuring sea temperature, salinity levels and algae growth for over 80 years, as part of an ongoing collaboration with the Norwegian Institute for Marine Research and the Norwegian Institute for Water Research (NIVA). MS Trollfjord has installed a sensor system called Ferrybox. Once every minute, the FerryBox system measures temperature, salinity, oxygen, chlorophyll, organic carbon and particle content at a depth of four meters along the route. The data are then transferred via satellite to NIVA and used by researchers for monitoring natural variability in the ocean and human impacts on the ocean including climate change. We will continue to work closely with research partners to provide robust data for the areas in which we sail, further forwarding our understanding of changes occurring in our oceans, and driving a research-based approach to seeking solutions to challenges.

Hurtigruten cooperate with Ocean Visuals. Ocean Visuals' OWL™ system is currently installed on board MS Trollfjord. The laser equipment makes a measurement every 50 meters on voyages between Bergen and Kirkenes. The system uses data gathered to identify and classify hydrocarbons present in the water by fuel type. In 2018 Ocean Visuals identified several incidents of oil spillage. Among these were two major oil spill incidents in Måløy Port, two oil leakages in Tromsø port, and leakages close to five fish farms. Ocean Visuals also measures organic material, and identified high density of organic material in the Kirkenes fjord, due to algae blooming. The Norwegian Coastal Administration, the local ports and fish farms are notified immediately of such instances. Ocean Visuals are in the process of expanding operations and believes the cooperation with Hurtigruten can have a substantial effect on oil spill identification worldwide.





Hurtigruten runs a citizen science program on all expedition cruises. Our citizen science program is a collaboration project with selected research institutions, where our guests contribute to research through sample collecting. In 2018, guest collected samples and submitted data for the following projects:

Plankton Research UNIS

Hurtigruten has a multi-year collaboration with UNIS (University Center in Svalbard). During the 2018 Arctic Season UNIS students were on board MS Spitsbergen and conducted a Plankton research project as members of the team. Our guests were involved in the collection of plankton samples and had the opportunity to study the collected samples under the microscopes in our science center. This project will be conducted again during the 2019 Arctic Season on board MS Spitsbergen and MS Fram.

Seabird Distribution with the Antarctic Site Inventory

This study is a partnership between the US non-profit organization Oceanites and various academic institutions, notably scientists from the Stony Brook University in New York. The goal is to collect data throughout the Antarctic Peninsula and surrounding island groups. We invite our guests to help us perform small scale surveys while at sea and on shore, which help scientists understand the migratory, breeding and feeding habits of seabirds in the Antarctic.

Cloud Observations with the Globe Program

One of the most interesting features of the planet Earth, seen from space, is the ever-changing

distribution of clouds. They are as natural as anything we encounter in our daily lives, yet we hardly give their presence a second thought. And yet, clouds have an enormous influence on Earth's energy balance, climate, and weather. Clouds affect how much sunlight is being absorbed by the earth and how much heat escapes back into space. By observing and recording cloud cover timed to NASA satellites, we can help scientists understand how surface and air temperature are affected by cloud cover, and how clouds are responding to a changing climate.

Happywhale

Our explorer vessels assist in tracking individual whales throughout our world's oceans. By harnessing the power of thousands of whale-watching enthusiasts, our guests, we can contribute to expanding our knowledge of their behavior and distribution. Just like humans, whales are unique and recognizable. Individual whales can be identified by their pigment patterns, distinctive scars and/or the shape of their fins and flukes. By photographing and submitting images of these unique traits, Happywhale can compare the whale photos submitted to known individuals in whale ID catalogues.



FjordPhyto

Phytoplankton are microscopic plant-like creatures that drift in the ocean, and are a major part of the diet for whales, seals, and penguins. They also produce over half of the Earth’s oxygen supply! These microscopic creatures are also incredibly important for global biogeochemistry cycles, such as drawing carbon dioxide out of the atmosphere and into the deep ocean. However, both the Arctic and Antarctic are experiencing rapid rates of warming. As temperatures rise, melted glacial water enters the ocean making small yet important changes to the marine ecosystem. The first organisms to experience change, are phytoplankton. The goal of this project is to better understand how phytoplankton respond to changes in the polar regions.

Sea Leopard Project

This is a non-profit study aimed at gaining a better understanding of the behavior, ecology, and population of Leopard Seals on the Antarctic Peninsula to promote their conservation and safe human-seal interactions. The goal of this project is to gather as many photographs of the left side of the Leopard Seals’ head for identification as well as written description of any interesting human/seal or seal/seal interactions that can further our understanding of these wonderful creatures.





The Secchi Disk Study:

This study collects data on phytoplankton around the world including Antarctica and the Arctic. A recent study of global phytoplankton abundance over the last century suggested that global phytoplankton concentrations had declined by 40% over the last 50 years due to rising sea surface temperatures as a consequence of current climate change. When a Secchi Disk (a 30cm diameter, plain white disk) is lowered vertically into the water the depth below the surface at which it just disappears from sight is called the Secchi Depth. The Secchi Depth measures the clarity of the seawater, which away from estuaries and coasts indicates the amount of phytoplankton at the sea surface. By measuring the Secchi Depth our guests can help map the ocean's phytoplankton, they have been keen on participating as citizen scientists, helping enlarge this already very important database.

Institution: NPI

Project title: Developing Feedback Management for the Antarctic krill fishery
Responsible: Andrew Lowther

“Ecosystem Based Management” (EBM) is a term often used to describe attempts to distil down the functionality of an ecosystem into a core set of observable features, then condition

management actions on the response of these features to exploitation. In this context, higher trophic organisms are often employed as ecosystem bioindicators because of their reliance on the lower aspects of the food web, their ability to integrate ecosystem information across broad spatial and temporal scales and the relative ease by which they can be monitored. The Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) seeks to manage the krill fishery along such lines. This fishery is currently seeking to increase the total allowable catch, yet it has become increasingly more spatially concentrated in recent years. CCAMLR has mandated that there will be no increased limits until a scientifically robust method for EBM is in place, leading to renewed interest in its development. CCAMLR has been collecting demographic and foraging data on several krill-dependent higher trophic species, however, translating data from the current suite of monitored ‘bioindicators’ into management actions can be challenging if causal relationships between predator performance and krill availability are derived inappropriately. We present results from three recent studies of krill predators in the region where over 95% of all fishing occurs, to highlight key fundamental aspects of ecosystem function which should be considered for appro-



priate EBM. Finally, we outline a multinational research program that will be conducted during the 2019 austral summer to further develop EBM of the krill fishery by addressing critical questions such as prey field requirements of predators and localized depletion of krill around predator colonies.

Logistical support for British Antarctic Survey:

During the Antarctic season Hurtigruten has provided additional logistical support for people and substantial amount of equipment to British Antarctic Surveys South Georgia (GSGSSI) invasive plant team.

**Logistical Support to UKAHT
- UK Antarctic Heritage Trust:**

We have continued our unbroken support since 2002 to the preservation, enhancement and promotion of British Antarctic heritage to engage, inform and inspire a global audience.

They actively manage the physical heritage of human endeavor in Antarctica through a sustainable conservation program and use the stories they hold to inspire people to discover, enjoy and respect the Antarctic history.

FACTS AND FIGURES



November 2018, we deployed one of three teams to the Antarctic Peninsula with their entire equipment kit for 3 months research work, and we supported them with supplements throughout the research period. In addition we enjoyed getting information about their findings all season communicated to our guests.

STEWARDS OF NATURAL HERITAGE AND BIODIVERSITY

Our operations, according to an independent report in 2017, generate around 2.6 billion Norwegian kroner for local communities, companies and operators along the Norwegian coast each year.

We are committed to ensuring that this is not at the expense of the natural environment and cultural heritage sites we visit along the way.

Hurtigruten are active members of AECO, an organization dedicated to managing responsible, environmentally-friendly and safe tourism in the Arctic. We are also active members of IAATO, an organization that advocates and promotes safe and environmentally-responsible travel to the Antarctic. One of our commitments as members of these organizations is to promote public awareness and concern for conservation of the environment and its associated ecosystems. We do this by providing training to crew and our guests about such issues as biosecurity, as well as working closely with excursion organizers and local communities.

In 2018 we were part of AECO program aimed at deeper community engagement, and ran several meetings with indigenous communities in Canada and Greenland. The main focus is to ensure that our operations have a positive impact on local communities. In addition to providing valuable trade between local communities and guests, we have provided

financing for local schools and invested in local health facilities, for example providing defibrillators, based on input from local communities.

Our destinations include 28 UNESCO sites. Our philosophy is that the sites should look better after we leave than when we arrived. On our excursions and hikes, our Expedition Team members and guests pick up waste, making our operations a year-round clean-up effort. In addition, we participate in the Clean Up Svalbard program, cleaning beaches along the coastline of Svalbard. We also involve our guests in clean-ups at all destinations. We strongly believe that, in cooperation with our guests, we can make a substantial contribution.

Guests willingly join crew members and help gather waste along the shoreline and at sites of cultural heritage, ensuring that we leave vulnerable areas in a better state than when we arrived. Feedback from guests is that they really appreciate being involved, informed and encouraged to reflect upon how they can adopt a more sustainable lifestyle. Many of our guests pledge to become environmental ambassadors when they return home.



–The feedback from our guests on joining the beach cleanups is very positive:

Some guests describe it as one of the best things about their trip, and that they even would have contributed to the cost if possible. Others were impressed by the expedition teams, and how they organized the cleanups.



FACTS AND FIGURES



In 2018 we invited all guests to join us in picking up litter at all destinations we were visiting, where it was possible. This adds up to thousands of kilos of litter.

WORKING TO REDUCE EMISSIONS THROUGHOUT OUR OPERATIONS



Hurtigruten is an important commercial actor in the Arctic and Antarctic regions. We continue to use our leverage at an industry and political level to introduce a complete and global ban on heavy fuel oil (HFO). We implemented our own voluntary ban on HFO on all our own vessels more than a decade ago. In 2018, we continued to support the Clean Arctic Alliance, a global campaign to implement a complete ban on HFO in Arctic waters by 2020. We believe the shipping industry must be frontrunners in promoting regulations that ensure sustainable Arctic growth.

Hurtigruten has been lobbying for a HFO tax in Svalbard. Hurtigruten will continue to work

closely with operators to ensure zero emissions in excursions and reduce emissions throughout our operations.

Over the last 10 years, Hurtigruten has implemented more than 30 NO_x-reducing measures in our fleet. The total annual environmental benefit of the measures is a reduction in emissions of around 680 tonnes of NO_x and 19,000 tonnes of CO₂. Fuel consumption is also reduced by around 5,950 tonnes as a result of these measures. In total, Hurtigruten has contributed approximately 180 million Norwegian kroner to the NO_x fund. NO_x is an indirect greenhouse gas, and a significant source of air pollution, smog and



acid rain. In Norway, the main sources of NOx emissions are combustion of fossil fuels in oil and gas, and industry on land and at sea. In 2008, the Norwegian authorities introduced a tax on NOx emissions. The purpose was to cut NOx emissions in industry and fulfil Norway's obligations under the Gothenburg Protocol. The NOx Fund was established, and all revenues return directly to the industry for emission reduction measures. A new NOx agreement has been signed for the period 2018-2025, and provides the basis for further development of technology and markets towards a low-emissions society.

FACTS AND FIGURES

3%
CO₂ ↓

On coastal routes in Norway, we reduced our fuel consumption by over 2 litres/nautical mile to 77.3 l/nm in 2018. The reduction, which results from a combination of higher regularity as well as focusing on fuel consumption.

In 2018 we reduced our CO₂ emissions to 217 kg CO₂/nm, a reduction of 3 %.

DRIVING RESPONSIBILITY ALONG THE VALUE CHAIN



Hurtigruten launched a new mandatory training program based on our code of conduct in 2018, ensuring the highest levels of integrity in both our onshore and offshore operations.

Our whistle-blowing policy aims to protect employees who raise awareness around breaches to this code of conduct, and any other issues that they perceive as incongruous with our goal of being a fair and responsible employer. We have developed an e-learning course to ensure that all employees understand their right to warn relevant bodies about misconduct, the type of measures that they can take, and how complaints will be treated if they are directed to our internal complaints body.

Our internal complaints committee is a cross-functional committee consisting of managers from our legal department, communications department and Human Resources department. All internal complaints are handled by this committee and are treated as confidential. In addition to our internal complaints committee, employees can send an anonymous complaint to an external committee, as part of our agreement with a third party providing enterprise health and safety services.

We have a Supplier Code of Conduct which spells out our expectations and requirements to all suppliers. This centers around four core topics: health and safety, environmental pollution, workers' rights and anti-corruption. All contracts include a clause that allows us to undertake audits of suppliers.



Hurtigruten collaborates with our suppliers to gain efficiencies in all value chains for the products and services we offer passengers. Hurtigruten has regular meetings with key suppliers, including inviting them onboard to see how we work and to collaborate on solutions that can enable more sustainable operations along the value chain.

In 2018 we ran a number of sustainability projects with suppliers, including tests with a supplier of snow-scooter tours, testing out electric snow scooters in order to further reduce the impact of noise and emissions from our operations.

FACTS AND FIGURES

824



824 employees completed mandatory training in ethics

In 2018 we increased our focus on supplier compliance, and at the end of the year nearly 1500 suppliers had signed our Supplier Code of Conduct

AALAN FARM, LOFOTEN

Hurtigruten have a long-standing tradition when it comes to helping local entrepreneurs along the Norwegian coastline to build sustainable businesses.

Aalan Farm is a local family-owned dairy farm in Lofoten, in Northern Norway. The current owners took over the farm from their father in 1981. At this point the farm was a small-scale dairy with 25 goats producing milk. Nowadays the farm has 200 goats and employs five full-time staff, delivering award-winning organic cheeses, herbs and teas to local shops, restaurants and hotels. As the owner, Knut Aaland, says «Hurtigruten is by far our largest customer», but this is not just down to the amount of cheese Hurtigruten serves to its guests.

In 2016, Hurtigruten and Aaland started to explore the possibilities of excursions to the farm to show guests how a typical dairy farmer in Lofoten lives, and to sample some of the farm's specialities. In 2018 we arranged 291 excursions from Svolvær to Aalan Farm. Excursions include a tour of the farm and the production facilities, cheese-tasting, and a visit to the barn to see the

goats that provide the milk that the cheese is made from, bringing guests closer to local communities along the Norwegian coastline. Guests are provided with information on how Norwegian goat's cheese is made, the life of a Norwegian dairy farmer, and about the Lofoten area too.

According to owner, Knut Aaland, a key success criteria has been Hurtigruten's interest in ensuring that Aalan Farm develops a sustainable financial business in the long term. This includes looking for additional income streams, such as farm visits that can provide a stable financial basis on which to build the business. When Hurtigruten first started sourcing cheese from Aalan Farm, they produced four tons of cheese per year. In 2018 they produced seven tons of white cheese and 1.5 tons of brown goat's cheese. Hurtigruten purchased 4.5 tons of cheese from Aalan Farm in 2018 to serve guests on board, in addition to a range of local herbal teas.

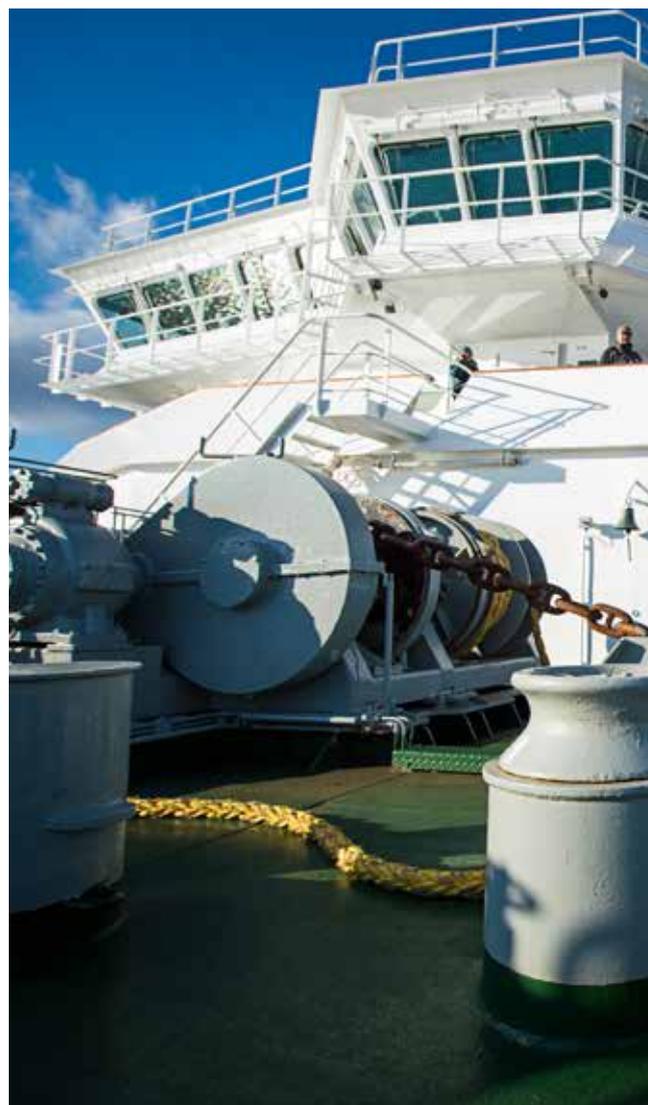


PROMOTING DIVERSITY AND RESPECTING OUR EMPLOYEES

Hurtigruten are a crucial employer in the Norwegian maritime industry, and we have a focus on respect for all employees.

This is perhaps most evident in the active role our management take in engaging with trade union worker representatives. Management meet with worker representatives every quarter, and nearly half of all employees are members of a trade union. We have tariff agreements that covers all employees, regardless of location or origin.

We have a focus on gender balance and diversity. Half of the top management team are women and 43% of employees are women, which exceeds industry norms. One of the ways in which we achieve this is through objective recruitment processes where the focus is on assessment and competence-based



performance criteria, enabling equality and minimizing bias in our recruitment processes. Our Code of Conduct sets strict standards for anti-discriminatory practices.

We have a career path development programme that continues to focus on competence-based performance criteria, reducing any gender bias in decisions around promotions and career development opportunities. The focus on gender balance is driven from top management.

In 2019 and 2020 we aim to continue our focus on gender balance, and learn more about satisfaction rates amongst women employees.



FACTS AND FIGURES



35 % of our apprentices are female

43% of our staff are female

Almost 50% of our employees are members of a union and we have quarterly meetings with union representatives.

The average employee age is 39

There are 51 nationalities working in Hurtigruten

TAKING A STAND ON FOOD WASTE

More and more guests want to make more sustainable choices, including when they travel. By engaging guests and collaborating with our suppliers, we aim to reduce waste and develop smarter services and products.



Norway's Coastal Kitchen

All food and beverages served on board our ships operating along the Norwegian coast are based on our prize-winning concept "Norway's Coastal Kitchen". A key feature of this concept is that ingredients are sourced locally and delivered directly from the farm to the nearest port, thus minimizing emissions from transportation. In 2018 we sourced local ingredients from 50 suppliers. We only serve species approved by the World Wildlife Fund's (WWF) Seafood Guide. In addition, we actively seek MSC- and ASC-certified seafood to provide added confidence in the sustainability of the fresh food we serve to our guests. We continue to increase our guests' knowledge and provide information around key topics ensuring that they become even better ambassadors for sustainable travel and exploration.

Fresh food from local producers

We receive daily deliveries at 15 of the 34 ports we stop at along the Norwegian coast. Around 80% of the food and drinks we serve come from Norwegian suppliers, and nearly half of these are

delivered on board directly from farms, fisheries and producers along our route. In addition to the environmental benefits of locally sourced produce, this provides our guests with fresh, high-quality food throughout their stay.

Reducing food waste

In 2018, we became a member of Matvett, a Norwegian industry organization for the hotel and catering trade, aimed at meeting the UN Sustainable Development Goals target of reducing food waste by 50% by 2030. In 2018 we implemented routines onboard and invested in equipment to measure and sort waste more effectively on one of our larger ships, using this as a way to test different approaches to ensuring an effective waste system that is aligned with operations, from ordering, storing, preparing, and serving food to weighing, sorting and delivering food waste. These tests were successful and we will implement food management waste programs on all ships during 2019, aiming to reduce food waste by 30% over the next two years.



However, it also became apparent that one of the main sources of food waste is the kitchen. By working closely with head chefs and kitchen staff, we aim to meet our goals of reducing food waste.

In 2018, we also started to offer a wider range of vegan and vegetarian meals to guests. In 2019-2020 we will be testing a range of new and exciting plant-based alternatives to meat both in order to reduce the CO₂ intensity of our operations as well as to promote healthier food and living.

In 2019 we will step up our efforts towards zero landfill waste by implementing better waste management plans and routines onboard, investing in waste disposal systems, and training both staff and guests. We will continue our focus on reducing the total amount of waste we produce, while at the same time maximising the amount of waste we sort.

FACTS AND FIGURES



Over a fifth of all meals served on board were vegetarian or vegan meals. For coastal routes this was just over 25%.

In 2018 we sourced local ingredients from 50 suppliers.

We only serve species approved by the World Wildlife Fund's (WWF) Seafood Guide.

We will implement food management waste programs on all ships during 2019, aiming to reduce food waste by 30% over the next two years.

HURTIGRUTEN FOUNDATION

We have established Hurtigruten Foundation to ensure that our guests of tomorrow can enjoy the same unique experiences as our guests of today.

Funds are raised through a number of initiatives, including auctions on board, direct contributions from guests as well as contributions we make from Green Stay nights.

In order to realize our vision of sustainable exploration, we are keen to offer better and more sustainable choices for our guests. Green Stay is an option for our guests, where by simply hanging a tag on their door means that they will use the same towel and bed-sheets as the night before. This has a direct positive impact on energy, water and the use of detergent. For each Green Stay night, we contribute 5 Norwegian kroner to the Hurtigruten Foundation, and in 2018 we raised over half a million Norwegian kroner towards measures that protect the environment and natural habitat.





FACTS AND FIGURES

1.5
MNOK

In 2018, guests chose green stay for over 100,000 nights, generating 515,110 NOK for Hurtigruten Foundation

In 2018, donations and on-board auctions generated 1 000,000 NOK for Hurtigruten Foundation, bringing the total raised to over 1.5 MNOK

In 2018 we raised over 1.5 million Norwegian kroner. We supported the following initiatives in 2018:

Children of Greenland - NOK 100 000

One third of all children on Greenland grow up in families with social issues. A lot of children finish primary school without the proper foundation for a further education. A lot of them struggle with motivation and finding their way forward in the educational system. This organization wants to change this, and want to secure vulnerable children on Greenland a future.

Nordkapp og omegn turlag - NOK 50 000

Maintaining a tourist path to protect the natural environment.



South Georgia Heritage Trust - NOK 102 000

A trust with two main purposes: To help efforts to conserve and protect those species of indigenous fauna and flora that breed and grow on South Georgia or in the surrounding seas - and to raise awareness about threatened species. They also assist efforts to preserve the historical heritage of South Georgia.

Svalbard turn - NOK 60 000

A Norway-based artist-duo have developed an art project involving children and plastic waste from the ocean. The project has already engaged 10.000 children all over Norway. Now they want to take the project to Svalbard.



Hearts in Ice - NOK 50 000

As the first women in history, Norwegian Hilde Fåln Strøm and Canadian Sunniva Sorby will do an overwintering in the Svalbard wilderness. For nine months, the two true adventurers will stay in the remote Svalbard trappers hut “Bamsebu”, collecting scientific materials and raising awareness about climate change.

Eco Pantao - NOK 60 000

Eco Panto is a newly founded company that aims to contribute to the solution of the plastic problem plaguing Philippines and other countries. They aim to create value for the local community by buying segregated litter from households and business, arrange clean-ups, educational projects with local schools, and raise awareness around littering and the health of our home.

Glacier Rephotography on Svalbard – visualizing Climate Change – NOK 107 400

This photography project aims to provide insights into the impacts on climate change on the archipelago of Svalbard through comparing historical photographs with modern photographs.

Challenges of Antarctica – NOK 50 000

Greta Jodal from Sweden and Kathrine Kirkevaag from Norway are planning to complete an unsupported expedition to the South Pole in 2019/2020. The goal is to create awareness and increase people’s knowledge about the enormous challenges the continent is facing. Through their expedition, they aim to raise awareness and influence society to take their share in preserving Antarctica.

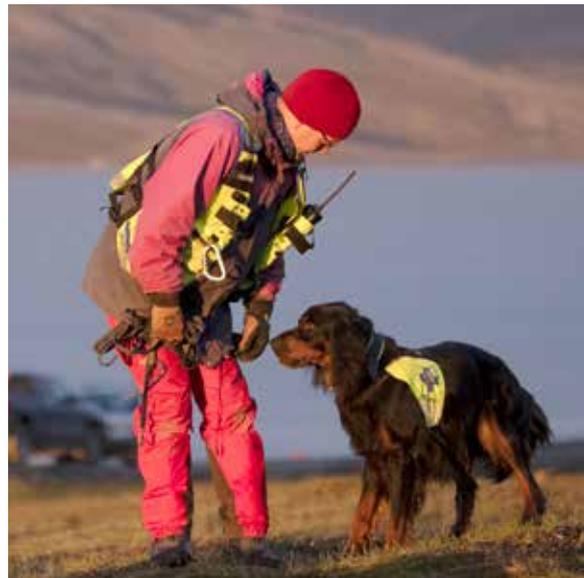
Disco Arts Festival 2019 (Greenland) – EUR 20 000

Disco Arts Festival is an interdisciplinary incubator for new artistic expressions. The mission is to be an arena for the development of new artistic ideas, projects and collaborations, presented for a local and global audience. Great emphasis is put on the inclusion of emerging Greenlandic artists from various fields, and the festival works actively to secure a balanced and diverse group of participating artists.

Skaar/Averøy County/Norwegian Scenic Routes – The Plastic Crab NOK 50 000

In cooperation with a professional artist the youth from Averøy on Nordmøre will clean up

plastic litter along their local beaches and reuse the waste as material in a large crab sculpture. The project is hosted by Averøy county and Norwegian Scenic Routes. The Plastic Crab is going to be exhibited outdoors in the 2019/20 season.



Norwegian Rescue Dogs, Svalbard – NOK 200 000

This was the charity Hurtigruten chose to contribute to as a Christmas gift. Norwegian Rescue Dogs is a volunteer organization, and the dogs in the Svalbard branch are a vital part of the local rescue force. But Svalbard is in desperate need of more trained dogs and masters. The Hurtigruten Foundation grant will secure avalanche training and equipment for dogs and handlers.



