

PROGRESS OF UNITED NATIONS GLOBAL COMPACT PRINCIPLES

OCTOBER 2017

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MESSAGE FROM THE MANAGING DIRECTOR



On November 15th 2012, InterCruises Shoreside & Port Services became a member of United Nations Global Compact (UNGC) and committed to integrating the principles of the UNGC within the business' strategy and day to day operations.

We are pleased to confirm our continued support for the UNGC and renew our ongoing commitment to the initiative and its principles with respect to human rights, labour, the environment, anti-corruption and the Sustainable Development Goals defined in the 2030 Agenda for Sustainable Development. Our mission and our values will help us achieve our goals to help reconcile economic growth with environmental and social responsibility. This document, our fourth annual Communication on Progress, describes InterCruises efforts to achieve this. InterCruises is making a clear statement of this commitment with stakeholders and the general public using our primary channels of communication.

During this year, InterCruises has successfully maintained the certification of the Quality Management System (ISO 9001:2008) for Barcelona Operations and Passenger Service operated in Palma de Mallorca and the Environmental Management System (ISO 14001:2004) for Head Office. Besides, following the principles of continual improvement.

We maintained Travelife Partner status achieved last year following InterCruises involvement in the Travelife Sustainability System for Tour Operators & Travel Agencies, which certified twelve InterCruises offices, providing services in 69 destinations, as being committed to sustainability, with consistent and sustainable business practices.

As part of our Sustainability Strategy, during this year InterCruises has strengthened its commitment in different areas:

- Increasing stakeholders awareness in Sustainability - A new Policy*
- Developing new certifications - Four new offices in the Travelife Program*
- Reducing our Carbon Footprint and compensating our emissions as a Carbon Neutral Company*

We will continue to work towards furthering our commitment to the UNGC principles and Sustainable Development Goals by reviewing our progress and challenging ourselves to constantly improve.

InterCruises is proud to be a member of the UNGC and we look forward to developing our business in line with the UNGC principles.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Olga Piqueras'. The signature is fluid and cursive.

Olga Piqueras

Managing Director
InterCruises Shoreside & Port Services

CONTEXTUAL INFORMATION

Intercruises is an experienced global business offering turnaround, shore excursion, hotel contracting and port agency services to the ocean and river cruise industry. Cruise specialist teams handle all vessel, guest and crew needs, before, during and after a ship's time in port.

Services are managed from over 100 local offices by teams operating in over 400 ports worldwide, encompassing over 60 countries spread across Africa, the Americas, Asia, Australia, Indian Ocean, Middle East, Mediterranean and Northern Europe.

All Intercruises teams worldwide are supported by the Intercruises Global Platform, a central team comprised of specialist in-house departments, including Health & Safety, Finance, Marketing & Communications, Business Processes, Sustainability and Operations Support. Intercruises supports cruise lines and vessels through strong industry relationships, high quality service standards, global resources and strict corporate governance, including advanced Health & Safety procedures and an ongoing commitment to sustainable practices.

Intercruises is an award winning business, having received numerous accolades relating to service quality and innovation, including being the most successful business in the history of the Seatrade Insider Innovative Shorex Award, as a three time Winner and two time Runner Up.

Intercruises is an Official Partner of Travelife, an organization dedicated to promoting sustainable practices within the travel and tourism industry, and is also an Active Participant of the United Nations Global Compact (UNGC), a principle based framework dedicated to the implementation of better business practices, primarily in the areas of human rights, labor, the environment and anti-corruption.

Intercruises is part of Destination Services, a Hotelbeds Group (HBG) business unit. Intercruises is one of three businesses that make up the Destination Services business unit, along with Pacific World, an award winning event management company, and Destination Services, a global DMC of local experts crafting worldwide experiences. HBG is a leading provider of services to the global travel trade with key positions in some of the fastest growing segments in the industry, distributing accommodation, transfers & activities in more than 185 countries and active in +120 source markets worldwide.

PRODUCT & SERVICES

CORE SERVICES



TURNAROUNDS



SHORE EXCURSIONS



PORT AGENCY



HOTEL PROGRAMS

ANCILLARY SERVICES



LOGISTICS



SHOPPING PROGRAMS



YACHT AGENCY



DOMESTIC TRANSFERS



LAND PROGRAMS

PART OF THE CRUISE INDUSTRY



Diamond Executive Partner since 2013 and Official Logistics Partner at various events since 2014



Associate Member for over 10 years and Official Shorex Supplier at various events



Exhibitor, Advertiser, Sponsor and Official Logistics Partner on various occasions since 2004



(Formerly Cruise Down Under) Member since 2011



Associate Member since 2014

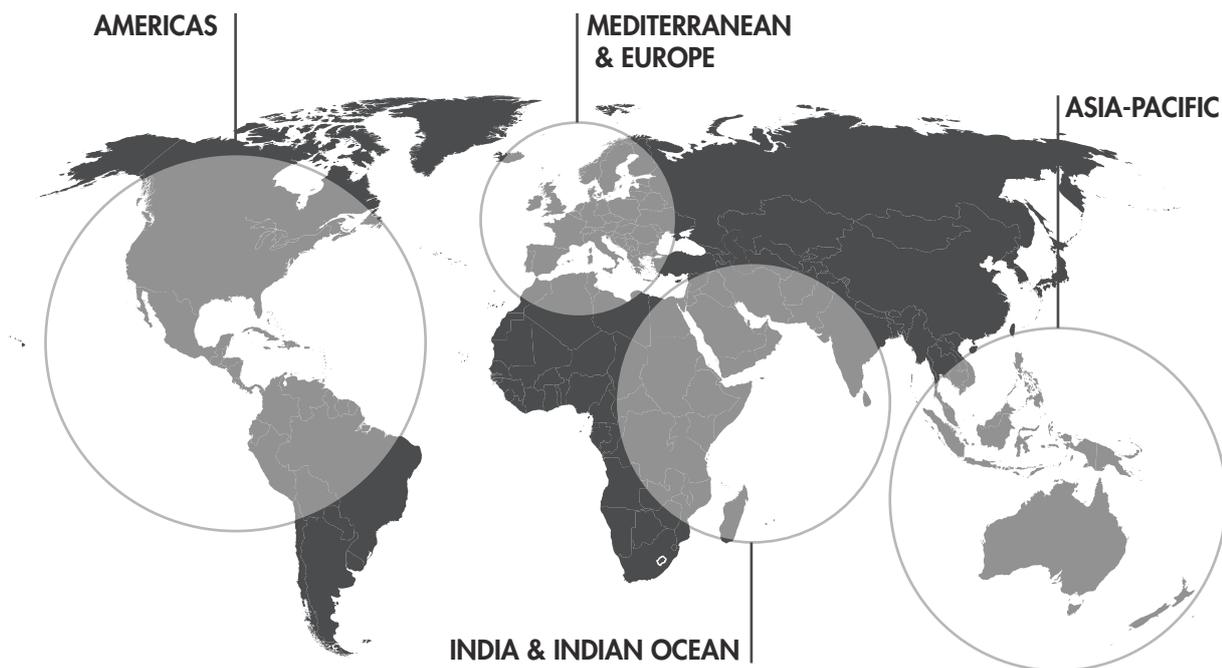
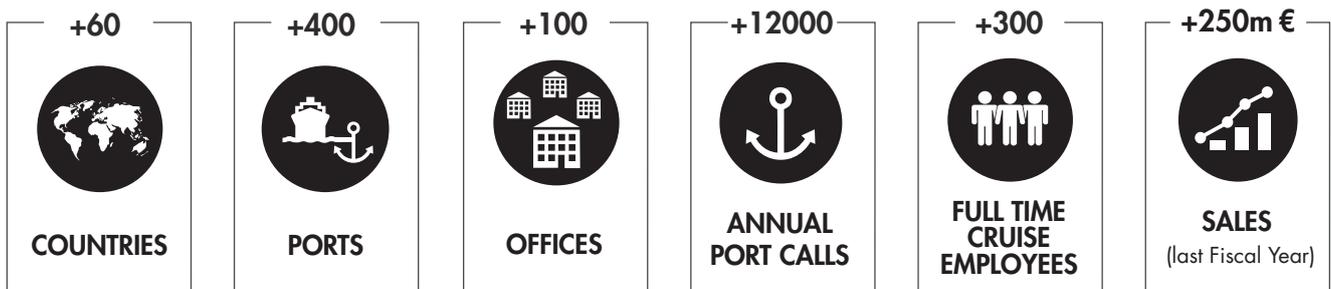


Service Member for over 10 years and part of the Official Steering Committee



Headline Sponsor since 2011

KEY STATS & COVERAGE



UNITED NATIONS GLOBAL COMPACT

HUMAN
RIGHTS

LABOUR
STANDARDS

ENVIRONMENT

ANTI-
CORRUPTION

The fourth Intercruises Communication on Progress will focus on the achievements in the four areas of the UNGC Principles and their relation with the Sustainable Development Goals defined in the 2030 Agenda for Sustainable Development.



HUMAN RIGHTS

PRINCIPLE 1

Business should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.

InterCruises aligns its strategy with UN **Sustainable Development Goals**, respecting human rights in the communities where we operate and supporting NGOs worldwide.



InterCruises' engagement with NGOs in different types of collaboration, from philanthropy to partnership, gives us the opportunity to invest in global Sustainable Development Goals using their expertise to create social change in a more effective way.



We integrate sustainability into our business strategy and continuously try to minimize our impact to ensure prosperity for all, utilizing a sectorial network to minimize tourism impact in communities in which we operate.

InterCruises' commits to treat people in a way that respects their **human rights** by operating responsibly and sustainably worldwide.

InterCruises is committed to providing **human, in-kind and/or financial support to the local communities** in which we are present, optimizing our social and economic impacts with the support of our human team and our network of partners. The aim is to generate prosperity and sustainable development.



InterCruises has continued its partnership with **Save the Children (STC)** since 2011. STC invests in childhood worldwide, providing a healthy start, the opportunity to learn and protection from harm. Operating out of 180 countries worldwide, STC is often one of the first aid groups on the ground in disaster situations.

What STC Accomplished in 2016:

- War outbreak in Syria: STC is working tirelessly to reach over 1 million displaced children and adults in southern Syria.
- Ongoing war in Yemen: STC helps children during volatile armed conflicts.
- Hurricane Matthew Haiti Disaster: STC deploys emergency response team to provide critical aid to survivors.
- Child refugee crisis: STC Launches Search & Rescue Ship operations in the Mediterranean

STC has helped more than 56 million children in 120 countries in 2016:

- 129 emergencies attended in 60 countries and reached 6.8 million children.
- 13.8 million included in educational programs.
- 16 million treated for health and nutrition problems.
- 3.8 million rescued for child protection.
- 3 million helped for child poverty.

On behalf of our employees InterCruises has made some financial and in-kind donations during FY 16/17:

- **Mercedes-Benz Corporate Run:** The purpose of the Corporate Run Series is to promote running and walking as a means to a fit, healthy lifestyle for people from all walks of corporate life. Every year, InterCruises registers a team of employees and each participant can choose if they would rather walk or run. United Way, a charity Partner, works on education, financial stability and health - the building blocks for a good life.

- **Toy Donation:** Employees from Miami Office did a "Toy Donation" to a church to help make the Christmas holiday season happier for less fortunate children.

- **Banc dels Aliments:** Intercruises employees in Barcelona helped this organization by categorizing and packing the donated food, which was then sent to families nationwide. This year Intercruises helped by categorizing and packing 237 pallets of food (approx. 95,000KG). ❶

- **Soñar Despierto Foundation:** In the traditional St. Jordi's day the girls from Intercruises Barcelona received a rose. The proceeds gathered from the flowers went to a charity that supports children and the young people of today.

- **Building fences for Green Education Center in Siem Reap, Cambodia:** Improving the educational environment for a local school, to promote a conducive learning environment for children (age group: 6-12 years old) in the local community in Samrong Village. More than 30 Intercruises employees from Asia, Australia and Barcelona joined hands in building the fences for the school and repainting the modest playground. ❷

- **Traditional rice planting in Kam Pem village, Cambodia.** More than 30 Intercruises employees from Asia, Australia and Barcelona planted rice supervised by local farmers. In four months, the rice planted is harvested and sold. Additionally everyone donated the traditional farmer outfits and boots to the village. ❸

- **Giving Back @ Sunvillage:** The Intercruises team visited the Sunvillage to support an organization that helps the children of convicts develop into independent, responsible adults, through education, healthy diet and social interactions. The team donated items to the children to help them with a project known as "Flower Market" – this market is a green room in which children plant and grow flowers before selling them to help fund trips to visit their parents in prison. ❹

We have many excursions/visits where we support social and cultural development, for example:

- **Eco-Feminism in India:** Support ancient traditions, the environment and social progress by visiting a 5000 year old village to view traditional methods for growing medicinal plants, rubber tapping, coconut plucking & pottery. Guests will also plant a tree at an eco-feminist village, where 111 trees are planted every time a girl is born, promoting gender equality and sustainability.

- **Community Development in Manila, The Philippines:** Help the Gawad Kalinga Pinagsama community rise out of poverty in Manila. Guests will join a local family, hearing their stories of poverty and future hope during a home-cooked meal, before visiting the different social enterprises and an NGO that aims to end poverty for 5 million families by 2024, including 2500 Filipino communities.



CONGRESS & EVENTS

Recognising the importance of sector-wide collaboration, Intercruises improves efficiency with strong working relationships with industry stakeholders. During FY 16/17 we have participated in different Congress and events:

- **Seatrade** is the Cruise Industry's leading trade event organiser, bringing together thousands of representatives from cruise lines, suppliers, travel agents and cruise industry partner. During FY 16/17 we have attended Seatrade meetings in Shanghai (Asia Pacific), Fort Lauderdale (Global) and Hamburg (Europe).

- **CLIA**: Key cruise line contacts and cruise industry stakeholders came together to discuss issues and developments. We have met in Tenerife (Port & Destination Forum), London (Executive Partner Conference) and Hamburg (Summit at Sea).

- **International Cruise Summit**: European forum of global knowledge about the cruise industry, held in Madrid

- **Cruise Canada New England Symposium**. International symposium with travel agents, tourism offices, marine agencies, government partners, destinations and cruise lines representatives, held in Montreal in 2017.

50th MedCruise General Assembly in Gibraltar: The Assembly gathered more than 110 cruise industry professionals, including cruise line & port executives, travel agents and other stakeholders.

Intercruises also interacts with other stakeholders to collaborate for a **Sustainable Tourism Model**.

- **Sustainable Conference Outlines Common Tourism Model in Barcelona**: Cristina Palos and Helena Croce from the Business Processes Department of the Intercruises Global Platform recently attended the International Conference on Sustainable Tourism, which brought together tourism and sustainability experts from around the world to debate contrasting viewpoints during a constructive discussion on strategy for making Barcelona a more sustainable city. The conference appears on the United Nations agenda in 2017, the International Year of Sustainable Tourism for Development.

- **Sectorial Sustainability Plan for Barcelona's Port**: Intercruises reports sustainability performance and KPI's to Barcelona's Port Authority, which will be consolidated into one sectorial Sustainability Report. Their strategic objectives are based on three main areas: economic, social and environmental sustainability.

INTERNAL CONTROLS

Stakeholders' opinion is regularly measured and suggestions are taken into account. **Intercruises Survey 2017**, which was sent to all Intercruises teams and client contacts to enable us to compare and better understand the difference between the internal and external opinions of our business, including their perception about our Corporate Social Responsibility.

Intercruises, as part of HBG, professes its regards and observance of human rights and we endeavour to engage our stakeholders on issues around responsible practices in order to promote justice and equity across our global community chain and protect vulnerable societies.

Likewise, suppliers shall comply with the **Suppliers Code of Conduct**. This code of conduct sets out the minimum standards expected from suppliers when working on our behalf. Suppliers are expected to uphold our principles by adopting accessible, clear policies and procedures to respect human rights and child protection. We also have included a **sustainability clause** in our **contracts** to assure its commitment.

Intercruises **controls and monitors** sustainability issues through various internal and external processes aimed at ensuring the validity and reliability of our sustainability management practices and reporting. Regular controlling and monitoring gives us valuable information on the results of our sustainability work and is therefore an important element in our continuous efforts to develop our reporting and in building a more sustainable world.

- Lloyds and Molins de Q: ISO 9001 and 14001 certification

- HBG & Investors: Environmental, Social and Governance KPIs

- Travelife: We obtained 12 partner certifications

As well as all those actions, with this report we support the UNGC. Our daily business is based on the ten principles of the UNGC.

LABOUR STANDARDS

- PRINCIPLE 3** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- PRINCIPLE 4** *The elimination of all forms of forced and compulsory labour;*
- PRINCIPLE 5** *The effective abolition of child labour; and*
- PRINCIPLE 6** *The elimination of discrimination in respect of employment and occupation.*



Our people are often located in underdeveloped regions, and Intercruises promotes opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity. That is in line with SDOs to achieve equitable and sustainable growth for all.

The company is aligned with the labour principles and the national and international regulations.

Intercruises acknowledges the right to **collective bargaining** and **freedom of association**, trade union membership, collective labour negotiation and representation of members by trade unions. The unionization is free. Worker's representatives can be company employees as part of a union or a group of independent employees.

Intercruises participates in and is in compliance with the sector collective labour condition negotiation structure that applies in each country, depending on national law for the Travel Agencies sector.

Intercruises, as part of HBG, is committed to **ethical working practices** and maintaining integrity and transparency in all dealings with employees, clients, business partners and suppliers.

HBG understands that slavery can occur in several forms, including forced labour, workplace abuse, domestic servitude, child labour and human trafficking ("**Modern Slavery**"). We are committed to putting in place effective controls to safeguard against any form of Modern Slavery occurring within our business or supply chain.

The HBG Supplier Code of Conduct requires that Suppliers:

1. Adhere to International Labour Organization by treating workers with respect and ensuring that relevant information on employee rights is easily accessible;
2. Will not employ anyone against their will, traffic, use forced, bonded and compulsory or prison labour;
3. Must ensure no slavery or human trafficking operates in their business or supply chain;

4. Must ensure that employees have the correct visa and working documentation in place and that written contracts for direct and contract workers exist.

HBG requires its suppliers to comply with the national, supranational and international legislation and related procedures, restrictions and sanctions in relation to human rights and labour law; supporting local communities, identifying and monitoring bribery and corruption risks, identifying and monitoring negative environmental impacts; and introducing/maintaining quality assurance and Health & Safety policies in their business.

As part of our contract with suppliers, we require that they acknowledge and comply with the Modern Slavery Act, and at our request, provide any information or reasonable assistance to enable us to identify their supply chain. We reserve our right to terminate a supplier's contract in the event that any instances of Modern Slavery are discovered.

We started to conduct Modern Slavery training to enable staff in key roles to identify and address potential Modern Slavery risks.

We adopt a continuous improvement approach to our performance in this area and will use several performance indicators to judge whether our policies and the steps that we are taking to try and eliminate Modern Slavery within our business or supply chain have been effective.

Intercruises does not permit **child labour**, people under 18 are only employed in accordance with national regulations and the UN convention on the Rights of the Child, ensuring that International Labour Organisation conventions are fulfilled and our supplies must follow that measures with our contracts and as part of the Supplier Code of Conduct.

We pay particular attention to protecting children from sexual exploitation in travel and tourism and to strengthening responsible activities to contribute to the eradication of the commercial sexual exploitation of children and adolescents.

Intercruises is committed to the HBG **Child Protection Policy**, where we state our commitment to condemn the exploitation of children, a fundamental abuse of child's human rights. We are committed to maintaining high standards of professional conduct.

HBG has signed up the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism

(The Code - www.thecode.org) and will implement an Action Plan accordingly to protect children at local levels. We also include that obligation in our sustainable clause for suppliers.

Inter cruises, as part of HBG, aims for all employees to enjoy a work environment free from all forms of **discrimination** or harassment. Thus, the company does not tolerate abuse, bullying or harassment of any type including sexual harassment or any unwelcome conduct based on race, religion, colour, gender, age, national origin, sexual orientation or disability.

As a global enterprise, Inter cruises aims to have a diverse and international workforce. Different nationalities are already represented in the top management. We are keen to keep encouraging this diversity at other management levels.

Employees are evaluated on their individual attributes, skills and capabilities, rather than on stereotypes, prejudice or assumptions. Inter cruises as an employer has the primary obligation to make sure the workplace is free from discrimination and harassment, human rights are respected and provide equal opportunities.

According to law, the office buildings and other premises of Inter cruises provide, where technically and financially viable, access for people with special needs. Due to the labour type, employment of people with special needs is not always feasible.

Following the commitment expressed by the management to guarantee the efficiency of the principle of equality of treatment and opportunities between women and men within the company, Inter cruises ensures a work-life balance with some measures for the reconciliation between work, private and family life:

- The company offers schemes for pregnancy, maternity and paternity leave for all employees depending on National laws.
- The company supports flexible working times or part time employment, for example, to support family obligations as well as to go on leave.
- It is possible to request additional holidays to the statutory paid leave per annum through salary sacrifice where operationally possible.

There are different reporting procedures in place to address any kind of discrimination cases, whether contacting management or using other ways of communication. If any discrimination case arises that cannot be solved with an immediate line management, HBG Compliance Office, Legal Department or Human Resource Department, employees are able to report any concern using the **Compliance & Ethics Helpline**. This is a completely confidential service for raising concerns about business conduct and ethical matters.

ENVIRONMENT

- PRINCIPLE 7** *Businesses should support a precautionary approach to environmental challenges;*
- PRINCIPLE 8** *Undertake initiatives to promote greater environmental responsibility; and*
- PRINCIPLE 9** *Encourage the development and diffusion of environmentally friendly technologies.*

Since we have started to work under an Environmental Management System, we have defined more ambitious objectives year by year to reduce our environmental footprint. Our collaboration with NGOs gives us the opportunity to reach more regions and projects to protect our Planet.

Intercruises has updated its **Corporate Sustainability Policy**. This update has been made to ensure Intercruises continues to make a positive impact in all destinations in line with the standards set out in our ISO certifications.



The policy establishes the framework for identifying, monitoring and improving aspects of our company's environmental and social performance in line with the ISO 14001:2015 certification. In the policy we formulate our view on sustainability, giving an insight into our targets and the means to reach these targets. The policy reflects our commitment to sustainability within our operations and with our colleagues, suppliers and clients. See Intercruises Development Policy.

As a leading company in the travel industry, HBG acknowledge the level of public concern about the welfare and protection of animals in captivity and in the wild. We are also aware that animal related issues are becoming more and more sensitive for our clients.

In support of the above, HBG have launched a new **HBG Animal Welfare Policy**. This policy has been created to ensure rewarding experiences to customers are provided whilst at the same time the welfare of the animals and public health and safety are safeguarded.

We apply different actions in order to raise **awareness** on sustainability topics of Intercruises employees worldwide. We encourage our people to save water, energy and paper and to recycle waste using posters.

Regular sustainability updates are made by email and on

internal blogs; The Interjournal and TheBeat, available to all Intercruises employees. These are the communications published in FY 16/17:

- Global Compact report
- New Policies (Sustainability, Quality and Travel Policy)
- Training on Child Protection
- ISO Certifications and Travelife certifications
- Be like Bernie Campaign
- Sustainability objectives and awareness
- Awareness paper consumption
- Get wet for Multiple Sclerosis
- Volunteer activities and donations (St Jordi, El Gran Recapte, etc.)
- Season Greeting e-cards
- Go out on 5th June – World Environmental Day
- Earth Day (Shorex supporting Earth Day Principles)
- Sustainable Conference Outlines Common Tourism Model – 2017 International Year of Sustainable Tourism for Development.

We have conducted an onsite training celebrated in March 2017 in Barcelona "Being sustainable in the workplace", related to our sustainability policies, consumptions objectives and environmental best practices.

WORKSHOPS

We involve stakeholders in internal & external workshops:

- **Mission, Vision & Proof Points - Global Platform Workshop:** A two day workshop focused on teams' projects and efforts to align regions and Platform to InterCruises Mission, Vision and Proof Points.

- **Asia workshop in Beijing:** Focusing on operations best practices, Emergency situations, Leadership, Product Development and Operations standards. **5**

- **North America Shorex workshop in New Orleans:** Discussing topics like new product development, tour health & safety, tour trends, creativity and operation processes, as well as an opportunity to brainstorm and share best practices, with a North America action plan created for the remainder of 2017.

- **France & Monaco workshop in Marseille:** with over 30 attendees from the Nice, Marseille, Monaco, Le Havre and Barcelona offices convening in a local hotel to discuss teamwork, communication, New Product Development (NPD), Health & Safety and operations best practices.

- **Annual India & Indian Ocean (INIO) regional workshop in Mauritius:** Representatives from South Africa, Sri Lanka, Mauritius and the InterCruises Global Platform discussed how to best "adapt our services and products to match an active and changing cruise market". **6**

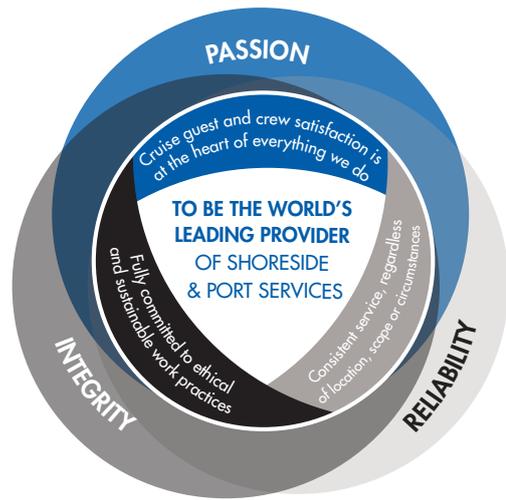
- **Asia Pacific workshop 2017 in Siem Reap, Cambodia:** bringing together representatives from Asia, Australia and Barcelona to discuss about the Regional Office updates, Global Platform Site, Emergency Procedure & QUARS, Global Product and future Strategy and Action Plans. **7**

DONATIONS & INITIATIVES

With the participation and collaboration of InterCruises employees, we made **monetary donations** and **in-kind contribution initiatives**:

InterCruises has offset Barcelona's office emissions (280 tones) from last FY 15-16 investing in a project to China to become **Carbon Neutral**. The project, called **CECIC Zhangbei Dayangzhuang Wind Farm Project**, will generate renewable electricity using wind power resources.

The project is located in Zhangbei County, Hebei Province, China, and consists of the implementation and operation of 66 wind turbines each with a unit capacity of 750 kW. The total capacity of the project is 49.5 MW and the estimated annual electricity supplied to the grid is about 96,530MWh at the full capacity. The generated output will be sold to the North China Power Grid. The emission reductions of the project activity are estimated to be approximately 103,796 tonnes of CO2e per year by avoiding CO2 emissions from electricity generation by fossil fuels power plants.



SUSTAINABLE SHORE EXCURSIONS

A **sustainable excursion** can have a positive impact on the natural environment and local communities, offer customers unique and memorable holiday experiences and protect the resources for the future. There are some examples of sustainable excursions in our portfolio:

- **Animal Rehabilitation in Ho Chi Minh City, Vietnam:** Join the fight against illegal animal trade with Cu Chi Wildlife Rescue Station, which since 2007 has recovered, rehabilitated & returned over 5000 animals to the wild, including many endangered species. Raising public awareness of wildlife protection is key and guests will learn about what they can do to protect the biodiversity of Vietnam.



- **Marine Sustainability in Ireland:** Understand West Cork marine conservation projects with a local wildlife expert during a coastal ride on a fuel-efficient boat. Guests will learn about and view beautiful sea-life and the stunning natural coastline with ancient Irish castles, which will be given further context as they meet the locals on Cape Clear, a small island of just 120 people.



- **Lynx Preservation in Cadiz/Huelva, Spain:** Learn about Doñana Reserve, a protected natural area near Cadiz that is home to over 300 species of bird. Guests will travel 70km in special off road vehicles, viewing various ecosystems, birds of prey and mammals, including perhaps the elusive Lynx, whose preservation program is led by the driver-guide, considered a local hero by many.

- **Wildlife Warriors in Australia:** Assist wildlife conservation projects at Australia Zoo, which helped make Steve Irwin a national icon and has a mission to protect injured, threatened and endangered wildlife. Guests get an exclusive behind the scenes look at the animals being cared for at Australia's largest Wildlife Hospital, where will discuss their life-saving work.

- **Nature Conservation in Mauritius:** Discover an island of beautiful white beaches managed by the Mauritian Wildlife Foundation, which is devoted to the conservation of endemic flora & fauna. Guests will observe rare species in their natural environment – the pink pigeon, colorful day gecko & giant tortoise, as well as encounter sea-life while snorkelling at a protected marine reserve.



EMBEDDING SUSTAINABILITY PRACTICE

Intercoaches recommended its employees use **Ecosia**, a web search engine that donates 80% of its income to nonprofit conservationist organizations, with a current focus on tree planting. Ecosia will even keep a count of how many trees you have directly helped to plant with your internet searches. At the time of finishing to write this report, Ecosia has helped plant 12,929,317 trees!



We encourage our **suppliers** to be more sustainable and environmentally responsible using the Sustainability clause in our contracts and with our HBG Supplier Code of Conduct.

Intercoaches **controls** and **monitors** its **environmental performance** through various internal and external processes aimed at ensuring the accuracy of our data and validity of our reporting.

During 2017, Intercoaches has successfully maintained certification of the **ISO 14001:2004** for its Environmental Management System in the office in Barcelona without any non-conformity.



Travelife verified our sustainability commitment and consistent sustainable business practices in a variety of areas, including Legal Compliance, Environment & community relations, Transportation, Excursions and Destinations. Intercoaches has reached the Travelife Partner full compliance status with 12 offices worldwide, 69 ports in 9 countries, on June 1st 2016. For 2017 we have engaged 5 more offices and we have planned to certificate them at the end of the year.



Across HBG we are committed to **purchasing sustainable** products and we have embedded sustainability principles in the Global Procurement Policy. The inspiration came from Intercoaches' core value to "implement and promote the use of sustainable ways of working."

HBG have included sustainability criteria in order to decrease our Carbon Footprint as part of the Corporate Travel Policy.

Whenever possible, feasible and economically viable we choose sustainable office supplies. Some examples of our sustainable purchase are:

- More than half of the brochures are printed in the office and therefore are printed on 100% recycled paper. Business cards are printed on FSC paper, calendars are printed using FSC material.

- Electronic Equipment: Energy Star technology, (in monitors, computers, laptops, printers and multi-function printers), mouse with wire instead of batteries, solar calculators, rechargeable batteries, recyclable or refillable toners if available for the printer and at the destination.

- Cleaning Products: We ask our supplier to substitute hazardous products those that are more environmentally friendly.

- Vending machines: we have changed our vending food and beverage supplier, the one chosen is committed to responsible purchasing buying primarily local, organic and GMO-free products.

In order to measure the improvements effectiveness of our Environmental Management System, each year we set **environmental objectives** and key performance targets.

OBJECTIVES FY 2015-2016:

1. Implement measures to reduce paper consumption at a rate of < 5 reams of paper per employee: The decrease in the purchasing of reams of paper compared to previous years is clearly evident and exceeds the goal set for paper consumption.

Indicator	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Reams of paper consumption per employee	11 reams/person	9 reams/person	5 reams/person	4,2 reams/person

2. Awareness campaign to reach a Paperless office: We have continued with our poster awareness and with the HBG Communication (Tips to be Eco-friendly) which have allowed us to reach our objective.

3. Follow-up environmental performance with new KPI to get our Carbon Footprint: We have created a new template "Follow-up environmental performance" to get information about waste, consumptions and emissions. We are monitoring our Carbon Footprint using the tool "Sustrax".

OBJECTIVES FY 2016 – 2017:

For the new FY we have developed new objectives according to the new Intercoaches Sustainability Strategy for the next years, we want to be aligned with United Nations Sustainable Development Goals. For this reason we have grouped yearly objectives in different priorities that will continue until 2030.

Priorities	Objectives	Progress
Increase stakeholders awareness in Sustainability	Define a new policies Create Sustainability Manual and Guidelines Increase sustainability awareness Sustainability and compliance training	New Quality and Sustainability Policies published New sustainability documents created pending to launch (best practices, shorex standards and sustainability info for operations) Internal awareness communications (new policies and objectives, paperless, etc.) Trainings "Being sustainable in the workplace" and "Child Protection"
Sustainable offices and services - certifications	5 new offices with Partner Travelife Certification Achieve ISO 14001: 2015 certification	5 offices selected and champions appointed (Barcelona, Dubrovnik, Piraeus, Bangkok and Phuket). Implementation Phase. New system documentation created adapted to ISO 14001:2015
Promote sustainable excursions to clients or guests	Define Intercruises Sustainability criteria for Shore Excursions and promote them Promote excursions for disabled people	Shorex Do and Don'ts criteria defined. Implementation phase in APAC region.
Promote Sustainable Development in Suppliers	Favour suppliers and contractors that promote sustainable development Facilitate training for contractors	Shorex Do and Don'ts criteria defined. Animal welfare criteria to mark best suppliers within HBG
Reduce Carbon Footprint	Calculate Carbon Footprint Reduce Carbon Footprint applying best practices Offsetting of our business travel emissions Implement measures to reduce paper consumption Reduce energy consumption Increase % of clean energy used (renewable) Reduce waste generation through prevention, reduction, recycling and reuse Increase our recycled paper consumption	Carbon footprint calculation for Travelife offices. Offset Barcelona emissions. Paperless Awareness Green Office poster draft. Purchases monitoring Renewable energy study for Barcelona Office. Waste reduction week planned for November.
Decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Implement best practices in HHRR Empowering women: Increase women in senior management globally Reduce inequalities, more contracts for disadvantaged people Promote well-being activities Reduce incidents (noncompliance Health & Safety Standards)	Monthly activities planned for DS office New process to report and investigate incidents - CRIM
Promote corporate responsible actions	Enhance employee engagement through corporate volunteering campaigns. Maintain or upgrade our monetary and in kind donations	Voluntary activities executed. In kind and monetary donations.

Some sustainability actions have been taken this year. Those different actions have resulted in CO2 emissions reduction and other benefits. They can be resumed as below.

Save paper and support STC by sending an **Intercruises Season's Greetings E-Card**. Instead of printing some Season's Cards we prefer to do it by e-mail, our Marketing & Communications Department designed different cards to send to our client contacts.

An e-learning platform, **Intercruises e-Learning Platform (IELP)**, has been developed to create unlimited online courses reducing our paper consumption. This platform has been used by over 3600 trainees

We constantly measure Intercruises environmental performance in the Head Office in order to be able to implement measures reduction. This is the second year that we measured our environmental performance using a new template with new KPIs, "**Follow-up environmental performance**", which periodically measures and monitors:

- Waste: paper, confidential paper, plastic, bottle caps, lamps, E-waste, toner, batteries, large waste, general waste, sanitary bins, glass, writing instruments and CDs.
- Consumptions: electricity, water, HVACR (air conditioning / heating), printed paper and purchased paper, batteries and toner.
- Emissions: business travel.

We have registered our half term environmental performance and some actions have been set in order to correct some deviations.

We also are collecting environmental data from Travelife offices to create a baseline for future reduction targets.

Climate change has encouraged us, to measure our Carbon Footprint and to implement actions to reduce it. Within HGB we have been using **Sustrax** the last two years. We are developing new functionalities in order to compare regions and emissions evolution.



Intercruises Barcelona collaborates with SEUR "Tapones para una nueva vida" program Caps for a New Life is a plastic cap recycling initiative that raises funds to help children receive medical treatments not currently covered by the national health system. This year in Barcelona we have collected 80 kg, equivalent to 40.000 plastic caps. With this initiative we donate money for children and additionally we avoided the emission of 120 kilos of CO2, equivalent to the CO2 absorption of 20 trees.

ANTI-CORRUPTION

PRINCIPLE
10

Businesses should work against corruption in all its forms, including extortion and bribery.



UN key commitments include substantially reducing corruption and illicit financial flows, developing effective, accountable and transparent institutions, and strengthening access to information and participation in

public decision-making. InterCruises has zero tolerance to bribery and corruption and gives particular focus to destination markets where perceived levels of corruption are high and with an absence of effective anti-bribery legislation.

InterCruises is committed to ensuring that effective anti-bribery and anti-corruption procedures operate throughout all of its subsidiaries and to carrying on business fairly, openly and honestly with zero tolerance to bribery and corruption.

An **Anti-Bribery, Trade Restrictions and Business Ethics clause** is included in all contracts with clients and suppliers. Where InterCruises states that it takes zero tolerance approach to breaches of international norms for trade, including bribery and corruption prevention legislation and applicable restrictions on trade, funds flow and terrorism financing.

HBG addresses Anti-Bribery and Corruption through its **Code of Conduct, Supplier Code of Conduct, Policy on Procedures for Prevention of Bribery & Corruption**, and the **Policy on Business Gifts, Hospitality and Sponsorship**. In addition, trainings to employees are performed on an ongoing basis via e-learning and face-to-face meetings.

The **HBG Risk, Compliance & Internal Audit department**, which is made up of a team of experienced colleagues, makes sure the business is operating responsibly and ethically, in accordance with applicable laws and regulations and internal procedures.

In 2016 HBG launched its own Code of Conduct as an ethical framework with practical examples to guide our day-to-day business conduct and decision making. An extensive online communication campaign (with Bernie's creation, a shining example of someone who always does the right thing) was run recently and employees are currently trained on the Code of Conduct in face-to-face training sessions around the world.

As part of the new Code of Conduct, HBG is also launching a **new confidential reporting helpline**. This web-based helpline is an important part of helping you to confidentially report any concerns you have about non-compliance, to ask for advice on ethical dilemmas or to seek help if you aren't comfortable speaking to someone from within the company.

The helpline is completely confidential and there is no possibility of your details being stored by the website if you have chosen to report information anonymously.