

Human Rights Disclosure 2020 – Royal Caribbean

Resolved: Shareholders request the Board of Directors of Royal Caribbean (“Company”) prepare a report, at reasonable cost and omitting proprietary or confidential information, on the Company’s management systems and processes to implement the commitments outlined in its human rights policies.

Whereas, recent global estimates found that 40 million people were victims of modern slavery, including 25 million who are trapped in conditions of forced labor in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as manufacturing and globally, migrant workers are prime targets for exploitation.

Corporations have a responsibility to respect human rights within company-owned operations and business relationships. This expectation is delineated in the UN Guiding Principles on Business and Human Rights. Societal expectations have increased, requiring companies to conduct human rights due diligence, informed by the core international human rights instruments to assess, identify, prevent, and mitigate adverse human rights impacts. Regulatory requirements in the State of California, the United Kingdom, Australia, and France also require companies to report on their actions to eradicate human trafficking and slavery. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor, and ultimately, slavery.

The UN Guiding Principles Reporting Framework provides guidance for companies to report on how they respect human rights in their value chains. Over 80 companies currently use the framework and include information on the following in their reports:

- The role of the Board in oversight of human rights risks and systems to embed respect for human rights;
- Identification of the Company’s salient human rights issues in its operations and value chain;
- Integration of salient human rights issues into decision-making processes; and
- The Company’s due diligence and remediation processes.

As a member of the international travel and tourism industry, Royal Caribbean faces significant human rights risks from its global operations and supply chains. Robust human rights due diligence, including a human rights impact assessment informed by meaningful stakeholder

consultation, would help prevent harm, reduce fines for violations, and preserve the Company's social license to operate and future business opportunities.

While Royal Caribbean has expressed its commitment to respecting human rights through its Human Rights and Modern Slavery Act Statements and Supplier Guiding Principles, there is inadequate disclosure demonstrating effective implementation of and compliance with the Company's human rights commitments throughout the value chain. Additionally, there is insufficient information regarding the Company's procedures for identifying and remediating adverse human rights impacts in its operations and supply chain.

A public report that articulates the Company's management systems and processes to implement its human rights and supplier policies and conduct human rights due diligence in alignment with the UN Guiding Principles would assure shareholders that these risks are being adequately managed.