

We transport the future

SUSTAINABILITY
REPORT
2019

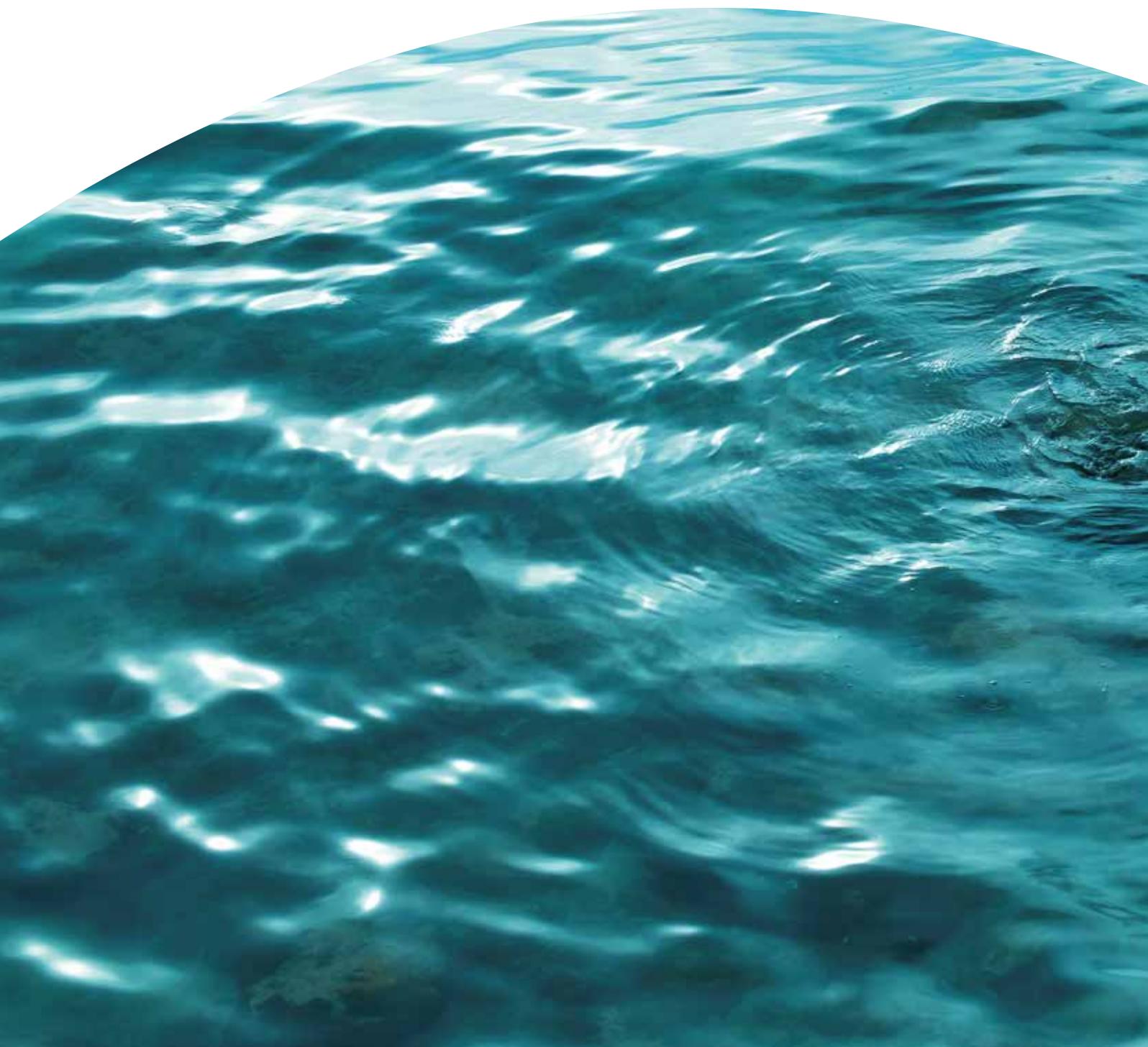
BALEARIA

CORPORATE
SOCIAL RESPONSIBILITY
AND SUSTAINABILITY
REPORT

2019



BALEARIA



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LETTER FROM THE CHAIRMAN ADOLFO UTOR

For the tenth consecutive year, we have fulfilled our obligation to present the Corporate Social Responsibility and Sustainability Report, in accordance with the criteria of the Global Reporting Initiative (GRI) established by the United Nations Global Compact, which, in the last three years, has earned us the highest possible rating.

This obligation is a collective exercise in transparency and rigour, and reflects the values that have inspired Baleària since its foundation. The culture and philosophy that define us demand this annual self-evaluation, where we objectively determine the degree to which our challenges have been met, giving a detailed account of the course, speed and meaning of our project.

It is always important to remember our roadmap, founded on the United Nations' Agenda 2030, which compels us as a company to contribute to sustainable economic development, promote equal opportunities and social inclusion, and preserve the planet; understanding these criteria as key and non-negotiable elements of competitiveness. As a maritime company we have clearly defined our green direction, our mission to link territories and allow free trade, the free movement of people, goods, knowledge and culture, and, through this, the structuring and territorial and social cohesion of regions, countries and continents.

Continuing to grow and generate resources, build new and more efficient ships, open new

lines, with quality services at a fair price, and doing so based on sustainability criteria, is a source of pride that the entire Baleària team shares. We aspire to sharing this feeling of responsibility with our customers, suppliers, public authorities and civil society through this sustainability report.

Like many organisations, we are immersed in a process of innovation and technological change that is affecting the energy, digital and organisational transition. This requires us to make significant financial, personal and cultural efforts, as well as having an impact in the short term. We are preparing our company for tomorrow, guaranteeing our sustainability and competitiveness; working so that it is robust and fulfils its mission to contribute to the sustainable growth of the regions within which we operate.

In economic terms, and due to the opening of new routes and the incorporation of new vessels, our turnover has increased by 19% to 452.2 million, our EBITDA has increased by 19% to 83.6 million, net profit has risen by 5% to 28.9 million, and the social cash flow distributed has increased by 23% to 623.7 million.

Motorisation using clean energies –working towards the goal of zero emissions– and digitisation are the two cornerstones of Baleària's action in the search for eco-efficiency and commitment to the global purpose of reversing climate change and defending the planet.

2019 was also the year we set in motion our commitment to natural gas. Baleària has incorporated newly constructed *smart ships*, the *Hypatia de Alejandria* and the *Marie Curie*, and has replaced the engines of the *Naples* and *Abel*



Matutes vessels so that they now run on natural gas. We were the first in the Mediterranean, the Strait of Gibraltar and the Canary Islands to sail with this cleaner energy.

The company's digital transformation process is enabling us to improve convenience for both passengers and cargo customers on our smart ships. These digital developments include the booking process, boarding and disembarking, and the travel experience. In 2019, we employed six *ferries* with smart technology and in 2020 we expect this number to rise to eleven.

The digital momentum has touched all management areas, converting Baleària into a *data-driven company*, in which decisions are guided by *big data* and made in real time, quickly and efficiently, and with the firm goal of incorporating 5G technology, predictive models, artificial intelligence and *machine learning*. In 2019, we became involved in the Green and Connected Ports project, through which we are installing sensors to measure fuel consumption and emissions, as well as comprehensively monitor all the ship's equipment. This 4.0 revolution is also allowing us to develop predictive models, which will improve safety, energy efficiency, equipment maintenance and the client experience.

In addition, we have redesigned the website. A *responsive* and multi-language platform that makes it easier to navigate and customise the content, on all types of mobile devices.

At Baleària we are more and we strive to be even better. Our staff consists of 1,800 people, representing 7% growth. A human universe of 56 nationalities, as diverse as society itself. This diversity is a source of richness and a key factor

in competitiveness. People committed to the challenges that the present poses so that we can face the future. To face up to these challenges, Baleària has invested more in training in 2019, as a number one priority. We are very aware that without ongoing training, neither continuous improvement nor sustainable growth is possible, which is why our training hours have increased by 31%.

As part of its commitment to adapting to the new dynamics of a constantly changing market, our company has restructured the Executive Committee and incorporated new young talent to boost the organisation's capacity to face new challenges and thus continue to consolidate its leadership.

This year we have transported 4,480,000 passengers and 1,064,000 vehicles (a 3% increase in both cases), as well as 6,111,000 loading metres, a rise of 5%. The consolidation of the Huelva-Canary Islands line should be highlighted, as should the opening of two new routes by the Baleària Caribbean subsidiary, between Fort Lauderdale (USA) and Bimini Island, and between this island and Grand Bahama.

It is worth mentioning the importance of the social cash flow, understood as the total amount of resources generated by the company and distributed among all its stakeholders (employees, shareholders, suppliers, financial institutions and public authorities), which has increased by 23% and amounts to 623,728,000 euros.

Our suppliers deserve a special mention. They number over 7,000, of which 81% are local, confirming the interweaving of Baleària with the regions and the positive impact on their economies.

A similar driving force lies at the heart of the Foundation, where the best expression of the company's social and environmental commitment is defined in the Code of Conduct and Business Ethics. For its 15th anniversary, 160 activities and 525 actions were organised in collaboration with 282 non-profit organisations, with a total budget of 900,000 euros.

In 2020, we will launch the *Eleanor Roosevelt*, the first *fast ferry* in the world for passengers and cargo with dual natural gas engines. This will be the year when our two major challenges –energy and digital transition– culminate and our recent expansion and investment efforts become consolidated. We will be able to reap part of the fruits of the last two years, and thus strengthen ourselves for the new challenges of the future.

2020 will also be a year for persevering with innovation, with greater energy efficiency, and with new CO₂-neutral energies, such as renewable gas and hydrogen. We will tackle the start of projects for two new maritime stations, in Valencia and Barcelona. We will continue cruising towards the green horizon of sustainable development, respecting inclusion, equality and the protection of the planet. To do this we must keep increasing our capital of trust, with renewed cohesion between our teams, our customers and suppliers, with civil society and with the public authorities that welcome and regulate us.

IN FIGURES 2019

FLEET

30
SHIPS

90%
COMPANY-OWNED
FLEET

1,622,000
MILES
SAILED

+19%

36,000
TRIPS

+7%

TRAFFIC

4,480,000
PASSENGERS

+3%

1,064,000
VEHICLES

+3%

6,111,000
M.L. CARGO

+5%

DIMENSION



1,800
EMPLOYEES

+7%

5
COUNTRIES

23
ROUTES

SOCIETY



€623,728,000
SOCIAL CASH FLOW

+23%

81%
LOCAL
SUPPLIERS

525
FOUNDATION
ACTIONS

ECONOMIC
RESULTS



€452,200,000
TURNOVER

+19%

€83,690,000
EBITDA

+19%

LEADING SHIPPING COMPANY

PRESENTATION

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**2019
MILESTONES**

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**ECONOMIC
PERFORMANCE**

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PRESENTATION

Baleària defines itself as a responsible corporate citizen, engaged in the social and economic development of the regions it links together, and the well-being of their population.

INNOVATION, SERVICE AND SUSTAINABILITY

Baleària is the leading passenger, vehicle and goods transport company for the Balearic Islands, as well as being the only shipping company with inter-island routes to all four islands in the archipelago. It also operates in the autonomous cities of Ceuta and Melilla, and links the Canary Islands to the Iberian Peninsula. At the international level it provides services to North Africa (Morocco and Algeria), and also connects the United States with the Bahamas.

Baleària is a pioneer in the use of natural gas and has a fleet plan in place meaning that by 2021 nine of its *ferries* will be able to sail with this environmentally friendly fuel. The company's strategic commitment to natural gas is based on the principles of social responsibility and economic profitability. Baleària is working to achieve zero emissions through renewable energy projects, including hydrogen and renewable gas.

The Baleària group has a regular staff of over 1,800 people from 56 different countries, who are supported by the Baleària Business School to help them in their professional development.

AGENDA 2030

Baleària's business model incorporates the sustainable development goals (SDGs) approved by the United Nations as a core part of Agenda 2030. As part of its commitment to these goals, the shipping company is carrying out numerous projects, linked to nine of the seventeen SDGs and which are detailed throughout the pages of this report. Of particular note are the projects relating to the company's strategic areas: the environment and innovation, which are embodied by our commitment to use natural gas as a cleaner fuel and to take action to achieve more eco-efficient shipping, as well as the company's digital transformation. These projects principally contribute to three SDGs:

BALEÀRIA GROUP MISSION

To respond to the maritime transportation needs of society, by offering its clients a high-quality, environmentally friendly service, offering its shareholders appropriate returns, and its employees, the opportunity for development in both professional and personal terms.



AGENDA
2030

- SDG 9 Industry, innovation and infrastructure**
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- SDG 11 Sustainable cities and communities**
Make cities and human settlements inclusive, safe, resilient and sustainable.
- SDG 13 Climate Action**
Take urgent action to combat climate change and its impacts.

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Baleària's management and the entire organisation work with a long-term view and keeping the market's dynamics in mind. Accordingly, in 2019, the shipping company extended the Executive Committee and created the Regional Committee.

CORPORATE GOVERNANCE*

Adolfo Utor Chairman and CEO	● ● ● ● ● 1998
Ettore Morace Chief Operating Officer	● ● ● ● 2018
Ricardo Climent Chief Financial Officer	● ● ● ● 2004
José Manuel Orengo , Secretary General, and Head of CSR	● ● ● ● 2019
Georges Bassoul Chief Business Officer	● ● ● ● 2019
Abel Matutes Independent Advisor	● ● 2005
Juan Lladó Independent Advisor	● ● 2005
José Bonet Independent Advisor	● 2005
Manuel Pérez Director of Operations Valencia Region Representative	● ● 2009
Pilar Boix Communications Director	● 2011
Antonio García , Systems Director	● 2019
Clara Gomis Cargo Director	● 2019
Bienvenido Martínez On-board Services Director	● 2019
Miriam Gamero Director of People and Talent Management	● 2019
Guillermo Alomar Fleet Director and Balearic Island Region Representative	● 2009
Juan José Serra Ibiza and Formentera Region Representative	● 2011
Rafael Rodríguez Morocco Zone Director	● 2019
Manuel Rejano Southern Zone Representative	● 2019
Fátima Oualit Director of Operations for Morocco	● 2019

- General Shareholders' Meeting
- Board of Directors
- Standing Committee
- Executive Committee
- Regional Committee

()Membership of bodies and length of membership All the committee members have executive status.*

ORGANISATIONAL CHANGES

David Fernández was secretary general until March, Josep Vicent Mascarell was director of CSR, Reputation and People until July. José Vicente Herrero and Veronica Catany were Line Manager Director and Director of Sales and Marketing, respectively, until December.

Adolfo Utor, president and CEO of Baleària

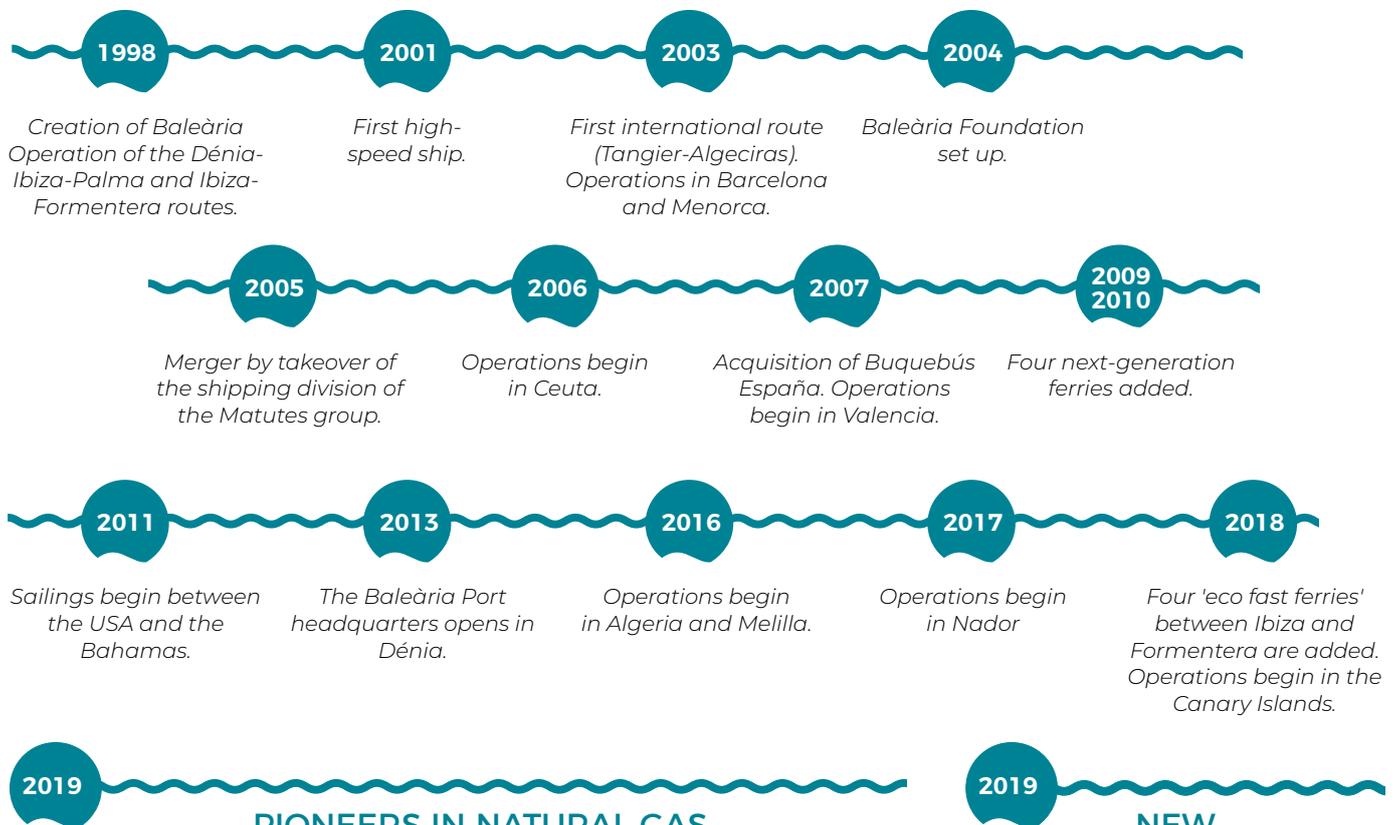
Adolfo Utor (Al Hoceima, 1961) is the president and main shareholder of the Baleària shipping company, whose creation he captained in 1998. In addition, Utor is president of the Social Council of the University of Alicante, a full member of the Spanish Royal Academy of the Sea, a member of the Board of Directors of the Valencian Association of Entrepreneurs (AVE) and also chairs the ANAVE Regular Shipping Lines Committee, among other things.

www.adolfoutor.com



MILESTONES

For Baleària, innovation is the way to achieve service and management excellence, as demonstrated by the milestones achieved over these more than 20 years, which in 2019 culminated in the first natural-gas-powered vessels.



Two newly built and two re-engined smart ships to allow us to sail using natural gas

In 2019, Baleària incorporated the newly constructed smart ships 'Hypatia de Alejandría' and 'Marie Curie' and adapted the engines of the vessels 'Naples' and 'Abel Matutes' to enable them to run on natural gas. Our ships were the first to sail using this cleaner energy in the Mediterranean, the Strait of Gibraltar and the Canary Islands.



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Between the United States and the Bahamas

The Baleària Caribbean subsidiary initiated two new routes: one between the United States and Bimini Island, and the other between Bimini Island and Grand Bahama. This allowed the company to add six international routes.

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ECONOMIC PERFORMANCE

€452,209,091
TOTAL OPERATING
REVENUE

+19%

€83,684,234
EBITDA

+19%

€28,966,328
NET PROFIT

+5%

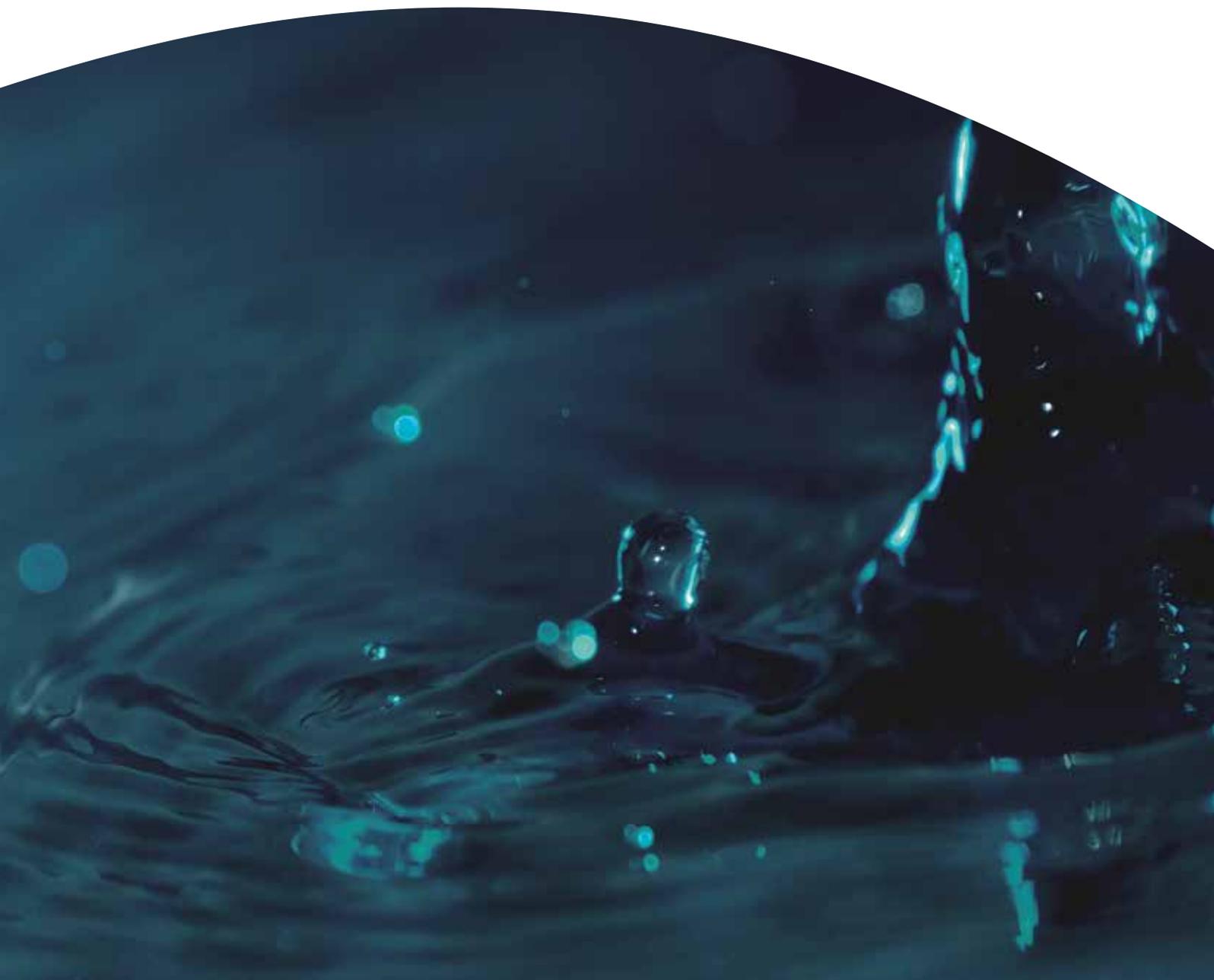
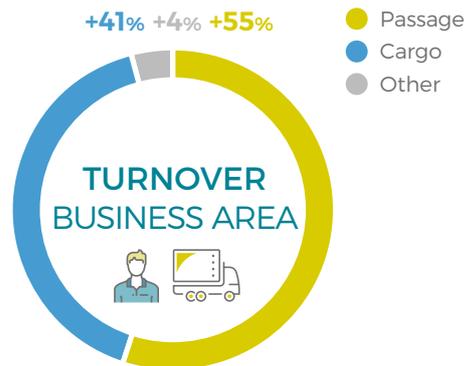
MAIN INVESTMENTS 166 million euros

In 2019, the main investments in the fleet involved the incorporation of two newly constructed ferries (*Hypatia de Alejandria* and *Marie Curie*), the transformation of the engines of the *Abel Matutes* and *Naples* so that they can run on gas and the re-engining of two high-speed ships (*Jaume III* and *Ramon Llull*).

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COMPETITIVE MODEL

TRAFFIC

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SUSTAINABLE
PLANET

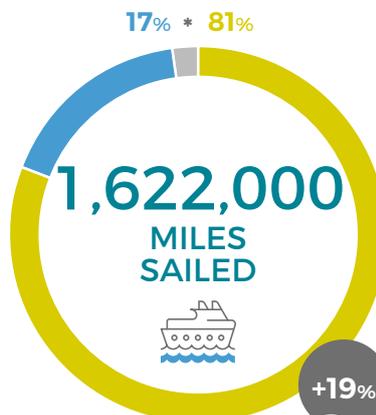
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DIGITISATION

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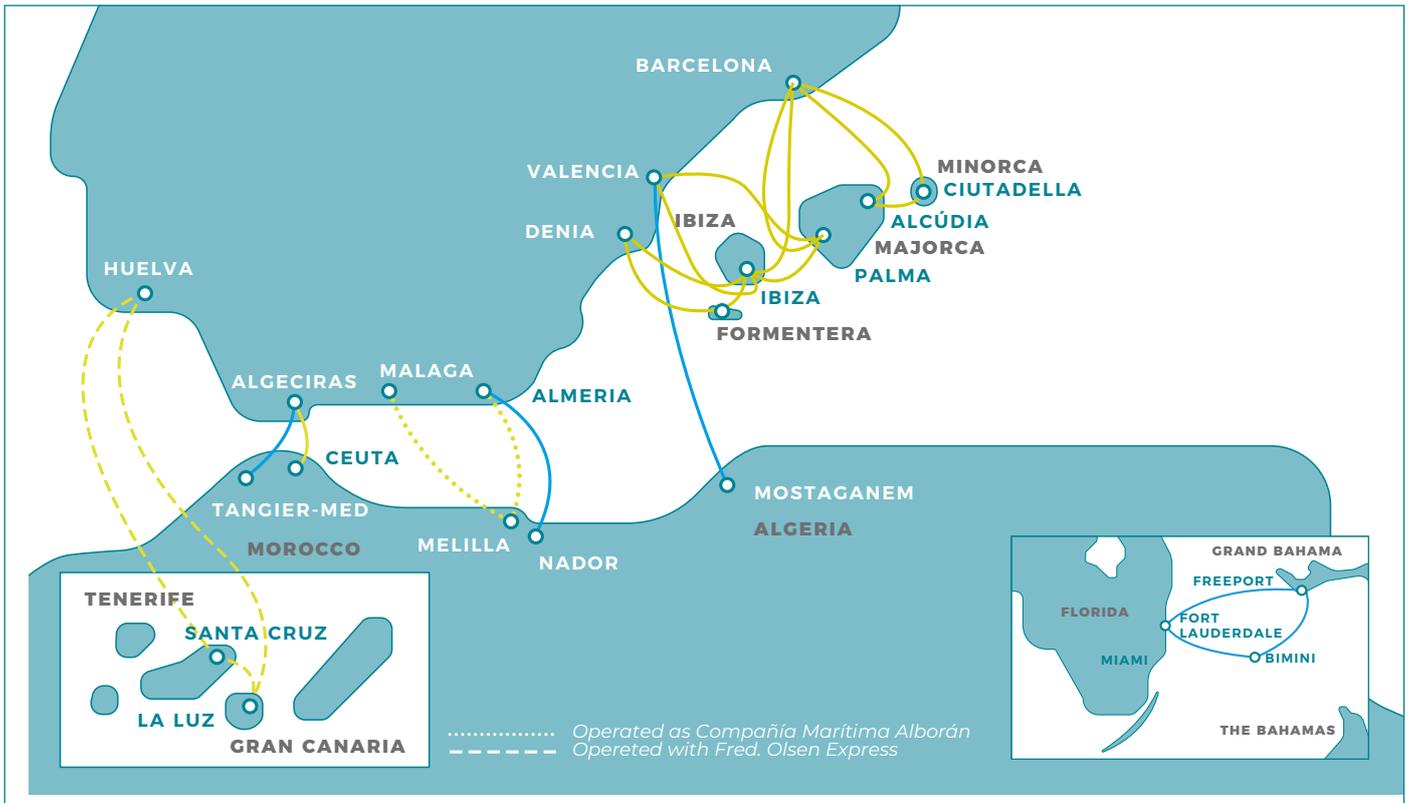
TRAFFIC

Baleària's ambition is to bridge the seas, facilitating free trade and promoting the progress and welfare of the regions we operate in. To this end, the company boasts an innovative and eco-efficient fleet of ships.



- National
- International

*Miles of subactivity due to line changes or positioning (2%)



PASSENGER TRANSPORT

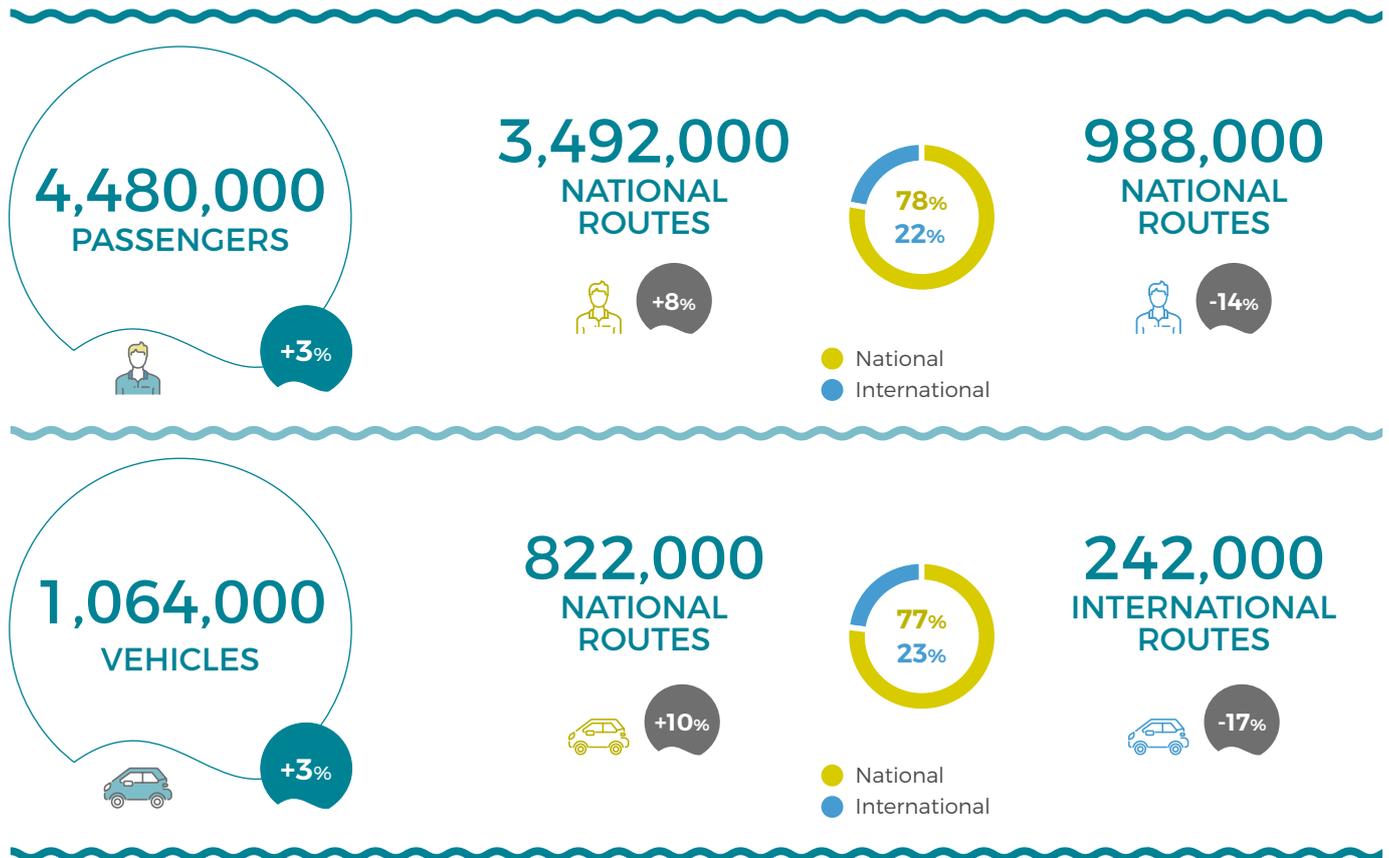
In 2019, Baleària retained its position as a benchmark shipping company for both passenger and vehicle transport. 40% of passengers who travelled chose Baleària to transport their vehicle, this figure rising to 57% in the case of Balearic Island residents.

In addition to the service offered by Baleària, one of the reasons passengers choose this company is because of its friendly and trustworthy image. In 2019, almost 60% of people who were familiar with Baleària indicated trust as the most important attribute.

It should be noted that the overall increase of passengers was slight due to decreased traffic during the "Operation Strait of Gibraltar". However, the growth was more noticeable for domestic connections, and specifically on routes to the Balearic Islands.

NEW INTERNATIONAL ROUTES

Baleària Caribbean initiated two new routes: between the United States and Bimini Island, and between Bimini Island and Grand Bahama. This allowed the company to add six international routes. It also became the official shipping company for Resorts World Bimini, incorporated a speedier and more eco-efficient *fast ferry* and changed the location of the US terminal.



GOODS TRANSPORTATION

Baleària continued its commitment to the maritime freight transport business segment, which in 2019 accounted for 41% of the group's total turnover. Commitment, reliability and punctuality are the foundations of the cargo transport service. The Baleària group also has a logistics company, Baleària Cargo, which offers a door-to-door service with a proven *just-on-time* model between the Peninsula and the Balearic Islands.

In 2019, Baleària's presence on the Huelva-Canary Islands route, which began in late 2018 together with Fred.Olsen Express, was noteworthy. During this first year, the company made good progress, increasing by 30% over the course of the year. In addition, this route meant a 73% growth in the connections between the Peninsula and the Canary Islands. 74 container trailers were purchased for this route.

466,000 trucks (equivalent to l.m.)
+6.8% shipments
75% of the total cargo corresponds to the Balearic Islands

DIGITISATION

Further progress was made in the digitisation of facilities and services as well as in internal processes for booking management.

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6,111,000
 LINEAR METRES
 CARGO



+5%

5,054,000 l.m.
 NATIONAL
 ROUTES



+8%



● National
 ● International

1,057,000 l.m.
 INTERNATIONAL
 ROUTES



-14%



COMMODITY TYPE

COMMODITY TYPE	%
Food products	24.0%
Consolidated	23.4%
Packaging	7.3%
Construction material	6.2%
Textiles	4.4%
Drinks	4.1%
Medication	3.0%
Other	27.6%

30 SHIPS*



+1

() To 31/12/2019, of which one is under construction. In 2019, three further ships operated.*

90%
COMPANY-OWNED

TOTAL FLEET CAPACITY*

20,200  7,100  26,900 l.m. 



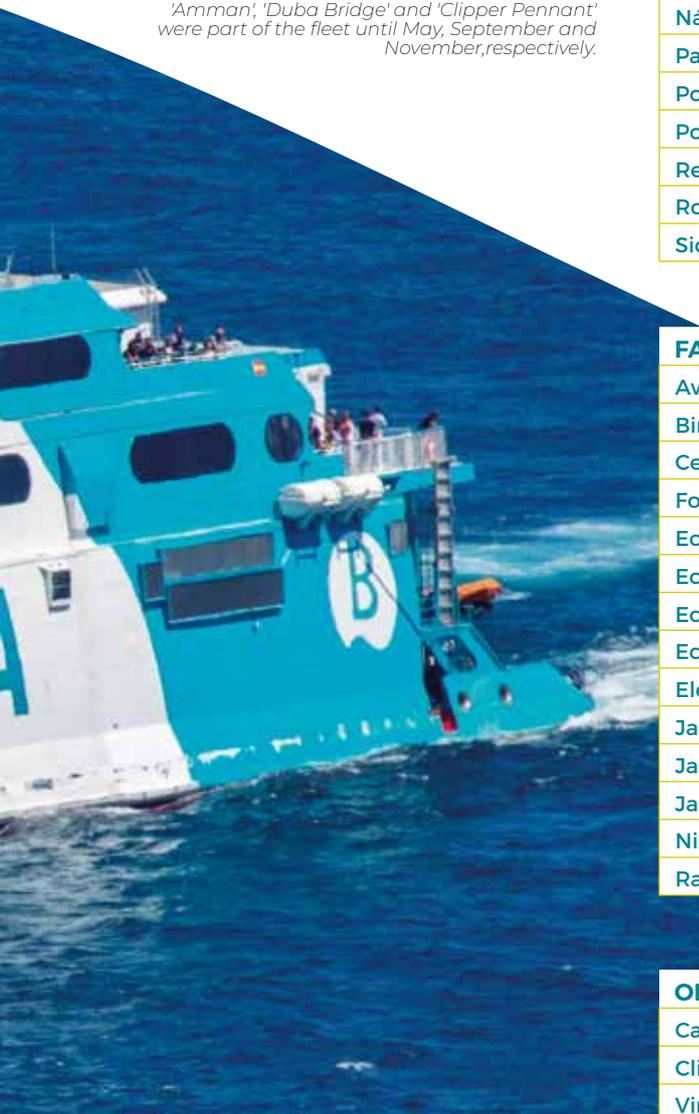
- To natural gas (2019)
- To natural gas (projected)
- Smart ship (2019)
- Smart ship (projected)
- New engines (2019)
- Scrubbers
(gas washing system)

*'Hypatia de Alejandría' and 'Marie Curie' added in 2019
'Eleanor Roosevelt' is under construction.
'Amman', 'Duba Bridge' and 'Clipper Pennant' were part of the fleet until May, September and November, respectively.*

FERRY	SPEED	LENGTH	PEOPLE	VEHICLES	
Abel Matutes	23 kn	190 m	900	625	● ●
Amman*	15 kn	139 m	955	479	
Bahama Mama	23 kn	154 m	1,000	350	● ●
Dénia Ciutat Creativa	19 kn	150 m	399	430	
Duba Bridge*	16 kn	141 m	399	260	
Hedy Lamarr	24 kn	186 m	600	646	● ●
Hypatia de Alejandría*	24 kn	186 m	880	608	● ●
Marie Curie*	24 kn	186 m	880	608	● ●
Martín i Soler	23 kn	165 m	1,200	567	● ●
Nápoles	23 kn	186 m	1,600	339	● ●
Passió per Formentera	22 kn	100 m	800	105	
Poeta López Anglada	18 kn	133 m	1,257	243	
Posidonia	17 kn	69 m	550	90	
Regina Baltica	19 kn	145 m	1,600	350	
Rosalind Franklin	22 kn	188 m	860	624	●
Sicilia	23 kn	186 m	1,000	481	● ●

FAST FERRY	SPEED	LENGTH	PEOPLE	VEHICLES	
Avemar Dos	34 kn	82 m	855	174	
Bimini Blue Marlin	30 kn	39 m	356	-	
Cecilia Payne	38 kn	86 m	800	200	
Formentera Direct	30 kn	50 m	309	36	
Eco Aqua	28 kn	28 m	355	-	
Eco Aire	28 kn	28 m	355	-	
Eco Terra	28 kn	28 m	355	-	
Eco Lux	28 kn	28 m	355	-	
Eleanor Roosevelt*	35 kn	125 m	1,200	500	● ●
Jaume I	32 kn	78 m	623	130	
Jaume II	32 kn	81 m	624	140	
Jaume III	32 kn	81 m	655	140	● ●
Nixe	32 kn	63 m	546	122	
Ramon Llull	32 kn	83 m	476	120	● ●

ONLY CARGO	SPEED	LENGTH	PEOPLE	LM	
Caroline Russ	21 kn	153 m	12	1,607	
Clipper Pennant*	21 kn	142 m	356	1,830	
Vivot	12 kn	64 m	41	117	





A SUSTAINABLE PLANET

Baleària promotes the use of cleaner energy in its fleet for both social responsibility and economic profitability reasons, since it considers that commitment to the environment is compatible with the company's competitiveness.

COMMITMENT TO NATURAL GAS

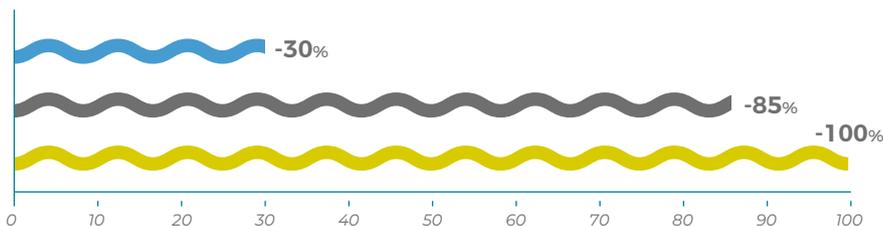
Baleària is committed to fighting climate change and preserving people's health with the use of liquefied natural gas. Since 2012, the shipping company has been working on projects linked to natural gas, and in 2019 it hit a historic milestone: it became the first shipping company to sail using this cleaner energy in the Mediterranean, as well as in the Straits of Gibraltar and the Canary Islands. This long-term strategic commitment by Baleària is enabling it to stay ahead of the increasingly demanding regulations on polluting gases.



Benefits of using natural gas for maritime transport

Reduced emissions

*This fuel makes it possible to reduce emissions that damage air quality, and therefore have a direct effect on people's **health** (NO_x, sulphur and particulate matter), as well as those that affect the **environment**, and which have repercussions for the greenhouse effect (CO₂).*



- CO₂
- NO_x
- Sulphur and particulate matter

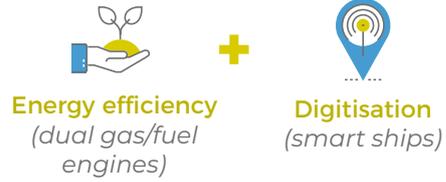
Sustainability and security

*Natural gas is the **most environmentally friendly** fossil fuel and allows us to comply with the sulphur limit established in maritime regulations.*

*It is **odourless, colourless, non-toxic**, and reduces oily residues on machine installations.*

This also allows noise pollution and vibrations to be reduced..

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NATURAL
GAS SHIPS



€380,000,000
TOTAL INVESTMENT

SHIPS	2019	2020	2021
Hypatia de Alejandría	●		
Marie Curie	●		
Nápoles	●		
Abel Matutes	●		
Eleanor Roosevelt		●	
Bahama Mama		●	
Sicilia		●	
Martín i Soler		●	
Hedy Lamarr			●

- New construction
- Re-engined*

*Partially funded by the European Union's Connecting Europe Facility (LNGHIVE2 Green & Smart Links Project).

Innovative bunkering

Baleària carried out the first Multi Truck To Ship (MTTS) bunkering of liquefied natural gas in Spain, which also used an innovative high-speed system. The *Marie Curie* ferry was simultaneously supplied by three tankers, at almost six times the usual speed.

CleanPort project results

The results were presented of the first auxiliary generator on a passenger ferry (*Abel Matutes*), which used this energy in the port.

The reduction in emissions between June 2017 and October 2018, was: -1,300 t of CO₂, -20 t of NO_x, -2 t of SO_x and -0.5 t of PM.

HYPATIA DE ALEJANDRÍA AND MARIE CURIE

€200,000,000 investment

Speed: 24kn
Length: 186m
People: 880
Vehicles: 608

First passenger ferries to run on natural gas in the Mediterranean, the Strait of Gibraltar and the Canary Islands.



ELEANOR ROOSEVELT

€90,000,000 investment / Under construction

Speed: 35 kn
Length: 123 m
People: 1,200
Vehicles: 500

First 'fast ferry' for passengers and cargo in the world with dual natural gas engines.



Re-engining of two 'fast ferries'

Baleària replaced the main engines of the *fast ferries Jaume III* and *Ramon Llull* to improve their propulsion system and reduce emissions.

Eco-efficient tug

Baleària acquired two newly built tugs from the Damen Shipyards Gorinchem, destined for Dénia and Ciutadella. One of these stands out for its eco-efficiency, as it is the first tugboat in Spain to comply with the reduced NO_x emissions set out in the international pollution-prevention agreement, MARPOL.

The latest generation silicones

Applied to the hulls of ships, these reduce fuel use.

17 SHIPS
with antifouling system (+2)

ShipSure

This improves the maintenance management of ships and, therefore, of their engines.

18 SHIPS
with ShipSure (+2)
+ 4 ships under way

SDG
13

ECO-EFFICIENT SAILING

In 2019, Baleària pursued its ongoing commitment to increasing the services available to its clients. This resulted in a significant rise in the number of miles sailed, and, as a consequence, greater CO₂ emissions. The ratio of tonnes of CO₂ emitted per miles sailed, a more objective statistic when evaluating efficiency, was 0.429. It should be noted that in 2019 the data were calculated for the first time according to the financial year, so it is not possible to make exact comparisons with previous years, although the figures are very similar. In short, although Baleària increased the miles it sailed by 16%, it maintained the efficiency of the routes.



CONSUMPTION

Diesel	80,785 m ³
Fuel	150,376 t
Natural gas	24,592,371 kWh

CO₂ EMISSIONS

Diesel	222,740 t
Fuel	468,333 t
Natural gas	4,446 t

MILES

Total	1,622,430
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OTHER SUSTAINABILITY INITIATIVES

Selective waste collection on board

Baleària works with Ecoembes, the environmental organisation that coordinates packaging recycling in Spain, to implement a selective waste collection system on board that makes it the first shipping company in Spain to recycle 100% of the plastic packaging, cans and cartons it generates. In 2019, it conducted a pilot project for this system on one of its ships, achieving a figure of 74% of waste deposited correctly for recycling. Moreover, Ecoembes conducted the study to implement this in six other vessels.

Circular economy

The shipping company has commissioned the construction of furniture for the terraces of two ships from plastic recycled from a ship and the Dénia maritime station.

Carbon footprint

Baleària calculated its emissions and presented a plan to reduce these by 20% in 2022 to the European platform Lean&Green. It is currently working on buying carbon credits based on its CO₂ emissions. The shipping company considers that it must achieve this return in the surroundings of its operations, the sea. However, blue carbon sources, such as marshes or Posidonia beds, cannot be used in carbon offset projects in the regulated carbon market. To study and anticipate this situation, Baleària has set up a working group on emissions offsetting for the protection and conservation of Posidonia meadows, in collaboration with Alicante University, the Mediterranean Institute for Advanced Studies (IMEDEA), the Spanish Institute of Oceanography (IEO) and the Spanish National Research Council (CSIC). The goal is to identify and define offset projects in the Mediterranean that use Posidonia. In addition, in 2019, Baleària continued to send carbon footprint reports to its cargo customers, and is currently working on being able to provide these to passengers, too.

Electrical power

Two electric vans were incorporated to operate in the port of Valencia, and four charging points were installed for electric cars, in accordance with the Good Environmental Practices Agreement that Baleària has signed with the Port Authority of Valencia. In addition, the new ships *Hypatia de Alejandria* and *Marie Curie* also have charging points for electric cars in the hold. In addition, the four *eco fast ferries* on the Ibiza-Formentera route use solar panels to supply the energy for the on-board services, and the company has a solar-powered boat and four car charging points at the Dénia maritime station.

BPA-free thermal paper

The company has introduced thermal paper that does not contain Bisphenol A, a toxic and harmful component, for tickets and on board, in anticipation of European regulations that will restrict its use in 2020.

100% biodegradable tableware for the fleet

The vessels sailing the routes to Ceuta, Melilla and the Canary Islands joined the rest of the fleet in using tableware made of cellulose and biodegradable materials in the on-board self-service restaurants and cafeterias.

Ibiza and Formentera are Plastic Free

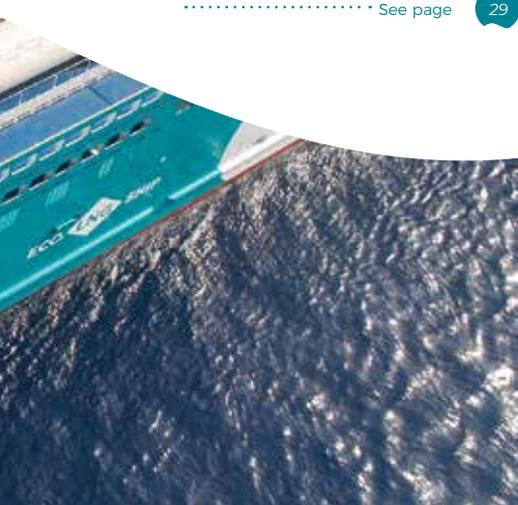
Baleària received this certification for the measures it takes on this route, including the elimination of plastic water bottles.

Green and Connected Ports

Baleària is part of a project measuring fuel consumption and emissions generated in real time.

..... See page

29



DIGITAL TRANSFORMATION

With the aim of improving its competitiveness, Baleària has designed a short- and medium-term innovation and digital transformation strategy that spans all areas of the company.

SDG
9

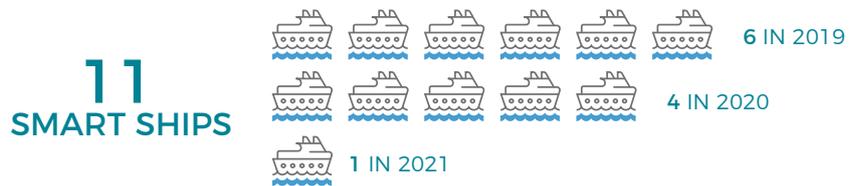
Baleària's innovation strategy, as well as its commitment to a more eco-efficient fleet, is supported by the digitisation of the company. On the one hand, this digital transformation puts technology at the service of the clients (both passenger and cargo) through *smart ships* and future *smart terminals*, which allow for a safer, more comfortable and more entertaining journey. And on the other hand, it is focused on improving the efficiency of the company's processes and optimising its resources, with the goal of becoming a *data driven company*, in the medium term, in other words, a company that is guided by data when making decisions.





SMART ON-BOARD SERVICES

Baleària's *smart maritime*, or smart navigation, is aimed at offering an eco-efficient and intelligent service that encompasses the overall experience of passengers and freight customers. In 2019, Baleària sailed with six *smart ships*, and expects this number to reach eleven in 2020. The aim is to offer the customer a comprehensive technological experience, spanning services and innovations before, during and after the journey: from the sales process, through boarding and the on-board experience. In addition to these smart ships, a medium-term project is under way to build smart terminals in some ports, which will improve the speed and convenience of the boarding process.



QR code To access the ship and cabins.	● ● ● ● ● ●
À la carte digital leisure platform With access to films, series, games and magazines.	● ● ● ● ● ●
Smart TV In the cabins.	● ● ● ● ● ●
Internet Connection using passes.	● ● ● ● ● ●
WhatsApp reception Connection throughout the trip for text messages, even when there is no reception.	● ● ● ● ● ●
Pet surveillance video Mobile phone connection to the kennel web-cam.	● ● ● ● ● ●
Eatsy Digital totems for requesting food and paying using a <i>smart phone</i> .	● ● ● ● ● ●
Digital signage With simpler, more flexible content management	● ● ● ● ● ●



- Hypatia de Alejandría
- Marie Curie
- Nápoles
- Abel Matutes
- Jaume III
- Ramon Llull

Baleària has digitised its entire freight transport cycle so that the port operations are more streamlined and customers can plan their logistics better.



90%
DRIVERS
EMBARK WITHOUT
PASSING THROUGH
A TICKET POINT

SDG
9

DIGITAL LOADING MODEL

Baleària has made a detailed analysis of the company's business processes to identify which points can be redefined and improved through digitisation. In the case of the cargo business, a new digital model has been devised that covers the entire cycle of freight transport, based on three main areas.

Specific portal for cargo customers

In 2019, work was carried out on this booking portal, which will become operational in 2020. The aim is to give freight customers more autonomy and make bookings easier. To this end, we have established a quota system (linear metres of hold reserved for each customer on each route) that customers can consult with real, up-to-date information, in order to organise their logistics independently. This will enable them to fully monitor all their equipment and make long-term plans.

Digital boarding card

This phase of the project was launched in 2019. It involves a digital boarding card received by the driver bearing a QR code, which is used to gain access to the ship (and also to the cabin on *smart ships*), and for additional services included in the reservation.

Digital guides

In 2019, this phase of the project, which was piloted in 2018, was completed in all the Balearic Island ports. The people in charge of loading operations control the shipments from the dock through *tablets*, which provides them with real-time information and a dynamic record of the shipments. The result is a more agile operation.



'BIG DATA' FOR DECISION MAKING

Baleària has started to work on several projects that will allow it to become, in the medium term, a *data-driven company*, in other words, a company that uses data to guide effective decision making. This requires a change in the *big data* architecture to allow all the teams to access the relevant business information.



Fleet control tower project

Baleària is working on a tool for managing the fleet's operations and its vessels from a number of different angles: safety, preventive maintenance of equipment and commercial efficiency. Real time data will be obtained to streamline decision making.

On the commercial side, this will enable us to know the economic variables of the whole fleet and its products. It will also allow the operation of vessels to be monitored from land in real time, in order to detect any possible programming incidents. This instant analysis of the technical data of the vessels will facilitate preventive and predictive maintenance. Finally, it will be possible to control ship emissions; Baleària already started working in this field in 2019, through the Green and Connected Ports project.



Green and Connected Ports

Baleària is part of a European consortium that is taking part in this project submitted to the Connecting Europe Facility 2014-2020 call (CEF Transport) and which was awarded a 50% subsidy (the total budget is €7,175,700, of which €1,195,600 correspond to Baleària).

Sensors and measuring equipment will be installed to inform the shore teams in real time of the fuel consumption and emissions generated by the ships. These measurements will be carried out throughout the entire multi-modal transport chain, combining road transport, port operations and maritime transport. The data collected will enable new smart tools to be generated for business management and the development of predictive models. Between 2019 and 2022, sensors and measuring equipment will be installed on board five of the company's ships (three *ferries* and two *fast ferries*).

Other projects

Power BI

The Commercial and Finance departments began to use this Microsoft application that allows them to perform analyses on the company's data and convert these into useful information to improve strategic decision making.

NEW MANAGEMENT SYSTEM

Baleària has been working on a new corporate booking management tool that will cover scheduling processes and service contingencies, booking, boarding, invoicing, marketing, passenger care and budgets. It is an ambitious project, developed in a modern programming environment, which will automate many of the current processes. In addition, it will allow customers to make more complex reservations in an independent and flexible manner.

Baleària's new technological innovation projects will be supported by this new management system.



NEW WEBSITE

Baleària launched a new 'responsive' website

..... See page 35



PASSENGERS

**CLIENT
EXPERIENCE**

p.31

**ON-BOARD
SERVICES**

p.32

**MARKETING AND
SALES**

p.34

**SAFETY AND
PROTECTION**

p.38

CLIENT EXPERIENCE

A system was put in place to measure customer satisfaction through Baleària contact points, with the aim of improving passenger interaction with the company. In 2019, this system made it possible to monitor more than 40,000 experiences.

NET PROMOTER SCORE

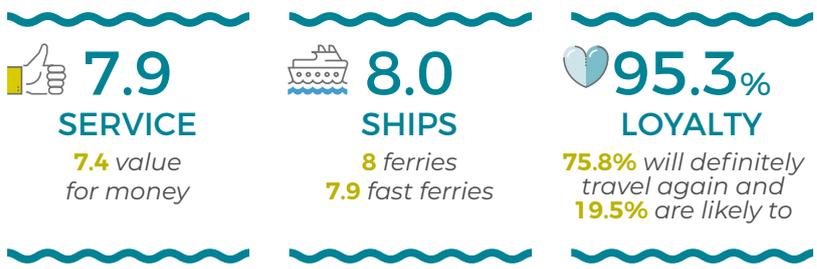
This index measures Baleària's relationship with its clients and their willingness to act as brand ambassadors. It is calculated as the difference between the percentage of promoters and detractors of the service.

+29.8
NPS



Satisfaction surveys

Customer satisfaction barometer, through telephone and in-person surveys via random sampling after each holiday season. Company: Investstrategia



Over the last ten years Baleària has increased its satisfaction rating by 10% for all sensitive indicators.

378,800

CLIENTS SERVED

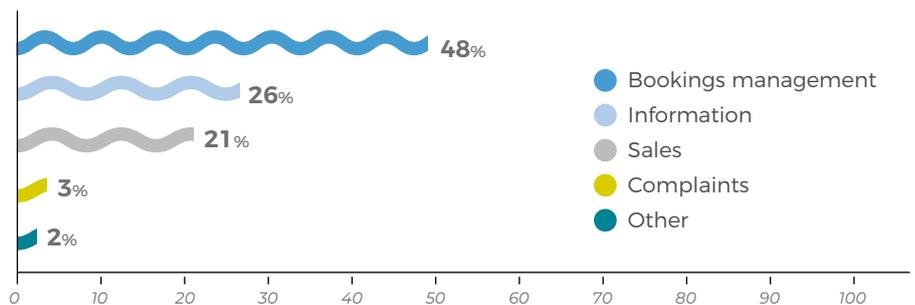


88%
Telephone
12%
Web form

Contact Centre

The Contact Centre is one of the main client relationship channels, both for end users and agencies. That is why Baleària is committed to continuously improving this, thanks to new technologies, processes and the ongoing training of the people involved.

REASON FOR INQUIRY



Complaint ratio

Baleària responds to all complaints received, complying with the stipulated response times. In 2019, the ratio of complaints per 100 passengers was 0.21 (this cannot be compared with previous years as it is the first time the ratio has been calculated according to the financial year).

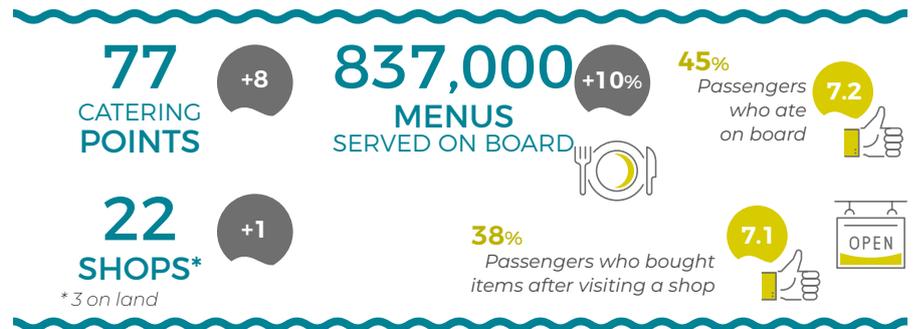
ON-BOARD SERVICES



Making the trip on board pleasurable, full of experiences and emotions, has always been one of Baleària's goals. In 2019, digital technology was incorporated on board some ships; 'smart' services in addition to the usual shipping services.

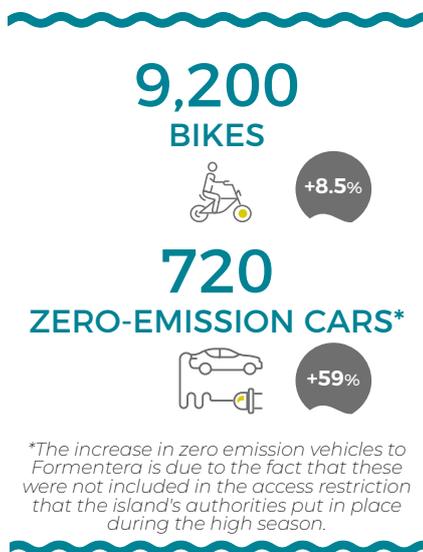
Catering and shops

Passengers have access to various catering services ranging from cafeterias to self-service and à la carte restaurants, with a variety of menus. Most ships also have shops.



Free transport of eco vehicles

Baleària transports electric bikes and scooters free of charge on all its routes, in addition to zero emission cars travelling to Formentera.



Leisure

The ships have various leisure options (audiovisual entertainment, Internet, free magazine, games, etc.). In the high season, monitored children's activities are also scheduled, including magic shows and other sessions.

12,000

**CHILDREN
WORKSHOPS
FOR KIDS**

on **7** ships

3,000

**MAGIC
SHOWS**

on **9** ships

100%
SHIPS WITH
INTERNET*

62% free for all or part
of the trip **38%** with
paid admission

*Passenger fleet, except
Balearia Caribbean

11
**ZONES
FOR KIDS**

125
**FIESTAS
AND LIVE
MUSIC SES-
SIONS**



Pets

Several pilot projects were carried out to improve pet facilities, which are to be extended to other vessels.

Video surveillance and cabins with pet access

Some *smart ships* have webcams installed in the kennels that allow passengers to see their pets throughout their journey via their mobile phones, and there are also specific cabins where pets can travel with their owners

Calm kennels

Under the supervision of a dog psychologist, we improved the space dedicated to pets on some ships. Conventional cages were converted into a calm kennels that reduce the animal's field of vision and include emissions of calming pheromones and individual air-conditioning.

57,000

**PETS
TRANSPORTED**

564+ places
on the ships

+9%



4% of passengers travelled
with their pets

6.7



8.5



Evaluation of the pet area
in 'Hypatia de Alejandria'
and 'Marie Curie'



MARKETING AND SALES

ADVERTISING CAMPAIGN

The summer advertising campaign (for television, radio, print and digital media, and social networks) centred on the good memories generated by travelling with Baleària, with the *hashtag*.

Baleària has adapted its commercial and marketing strategy to meet the needs of an increasingly demanding client, offering a consistent multi-channel experience tailored to all client profiles.

Through its actions, in 2019, Baleària was consolidated as an innovative and accessible benchmark brand in the sector. As a result, the company shifted its communication focus towards more aspirational and emotional messages.

In this way, Baleària managed to connect with each segment and establish a closer brand-customer relationship. To achieve this goal, several branding and advertising campaigns were carried out at the national and international levels focused on specific audiences. Thanks to this new marketing strategy, Baleària has been able to increase the level of client trust, commitment and emotional affinity.

TRAVEL AGENCIES

Agency satisfaction survey regarding Baleària's services

7.5
SATISFACTION



AGENCY CHANNEL

Baleària renewed its commercial agreements with all agency groups, management groups, *online* agencies and wholesalers, expanding its portfolio of major accounts both nationally and internationally. In addition, we renewed our agreements for a further year with various travel agency associations (including ACAVE and CEAV) and took part in their *workshops*.

Baleària committed to the agency channel, adapting its web platform to strengthen its direct relationship with agents. Priority was given to regional training in terms of booking management and product knowledge. In addition, several *fam trips* were organised so that the agents could get to know the company's services and *smart ships* first hand.

Digital signage

As part of Baleària's digital transformation plan, digital screens were piloted on board the *smart ships* and in the ticket offices on the Ibiza and Formentera route. This is a dynamic, promotional channel that helps to communicate advertising messages instantly and optimise resources.

DIRECT CHANNELS

In 2019, Baleària, always committed to its clients and innovation, launched the first phase of its new digital sales platform, a new website focused on the main changes and which offers users a better mobile experience, both in terms of information intake and the booking process. A further innovation was the implementation of new payment methods to facilitate transactions.

This has allowed the company to respond to new consumer habits in terms of information and content. The formenteraexpress.com platform was also strengthened in 2019, as a fast-track sales channel for tickets between Ibiza and Formentera.

Growth of 'online' channels

	SALES	VISITS	USERS
Desktop	+12%	-3%	-6%
Mobile web	+59%	+35%	+35%
App	+158%	+70%	+54%

Baleària group websites

8,927,000
SESSIONS

4,098,000
INDIVIDUAL USERS

** Baleària, Baleària Caribbean, Baleària Port, Baleària Foundation*

Social networks Baleària group

Baleària's social networks are a tool that facilitates direct contact with clients. The company's presence on these platforms targets brand recognition and digital community loyalty by generating interesting content focused on the services it offers.

132,000
FOLLOWERS +24%

+170% impressions
+30% interactions



Baleària, Baleària Caribbean, Baleària Port, Baleària Foundation



TRIPADVISOR EXCELLENCE

Baleària received the TripAdvisor Certificate of Excellence for the Ibiza-Formentera route.



TRADE FAIRS

Fitur

Once again, Baleària took part in the International Tourism Fair (Fitur), where it presented its strategic commitment to natural gas as a fuel for its fleet, including the construction of the world's first high-speed passenger and cargo ship powered by dual natural gas engines. In addition, the company signed a collaboration protocol with the autonomous city of Melilla and the SolidarizArte campaign of the Baleària Foundation. On the cultural front there was a *cooking show* on Balearic cuisine, while in the sports arena, the company sponsored Marnaton Formentera. Baleària also showcased innovations linked to passengers, travel agencies and cargo customers, which were displayed through interactive elements and virtual reality.

Other fairs

The shipping company was present at the tourism exhibitions in Algiers and Oran (Algeria), Top Resa (Paris), World Travel Market (London) and the Turnexo fair (Barcelona).

Workshops

Baleària participated in the ACAVE and CEAV workshops and with Eivissa Tourism in Valencia, Alicante and Murcia; presented the Huelva-Canary Islands route to the Huelva Businessmen's Federation; and took part in the Europlayas, Grupo Zafiro and Grupo Nego conventions.

CLUB BALEÀRIA

Club Baleària experienced considerable growth in terms of membership. Baleària continues to work towards optimising management processes and the benefits for members.

243,000
MEMBERS **+11%**



AGREEMENTS AND SPONSORSHIPS

Balearic cuisine

Baleària promoted Balearic cuisine by sponsoring the **X Mostra de Cuina Menorquina** food festival and organising events with **Chefs(In)** both on the Iberian Peninsula and the Balearic Islands.

Music festivals

With the goal of encouraging musical initiatives in all the regions, Baleària collaborated in the **Mallorca Live Festival** and the **Qué Celeste Festival** (Formentera). In addition, as in previous years, two events were held on board: **Neox on Board** with Atresmedia, and the end of the annual competition organised by **MusicAula**.

Sport

Baleària continued as the official sponsor of **Levante U.D.** with brand activation raising the company's visibility. The company also renewed and improved the conditions of the agreement with **Club Deportivo Atlético Baleares**, and remained a *premium* sponsor of **Palma Futsal**, taking clients and suppliers to matches, as well as continuing to sponsor the local team **CD Dénia**. In addition, in an attempt to encourage other sports, Baleària sponsored the **October Trail**, the **Marnaton Formentera**, and the **World Padel Tour** in Menorca.

Collaborations are a growing area, as Baleària considers alliances with other brands to be important and a bonus for its customers; for example, it promotes the destinations in which it operates by offering added value to passengers. The short-term goal is to reach agreements with organisations that respect Baleària's core values, especially in terms of sustainability, and to foster collaborations that are guided by the SDGs.

ENTREOLAS

Baleària has a free on-board magazine and a blog covering destinations and travel, leisure and maritime issues.

95,000 ^{+68%}
BLOG USERS

+24% subscribers

36,000
MAGAZINE PRINT RUN

3 annual editions



ARIA



BALEARIA



SECURITY AND PREVENTION

SECURITY PROTOCOLS

Emergency preparedness exercises are conducted on a weekly basis across the entire fleet. In addition, in order to improve protocols and ensure effective coordination and action in the event of an emergency, regular drills and exercises are held with the Maritime Safety and Rescue Society, Spanish security forces, ship's captains, the port authorities, the fire brigade and other organisations.

In 2019, coordination exercises were conducted with the Spanish Navy as part of the MARSEC 2019 programme, in collaboration with the SWAT (US Special Weapons and Tactics) unit, as well as a *fast ferry* evacuation test that involved more than one hundred students from the Instituto Politécnico Marítimo Pesquero del Mediterráneo (Alicante). The preparation and training of all the crews and the application of the safety protocols allowed the passengers and crew of the *ferry* that ran aground in the port of Dénia to be evacuated without incurring any personal injuries.

Cybersecurity

In 2019, cybersecurity protocols and policies –based on external audits and international recommendations– were implemented to reduce the risk of cyberattacks and raise awareness among crews about the dangers arising from online activities, both their own and those of others.

Biometric control

A biometric access control system was piloted on the *ferry Abel Matutes* ferry, for external personnel, to check their identity and the length of time they spent on board.

People with reduced mobility (PRM)

All the company's ships have reduced-mobility accesses, and are equipped with adapted seats, toilets and cabins. Baleària has a special protocol for assisting people with reduced mobility and has land and fleet personnel trained to assist them.



4,600

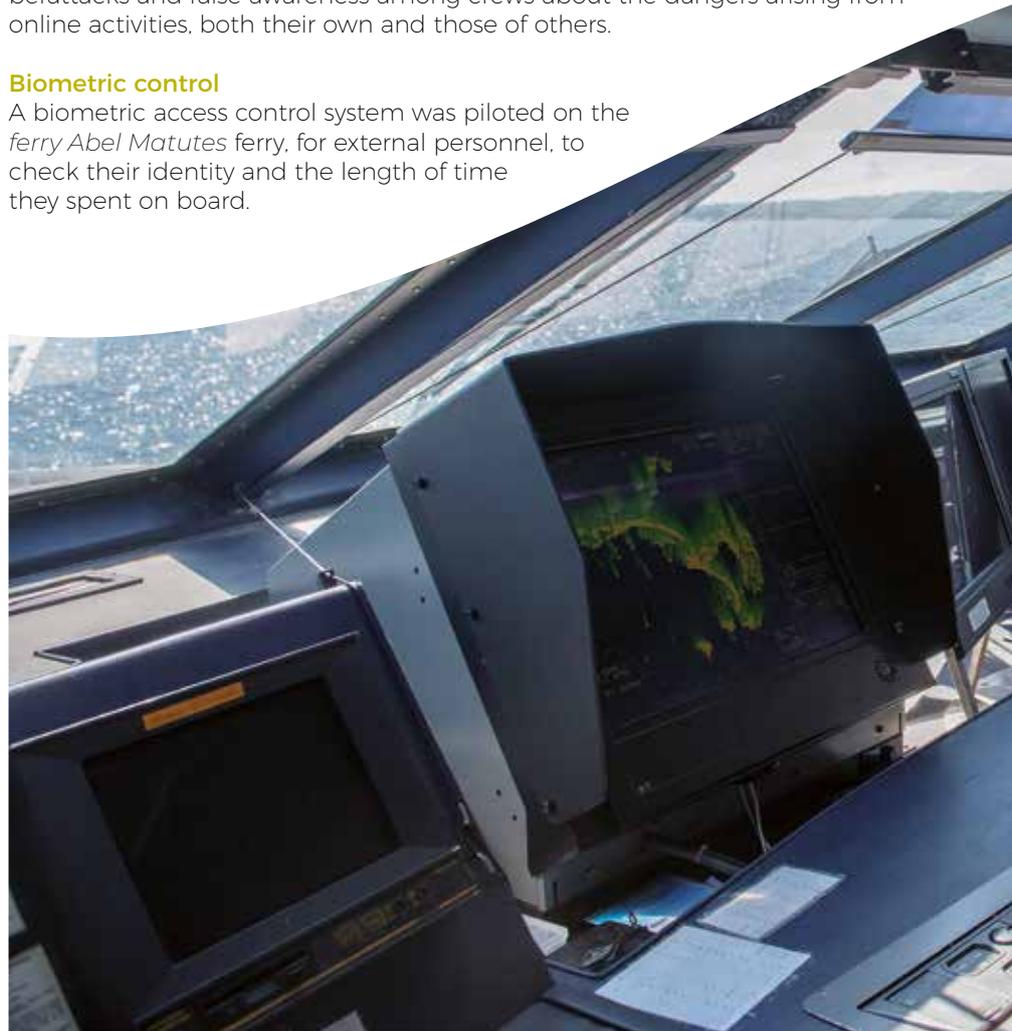
+6%

PASSENGERS

REQUESTED SPECIAL ATTENTION

100%

of the vessels in the fleet have specially adapted access



Environmental protection protocols

Baleària has established protocols to prevent possible environmental damage, both on land and on board, and has emergency control and marine pollution prevention plans. It also carries out periodic exercises to familiarise staff with possible environmental emergencies.

The company also has procedures in place for identifying and evaluating risks and possible environmental impacts, and periodically analyses and evaluates its activities to bolster both its continuous improvement and environmental performance. In its Quality and Environmental policy, drawn up in accordance with ISO 14001, Baleària undertakes to prevent pollution beyond the applicable legal requirements as far as possible.

..... See page

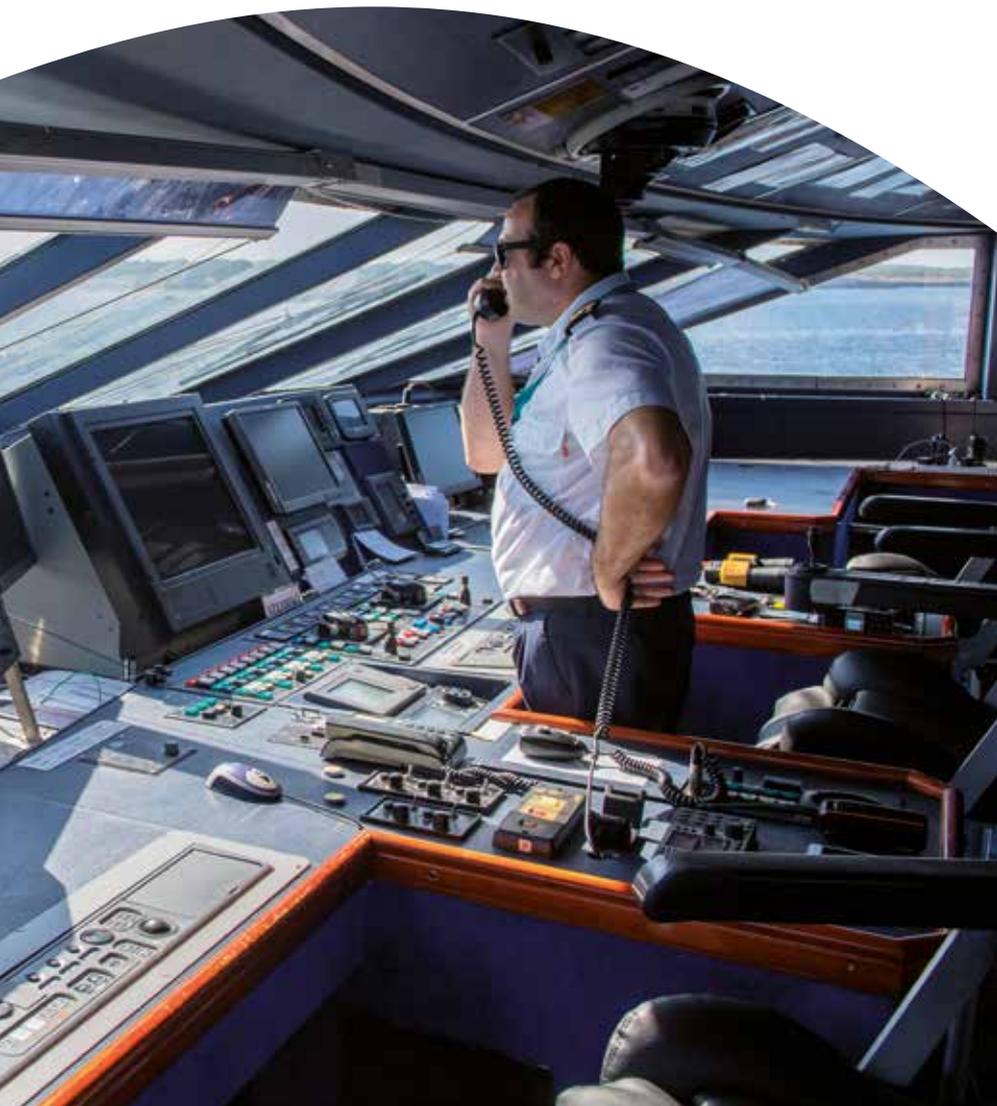
24

CONTROL TOWER

Baleària is currently developing a fleet control tower, for which security will be a key element and which will allow emissions to be controlled in real time.

..... See page

31



SECURITY SYSTEMS

Baleària implemented the LifeVac anti-choking system throughout its fleet and offices, and trained some employees in its use. It also installed two new defibrillators on its ships.

100%

of ships and offices have a LifeVac system



21

defibrillators



TEAMWORK

**TEAM
PROFILE**

p.41

**EMPLOYMENT
POLICIES**

p.43

**BUSINESS
SCHOOL**

p.44

**TALENT
MANAGEMENT**

p.46

**SOCIAL
BENEFITS**

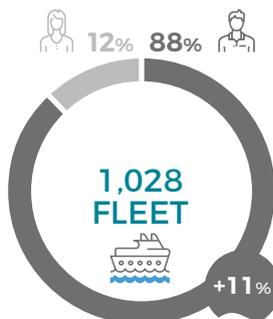
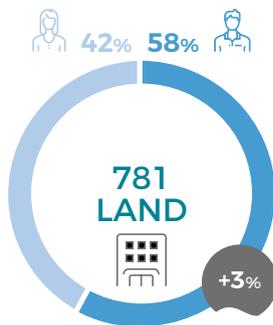
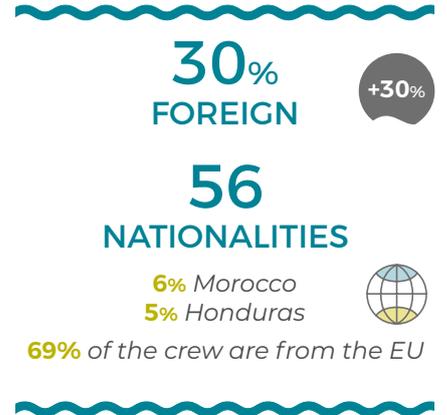
p.47

STAFF PROFILE

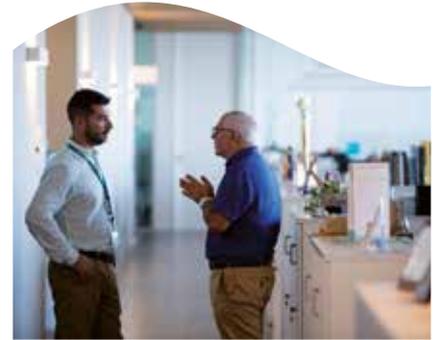
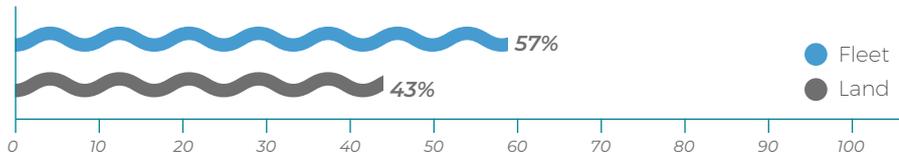


The shipping company continued to generate new jobs in the regions in which it operates. These new employees joined a young team that stands out for its intercultural nature.

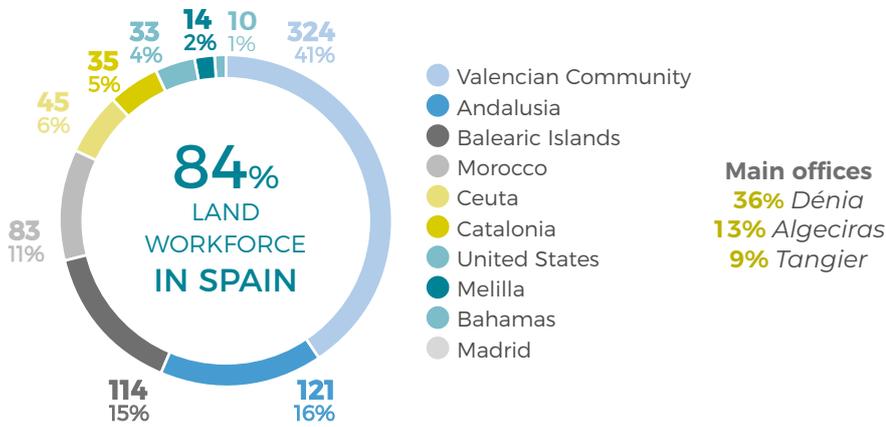
In 2019, the Baleària team continued to grow both on the land and in the fleet. We should highlight the number of men versus women in the fleet, particularly because the type of jobs typically attracting women candidates is low, and the data is similar to that of other companies in the sector. The number of non-EU crew members has also increased due to the incorporation of more vessels flying the European flag, which has meant greater recruitment of employees of different nationalities.



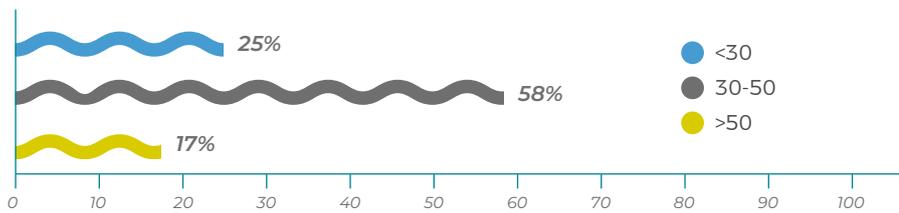
BY AREA



BY GEOGRAPGICAL REGION ON LAND

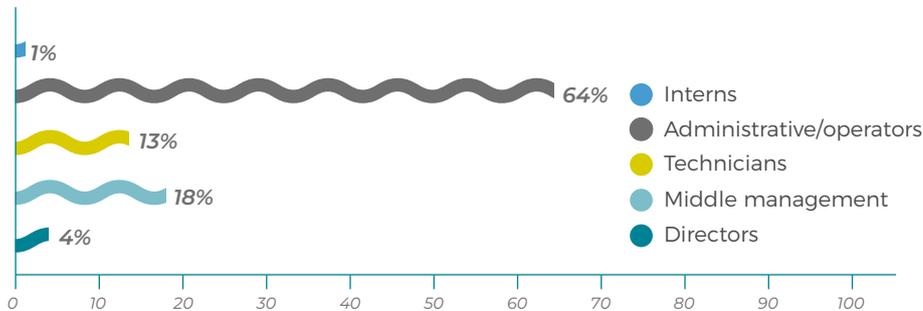


BY AGE



	24%	25%	23%	26%
	56%	66%	62%	55%
	20%	9%	9%	19%

BY EMPLOYMENT CATEGORY



	1%	0%	0%	1%
	62%	73%	69%	61%
	14%	12%	15%	12%
	20%	13%	14%	22%
	4%	1%	2%	5%

EMPLOYMENT POLICIES

SDG
8

The team is a key element for Baleària's activity and competitiveness; that is why it implements recruitment policies that impact the stability of the workforce.

Baleària has introduced its own personnel selection model, ensuring that all vacancies to be filled follow the same selection procedures and the same time standards according to the level of the post. This has resulted in greater reliability, efficiency and cost optimisation, while also helping to apply gender equality criteria.

All candidate job applications are centralised through the *Work with us* section of the corporate website.

JOB STABILITY

56%
OF THE WORKFORCE
IS STABLE

+10%

38% Fleet staff

62% Land staff



WORKFORCE ACCORDING TO CONTRACT

● Full time	1,353	429	1,782
● Part-time	5	21	26

● Permanent	415	209	624
● Temporary	943	242	1,185

● Permanent	442	182	624
● Temporary	340	845	1,185

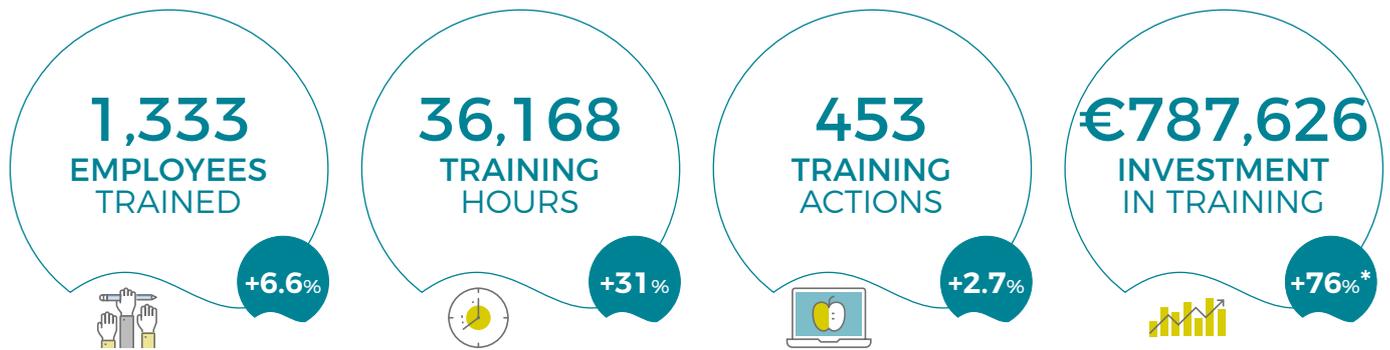
● Full time
● Part-time

● Permanent
● Temporary

● Permanent
● Temporary



BALEÀRIA BUSINESS SCHOOL



The Baleària Business School (EdEB) provides professional and personal development training for the entire workforce, using internal talent to generate even more talent and increase business competitiveness.



The EdEB's main objective is to respond to the training needs of the Baleària group. It has its own system for designing training actions based on the identification of the problem to be solved, the impact objectives to be achieved and the professional skills associated with the work posts to be trained. In addition, it develops training programmes aligned with Baleària's strategy and the training needs detected through its training needs analysis processes.

In 2019, both the financial investment and the number of hours of training increased, mainly for maritime topics (to cover the training needs relating to the new natural gas regulations) and IT tools (especially linked to the new management system).

**The increased investment is partially due to improvements applied to the human resources management computer tool that has made it possible to obtain the exact cost of the working hours involved in training.*

Key training programmes

People Who Lead People

In-house higher education programme on leadership techniques and team management, recognised by the Escuela de Empresarios (EDEM). In 2019, the second edition of the programme began, which will last two years. Face-to-face classes in workshop format were held in Dénia and Algeciras with support material provided via the Canvas e-learning platform.

54 attendees **72** hours/person



Vocational Training Students Morocco

Baleària, as part of a public-private partnership with the Moroccan government and AECID, launched a training and employment-generation project aimed at students in Morocco, to improve their employability. After 20 students were trained in on-board services, 15 went on to the shipping company's job centre.

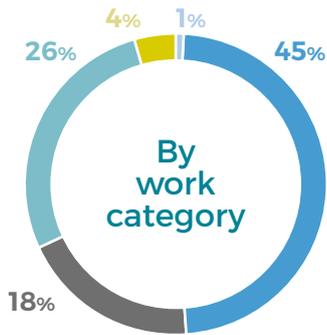
20 attendees **24** hours/person face-to-face + online training

Artificial Intelligence Course

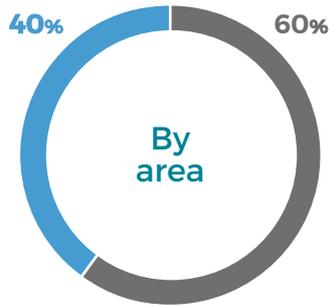
Baleària and the University of Valencia created the Baleària Artificial Intelligence and Neuroscience Course, a training programme on big data and its application to business. This comprises various courses and conferences on data science and artificial intelligence.

73 attendees **20** hours/person

EMPLOYEES TRAINED



- Interns
- Administrative/operators
- Technicians
- Middle management
- Directors



- Fleet
- Land

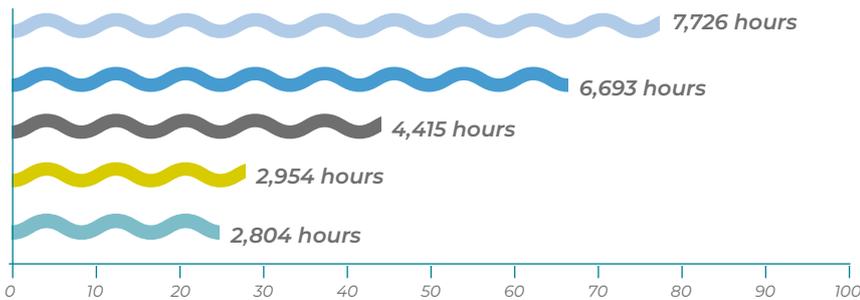
SATISFACTION

3.5
AVERAGE RATING
 TRAINING ACTIONS
 (OUT OF 4).



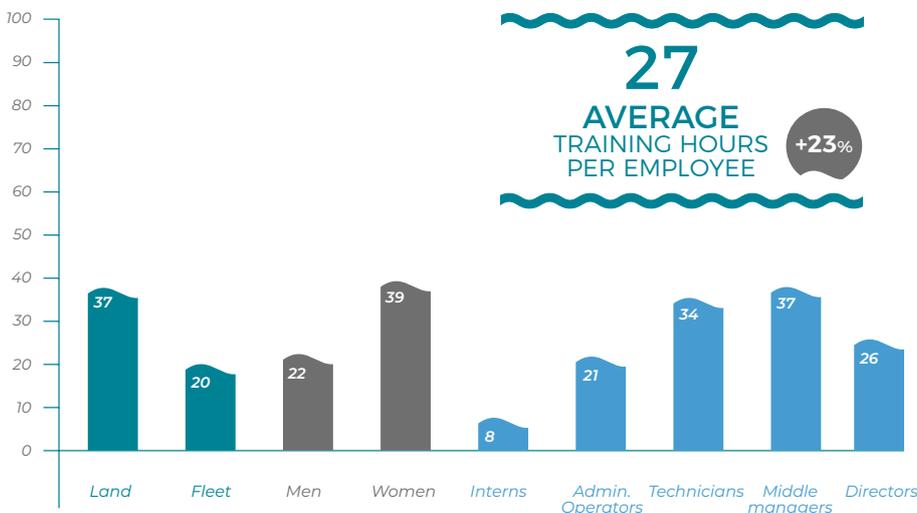
This figure indicates the high quality of the training provided.

MAIN TRAINING TOPICS



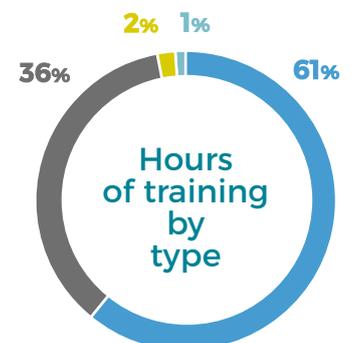
- Maritime
- IT
- Business management
- Languages
- Food safety

AVERAGE TRAINING HOURS



27
AVERAGE
 TRAINING HOURS
 PER EMPLOYEE

+23%



- Face-to-face
- Online
- Remote
- Mixed

TALENT MANAGEMENT

For Baleària, it is essential to identify the best talent and to provide the staff with the tools they need to develop and enhance their knowledge and skills and individual targets.

TRAINEES

After the training, 17 people were incorporated into the workforce.

53
PEOPLE

37 Fleet **16** Land
43 Men **10** Women



Performance management system

All the organisation's employees are evaluated through a performance management system, which allows each employee's performance to be monitored, as well as their skills and alignment with the company's values. In this way, the employees' professional practices and competence levels can be analysed so that decisions can be made regarding promotions, horizontal changes and individualised development plans, according to the company's needs and strategic plan.



1,105
EMPLOYEES
EVALUATED

-0.16%

44% Fleet **56%** Land
65% Men **35%** Women

*The percentage of employees with scores in the highest range went up **19%***

56 internal promotions

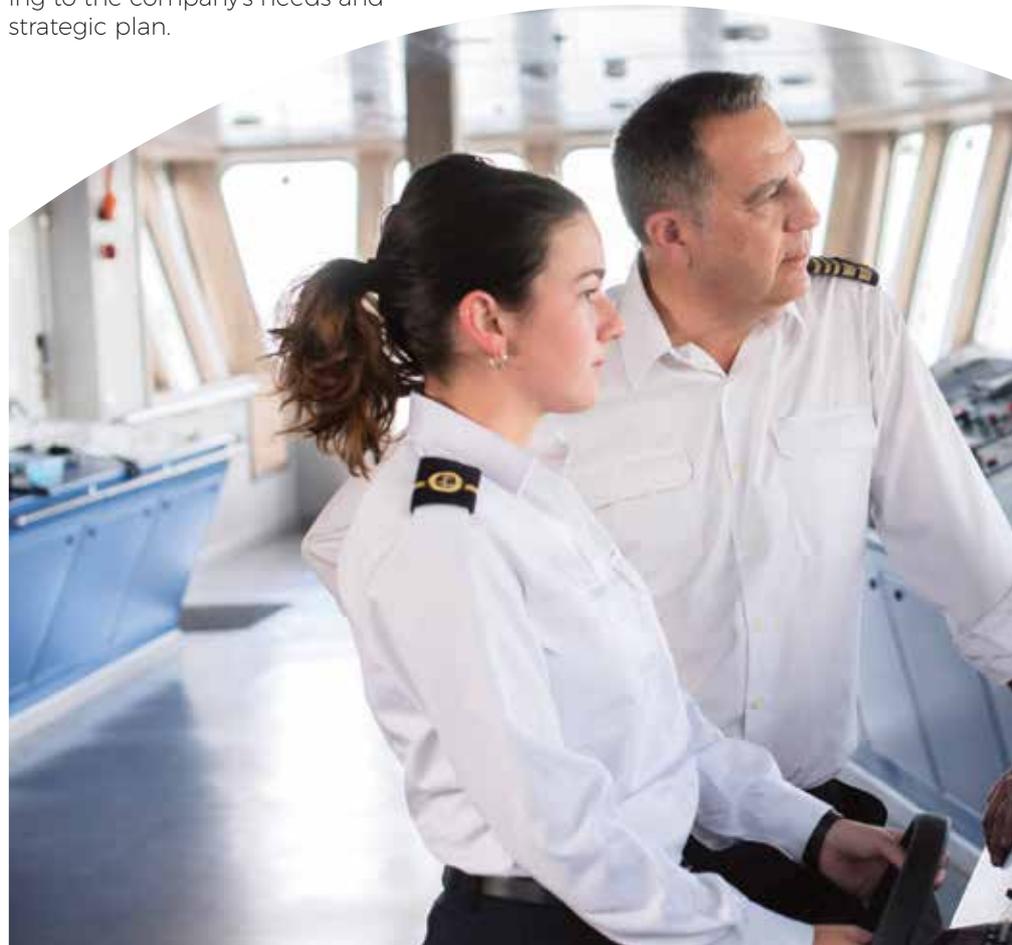
On-boarding plan

The goal is to help new employees integrate into the work environment through training and mentoring. The number of people taking part in the plan fell due to the continuity of the employees and because some of them had already worked in previous campaigns.

364 people
196 Fleet **168** Land

Fleet excellence Fund

This is a fund that allocates **9.8%** of the fleet staff's wage bill to the individual and collective improvement of the workforce in this area, linked to productivity.



SOCIAL BENEFITS

These are benefits that the company offers its employees to maintain, motivate and build staff loyalty in an effort to positively affect personnel stability.

Discounted tickets

Baleària offers its employees and their families special conditions for travel on the routes it operates.

240 employees benefited

Family Plan

Programme intended for Baleària personnel who care for a disabled relative, in conjunction with the Adecco Foundation.

3 employees benefited

Employee Club

Employees can enjoy discounts at partner companies.



Healthy Baleària

This programme, run by the Balària Foundation, focuses on promoting health as well as physical and psychosocial well-being, with actions linked to sport, food and other activities.

Healthy trips for staff

265 participants on **10** trips

Online Wellandgo platform

Focused on improving the health and well-being of workers.

77 participants

FLEET SOCIAL FUND

According to the collective agreements reached with the fleet workers' representatives, 1.3% of the wage bill is allocated to social improvements provided by the company and managed by these representatives.

276
BENEFICIARIES

€86,699

2019 contribution

€396,681

Accumulated fund

INTRANET

This is the main mechanism for communicating the company's news to its staff.

925
MONTHLY
USERS
ON AVERAGE

+4%

280 news items published



SOCIAL COMMITMENT

**SOCIAL CASH
FLOW**

p.49

**BALEÀRIA
FOUNDATION**

p.50

SUPPLIERS

p.55

**PARTNERSHIPS
WITH ENTITIES**

p.56

SOCIAL CASH FLOW

€623,728,000
SOCIAL CASH FLOW

+23%

Baleària's social cash flow is the value generated by the company and how this is distributed among its stakeholders (employees, shareholders, public authorities, investment partners and suppliers of goods and services).

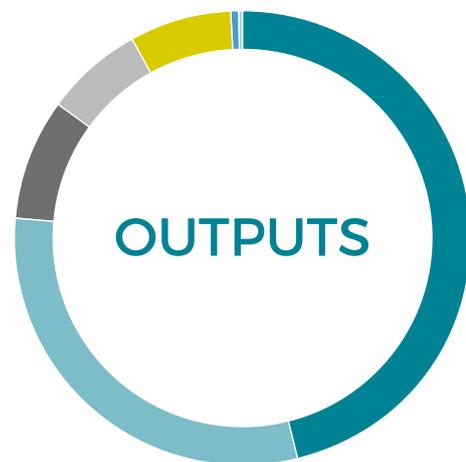
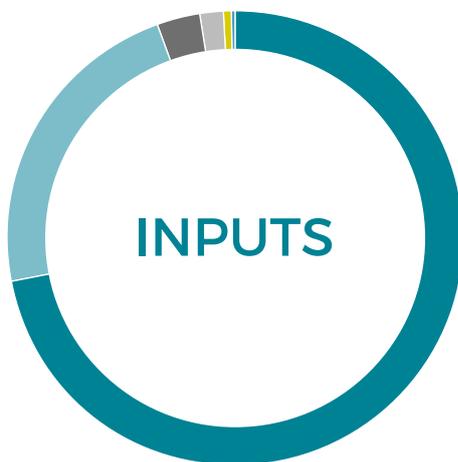
Mainly through its national and international expansion, Baleària makes a significant contribution to the economic and social development of those communities where it has a presence. The turnover generated and resources raised in 2019 allowed the company to transfer more than 623 million euros to its stakeholders, both public and private.

INPUTS (value generated)

Clients through sale of products and services	●	€450,126,000
New financial resources	●	€140,520,000
Savings from previous years	●	€19,033,000
Clients received through sale of assets	●	€10,073,000
Other charges	●	€3,746,000
Interest collected	●	€230,000

OUTPUTS (value distributed)

Suppliers of goods and services	●	€-288,674,000
New investments and innovation	●	€-189,055,000
Employees	●	€-52,616,000
Public entities (fees, taxes and charges)	●	€-43,555,000
Debt services	●	€-46,078,000
Shareholders	●	€-3,015,000
Investment in social programmes	●	€-734,000



BALEÀRIA FOUNDATION

In 2019, the Baleària Foundation celebrated its 15th anniversary by carrying out activities to improve social cohesion, culture and environmental sustainability in the territories where the shipping company operates.

The Foundation's activity focuses on improving the quality of life of the citizens in the communities where it is present, in collaboration with public or private entities in various fields.

Since 2012, the Baleària Foundation has been a signatory of the Global Compact Spanish Network, and is guided by the United Nations' sustainable development goals (SDGs). In the agreements signed in 2019, it invited the organisations with which it collaborates to incorporate the SDGs, and offered to help any interested organisations to do so, as well as organising a conference on sustainable management and ethics in Ceuta for the organisations with which it collaborates.

In 2019, in addition to carrying out actions linked to its programmes and in collaboration with third parties, the Foundation signed 75 agreements and achieved almost 150 sponsorships. Of the activities with third parties, 75% were within the framework of Baleària Cultural; by region, 64% were activities in the Balearic Islands and 24% in the Valencian Community.

€895,000
BUDGET

525
ACTIONS

282
COLLABORATING
ORGANISATIONS



AWARDS

Onda Cero Award for corporate social responsibility

The Baleària Foundation was honoured in Ibiza and Formentera for its commitment to the islands and sustainable development.

Promotion of culture

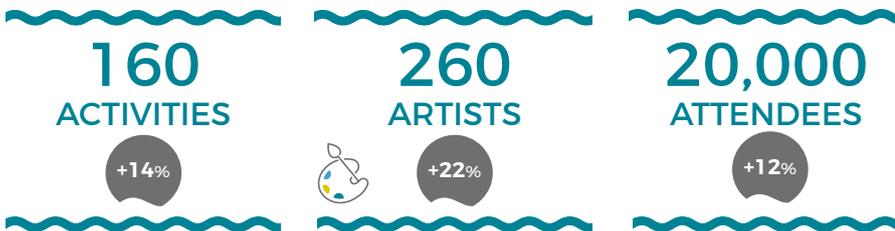
The Associació Unió Musical de Marratxí (Mallorca) awarded the company their annual prize for the promotion of culture.



BALEÀRIA CULTURAL

Llonges de la Cultura

These are spaces, belonging to the company or in collaboration with third parties, which facilitate the exchange of cultural expression between the different regions in which the shipping company operates, and which involve artists, research and educational centres, NGOs, government bodies, business organisations and civic organisations.



Key exhibitions

As part of the Llonges de la Cultura programme, more than thirty exhibitions were organised to enable cultural exchange between the regions where Baleària is present, promoting artistic culture as a nexus of social cohesion. Among these, the double collective *Baleàrics* and *Baleàrics Músics*, was particularly noteworthy, bringing together twenty-five artists from Valencia, the Balearic Islands and Algeria. This show's itinerary took it from Benissa, in Alicante, to the Museum of Modern Art in Oran, Algeria. In fact this was the first time that the Baleària Foundation has exhibited abroad, in its tour of different venues around the Mediterranean.



CULTURAL SPACES

Baleària Port (Dénia) ● Torre dels Ducs de Medinaceli (El Verger) ● Sala de Exposicions del Museu de (Pego) ● Taller dels Ivars (Benissa) ● Taller de Els Magazinos (Dénia) ● Casa de la Cultura (Pedreguer) ● Museo de Arte Moderno (Orán)



This program focuses on collaboration with cultural associations, the development of the company's own activities, and the management of various spaces.



- Balearic Islands
- Valencian Community
- Ceuta, Algeciras, Melilla
- Catalonia
- Algeria

The Foundation promotes activities to raise awareness, preserve the environment and combat climate change.



ECO BALEÀRIA

Whale watching

For years, the Foundation has been running a programme for watching and monitoring cetaceans and other marine species together with different entities, both in the Mediterranean and the Strait of Gibraltar: the **Ecolocaliza-TE association**; **Marine Mammal Information, Research & Conservation** (endorsed by the **University of Cádiz**); the **Asociación Pelagicus**; **Grup Balear d'Ornitologia i Defensa de la Naturalesa (GOB)**, **Ministry of the Environment of the Generalitat de Catalunya**; and the **BioEduca** centre.

44 trips **575** sightings

Scientific research

The Baleària Foundation collaborated with a scientific research project on Posidonia in Formentera, linked to the **Mediterranean Institute for Advanced Studies (IMEDEA)**, and it signed an agreement to join the Biodibal project of the **University-Business Foundation of the Balearic Islands**, the aim of which is to inventory and monitor the biodiversity of the Balearic Islands.

Plastic waste

The Foundation sponsored a study on marine pollution by plastics on beaches in Ibiza and Formentera, conducted by the environmental organisation **GEN-GOB** and led by the **Centre for Advanced Studies of Blanes (Higher Scientific Research Consortium)**. It also participated in an awareness-raising campaign in relation to plastic waste in the sea, together with **Ecoembes**, **SEO BirdLife** and the **Queen Sofia Foundation**. Finally, the corporate volunteers collaborated in the **Volta a Peu a Dènia** race, for which Baleària provided refreshments without plastic containers. The Foundation also collaborated in several beach clean-up days.

Transfer of injured marine animals

The Foundation has an agreement with the marine fauna recovery centre of **Palma Aquarium**, in coordination with **COFIB** and the **Government of the Balearic Islands**, to facilitate the free transfer of injured marine animals. In addition, Baleària participated in the release of three types of turtle in Formentera.

9 turtles and **18** turtle hatchlings





- Balearic Islands
- Valencian Community
- Ceuta, Algeciras
- Catalonia

EXPEDICIONÀRIA

Environmental education and awareness-raising programme for secondary school students, with activities on board and on land.

285
STUDENTS

9
CENTRES



'LA PANSETA'

Free solar-powered boat linking the Dénia marine station with the town centre. The Foundation runs an educational programme for schools on the history of the port.

260,300
PASSENGERS

18,400
TRIPS

1,000
STUDENTS



BALEÀRIA SOLIDARITY

The Foundation promotes initiatives to improve the quality of life of groups at risk of social exclusion, as well as to foster equal opportunities, interculturality, integration and diversity.

Humanitarian aid in the Bahamas

In the aftermath of Hurricane Dorian in the Bahamas, Baleària provided free transport for more than 500 pallets of humanitarian aid and 400 destitute citizens and technical staff, and gave discounts for another 5,000 passengers and 1,200 pallets. In addition, the company organised a fund-raising event through employee donations and a solidarity concert in Dénia.

SolidarizARTE Project

Sale of T-shirts designed by Ibiza artist Doralice Souza, the profits of which went to **Save the Children Melilla**, an NGO dedicated to supporting children at risk of social exclusion.

200 t-shirts sold

Donations of humanitarian material

The volunteers delivered humanitarian material to the **Red Madre Foundation** in Campo de Gibraltar, the **Casa de Franciscanos** in Tangier, the associations **Extiende tu Mano** and **Help in Dénia**, and the **Poreian** organisation, among others.



- Balearic Islands
- Valencian Community
- Ceuta, Algeciras, Tangiers
- Catalonia

HEALTHY BALEÀRIA

The Foundation organises trips for employees and their families.

..... See page

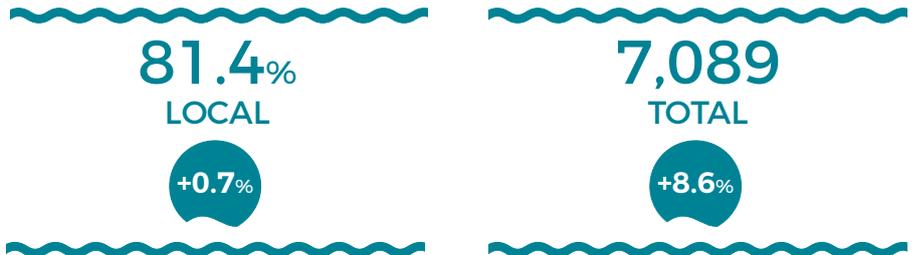
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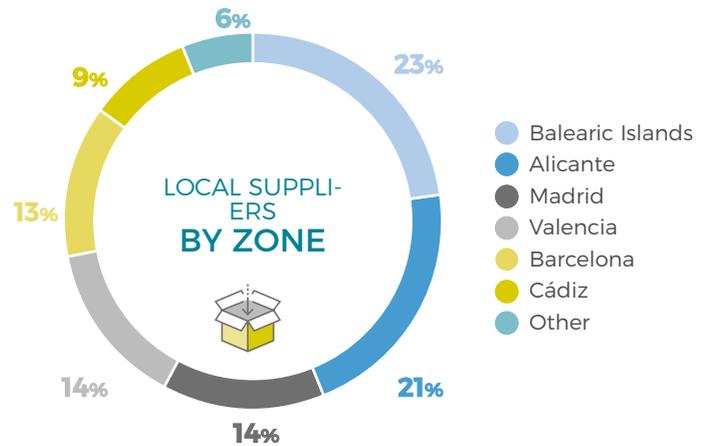


Baleària has a positive impact on the economy of the regions in which it operates, mainly through its commitment to local suppliers, who share the same values as the shipping company.

SUPPLIERS



48 average pay period days



EVALUATION

The Purchasing Department evaluates new suppliers to determine whether these are approved, and annually re-evaluates them according to any possible incidents (punctuality, product or service quality, incidents, etc.) as well as improvements in commercial dealings.

560
NEW
SUPPLIERS

94%
APPROVED
SUPPLIERS



Supply chain

Requests for a product or service under 1,000 euros must be authorised by the technical inspector, the hotel manager or the head of the department or office, as appropriate. Quotes for higher quantities must be studied and approved by the Purchasing Commission.

Once a request has been authorised, the Purchasing Department compares delivery times and terms from various suppliers (which must be approved) and the order is placed with the most suitable one. Orders are received at one of the warehouses (Dénia, Algeciras or USA), and are distributed to the work centre that has requested them (if possible via the company's ships).



AGREEMENTS WITH ORGANISATIONS

SDG
17

ENTITIES THAT FORM PART OF BALEÀRIA

- Business Association for Progress in Management (APD Levante)
- AINE (Association of Naval and Oceanic Engineers)
- Spanish Shipping Line Association (ANAVE)
- Valencian Business Association (AVE)
- Alicante Chamber of Commerce
- ADEIT Chair of Enterprise Culture
- Marina Alta Business Federation (CEDMA)
- Bureau Veritas Naval Committee
- Climate Community
- Enterprise Confederation of Valencia (CEV)
- Social Council of the University of Alicante
- Valencia Tourism Code of Ethics
- Exceltur
- Conexus Foundation
- EDEM Foundation
- Conexus Foundation
- Gasnam
- National Tourism Board
- Spanish Royal Academy of the Sea
- Spanish Royal Navy League
- 'Sana+Mente Responsables' Business Network
- Integrated Destination Tourism Quality System

Since 2017, Baleària has been a member of the Spanish Global Compact Network, having previously signed the agreement in 2011. This is the world's largest corporate sustainability initiative, promoted by the United Nations. The Baleària Foundation has also been a signatory of this network since 2012.

For the second year, Baleària entered the Merco (Monitor Empresarial de Reputación Corporativa) ranking, which lists the top 150 companies operating in Spain, both Spanish and international, in terms of reputation. Baleària is the only maritime transport company included on the list.



Social Council of Alicante University

The president of Baleària, Adolfo Utor, was elected President of the Social Council of the Alicante University, whose task is to ensure that the university is socially responsible.

CONFERENCES AND CONVENTIONS AWARDS AND PUBLICATIONS

Conferences and conventions

Adolfo Utor, Chairman of Baleària

The Chairman of Baleària participated in several events related to the use of natural gas, including the 'Renewable and Natural Gas. Innovation for sustainable mobility' round table that was part of the **Gasnam VII Congress**; the session 'European Funding: Opportunities and success stories', as part of the **LNGHIVE2 Green & Smart Links project**; and the 'IV CORE LNGas Hive Conference' in Gijón, coordinated by **Enagas** and **Puertos del Estado**.

He also participated in the round table 'Opportunities in infrastructure management and passenger transportation to improve the competitiveness of the sector' in the **V Tourism Innovation Forum Hotusa Explora**, a debate on Agenda 2030 in the **Cercle d'Economia de Menorca**, a conference on executive training by the **Almeriense Foundation for Business Excellence**, and the annual conference of the **Spanish Shortsea Promotion Centre**, in Cartagena.

Other participation

Ricardo Climent, Chief Financial Officer, gave several talks on the Master's course entitled **The ABC of Finance**, at **EDEM (School of Entrepreneurs in Valencia)**. Pilar Boix, Communications Director, participated in the **Communications Master at Pompeu Fabra University in Barcelona**. Joan Serra, Ibiza and Formentera Region Representative, took part in the **Hospitality Inspiration Council** on SDGs, and Guillermo Alomar, Fleet Director, was involved in a forum of the **Consulate of the Dominican Republic** in

BALEÀRIA AWARDS:

Gasnam Award for Best Business Initiative in Sustainable Mobility

In the Maritime Transport category, for its commitment to the use of natural gas.

Tourism Prize from the Colegio de Economistas in Alicante

For being the most representative company in the tourism sector in Alicante.

El Vigía Award for the Best Maritime Transport Initiative

For economic growth compatible with the preservation of the planet.

GoliADs Award

A Baleària advertising campaign by the Sapristi agency was recognised as being the Best National Graphic Campaign.

Santa Eulària Town Hall

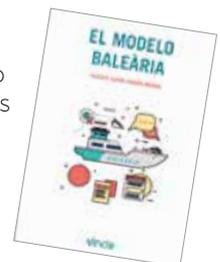
Award to the best sponsor in the field of sport.



Valencia. In addition, Pablo García, head of New Fleet Projects, participated in the congress **Gainn4Mos**; and Francisco Abril, head of Infrastructure and Communications, spoke at a conference on data clouds, organised by **Telefonica** and **VMware**. Baleària also took part in a round table on Agenda 2030 in tourism, organised by the **Spanish Network of the United Nations Global Compact**, and in a debate on *big data* linked to **Jaume I University** in Castelló. Finally, the Development of People and Talent Management area participated in events linked to employment, including the 18th Employment and Entrepreneurship Forum (**University of Valencia**) and the Tourism, Hospitality and Gastronomy Campus meetings (**University of Barcelona**), as well as giving lectures to vocational training and secondary school students in various regions.

The Baleària model

Vincle Editorial presented the book *The Baleària Model*, part of the Economy and Business collection, and written by Vicente Safón and María Iborra, professors at the Faculty of Economics at the University of Valencia. The presentation was attended by figures from the academic and business worlds and from Valencian civil society, in addition to the authors and the President of Baleària, Adolfo Utor.



TRANSPARENCY

**STAKEHOLDER
GROUPS**

p.59

**ETHICS AND
COMPLIANCE**

p.60

INDICATORS

p.61

COMMUNICATION WITH STAKEHOLDER GROUPS

REPUTATION

The most important aspect for stakeholders is Baleària's innovation in the use of non-polluting energy.

Equality policies are indicated as the main point for improvement.

- Occasional
- Constant
- Annually

Proximity and transparency

Baleària has identified its stakeholders (those actors who may affect or be affected by the company's activity), and prioritises these according to its mission, values and business strategy. Committed to maintaining a close relationship with these groups, Baleària has several channels for identifying and satisfying their needs and expectations.

Materiality Analysis

Based on the analysis of the most important issues for the stakeholders, Baleària strives to respond to their expectations, through programmes and actions. In addition, with the materiality study (conducted by means of surveys) the company receives reputational *feedback* that allows it to tackle any challenges and opportunities that arise during the development of its activity.

In 2019, the Corporate Reputation Index (CRI) was created. This index relates the degree of desire for and the perception of different actions related to Baleària's sociocultural, economic, environmental and service areas. This makes it possible to control, measure and improve one of the company's most important intangibles: corporate reputation. The table details the aspects that have the highest CRI.

STAKEHOLDERS	MEDIA	MATERIALITY ANALYSIS
Clients	Ticket offices, Customer Service, Contact Centre, social networks, EntreOlas blog, satisfaction surveys, newsletters and website ● Entreolas magazine ● CSR Report ●	Clients consider Baleària to be well positioned in the market, which generates an economic impact on the various regions in an efficient and fair manner. They value the cultural and social actions and the commitment to the regions, as well as sustainable tourism. They also consider that it offers high quality services.
Employees	On-boarding plan ● Intranet and internal communications ● CSR Report ●	For the employees, the most significant activities are the sociocultural events and the commitment to the regions, as well as the stakeholder transparency policies and product and service innovation.
Travel agencies	Satisfaction surveys ● Contact Centre, newsletters and agency websites ● CSR Report ●	No analysis performed.
Suppliers	Purchasing policy and approval questionnaire ● CSR Report ●	This is the group with the highest CRI, which positively values all aspects (social, economic, environmental and service issues).
Society	Events, conventions, agreements and website ● News in the media ● CSR Report ●	Percentage of responses not representative.
Media	Press releases ● Press conferences, presentations, social networks and website ● CSR Report ●	No analysis performed.
Public authorities	Email and website ● CSR Report ●	The most highly regarded aspects are the competitiveness of the company, its international focus and the creation of jobs.
Shareholders	Shareholders' meeting and CSR report ●	No analysis performed.

ETHICS AND COMPLIANCE

SDG
16

Ethics And Compliance Committee

At the end of 2019, the Baleària Standing Committee approved the creation of the Ethics and Compliance Committee as an instrument to direct the company's ethical management and compliance model. In addition to ensuring compliance with existing regulations and the possible risks faced by the shipping company, this committee also encompasses all aspects related to ethics, corporate social responsibility, reputation, Baleària's values, and its contribution to the sustainable development goals. The committee is supported by a Managerial Committee that represents the areas of the company with the highest number of identified risks.

2018 REPORT

The Global Compact Spanish Network classified the 2018 report as the highest level (Advanced).



The Chairman of Baleària, Adolfo Utor, presented the 2018 CSR report to stakeholders at an event in Dénia.



INDICATORS

Global Reporting Initiative (GRI).
Sustainable Development Goals (SDGs)

I. BASIC GENERAL CONTENT	
1. Profile of the organisation	
102-1	Name of the organisation <i>Baleària</i>
102-2	Activities, brands, products and services <i>P. 11, 18, 19</i>
102-3	Location of headquarters <i>Dénia (Alicante)</i>
102-4	Location of operations <i>P. 11, 17</i>
102-5	Ownership and legal status <i>Grupo Baleària.</i>
102-6	Markets served <i>P. 11, 17</i>
102-7	Size of the organisation <i>P. 11</i>
102-8	Information on employees and new workers <i>P. 41, 42</i> SDG 5, SDG 8
102-9	Supply chain <i>P. 55</i>
102-10	Changes in the organisation and supply chain <i>P. 11-13</i>
102-11	Precautionary principle or approach <i>Baleària has established protocols, both on land and on board its vessels, to prevent any potentially serious damage to the environment. For this purpose, it has emergency control plans in accordance with its Environmental Management System and SOPEP plans to prevent pollution at sea. In addition, Baleària conducts drills at specific times to familiarise its staff with any possible environmental emergencies that may arise.</i>
102-12	External initiatives <i>P. 56-57</i> SDG 17
102-13	Affiliation to associations <i>P. 57</i> SDG 17
2. Strategy	
102-14	Declaration by senior executives <i>P. 6-7</i>
102-15	Main impacts, risks and opportunities <i>The main impacts are positive, due to the use of liquefied natural gas (LNG), which reduces economic costs compared to fossil fuel (40% less), in addition to reducing CO₂ emissions (30% less). The risks faced by Baleària include the rising price of LNG, while the opportunities that the conversion to LNG presents include reduced operating costs in relation to the competition, resulting in greater competitiveness.</i>
3. Ethics and integrity	
102-16	Values, principles, standards and codes of conduct <i>See the Code of Business Conduct and Ethics at https://www.balearia.com/es/responsabilidad-social-corporativa</i>
102-17	Advisory mechanisms and ethical concerns <i>See the Code of Business Conduct and Ethics at https://www.balearia.com/es/responsabilidad-social-corporativa</i>
4. Governance	
102-18	Governance structure <i>P. 12</i>
102-19	Delegation of authority <i>The supreme governing body delegates authority through the Executive Committee to each person responsible for social, environmental or economic matters.</i>
102-20	Executive-level responsibility for economic, environmental and social issues <i>The Executive Committee is responsible for coordinating the planning and implementation of the company's strategy, as well as monitoring its opportunities, risks and impacts. This body is responsible for making decisions on economic, social and environmental issues, where responsibility for these issues is held by three committee members. These people report directly to the supreme governing body, or this committee, where authority is also delegated to those persons responsible for these matters by the supreme governing body.</i>
102-21	Stakeholder consultation on economic, environmental and social issues <i>P. 59</i>
102-22	Structure of the supreme governing body and its committees <i>P. 12</i>
102-23	Chairman of the supreme governing body <i>P. 12</i>
102-24	Appointment and selection of the supreme governing body <i>Art. 26 Company Articles of Association Composition of the Board and number of directors. The Board of Directors shall be made up of at least 3 and no more than 13 members. Determination of the specific number of directors required to make up the Board at any given time, in all cases within the minimum and maximum referred to in this article, is the responsibility of the General Shareholders' Meeting. Shareholder status is not required for election to the Board. The appointment of the members of said Board shall necessarily be performed by means of the proportional system governed by Article 137 of the Public Limited Liability Companies Act and the provisions in development thereof. Art. 27. Directors shall be appointed for a term of five years. They may be re-elected by the General Meeting on one or more occasions, and for periods the same maximum duration. Consideration is given to diversity, independence and experience in economic, environmental and social matters.</i>
102-25	Conflicts of interest <i>The body in charge of managing conflicts of interest is the Ethics and Compliance Committee and these conflicts of interest are expressed in the Code of Conduct. The contracting of personnel or suppliers dependent on members or governing bodies is strictly forbidden, unless authorised by this committee.</i>
102-26	Function of the supreme governing body in the selection of aims, values and strategies <i>The supreme governing body has the function of approving the mission, vision and values, as well as developing the strategies, policies and objectives connected with these matters.</i>
102-27	Collective knowledge of the supreme governing body <i>The supreme governing body has specific training actions that allow it to develop and enhance its knowledge.</i>

102-28	Evaluation of the performance of the supreme governing body <i>No performance evaluation is carried out on the supreme governing body.</i>
102-29	Identification and management of economic, environmental and social impacts <i>The Executive Committee is responsible for identifying and managing economic, environmental and social impacts.</i>
102-30	Effectiveness of the risk management processes <i>The supreme governing body addresses the risk management processes at its monthly meetings.</i>
102-31	Evaluation of economic, environmental and social issues <i>Monthly</i>
102-32	Role of the supreme governing body in the preparation of sustainability reports <i>Review and final approval.</i>
102-33	Communication of critical concerns <i>The company's concerns are expressed in its mission. P. 22.</i>
102-34	Nature and total number of critical concerns <i>Information not available. If there are any critical concerns these are conveyed directly to the management and addressed immediately.</i>
102-35	Remuneration policies <i>The company has no remuneration policies.</i>
102-36	Process to determine remuneration <i>Analysis of market positioning by an external company.</i>
102-37	Involvement of stakeholders in remuneration <i>Information not available.</i>
102-38	Total annual compensation ratio <i>The ratio of the highest paid person's annual compensation to the median is 6.48.</i>
102-39	Percentage total annual compensation increase ratio <i>Information not available.</i>
5. Participation of stakeholder groups	
102-40	List of stakeholders <i>P. 59</i>
102-41	Collective bargaining agreements <i>100%</i>
102-42	Identification and selection of stakeholders <i>P. 59</i>
102-43	Stakeholder engagement approach <i>P. 59</i>
102-44	Key issues and concerns mentioned <i>P. 59</i>
6. Report generation practices	
102-45	Entities included in the consolidated financial statements <i>Baleària Group (Cargua, Kanalion, Compañía Marítima Alborán, Canary Bridge Seaways, Gestión Naviera, Baleària Caribbean).</i>
102-46	Definition of the content of the reports and topic coverage <i>The content of these reports is defined on the basis of the principles set out by the GRI (Inclusion of stakeholders, sustainability context, materiality and completeness). To guarantee the quality of these reports, the principles of accuracy, balance, clarity, comparability, reliability and timeliness are applied.</i>
102-47	List of material issues <i>P. 59</i>
102-48	Restatement of information <i>The 2018 budget of the Baleària Foundation was €908,000 (not €722,928 as reflected in the 2018 report). The number of pets transported in 2018 was 52,435 (not 51,652). The economic value distributed in 2018 was €350,430,691.26 (not €319,390,514.84).</i>
102-49	Changes in reporting <i>Changes relating to the reporting period from the calendar year to the fiscal year affect the following areas: miles, trips, complaints and claims, environment, recycling and suppliers.</i>
102-50	Reporting period <i>2019</i>
102-51	Date of last report <i>2018</i>
102-52	Report preparation cycle <i>Yearly</i>
102-53	Point of contact for questions about the report <i>rsc@balearia.com</i>
102-54	Statement on the preparation of the report in accordance with GRI standards <i>This report has been prepared in accordance with the comprehensive option of the GRI standards. It reflects the economic, social and environmental performance (relating to workforce, miles, trips, complaints and claims, recycling and suppliers) for the 2019 fiscal year (November 1, 2018–October 31, 2019). All other data refer to the calendar year.</i>
102-55	GRI table of contents <i>P. 61-65</i>
102-56	External verification <i>Not performed</i>
II. THEMATIC CONTENT	
ECONOMIC	
201. Economic performance	
201-01	Direct economic value generated and distributed <i>P. 14-15</i>
201-02	Financial implications and other risks and opportunities deriving from climate change <i>MARPOL VI limits, 2020: 0.5%: The new MARPOL Annex VI enters into force in 2020, where only fuel with a sulphur level of less than 0.5% can be used. This implies tank cleaning and consumption: Diesel Oil, LNG, mount scrubbers or use a new low-sulphur fuel (VLSFO 0.5%). European Regulation EU-MRV and International Regulation IMO DCS: New international regulations IMO DCS (Data Collection System) and European Regulation MRV (Monitoring Reporting and Verification). Through these two regulations, ship emissions must be monitored. Thanks to the good work that Baleària has already been doing for several years with regard to monitoring emissions through the IEB (Baleària Eco-Efficiency Index), the entry into force of these regulations has not entailed an increased workload. SDG 9</i>
201-03	Obligations of the defined benefit plan and other retirement plans <i>This only includes medical insurance actions for fleet personnel and training actions for maritime qualifications.</i>
201-04	Financial assistance received from the government <i>In 2019, Baleària received a small sum from the European Union grant approved in 2018 for the re-engining of 5 vessels to LNG. The company also received a grant of €597,800 for a project at the Port of Valencia to reduce its emissions and waste.</i>
202. Market presence	
202-01	Ratio of standard entry level wage by sex to local minimum wage <i>The ratio of the standard entry level wage by sex to the local minimum wage is 1.07 for both men and women. SDG 5</i>

202-02	Proportion of senior executives recruited from the local community 55%. A senior executive is understood as any figure with management responsibilities and membership of the company's senior management committees. Significant operations are those performed at each of the Balearia regional offices SDG 8
203. Indirect economic impacts	
203-01	Investment in infrastructure and supported services P. 15 SDG 9.1.1
203-02	Significant indirect economic impacts Information not available.
204. Acquisition practices	
204-01	Proportion of spending on local suppliers 73% SDG 8
205. Anti-corruption	
205-01	Operations evaluated for corruption-related risks The company has developed a Criminal Offences Prevention Manual and appointed a committee for this purpose.
205-02	Communication and training on anti-corruption policies and procedures No training has been conducted on this topic.
205-03	Confirmed cases of corruption and measures taken Balearia has an email address so that employees or suppliers can report any illicit behaviour they detect.
206. Unfair competition	
206-01	Legal actions connected with unfair competition, monopolistic and anti-trust practices There are no ongoing proceedings in this regard.
ENVIRONMENTAL	
301. Materials	
301-01	Materials used by weight or volume 11,888,915 ecological consumables used (cutlery, glasses, plates, toothpicks, napkins, etc.).
301-02	Recycled supplies used Data not available. This is planned for 2020.
301-03	Reused products and packaging materials Data not available. This is planned for 2020.
302. Energy	
302-01	Energy consumption within the organisation P. 24. Electricity used: 1,599,000 KW Water used: 99,317.61 m ³
302-02	Energy consumption outside the organisation Information not available.
302-03	Energy intensity Reply on 305-4 SDG 13
302-04	Reduction of energy consumption This report does not reflect the reduction of energy consumption in fuels because the reporting period has changed.
302-05	Reduction of energy requirements for products and services P. 24 SDG 12
303. Water	
303-01	Water extraction by source Balearia obtains the water that it uses from the municipal mains supply in the various locations where it operates. In 2019, the organisation consumed 19,977.36 m ³ in the maritime stations and 79,340.25 m ³ of water on the ships. In total 99,317.61 m ³ *(Not all the data is available for the reporting period).
303-02	Water sources significantly affected by water extraction Mains water in the ports where Balearia operates.
303-03	Recycled and reused water Balearia does not use recycled water and has no resources in place for water recycling.
304. Biodiversity	
304-01	Operational sites owned, leased or managed, located within or adjacent to protected areas or zones of high biodiversity value outside protected areas Balearia does not have any operational sites located within or adjacent to protected areas or zones of high biodiversity value.
304-02	Significant impacts of activities, products and services on biodiversity The significant impacts identified by Balearia in connection with its activities are the: emission of combustion gases from engines; generation of solid urban waste; generation of hazardous waste; and consumption of natural resources (fossil fuels and water). To reduce these impacts, Balearia implements various initiatives, including the use of natural gas, thereby reducing CO ₂ and NO _x emissions, and virtually eliminating the generation of SO _x and particles.
304-03	Protected or restored habitats Participation in the following initiatives: "Plàstic 0" on the beaches of Formentera (Ses Salines Natural Park); expeditionary programme in the Ses Salines Natural Park (Formentera); cleaning of the port of Sant Antoni (Ibiza); awareness day on the stone tumuli of Es Trucadors (Ses Salines Natural Park, Formentera); workshop on microplastics in Formentera and cleaning of the La Mola cliff (Formentera). SDG 14
304-04	Species on the IUCN Red List and national conservation lists whose habitats are within areas affected by operations 26 vulnerable and 10 endangered species.
305. Emissions	
305-01	Direct GHG emissions (scope 1) P. 24 SDG 13
305-02	Indirect GHG emissions from power generation (Scope 2) On ships, on-board electricity is produced through the use of auxiliary engines or shaft generators (through the operation of the main engines), so this indicator is directly related to the consumption of the main and auxiliary engines. P. 24 SDG 13
305-03	Other indirect GHG emissions (scope 3) Information not available. They are not measured and are not expected to be calculated in the short term.
305-04	Intensity of GHG emissions Balearia Eco-Efficiency Index (IEB) 2019: 0.2233 kg CO ₂ /t*mile. 2018: 0.2242. (-0.41%) P. 24
305-05	Reduction of GHG emissions See 305-04
305-06	Emissions of ozone-depleting substances (ODS) Information not available. These are not measured and are not expected to be calculated in the short term.
305-07	Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions Information not available. It is planned that these will be calculated in the future.

306. Effluent and waste	
306-01	Discharge of water in accordance with quality and destination Waste water is generated by the company's ships and handed over at the different ports via the MARPOL service. Waste water discharged by marine stations comes from human use and goes into the sewage system. Oily water (MARPOL I): 24,141 m ³
306-02	Waste by type and elimination method MARPOL I. 1526 t of fuel recycled. MARPOL V. 103 t of plastic. 1526 t of glass. Disposal is through certified companies.
306-03	Significant spills Spill of hydraulic oil in Dénia's maritime station, involving the contamination of 5 litres of soil. (06/05/2019). / Spill of fuel oil remaining in the hose of a truck after delivery, involving the contamination of 15 litres of soil. (04/09/2019) / 1,000 litres of diesel oil spilled from a ferry in Málaga. (15/08/2019). / Soot pollution in Ceuta and Algeciras from the fast ferry (02/10/2019)
306-04	Hazardous waste transport Baleària is not involved in the transportation of hazardous waste. Any hazardous waste that might be carried by Baleària is shipped as freight and transported on self-propelled vehicles operated by waste managers, without the shipping company interacting with this type of merchandise at any time.
306-05	Water bodies affected by water discharge and/or run-offs Baleària does not perform water discharges or run-offs. The waste water generated by its ships is delivered to on-land treatment facilities.
307. Environmental compliance	
307-01	Non-compliance with environmental regulations and legislation No proceedings have been received in this regard.
308. Environmental evaluation of suppliers	
308-01	New suppliers that have passed evaluation and selection filters according to the environmental criteria 73%
308-02	Negative environmental impacts in the supply chain and measures taken The negative environmental impacts in the supply chain are those associated with CO ₂ emissions during the transport of material to one of the company's regional offices. To avoid these emissions, priority is given to local suppliers.
SOCIAL	
Work-life balance (material issue)	
103-1 103-2 103-3	Work-life balance is an issue of particular importance for employees, who would like the company to offer measures to achieve such a balance, with the organisation playing a fundamental role through direct actions. A work-life balance plan has been drawn up for this purpose setting out measures (pending approval), in addition to others that have already been implemented, and which describes the company's current policies, commitments, objectives and goals, resources, programme and initiatives. For the purposes of assessing the cost-effectiveness and efficiency of this matter, the absenteeism rate will be evaluated, among other points.
401. Employment	
401-01	New recruitment and staff turnover Information not available. We intend to calculate this in 2020.
401-02	Benefits for full-time employees not given to part-time or temporary employees All social benefits apply equally to all workers, irrespective of their working hours. All employees receive incapacity and disability cover and parental leave. Life insurance in accordance with collective agreement and special terms for medical insurance. SDG 8
401-03	Parental leave In 2019, there were 33 parental leaves, of which 19 were men (one did not return after the leave) and 14 women (two did not return after the leave and one took voluntary leave within the following 12 months). SDG 5
402. Worker-company relations	
402-01	Minimum notice periods for operational changes As established by current legislation.
403. Health and safety at work	
403-01	Worker representation in formal worker-company health and safety committees 100% of the workers are represented by the Health and Safety Committee, which is governed by the provisions of Articles 38 and 39 of Law 31/1995 on the Prevention of Occupational Risks.
403-02	Types of accidents and rates of accident frequency, occupational diseases, days lost, absenteeism, and number of deaths due to work-related accidents In 2019, there were 28 work-related accidents (19 affecting men and 9 affecting women), of which 6 were due to collision with a stationary object; 6 due to a fall to the same level; 5 due to overexertion; 2 while travelling; 3 in transit; 2 blows from an object; 2 due to objects falling during handling; 1 due to being trapped; 1 due to a cut with a sharp object; and 1 accident due to wave break. With respect to accident rates, the incidence rate was 27.9%, the frequency rate was 12.14, the severity rate was 0.34 and the average duration was 28 days. There were 70,544 hours of absenteeism. Non-work-related illnesses accounted for 2.95%, and work-related illnesses: 0.34%. There were no occupational diseases or deaths from work-related accidents.
403-03	Workers with high incidence or high risk of illnesses connected with their activity None.
403-04	Health and safety issues dealt with in formal agreements with trade unions Within the Health and Safety Committee, 100% of the issues regarding the prevention of occupational risks are addressed, and agreements are reached on this matter.
404. Training and education	
404-01	Average hours of training a year per employee P. 45 SDG 8
404-02	Programmes to improve employee skills and transition support programmes P. 44-45 SDG 10
404-03	Percentage of employees receiving regular performance and professional development evaluation P. 44
405. Diversity and equal opportunities	
405-01	Diversity of governance bodies and employees P. 42 SDG 5
405-02	Ratio of basic salary and remuneration of women compared with men The salary gap is 14.5% SDG 5
406. Non-discrimination	
406-01	Cases of discrimination and corrective actions undertaken Not included. SDG 5
407. Freedom of association and collective bargaining	
407-01	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk The company supports the right to freedom of association and the recognition of the right to collective bargaining (the fleet has a committee comprising 5 delegates from UGT, 4 delegates from SAME and 4 from CCOO, and in the land centres that have unitary representation of the workers, all correspond to the UGT union). No centres or suppliers have been identified in this regard.

408. Child labour	
408-01	Operations and suppliers with significant risk of child labour <i>Not applicable</i>
409. Forced or bonded labour	
409-01	Operations and suppliers with significant risk of forced or bonded labour <i>Not applicable</i>
410. Security practices	
410-01	Security personnel trained in human rights policies and procedures <i>No personnel were trained in this regard. This is scheduled for 2020</i>
411. Rights of indigenous peoples	
411-01	Cases of violations of the rights of indigenous peoples <i>Not applicable.</i>
412. Human rights assessment	
412-01	Operations subject to human rights impact reviews or evaluations <i>None performed</i>
412-02	Employee training in human rights policies or procedures <i>No training has been carried out in this regard.</i>
412-03	Significant investment contracts and agreements with human rights clauses or subject to human rights evaluation <i>None performed.</i>
413. Local communities	
413-01	Operations involving the local community, impact assessments and development programmes <i>P. 50-53</i>
413-02	Operations with significant real or potential negative impacts on local communities <i>Company activities that could generate negative impacts on local communities are those connected with the noise generated by the ships' engines when they are in port.</i>
414. Social evaluation of suppliers	
414-01	New suppliers that have passed selection filters according to social criteria <i>Suppliers have not been evaluated based on social criteria.</i>
414-02	Negative social impacts in the supply chain and measures taken <i>The negative social impacts that could occur in the supply chain are those that depend on manufacturers in Asian countries, which provide services to Baleària's suppliers, and may be involved in child or forced labour practices, etc.</i>
415. Public policies	
415-01	Contributions to political parties and/or representatives <i>Baleària made no contributions in this regard.</i>
416. Customer health and safety (material issue)	
103-1 103-2 103-3	<i>Maritime safety is an aspect of overriding importance for Baleària, with a direct impact on the services it provides. The Safety Management System covers its entire fleet, and the company has a DPA in place for this purpose, and an area dedicated to compliance with all requirements based on this aspect. The Management System is supported by the company's maritime safety and environmental protection policy, establishing a clear commitment to the implementation of policies to eliminate and/or minimise risks to personal health, damage to the environment, equipment and ships, along with compliance with the laws and legal regulations in force at the national and international levels, thereby complying with the requirements of the ISM Code. This system is continuously reviewed by the company by conducting internal inspections and audits, and is also audited once per year by the authority in order to guarantee compliance.</i>
416-01	Evaluation of impacts on health and safety in the product or service categories <i>Through its Safety Management System, safety committees, audits and management tools, Baleària continuously evaluates compliance with the applicable health and safety measures and promotes the continuous improvement of these measures on board its ships and in its facilities. SDG 3</i>
416-02	Cases of non-compliance related to health and safety impacts in the product and service categories <i>None received. SDG 3</i>
417. Marketing and labelling	
417-01	Requirements for information and labelling of products and services <i>Baleària uses its website to inform customers as to control and safety measures established for embarking on its ships. On board, passengers are also provided with information cards on the various methods of evacuating the ship they are sailing on, and they are informed how to use these, should they be needed, by means of a video shown when the crossing begins.</i>
417-02	Cases of non-compliance connected with information and labelling of products <i>None received.</i>
417-03	Cases of non-compliance related to marketing communications <i>None received in this regard.</i>
418. Client privacy	
418-01	Substantiated claims regarding violations of client privacy and loss of client data <i>None received in this regard.</i>
419. Socioeconomic compliance	
419-01	Non-compliance with laws and regulations in the social and economic spheres <i>None in the economic sphere. In social terms these are insignificant.</i>

* The data are from the companies in the Tierra collective group, with the exception of Jauja.

CREDITS

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BALEARIA