

Corporate Social Responsibility and Sustainability Report 2018

*«Our contribution
to transform the world»*

BALEARIA

REPORT 2018

BALEARIA

*In memory of Amalio Muñoz, founding shareholder,
member of the Board of Directors of Balearia and
adviser to the President, who passed away in 2018*

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Letter from the Chairman

For Baleària, 2018 was the year in which it fleshed out its contribution to combating climate change: the year of liquefied natural gas (LNG), a clean energy source which substantially reduces atmospheric emissions of pollutant gases. It was also Year 0 for digitalisation, incorporating the latest technological innovations at the service of eco-efficiency and passenger care. Natural gas and digitalisation are strategic initiatives for Baleària which converge on board our smart ships, both the three that have been newly built and the six that are to undergo a transformation. Two twin smart ferries were launched in 2018, one of which, the *Hypatia de Alejandria*, was the first to sail the Mediterranean powered by gas. We have also begun construction of the first fast ferry in the world with dual LNG engines, which will enter operations in 2020. Lastly, the European Union granted us a 20% subsidy to replace ferry engines with LNG models and to adapt to smart technology, rating our project as Excellent.

There were a great many projects to be highlighted over the course of the year, all of which, as with the LNG initiatives, have the same central strand: the constant pursuit of competitiveness, through a clear determination to preserve the planet and achieve a more inclusive and socially sustainable world of equal opportunities, while taking on board these criteria as business opportunities that contribute to the need for eco-

economic growth. Without sustainable economic growth this could scarcely be achieved, which is why Baleària, like many other companies around the globe, accepts the challenges that the Sustainable Development Goals present us with.

This is the ninth year that we have fulfilled our obligation to issue the Corporate Social Responsibility and Sustainability Report, following the Global Reporting Initiative criteria established by the United Nations Global Compact to which we are signatories, with our report classified for the second year running at the highest Advanced level. For the United Nations, sustainability and progress reports "are the most effective exercise in transparency". A document that is not simply a list of good practices, but aims to reflect the philosophy of our shipping line, which celebrated its 20th anniversary in 2018. A report intended to provide a transparent and rigorous response to the expectations that all our stakeholders have placed in us.

Another happening in 2018 was our alliance with the shipping line Fred. Olsen Express, allowing us to begin passenger and vehicle freight sailings between

the Spanish mainland and the Canary Islands, a new market for Baleària underpinning our strategic position in the marketplace with a more comprehensive and solvent offering.

The most significant figures for the year include the 9.4% increase in our workforce, who now number 1,681 people, despite the fact that business growth remained at 5% and returns were significantly reduced in both cash flow and results terms. These contradictory figures are explained by the phase

We aim to be competitive through a clear desire to preserve the planet and achieve a more inclusive world of equal opportunities.



of expansion that the company is going through, with the consolidation of new crossings on the Alborán Sea and the Canaries, and the significant increase in fuel prices registered in 2018. It is nonetheless good news for our company and for society that we have added to our number of employees.

Training our teams was another of our priorities in 2018, with our Business School playing a fundamental role in achieving this: as many as 74% of our staff received training, completing 27,535 effective hours (+38%).

Our customers, the stakeholders who all our teams and efforts focus on, once again gave a positive response this year. We clocked up 4.3 million passengers (+11%), over one million vehicles (+17%) and 5.8 million metres of cargo vehicles (+3.5%). During the year we once again worked towards our mission of facilitating free trade and the free movement of people, knowledge and culture, and thereby the well-being of citizens in the regions where we operate. International crossings accounted for more than a million passengers (+26%), registering faster growth than our domestic routes. We likewise marked an all-time record of 97% loyalty among our customers, with all our teams working hard to achieve the very highest standards of customer service and care.

2018 also saw the set of four eco-fast ferries begin sailing between the islands of Ibiza and Formentera, reducing CO² emis-

sions by up to 36% compared with the ships previously used on this route. These eco-fast ferries furthermore received an award from the Association and Chamber of Naval Engineers of Spain as the best shipbuilding project of the year.

Particular mention should likewise be made of our suppliers, who are our closest partners and whose involvement is essential in achieving our mission. We fully take on board our company's role as an economic driver in our regions: 80.9% of our suppliers are local. At Baleària we evaluate suppliers in accordance with their compliance with regulations and with our own code of conduct, and once again the great majority of them (85%) are ranked in the two highest categories, which means that the companies providing our supplies offer high quality and share our values.

I must lastly mention the Baleària volunteering scheme which comprises more than 140 employees, and which continues to undertake charitable activities to champion the environment, health and culture. These initiatives are a

source of pride for our company, and go hand-in-hand with the Baleària Foundation which, with a budget of over 700,000 euros, undertook 429 activities, including

the staging of concerts, exhibitions, charitable projects, marine fauna sightings and plastic waste collection.

This report is a reflection of our philosophy: to provide a transparent and rigorous response to our stakeholders' expectations.

Our commitment is for the long term, and follows the path of innovation and growth.

Our mission is to facilitate free trade and the free movement of people, knowledge and culture, thereby contributing to the well-being of citizens.

We look forward to 2019 with a very busy agenda, as much as in 2018 if not more so, but with a number of certainties that I would like to take this opportunity to reiterate: inclusion, protection of the planet and sustainable economic growth lay the foundations for our values; innovation, digitalisation and artificial intelligence will define the future; and only our capacity to remain competitive will allow us to continue growing. Our commitment is for the long term, and we are engaged in a far-reaching transformation of the organisation within the context of the new digital culture. In 2019 we will have six ferries with LNG and smart technology, and will be renewing the engines of a further two; we will be implementing a new management system, a new and powerful CRM, a new website and app; and we face the huge challenge of consolidating the new Alborán Sea and Canary Islands crossings, all within a new market context that is not without its complications. And so I would like to convey to all our stakeholders our determination for the long-term future to continue along the path of innovation and growth, and the need to continue drawing on their input and enthusiasm in achieving our worthy goals.

2018 in Figures

Fleet

31
ships

2
ships
being built

1,359,000
nautical miles sailed
(+13%)

0,2242
kg CO² / t*mile
(+24,6%)

Traffic

4,320,000
passengers
(+11%)

1,029,000
vehicles
(+17%)

5,845,000
m. l. cargo
(+3,5%)



Company dimensions

5	23	1,680
countries	routes (+4)	employees (+9.4%)

Economic results

381,000,000€	70,000,000€
turnover (+5%)	EBITDA (-14%)



Leading
company

BALEÀRIA  PORT

→ **Presentation of the shipping line**

Innovation, service and sustainability

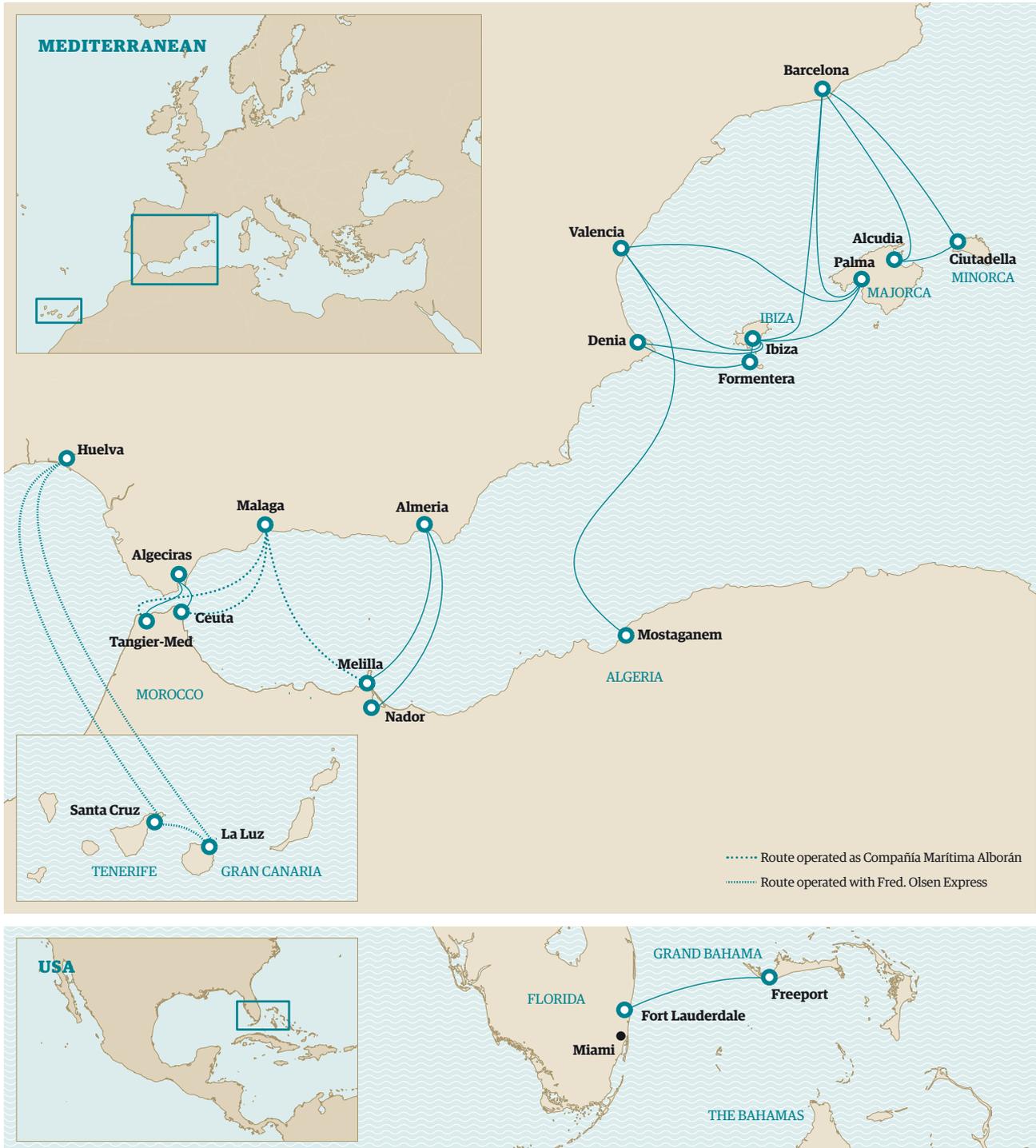
Baleària, which marked its 20th anniversary in 2018, is the leading shipping line for passenger, vehicle and freight transport on sailings to the Balearic Islands, as well as being the only operator with inter-island routes covering all four islands of the archipelago. It also operates in the autonomous cities of Ceuta and Melilla, and has since 2018 linked Huelva with the Canary Islands. At the international level it provides services in Morocco and Algeria, and also between the United States and the Bahamas.

It is a pioneering shipping line in the use of natural gas, and has implemented a fleet plan which includes both the building of smart ships and the replacement of ship engines allowing them to run on this alternative fuel, reducing atmospheric emissions. Baleària's strategic commitment to LNG, which began eight years ago, is in line with its principles of social responsibility and economic profitability, thereby remaining one step ahead of the increasingly strict regulations governing pollutant gases.

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. The Baleària group has a stable workforce of more than 1,600 people employed at its 22 regional offices and on board 31 ships.



Route map





Fleet

FERRY

	Speed	Length	Beam	People	Vehicles
Abel Matutes	23 kn	190 m	26 m	900	625
Amman (***)	15 kn	139 m	18 m	955	479
Bahama Mama	23 kn	154 m	24 m	1,000	350
Dénia Ciutat Creativa	19 kn	150 m	23 m	399	430
Duba Bridge (***)	16 kn	141 m	23 m	399	260
Hedy Lamarr (**)	24 kn	186 m	25 m	600	646
Hypatia de Alejandría	24 kn	186 m	25 m	880	608
Martín i Soler	23 kn	165 m	25 m	1,200	567
Nápoles (**)	23 kn	186 m	25 m	1,600	481
Nissos Chios (***)	27 kn	141 m	21 m	1,400	402
Passió per Formentera	22 kn	100 m	17 m	800	105
Poeta López Anglada	18 kn	133 m	22 m	1,257	243
Posidonia	17 kn	69 m	14 m	728	90
Regina Baltica	19 kn	145 m	25 m	1,675	350
Rosalind Franklin (*)	22 kn	188 m	28 m	800	624
Sicília (**)	23 kn	186 m	25 m	1,000	481
Viot	12 kn	64 m	11 m	41	23

FAST FERRY

	Speed	Length	Beam	People	Vehicles
Avenar Dos	34 kn	82 m	23 m	855	174
Cecilia Payne (*)	38 kn	86 m	24 m	800	200
Formentera Direct	25 kn	50 m	14 m	309	36
Eco (Aqua, Terra, Lux, Aire)	27 kn	28 m	9 m	355	-
Jaume I, II, III	32-36 kn	78-81 m	26 m	623-655	130-144
Maverick Dos	30 kn	39 m	9m	356	-
Nixe	32 kn	63 m	16 m	546	122
Pinar del Rio	32 kn	74 m	26 m	462	80
Ramon Llull	35 kn	83 m	13 m	551	120

IN CONSTRUCTION

	Speed	Length	Beam	People	Vehicles
Marie Curie	24 kn	186 m	25 m	880	608
Eleanor Roosevelt	35 kn	125 m	28 m	1,200	500

(*) Incorporated and acquired in 2018

(**) Acquired in 2018

(***) Chartered in 2018

31
ships

2
ships
under construction

90%
Owned fleet
5
ships
acquired in 2018

→ Key company milestones

Twenty years uniting the seas



The history of Baleària, now Spain's leading shipping line and a global pioneer in the use of natural gas, began in June 1988 when Adolfo Utor, the company's current president, spearheaded the founding of Baleària together with other former employees of the Flebasa shipping line, which had become bankrupt.

Despite the delicate financial position, the recently established Baleària made a commitment to new technologies and a renewed fleet, and just three years later began sailings between the Balearic Islands and the Valencia Region with the *Federico García Lorca* fast ferry, which was the company's flagship for many years.

This commitment to high-speed sailing continued with the addition of more fast ferries, while also starting up new sailings between the Balearic Islands and achieving other milestones: such as the first route across the Strait of Gibraltar, which likewise marked the

first step in the company's internationalisation, in 2003, by linking Algeciras with Tangier. Two years later the firm took over and merged with the shipping division of the Matutes Group.

The Baleària Foundation was launched in 2004 as a way of contributing to regional social and cultural development. The fact is that social responsibility and innovation are hard-wired into the Baleària mindset.

As demonstrated by the ambitious fleet plan involving the building of four innovative new generation ferries. A new stage began in 2009, then, and with it a new concept: experiential travel, focused on comfort and on-board entertainment. The new ships were much more sustainable, with a greater cargo capacity.

Over the following years a new strategic approach gained traction: breaking into markets

abroad as a way of expanding the business project. First in the Caribbean, and subsequently on a number of North African and Atlantic routes, linking Huelva to the Canary Islands.

Two decades after it was founded, Baleària is a dynamic and competitive company which continues to set itself challenges, such as digital transformation and the use of liquefied natural gas as a fuel, a field in which it is a global pioneer.

Scan this code to view the video commemorating 20 years of Baleària.





Celebration of 20 years. In December 2018 Baleària marked its twenty years of existence with an emotional party held at the company's headquarters, attended by more than 300 people including representatives of all the firm's regional offices and much of the fleet, as well as the shipping line's founding shareholders.

Milestones in 2018

January-June

Completion of the set of **four eco-fast ferries** for the Ibiza-Formentera route.
 →See page 32

March/November

Launch of the **Hypatia de Alejandria** and **Marie Curie ferries**, the first powered by **LNG** on the Mediterranean.
 →See page 30

July

Creation of **Compañía Marítima Alborán** for the routes from Malaga to **Ceuta, Melilla and Tangier**.
 →See page 36



October



Shipbuilding begins on the world's **first fast ferries powered by natural gas engines.**

→See page 31

November



Operations begin between the Spanish mainland and the **Canaries** thanks to an agreement with **Fred.Olsen Express.**

→See page 36

November



Work begins to install new **LNG engines** on the **Nápoles ferry**, the first of six planned.

→See page 31



Economic performance

381,476,282€

total operating revenue

(+5%)

70,316,049€

EBITDA

(-14%)

27,491,558€

net profit

(-37%)

	2018	2017	2018	Variation	2017
ECONOMIC VALUE GENERATED	381,476,282.70	362,616,733.20	100.00		100.00
Services provided	369,975,414.70	356,055,220.89	96.99	3.9	98.19
Other revenue	11,500,867.35	6,561,512.31	3.01	75.3	1.81
ECONOMIC VALUE DISTRIBUTED	319,390,514.84	291,922,722.99	83.72		80.50
Supplier expenses	260,256,209.71	238,763,992.81	68.22	9.0	65.84
Personnel expenses	52,544,530.06	44,627,734.71	13.77	17.7	12.31
Financial expenses	6,589,775.06	8,530,995.47	1.73	-22.8	2.35
Environmental expenses	1,306,257.22	1,054,063.81	0.34	23.9	0.29
Innovation-related expenses	28,564,892.33	20,631,594.38	7.49	38.5	5.69
Investment in social action	722,928.47	784,050.57	0.19	-7.8	0.22
Investment in training	446,098.40	386,395.00	0.12	15.5	0.11

Key Fleet projects

Investments in 2018: 155 million euros

Three new liquefied natural gas ships

The shipping line is building the first two liquefied natural gas ferries to sail the Mediterranean, and the first fast ferry in the world with LNG engines.

→ See pages 30 and 31

LNG replacement engines on six ships

Baleària launched a project to replace the engines on six ships of its fleet with LNG models, partly subsidised by the European Union.

→ See page 31

Acquisition of five ships

The shipping line purchased and added to its fleet in 2018 the fast ferry *Cecilia Payne* (having made a number of improvements to the passenger accommodation and hold) and the ferry *Rosalind Franklin*. It also acquired three ships that it was already using on some of its routes: the *Hedy Lamarr*, *Sicilia* and *Nápoles* (which was redesigned to increase its passenger capacity).

BALEARIA



→ **Communication with stakeholders**

Proximity and transparency

In each of its regions, Baleària identifies stakeholders (those agents that could affect or be affected by the company's activities), and prioritises them in accordance with its business strategy. In its commitment to maintain a close relationship with its stakeholders, Baleària has in place a number of channels to identify and fulfil their needs and expectations with regard to the company. These needs can be consulted on the following page.

REPORT PRESENTATION

Baleària's president, Adolfo Utor, presented the 2017 report at an event attended by stakeholder representatives at Baleària Port in Denia in March 2018.



The Spanish Global Compact Network classified the 2017 report at the highest level (Advanced).

- *Hard and soft copy versions in Spanish, Catalan, English and French.*
- *Summary video in Spanish and French.*
- *Channels: emails, social media, website...*



Materiality analysis

Every two years, Baleària conducts materiality surveys of its stakeholders to detect the key issues both for the business and for the stakeholders themselves. This information allows it to address the challenges and opportunities that arise in the development of its operations, while also ascertaining its reputation and the expectations of stakeholders.

Most significant topics

(Detected in 2017 and incorporated within an action plan for improvement)

- **Customers, public authorities and cargo customers:** the safety on board ships and at ferry terminals.
- **For employees:** family/work balance.
- **For suppliers and society:** the quality of products and services.

STAKEHOLDERS AND COMMITMENTS

Employees

People who work for the Baleària group, whether at its offices, on its ships or in logistical operations.

Goal | Be a good company to work at, attracting and retaining talent and motivating the workforce.

Commitments

- Maintain fluid and regular communication.
- Guarantee equal opportunities.
- Foster work-life balance.
- Promote personal and professional development.

Channels for dialogue | Intranet ● | Internal comunicatius ● | Volunteering programmes ● | Welfare and health programme ● | Induction plan ● | Digital magazine ● | Website ● | CSR Report ●

Customers

People or companies that use the services offered by Baleària.

Goal | Be a company that responds to and fulfils the needs and legitimate expectations of customers.

Commitments

- Pursue excellence in services.
- Offer customers direct and personal attention.
- Guarantee respectful and sustainable services.

Channels for dialogue | Direct sales ticket offices ● | Website ● | Customer Service Department and Contact Centre ● | Satisfaction surveys ● | Social media ● | Entreolas blog ● | Entreolas magazine ● | CSR Report ●

Suppliers

Companies that belong to the supply chain to fulfil all Baleària services.

Goal | Be a quality company to work with.

Commitments

- Foster and protect fundamental human rights in the supply chain.
- Guarantee completion of the approval questionnaire.

Channels for dialogue | Purchasing policy and approval questionnaire ● | Website ● | CSR Report ●

Society

People or organisations belonging to the territories where Baleària operates.

Goal | Be a good corporate neighbour.

Commitments

- Contribute to the social and economic development of the regions where we operate and improve global well-being.

Channels for dialogue | Press news items ● | Events ● | Conventions and agreements ● | Website ● | CSR Report ●

Public Authorities

Organisations or bodies that manage issues connected with Baleària operations.

Goal | Be a responsible and honest company, with a public service vocation.

Commitments

- Responsibly and honestly comply with legislation.
- Work closely with public bodies to achieve shared goals.

Channels for dialogue | Email address ● | Website ● | CSR Report ●

Shareholders

People or organisations that have an investment in the Baleària group.

Goal | Be an economically sustainable company.

Commitments

- Offer appropriate returns.
- Engage in active dialogue with shareholders to understand their concerns.

Channels for dialogue | General Shareholders' Meeting ● | Website ● | CSR Report ●

Media

Media outlets that the Baleària addresses to convey its activities.

Goal | Be a transparent company.

Commitments

- Maintain fluid and constant communication with the media, providing information on the shipping line's key events and milestones.
- Deal with requests and calls for information from the media.

Channels for dialogue | Press releases ● | Press conferences and presentations ● | Social media ● | Website ● | CSR Report ●

Travel agencies

Agencies or groups of agencies that sell Baleària services or have its products in their portfolio.

Goal | Be a company committed to the sales channel.

Commitments

- Offer fluid and clear communication about services, developments, changes and improvements, via the website or contact centre.
- Provide a swift response, with direct and personalised service.

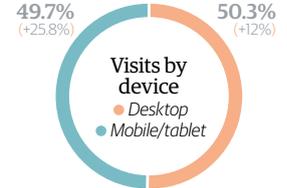
Channels for dialogue | Satisfaction surveys ● | Contact Centre ● | Newsletter ● | Agency website ● | CSR Report ●

Main channels for dialogue

BALEÀRIA WEBSITE

6,645,517
sessions
(+19.1%)

3,112,603
unique users
(+15.5%)



Other websites (Baleària Caribbean, Baleària Port, Fundació Baleària) 511,659 visits 321,676 users

BALEÀRIA SOCIAL MEDIA PLATFORMS

Baleària's social media presence allows it to interact directly with its community, both providing news about the company and responding to queries and comments. It is also a powerful customer service channel given the immediacy of the response.

107,382
followers
(+49%)

29,561,992
page views
(+106%)

402,186
interactions
(+13%)

Other channels

Media

Baleària maintains a continuous profile in the local, regional, national and shipping sector media, while providing them with periodic information in the form of presentations, press releases and interviews.

→ The news items with the greatest impact were those connected with the new Canary Islands routes, the company's results and those to do with the natural gas-powered fleet.

98
press releases
(-14)

746
monthly impacts
print and digital press
(+9.7%)

'Entreolas' magazine

Free on-board magazine with features on trends, lifestyle and travel, and the company's latest news.

36,600
average circulation

3
yearly issues

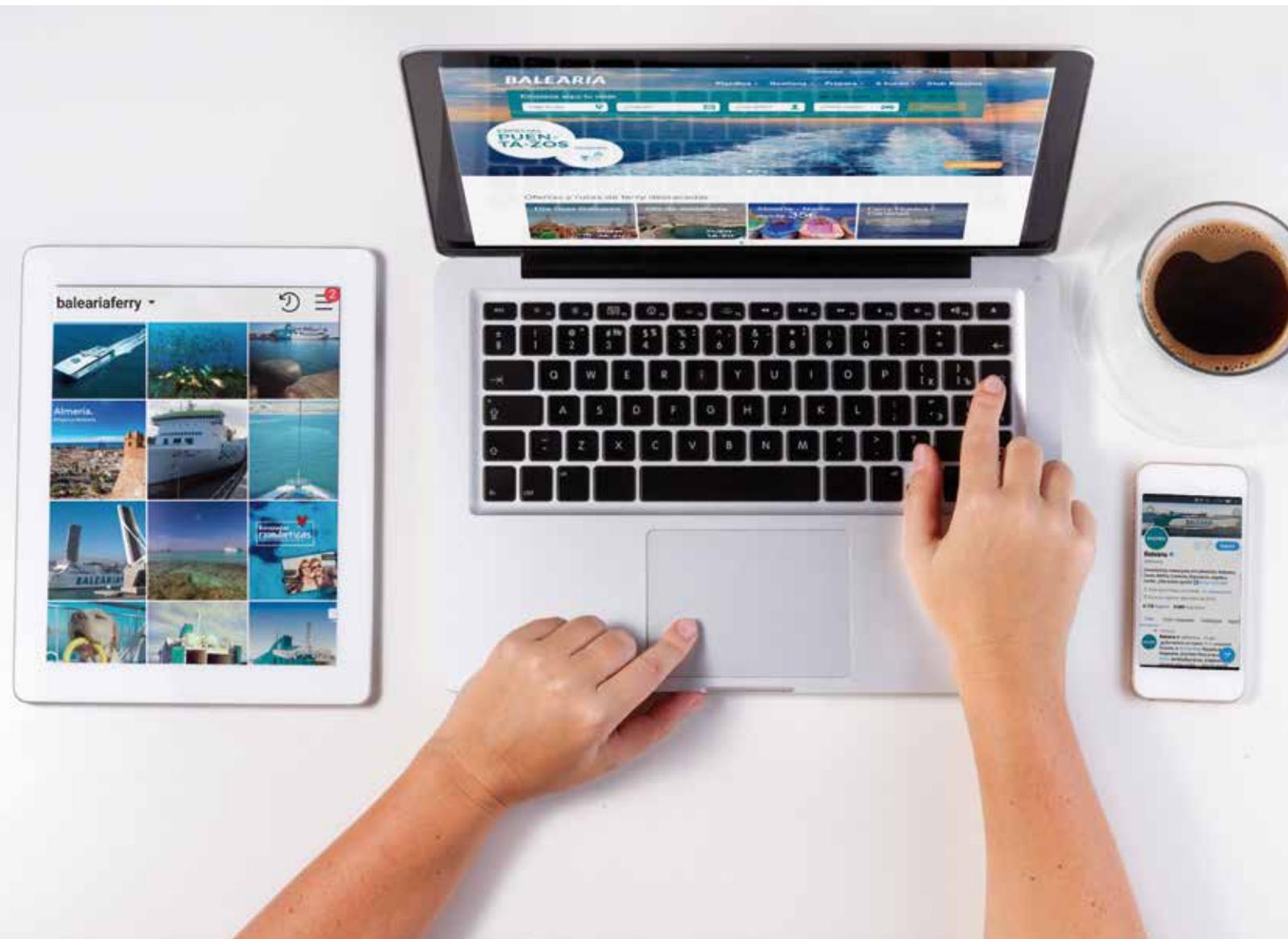
'Entreolas' blog

Shipping line blog with suggestions about destinations, leisure and issues from the maritime world.

56,515
users
(+170%)

+30%
subscribers





Channels for internal dialogue

Balidea

Internal tool allowing employees to submit proposals for continuous improvement connected with Baleària. One notable proposal in 2018 was for an evacuation system (Lifebag) the technical feasibility of which is being evaluated, along with administrative improvements to reduce packaging in shipments sent to the Fleet.

176
ideas
contributed
(+16)

76
participants
(+3)

6
ideas
implemented
(-2)

Intranet

The Intranet is the most commonly used communication channel to inform staff of company developments.

1,402
unique
users
(+7.8%)

888
average
monthly
users
(+11%)

293
news
item
published

→ The highest impact news items published included in particular the events connected with Baleària's 20th anniversary, and information on new hirings and internal promotions.



Long-term vocation

Main organisations

The General Shareholders' Meeting and the Board of Directors are the two bodies that plan, design strategies and reach the fundamental decisions as to employment, investment and business policy.

General Shareholders' Meeting

This is the highest body of governance at the company, made up of shareholders of acknowledged experience in the shipping and tourism sectors: Adolfo Utor (57.5%), President and CEO, and the Matutes Corporate Group (42.5%).

Board of Directors

This is the senior executive body in terms of corporate decisions and supervision of results, comprising individuals with responsibilities for the running of the company, along with independent directors.

Others organisations

Standing Committee

Its purpose is to plan company strategy, and to analyse and decide specific operational aspects, while also passing on critical concerns to the most senior body of governance.

Executive Committee

Responsible for coordinating the planning and implementation of company strategy, and for keeping track of opportunities, risks and impacts at the economic, social and environmental level. Decisions regarding economic, social and environmental matters are passed on to the company's highest-level body either via this committee or directly.

Adolfo Utor <i>Chairman and CEO</i>	● ● ● ●	1998
Ricardo Climent <i>Managing Director for Finance</i>	● ● ●	2004
David Fernández <i>General Secretary</i>	● ● ●	2009
Ettore Morace <i>Independent Director</i>	● ● ●	2018
Abel Matutes <i>Independent Director</i>	● ● ●	2004
Juan Lladó <i>Independent Director</i>	● ● ●	2004
José Bonet <i>Independent Director</i>	● ● ●	2004
Guillermo Alomar <i>Fleet Director and Balearic Island Region Representative</i>	● ● ●	2009
Manuel Pérez <i>Director of Operations Valencia Region Representative</i>	● ● ●	2009
Josep Vicent Mascarell <i>Director of People and Talent Management, CSR and Reputation Director</i>	● ● ●	2011
Juan José Serra <i>Ibiza and Formentera Region Representative</i>	● ● ●	2011
Pilar Boix <i>Communication Director</i>	● ● ●	2011
José Vicente Herrero <i>Director of Business and Business Development</i>	● ● ●	2014



Adolfo Utor, president of Baleària

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

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



Central office of Baleària in Denia.

CHANGES AT THE ORGANISATION

The Marketing and **Sales Department** was restructured in 2018 to adopt a more horizontal approach and increase competitiveness and productivity. The new management team are responsible for defining the sales and marketing strategy, and for passenger-related services and products, and their distribution and market positioning. Meanwhile, the new **Revenue Management** area was set up with the mission of organising and planning the company's fares strategy so as to maximise passenger revenues. Both areas work to underpin the marketing of all services and to optimise sales management via all available channels, so as to drive the company's growth. →See page 58

Another of the new areas set up in 2018 was **Digital Transformation**, which coordinates this process both within and outside the company, as a strategic element in the firm's future in order to make the most of opportunities, manage resources and be more competitive. →See page 33

The **Health and Safety** area was also set up with the aim of improving risk prevention in the company's different operational spheres, while also optimising occupational safety standards to forge a culture of risk prevention providing greater safety for our colleagues on all our ships and every regional office. →See page 52

Lastly, the **Fleet** was restructured and the role of Managing Director for Operations created, with an impact on improved management and processes in this field. Baleària headquarters in Denia.

Competitive model





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CECILIA PAYNE



Pioneers in eco-efficiency

Leaders in the use of natural gas

The use of liquefied natural gas as a fuel is a strategic commitment for Baleària, in line with its principles of social responsibility and economic profitability. The shipping line plans by 2021 to have at least half of its ferries powered by this clean energy source, rising to one hundred percent of the fleet by 2028. LNG is one of the most environmentally friendly fossil fuels. It serves to reduce CO² emissions by 30% and NO_x by 85%, while completely eliminating sulphur and particles, with an immediate effect in improving air quality and reducing the greenhouse effect. This also reduces the noise emissions from the ships while in port, as well as vibrations.

Other LNG milestones

- **2013** Founding member of GASNAM.
- **2017** First LNG electricity generator on board a passenger ship.
- **2015-2018** LNG training plan for crew members.
- **Strategic agreements:** Naturgy, Rolls Royce, Wärtsilä, Caterpillar.

The first two LNG ferries on the Mediterranean

Baleària continued in 2018 with the construction at the Cantiere Navale Visentini shipyards in Italy of the first two ferries on the Mediterranean to sail with dual liquefied natural gas and fuel oil engines, with a power rating of 20,600 kW. The first of them, *Hypatia de Alejandría*, was completed in late 2018, while the structure of the second, *Marie Curie*, was fully finished. These ships harness tech-

nology and digital transformation in the interests of energy efficiency, applying innovations in on-board services, such as video surveillance for pets, smartphone access to on-board services, à la carte digital leisure and other features.

→ **200 million euros of investment**

Speed	Length	Beam	People	Cargo	Vehicles
24 kn	186 m	25 m	880	2.194 m.l.	166



WORLD'S FIRST FAST FERRY WITH NATURAL GAS ENGINES

Baleària announced in late 2018 the construction at the Armon Shipyards in Gijón of the first fast ferry in the world for passengers and cargo powered by dual LNG engines, which will also have a greater length and capacity than any other fast ferry catamaran in existence. This is a pioneering project at the global level, incorporating the most innovative international technologies.

- 90 million euros of investment.
- 4 Wärtsilä dual LNG/diesel engines delivering 8800 kW each.
- 2 LNG tanks (400 nautical mile range).

The innovative features of this ship include in particular the bow design, which combines wave-piercing with improved performance from the vertical prows of the side hulls and reduced vertical acceleration, vibration and noise, to make for a more comfortable crossing.



NATURAL GAS ENGINE REPLACEMENT

In late 2018 Baleària embarked on the replacement of the engines on the first of six ferries in its current fleet, to allow them to be powered by natural gas. The use of LNG on these ships is expected to achieve annual reductions of more than 45,000 tonnes of CO₂, 4,400 tonnes of nitrogen oxides (NO_x), along with the complete elimination of sulphur and particles emissions.

- 6 ships: Nápoles, Abel Matutes, Sicilia, Bahama Mama, Martín and Soler and Hedy Lamarr
- 72 million euros of investment



Connecting Europe Facility funds from the European Union
 Baleària presented the engine replacement project for five of its ships under the CEF funding round, receiving a maximum subsidy of €11,797,424 (of the 15 million applied for), representing 20% of the investment. The project was rated as Excellent.

LNG supplies

In January, Baleària and Naturgy signed the first Liquefied Natural Gas (LNG) bunkering supply contract to power ships in Spain. This strategic alliance involves an exclusive supply agreement over 10 years, to be implemented initially at the ports of Barcelona, Valencia and Algeciras, before being extended to all the Spanish mainland ports where the shipping line operates, and the entire new fleet powered by this fuel.



Meanwhile, both companies took their first delivery of LNG at the Port of Valencia in June for the *Abel Matutes* ferry, the first operation of this kind undertaken at the port. The ship is equipped with an auxiliary gas generator used on approach and while moored in the ports of Valencia and Palma.



Set of four eco-fast ferries

Between late 2017 and early 2018, Baleària added four eco-fast ferries to its fleet, built at the Gondan shipyard in Asturias, allowing it to make a qualitative step change in its transport services between Ibiza and Formentera, balancing reliability, convenience and speed with respect for the environment.

Innovations

- New generation 1,450 hp engines to minimise pollutant gas emissions.
- Wave-piercing bow equipped with side water evacuation tunnels for easier sailing in adverse sea conditions and to ensure passenger comfort.
- 24 x 360 W photovoltaic solar panels on each ship to provide power for on-board services.
- Glass-fibre-reinforced polyester hull.

On-board services

Outdoor deck | Bar | Free Wi-Fi connection | Space to carry bicycles and mopeds | Audiovisual content

-36%



CO²/emissions/mile
compared with the *Maverick*
ships previously operating
on the route.

→ Reduction of practically all
noise pollution.

→ Most Notable
Shipbuilding Project award.

→ See page 88



**Evaluation of the
eco-fast ferries**
Investrategia 2018

- *Eco Aqua* December 2017
- *Eco Lux* March 2018
- *Eco Terra* June 2018
- *Eco Aire* July 2018

Speed	Length	Beam	People
28 kn	28 m	9 m	350



Digitisation

In early 2018 Baleària created the new Digital Transformation area, which is strategic for the company's competitiveness. Over the course of the year a number of horizontal projects were implemented at the organisation, some for technological improvement and others focused on generating a process of digital transformation at the company, with the aim of ensuring the Baleària business model is aligned with the latest market trends.

The initiatives were based on two cornerstones: culture and technological innovation, taking into account the fact that the digital transformation process requires awareness-raising and a focus on the people who will need to implement the actions.



In accordance with Baleària's technological position over recent years, work pursued two parallel but complementary lines: improvements to the most obsolete basic technologies, and initiatives to add digital value to the company. Both types of action represented an internal effort to recover technological time between 2018 and 2020, while at the same time expanding technologies

to position Baleària as a benchmark in its sector.

Various challenges were analysed in order to achieve progress between 2019 and 2020 in the process of transforming the company, focused both on enhanced customer experience and also processes, productivity and awareness of the digital culture among all employees.

Meanwhile, the B-Digital Programme was implemented to raise awareness and deliver training to teams of innovation leaders and followers. → See page 46

NSG

A new bookings management system has been developed to provide greater flexibility and operability in internal management, along with enhanced interaction with platforms, allowing the e-Commerce ecosystem to expand. The system will deliver greater agility in the sales area, above all in fare setting and revenue.

A management control and fleet programming model has also been defined to provide key information for swift, flexible decision-making aligned with market changes and internal management demands. The architecture, business components and data model have been redesigned to underpin the future sustainability of the company.

Key actions

'Smart ships'

The ship digital transformation project has been launched for both the existing fleet and in shipbuilding. The main proposals are: modernisation of connectivity, digital signage and on-board entertainment solutions, electrical charging technologies and digital monitoring of pets.

Technological solutions

The modernisation of technological solutions has begun in order to improve efficiency, productivity, collaboration and communication among the different areas of the company, in particular between Fleet and Land staff.

Smart data management

Identification of smart data management solutions to create one single data environment integrating all company sources in real time. This will allow advanced analyses to be developed over the period 2019-20 through predictive techniques and a rules-based business intelligence learning system.

→ **Internationalisation**

Overseas Markets

In 2018, Baleària continued to achieve progress in its aim of consolidating its presence in North Africa. In June, then, the shipping line resumed the international crossing between the port of Beni Ensar in Nador, Morocco and Almeria, which it had run the previous summer, and which this year was maintained after the high season ended.

Meanwhile, the establishment of the new Compañía Marítima Alborán company together with Marítima Peregar meant the start of a new regular crossing between Malaga and Tangier Med, mainly with cargo-only sailings, and a few for passengers.





↓ **Nador**

Baleària's President Adolfo Utor met in Nador with Abdelhalim Foutat, Mayor of Beni Ensar, and Mostafa Benali, the Port Director. Mr Utor expressed the company's interest in maintaining the Almeria-Nador route all year round, within the context of a plan for investment at the port, with ships and new crossings.

↓ **'Operation Strait Crossing'**

In the 2018 'Operation Strait Crossing', Baleària ran seven routes (four of them international), with a fleet of 10 ships. It should be mentioned that on the Algeciras-Tangier Med route a total of 17 daily departures were achieved in each direction, a record turnaround for any single shipping line on this crossing.

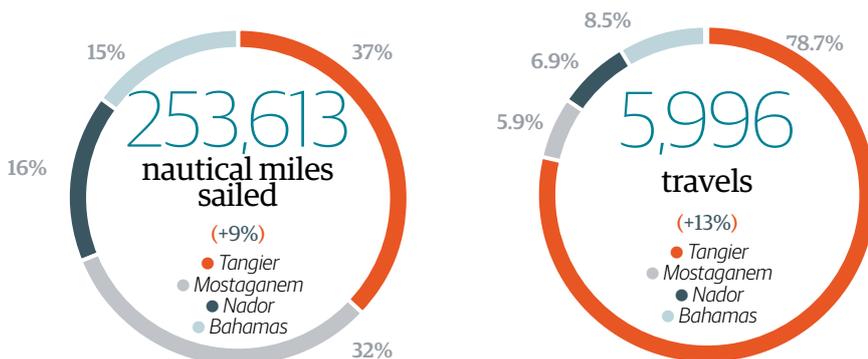
↓ **Future challenges**

Baleària's goal is to export a successful business model (combined maritime transport of passengers, vehicles and goods) to consolidate its position as a global operator. The shipping line has the economic and technical capability in place to continue growing in the international market, and plans new routes in North Africa and the Caribbean (Dominican Republic, Puerto Rico, Cuba and the Bahamas).

Satisfaction with the international routes service

7.7 → The *Mostaganem* crossing stands out in particular, with a rating of 8.1, while 99.1% of passengers indicate that they experienced no problems.

Investrategia 2018



→ **Maritime traffic**

Driving growth

In 2018 Baleària forged alliances with other shipping companies to operate new routes and reach new markets within Spain. These partnerships allowed Baleària to generate operational synergies with other shipping companies, with the aim of guaranteeing a comprehensive, reliable, and higher-quality service.

CANARY BRIDGE SEAWAYS

Baleària and Fred. Olsen Express set up the Canary Bridge Seaways (CBS) alliance for joint sailings between the Spanish mainland and the Canary Islands. This is a triangular route between the ports of Huelva, La Luz in Las Palmas de Gran Canaria and Santa Cruz de Tenerife, with three rounds per week operated by two alternating ships.

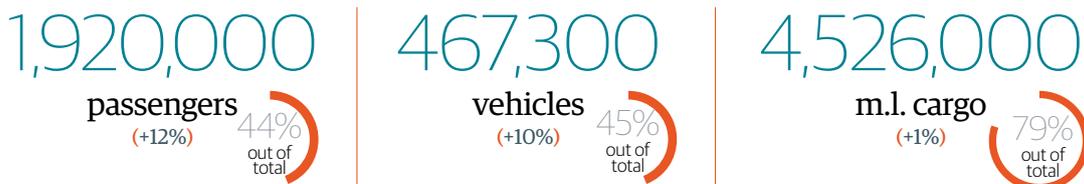
→ **Ships** *Martín i Soler* (Baleària-owned, passenger and cargo) | *Clipper Pennant* (chartered, cargo only).

COMPAÑÍA MARÍTIMA ALBORÁN

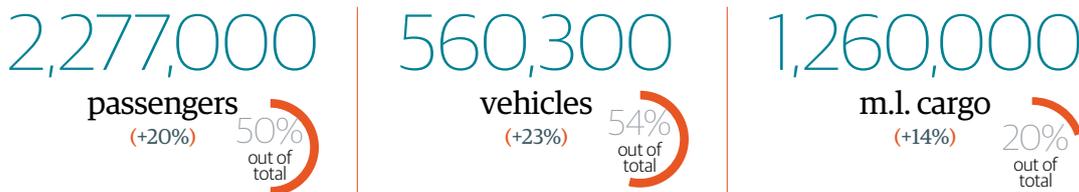
Baleària and Marítima Peregar (specialising in goods traffic) founded a new company named Compañía Marítima Alborán, each of them with a 50% stake to run regular sailings from the port of Malaga to Melilla, Tangier and Ceuta, carrying both passengers and goods on exclusive cargo services, depending on the crossing and day.

→ **Ships** *Dénia Ciutat Creativa* (Baleària-owned, passengers and cargo) | *Festivo* (Marítima Peregar-owned, cargo only).

Balearic Routes (with Peninsula and inter-island)



North Africa Routes - Mainland Spain*



*Includes routes with Melilla, Ceuta, Nador, Tangier and Mostaganem.



↓ Tourist tickets

Baleària was awarded the competitive tender by the Autonomous City of Ceuta to provide tourist tickets for weekend visits to the city. The shipping line is also offering tourist tickets in Melilla. Both initiatives aim to boost the economy of the autonomous cities and showcase their cultural heritage.

→13,840 beneficiary passengers

↓ Residents discount

In summer 2018 the Spanish Ministry of Infrastructure Development launched the 75% discount scheme for residents in the Balearic and Canary Islands, Ceuta and Melilla.

The roadmap to transform the world

Baleària has incorporated within its culture the Sustainable Development Goals (SDGs) approved by the United Nations as a fundamental part of the 2030 Agenda for Sustainable Development. The shipping line has integrated sustainability at the heart of its business model as an agent for change and transformation in order to achieve the SDGs.

Baleària has extended this commitment to the SDGs to all its workforce through a range of awareness-raising initiatives, such as internal training and the distribution of information about the Sustainable Development Goals.

New projects were undertaken in 2018 to continue adding to this commitment to the SDGs within

Baleària's strategic approaches: environment (with eco-efficiency as the key element), innovation (reflected in digital transformation) and internationalisation (with the launch and consolidation of routes).

ODS 5. Achieve gender equality and empower all women and girls.
M 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political life.

↓

Equality Plan. → See page 53

ODS 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
M 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.

↓

Digital transformation and innovation training programme. → See page 46



ODS 3. Ensure healthy lives and promote well-being for all at all ages.
M 3.D Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

↓

Baleària Health Plan and Healthy Baleària Programme of the Foundation. → See pages 53 and 84

ODS 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
M 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

↓

Eco-efficient sailing and use of natural gas. → See featured item on page 39



Eco-efficient sailing and use of natural gas

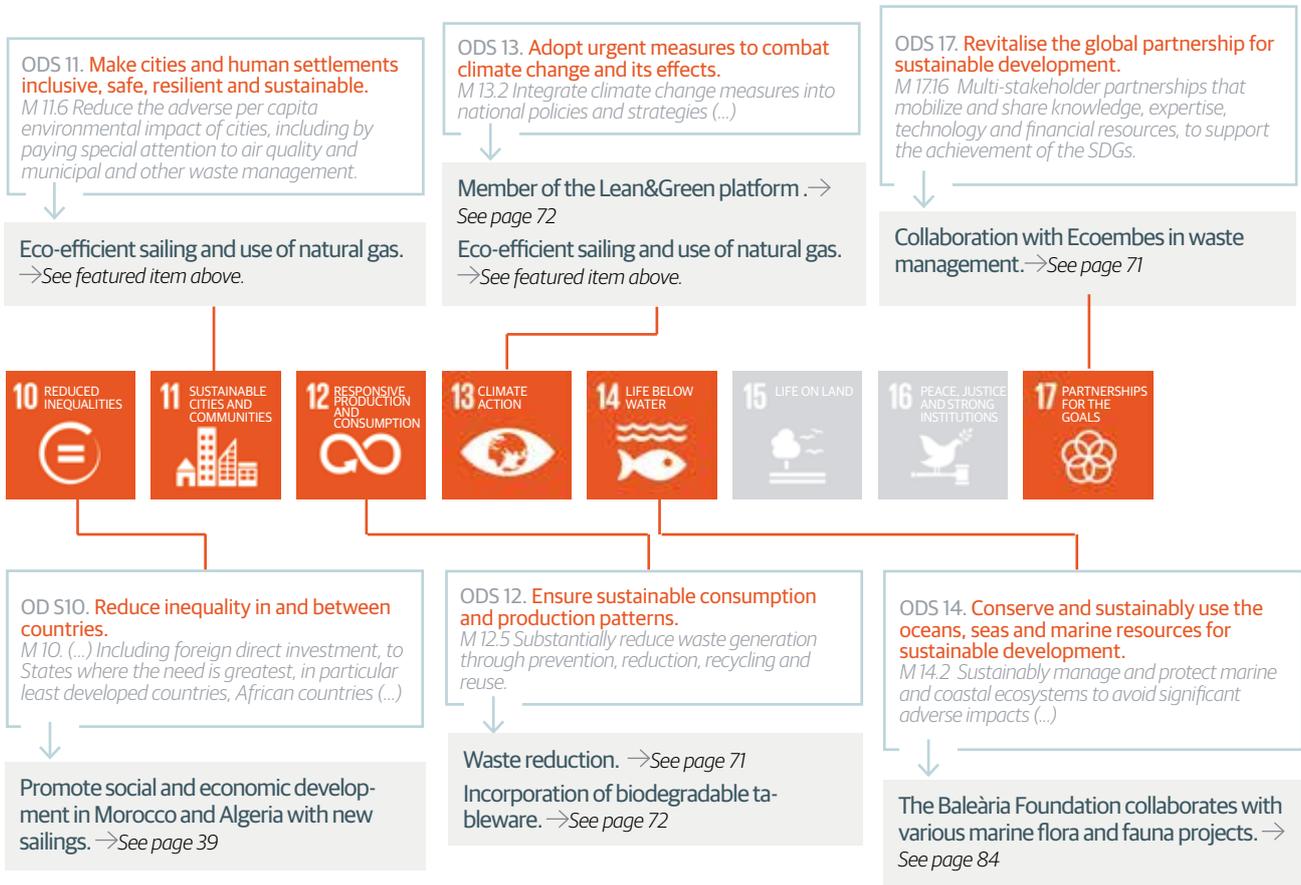
Baleària has undertaken a number of projects and initiatives with regard to eco-efficient sailing and the use of liquefied natural gas as a fuel, fundamentally linked to three of the SDGs.



Construction of three new liquefied natural gas-powered ships. → See pages 30 and 31

Project to replace the engines on six ships with LNG models. → See page 31

Addition of four eco-fast ferries on the Ibiza-Formentera route. → See page 32





BALEARIA

EVENTOS BALEARIA

Inicio

Destinos

Barcos

Reservar

NAVEGANDO
A TU LADO



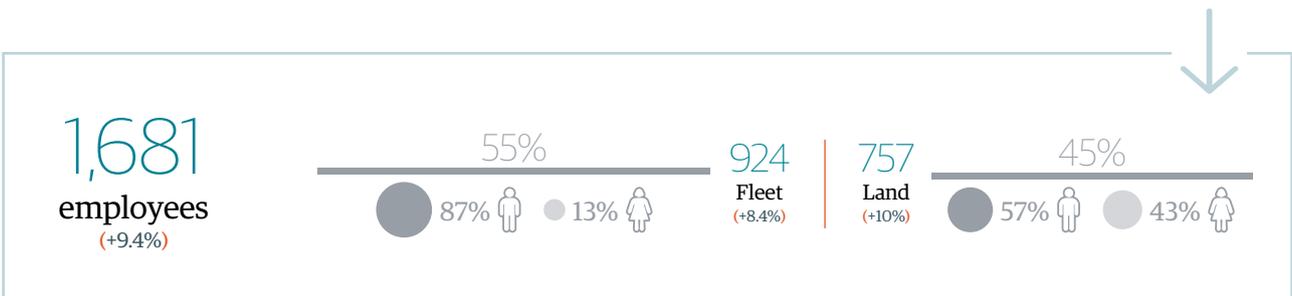


Teamwork

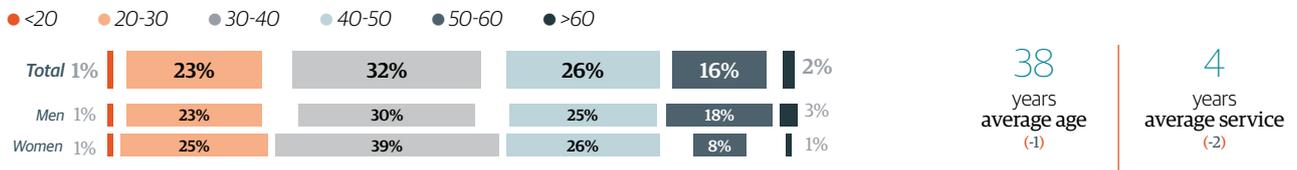
→ Workforce profile

A growing team

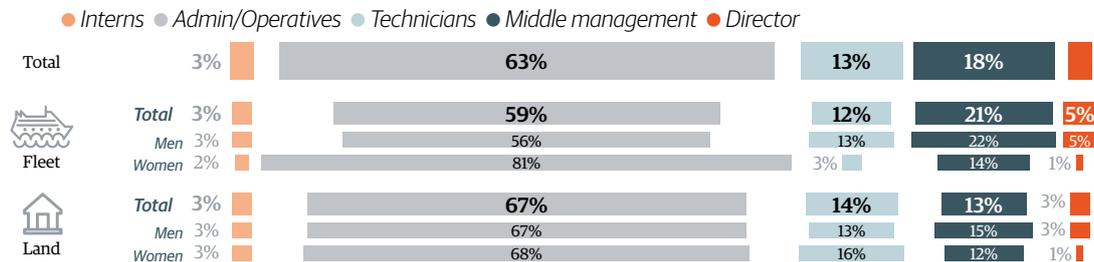
The workforce of Baleària continued its trend of expansion, including both Fleet and Land staff, as a result of the addition of new ships at the company and the launch of new routes and regional offices. The resources at head office in Denia were also increased. The new hirings were mainly younger staff, serving to reduce the average age and average years of service at the company. Lastly, there was also a notable increase in the number of nationalities represented at the shipping line, as a result of hirings in the Fleet area.



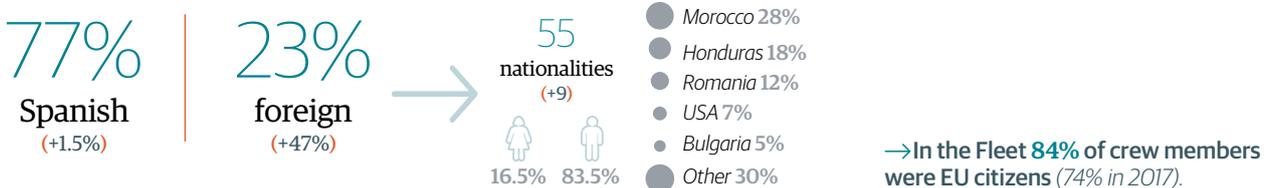
DISTRIBUTION BY AGE AND GENDER



DISTRIBUTION BY AREA AND GENDER



WORKFORCE BY NATIONALITY





GEOGRAPHICAL DISTRIBUTION OF LAND AREA

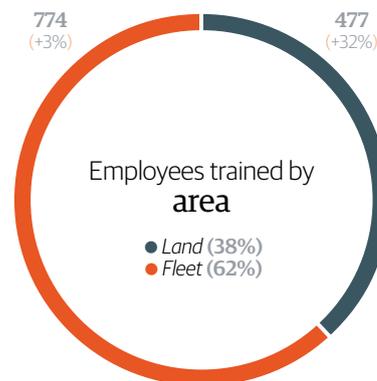
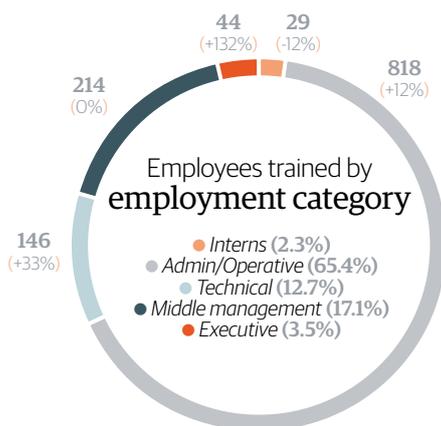
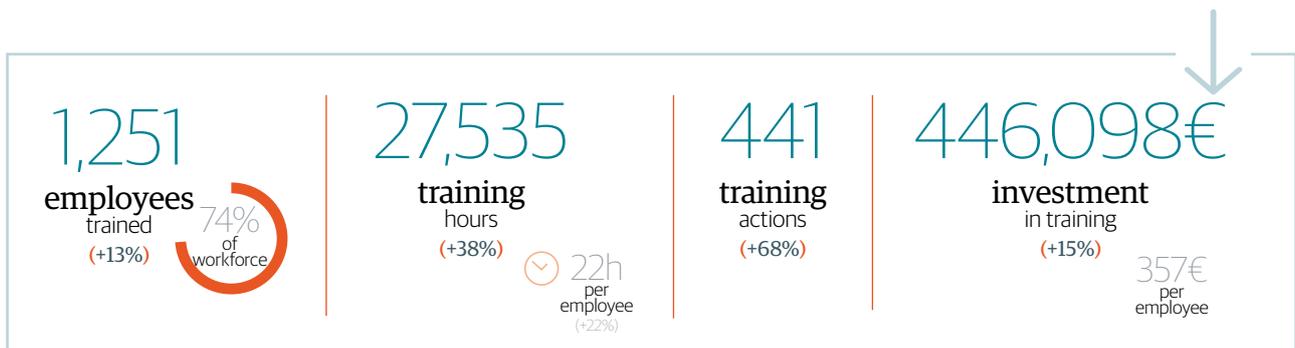


→Main regional offices Denia 35% | Algeciras 13% | Tangier 9%

Professional development

The Baleària Business School (EdEB) provides professional and personal development training for the entire workforce, and also makes its services available to third parties to increase company competitiveness. The EdEB provides a permanent offering of training to facilitate employees' skills development, as well as a work experience programme serving to capture new talent, evaluating attitudes in accordance with company values.

More hours of training were delivered in 2018 as a result of greater investment in training programmes aligned with the Baleària strategy. The courses thus focused on improving executive skills, familiarity among crew members with the new LNG fuel, the application of the new IT systems, and food safety on board.

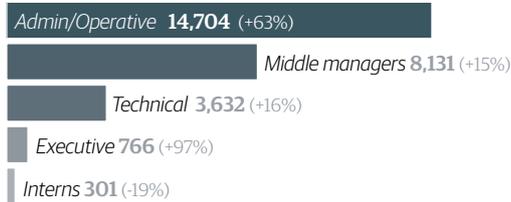


TRAINING HOURS

By topic



By employment category



By mode



By area



By gender



Work experience personnel

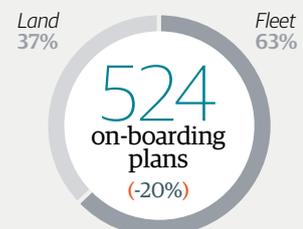
Four Fleet students who had begun work experience in 2017 were hired, while the remaining students need to complete their full year of work experience sailing and to obtain their pilot's licence. In the Land area, the work experience students were incorporated at a number of different functional areas of the company.



→13 people were hired (9 in Land and 4 in Fleet), which meant 3 more than in 2017.

On-boarding Plan

The on-boarding plan facilitates the swift integration of new co-workers at their job and workplace, conveying the corporate culture, mission, vision and values, as well as behavioural standards. It includes training initiatives and a tutor to guide them in their daily work.



→40% successfully completed

Main training programs

'PDP' PEOPLE MANAGEMENT PROGRAMME

This higher-level training programme in leadership and team management techniques ended in 2018, having begun in 2016. Over a period of more than two years employees responsible for any department or with staff working under them took part in in-person sessions (both theoretical and practical, through interactive workshops), intended to develop the skills and abilities required for executive and team management responsibilities. The participants were issued a diploma granted by the EdEB and recognised by the EDEM business School.



→100 attendees →49 sessions →105 teaching hours
→Topics: self-awareness and emotion intelligence, communication and listening, change management, conflict management, leadership, teamwork.

'ECI' GROWTH AND INTERNATIONALISATION TEAMS

The 'ECI' Growth and Internationalisation Teams Programme began in 2016 with the goal of preparing and skilling employees aiming for internal promotion to address the company's growth and internationalisation. Directors and area managers at Baleària act as mentors, staging sessions to convey an overview of the company to the mentees belonging to the programme.

→16 attendees →14 teaching hours

'PMI' INTERNAL IMPROVEMENT PROGRAMME

The aim of this new training programme is to detect improvements in the processes of each area of the company. In 2018 training actions were conducted in connection with the On-board Services Department (store and kitchen staff).

→32 attendees →70 teaching hours

Training initiatives were likewise staged to cover the Performance Management System for all executives and middle managers at the company with staff working under them, in order to facilitate and guarantee proper application and to raise awareness as to its importance.

Training schemes likewise focused on internal company management processes (ticket discounts, ticket offices and cargo operations), and the new company management IT system.

B-DIGITAL

The innovation in digital transformation awareness-raising and training programme was set up in 2018 and applies horizontally across the entire company, with the aim of creating leaders and followers in these fields, who then become internal sponsors in addressing the process of digital transformation at Baleària. The sessions were intended to show how digital transformation affects every sphere of the organisation (business, people, processes, customers...) with an explanation of the essential new technologies (such as Blockchain, the Internet of Things, virtual attendees and 3D printing).

→44 attendees from every area of Baleària (25 digital leaders and 19 digital followers)
→Monthly sessions →28 teaching hours

ÁGORA SEMINARS: PEOPLE AND TALENT

February 18 saw the launch of the Ágora Seminars: People and Talent, an innovative programme with the aim of sharing knowledge and experience among experts and professionals in human resources from companies in the Marina Alta (Alicante) and Safor (Valencia) regions, to strengthen and underpin networks among companies and to share initiatives of interest. The seminars are intended for both internal and external personnel.

→48 attendees from 13 companies.
→Sessions: People and digital transformation (Baleària), Millennial leaders (Manpower Group), Flexible remuneration (Flexoh) and Flexibility and work-life balance: being happy at work (Quinton).



Attendees on the People Management Programme with the Baleària President.

Other courses

→ *Crew members on the set of eco-fast ferries.* Specific course for the crew members of these new ships, since they perform a multifunctional role (mariners and passenger care).

→ *LNG.* Theoretical-practical courses for crewmembers on ships that will be powered by liquefied natural gas.

→ *Customer Care.* Intended for Ticket Office and Contact Centre staff, with the aim of establishing and unifying operational protocols and handling of passengers.

→ *Newly hired Ticket Office staff.* Refresher courses covering the bookings and sales system, and discounts for resident passengers.

→ *Fred. Olsen Express.* Joint training for employees of both

shipping lines for the launch of routes under the alliance arrangement.

→ *Chemical leaks.* Dockside personnel and warehouse workers in Denia and Valencia were given training in handling and collecting chemical spillages.

→ *On-board work experience.* On board practical training for bridge mariners and port masters through an agreement with the Nedland sailing school in Ibiza.

→ *Safety management code.* The EdeB has updated this online training in the ISM Code.

→ *Training managers.* Joint initiative with Cegos España for company training managers to implement and administer a training plan.

New e-learning platform

The EdeB (Baleària Business School) launched Canvas in 2018 as a new e-learning platform with the aim of providing employees and external students with a more attractive tool offering greater functionality in order to encourage training.

→ Accessible from different devices (computer, tablet and mobile).

→ Integration of courses from other platforms.

→ Access to documents, forums, tasks and other materials.

→ Inclusion of interactive videos, games and training mini-modules to facilitate learning.

Talent management

PERFORMANCE MANAGEMENT SYSTEM

The 'SGD' Performance Management System is a tool to manage and retain talent, evaluating the professional performance of the workforce. Its mission is to monitor each employee in the performance of their daily tasks, their attitude, and their alignment with the company's values, emphasising skills for the development of their functions.

In 2018 there was a significant increase in the number of staff members evaluated at the company, as a consequence of greater awareness as to the importance of the tool among the evaluators, and the progressive inclusion of groups that had not previously been covered, especially at the Fleet, where the number of people evaluated was doubled.

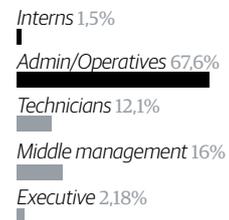
The lower score in the Land evaluations was the result of the inclusion within the SGD system of employees on temporary contracts, who were therefore evaluated having been at the company for only a short time.

The evaluations served as the starting point, together with other information gathered, to draw up individualised development plans organised by the Baleària Business School, in addition to internal promotions and changes to the organisational structure of the workforce.

Training initiatives were likewise conducted to cover the SGD Performance Management System, leading to greater consistency in the evaluation criteria applied. → See page 46



1,314
employees evaluated
(+68%)



2.56
average score
(2.35 en 2017)



- <2 Performance below expectations
- 2 and <3 Performance as expected
- 3 and 4 Performance above expectations

STAFF SELECTION PROCEDURE

In 2018 Baleària devised a new procedure for staff selection with the aim of improving efficacy, objectivity and reliability. The idea is to attract talent with the most appropriate technical skills and knowledge for the job, and furthermore with the best alignment with the organisational culture of Baleària.

One of the aims is that the staff selection process should be applied in a uniform manner, irrespective of who is conducting it. This will involve specific training being given by the EdEB for all colleagues involved in selection processes.

Phase I / 2018 Generation of the Manual

The staff selection manual has been drawn up, including the following content: staff application procedure, selection plan and internal selection versus external selection.

An explanation is likewise given as to how to conduct the candidate study and evaluation in accordance with the Baleària Model, based on:

- Technical skills
- Flexibility and capacity to adapt
- Culture, values and motivation
- Soft skills and capabilities

Phase II / 2019 Interviewer selection

The colleagues who will be involved in selection processes at head office and the various regional offices will themselves be selected.

Phase III / 2019 Training

The EdEB Staff Selection course will be delivered, leading to certification to conduct job interviews with candidates at Baleària.

Phase IV / Continuous process (monthly frequency) Audits

Quality standards have been devised to serve as a guide in all selection processes, using indicators to measure the average time of the processes, costs and satisfaction both of candidates and the manager who filed the request for the vacancy. Monitoring and continuous improvement mechanisms will also be established to confirm that the selected candidate has adapted to the job and to the organisation.



→ **Employment policies**

Job stability

Baleària believes that its team is a fundamental element in its operations, and also its competitiveness. In accordance with this, recruitment policies are developed to improve workforce stability and multiculturalism, in line with the organisation's values and the Sustainable Development Goals.

↓

Permanent contracts

+5%
contracts

32
new contracts

50%
of the workforce

→ **98%** of the contracts are full-time.

Permanent contracts by area

54%
of workforce
Land

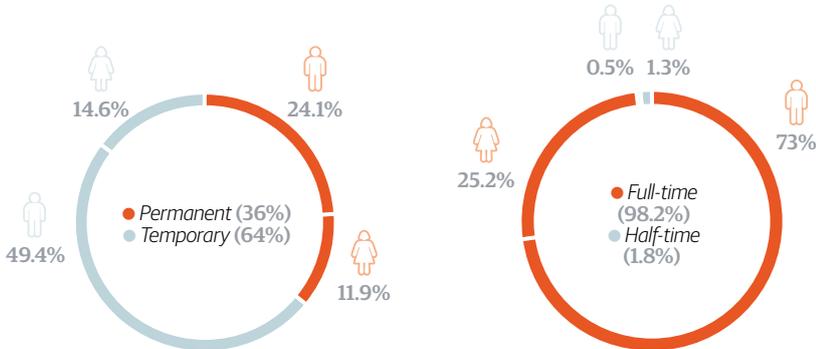
42%
of workforce
Fleet

People with disabilities

8
direct contracts
(+60%)

9
via employment centres
(-36%)

WORKFORCE BY CONTRACTS



Absenteeism index

↓

→ **Common contingencies**
2% (1.67% in 2017)

→ **Professional contingencies**
0.30% (0.42% in 2017)

Salary remuneration

↓

There is no difference in pay between men and women at Baleària, the basic salary being the same in each category in both cases. The ratio between the standard starting salary of the basic salary applied at Baleària was 2.2% for Land and 2.9% Fleet, remaining the same as in the previous year.

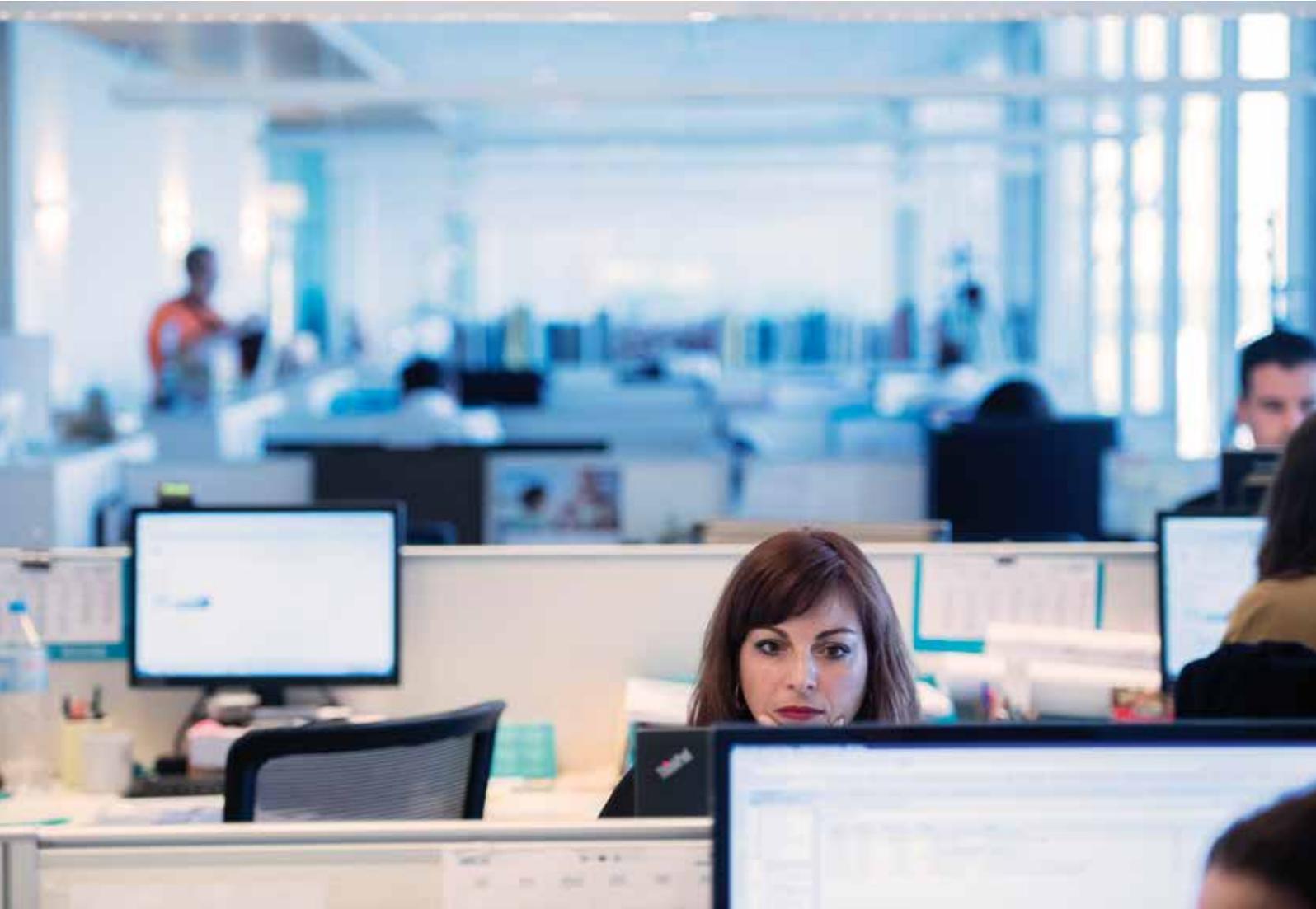
STAFF HIRINGS AND DEPARTURES ON LAND

360
hirings
(-7.9%)

Temporary	235
Works and service	68
Substitution	13
Permanent	29
Interns	15

389
departures
(+28.8%)

Men | 58%
Women | 42%

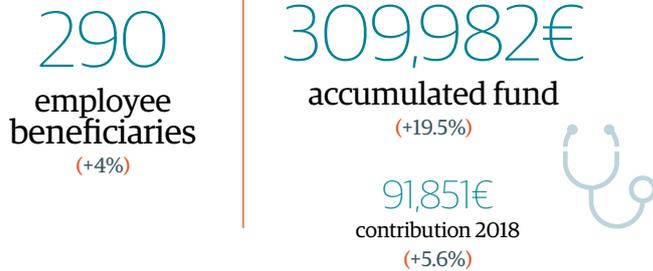


→ Social benefits

A good company to work for

FLEET SOCIAL FUND

The origins of the social fund lie in the collective agreements reached with the representatives of the Fleet employees. A part of the overall payroll is allocated to social benefits that are provided by the company and managed by the representatives.



Meanwhile, in order to assist foreign crew members who cannot be treated at Social Security hospitals, Baleària has agreements in place with hospitals in those regions where it operates. A new agreement was added in 2018 with a hospital in Huelva.

DISCOUNTED TICKETS

The company offers all members of the workforce and their relatives the chance to travel on the crossings it operates with special benefits. Employees are given a number of annual vouchers that they can use during the year to travel.



Family Plan

Programme intended for Baleària personnel with a disabled relative for whom they are responsible, implemented through the Adecco Foundation. The organisation provides Baleària with its specialist disability and social integration consultants, who provide guidance for the Family Plan beneficiaries and their relatives. Participants in the programme rate the progress achieved by their relatives thanks to the professional support received very highly.

3

beneficiaries

(-1)

Employee Club

Baleària personnel benefit from a series of discounts and advantages offered by companies in various fields which partner the firm.

44

companies

(-6)

EQUALITY PLAN

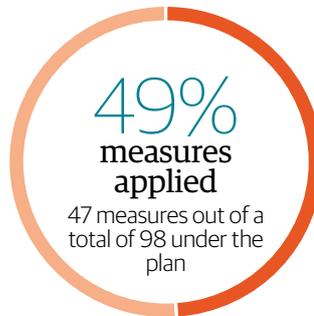
Equal treatment and opportunities between men and women is a priority for Baleària, and is therefore seen as a fundamental principle in employment relationships and people management at the organisation. Baleària has in place an Equality Plan that applies on a horizontal basis to the entire company in order to guarantee the complete absence of gender discrimination.

Certain measures applied

→ **Staff selection** | Eliminate interview questions unconnected with the job. | Gender balance in new hirings and equal treatment and opportunities. | Prioritise personnel with part-time contracts to be transferred to full-time.

→ **Promotion and professional development** | Identify individuals with an interest in promotion, in particular women, in order to facilitate their professional development. | Establish measures to promote employees of the under-represented gender all other conditions being equal, in particular in posts where women account for under 50%.

→ **Occupational health** | Define those jobs that are risk-free during pregnancy. | Adapt working conditions and times to guarantee healthy pregnancy and breastfeeding, wherever possible.



HEALTHY LIFESTYLES AND PSYCHOSOCIAL WELL-BEING

Baleària conducted an employee survey into healthy lifestyles, allowing it to compare the results with the 2017 National Health Survey for Spain, and to define priorities and lines of action for the Baleària Health Plans. The conclusion reached was the need to promote initiatives to reduce obesity or excess weight in certain areas, as well as cancer prevention and improved eye health.

Sample

→ **546** employees (53% men and 47% women / 68% Land and 32% Fleet).

Key results

→ **90%** felt they were in good health (higher than the Spanish average, which stands at 70%).

→ **82%** indicated that their mood was positive.

Meanwhile, another survey was conducted at the end of the year, the results of which are still pending, in order to ascertain the psychosocial well-being of the workforce, together with the WANT Psychosocial Prevention and Healthy Organisations Research group at UJI (Jaume I University) in Castellón.

Paternal leave

→ Paternal leave

A total of 34 workers (15 women and 19 men) took advantage of parental leave, with four of them (three women and one man) subsequently not re-suming work after their leave ended.

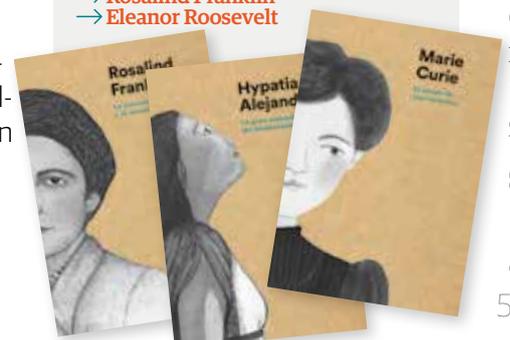
→ Reduced working hours for guardianship of a child

A total of 30 people had their working hours reduced because of guardianship of a child. In 2018 five people (four women and one man) requested this reduction in their working hours, while three resumed their standard working hours.

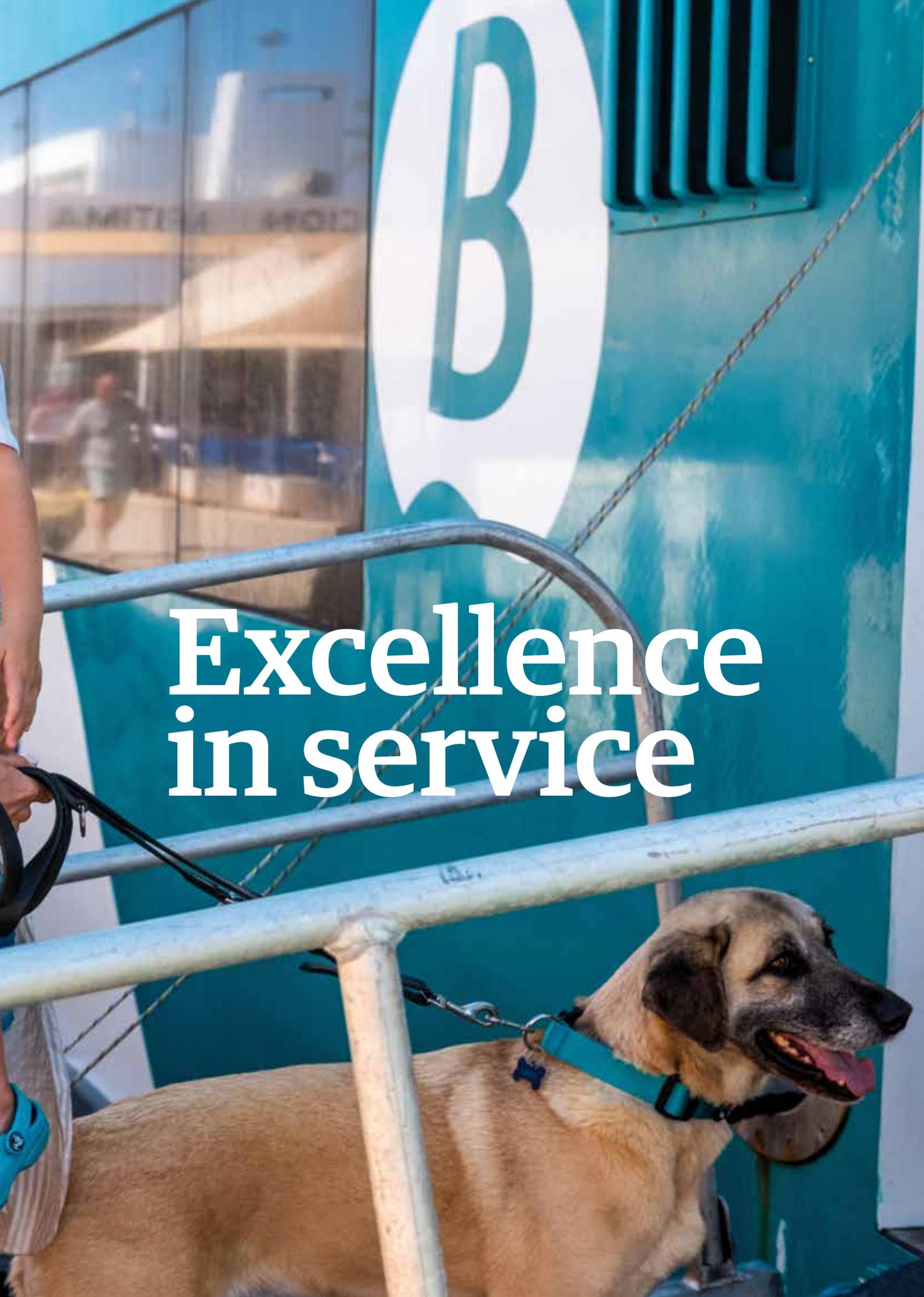
Ships named after women

With the aim of raising the awareness and recognition of the role of women, in 2018 Baleària named six of its ships after women scientists (two of them under construction). It also published the initial volumes in the Pioneering Women in Science collection, with three biographies of these women intended to improve quality of life in society.

- Cecilia Payne
- Hedy Lamarr
- Hypatia de Alejandria
- Marie Curie
- Rosalind Franklin
- Eleanor Roosevelt





A light brown dog with a teal collar is sitting on a metal railing. The dog is looking to the right with its tongue out. In the background, there is a teal wall with a large white letter 'B' inside a white oval. To the left, there is a glass window reflecting a person and some text. The overall scene is outdoors and brightly lit.

**Excellence
in service**

→ Passenger experience

Customer satisfaction as a priority

In 2018 Baleària created the Customer Experience Area, a horizontal active listening department that works at all points of contact between the company and its customers. The aim is to improve the experience of customers interacting with any part of the firm, conveniently, swiftly, and entirely in accordance with their needs.

NEW CONTACT CENTRE

With the aim of providing customers with a more efficient and personalised service, in 2018 Baleària digitised its two main channels for contact with customers (phone calls and emails) with a new management platform providing a full record of interactions with each customer.

This digitisation serves to prioritise and categorise queries, which means that customers receive a more personalised and intuitive service, requiring less effort on their part while making the processes more efficient. Furthermore, the record of the most frequent queries allows a better response to be given to them. Meanwhile, Baleària Caribbean restructured its Contact Centre in order to offer a better service.

4,7

Contact Center satisfaction
★ ★ ★ ★ ★

→ 6% increased level of response from the Contact Centre.



Thanks to this digitisation process, a plan will be implemented in 2019 to reduce complaints, including improved communication with customers via all channels and renewal of the web response process to make it more agile and to reduce customer waiting times.

Customer studies

Baleària conduct a number of different studies each year in order better to understand its customers. It highlights the customer satisfaction study, the aim of which is to analyse the user experience so as to devise appropriate strategies and thereby increase satisfaction.

5,700
customers
listened to

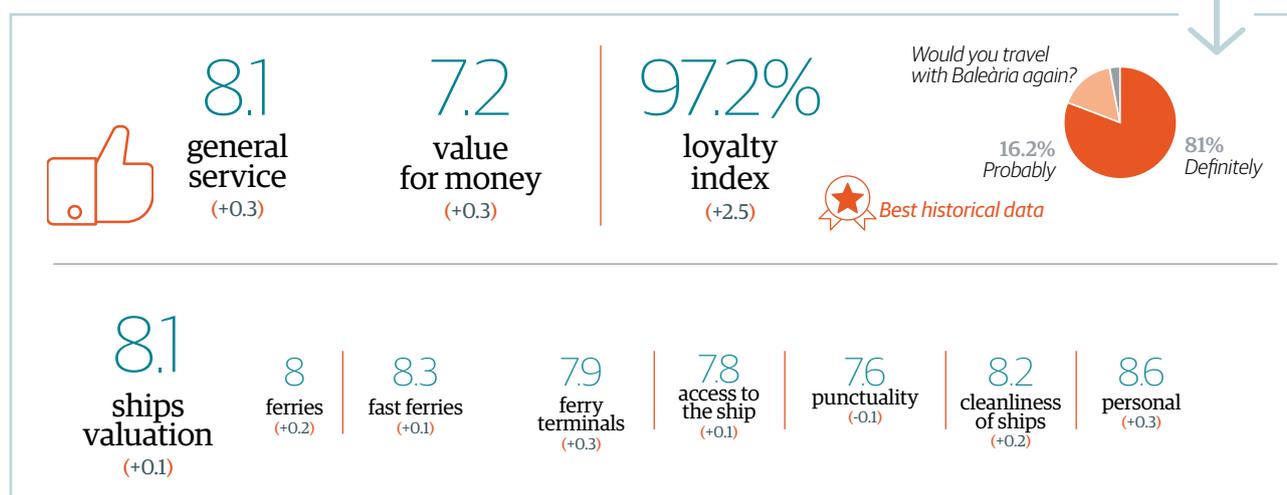


Meanwhile, the external consultant SGS conducts monthly verification and evaluation of the customer experience, and the reports issued are integrated within the customer experience improvement process.

SATISFACTION SURVEYS

To ascertain customer satisfaction, Baleària conducts telephone and face-to-face surveys by means of random sampling after each high season period (Christmas, Easter, May and Summer) on most of its ships. In 2018 practically all indicators rose, with a particular emphasis on the loyalty index and the rating given to the eco-fast ferry ships, which in both cases achieved the highest scores ever.

Company: Investratègia



CLUB BALEÀRIA: CUSTOMER LOYALTY

Baleària has in place a loyalty club offering members numerous benefits, such as discounts of 10% from the third trip per year onwards, 20% on the Ibiza-Formentera route and 10% at the on-board restaurants, cafeterias and stores, in addition to free access to Superior lounge seats depending on availability, and exclusive offers from partners.

Meanwhile, the specific **Ibiza-Formentera Club Baleària** adds on top of these benefits the option of embarking without passing through the ticket office (since tickets can be purchased on board with proof of identity and residence), and one car carried free of charge every certain number of trips.

In the case of the **Ceuta & Melilla Club Baleària**, points can be built up on each trip, and then exchanged for gifts and car tickets at the Tax Free stores.

243,158

members
(+12.2%)

6.5
trips
per year
(active members)

→26,473 new members in 2018.

→10% of all passengers were club members (9% in 2017).

→22% of all passengers on Balearic Islands routes were club members (19% in 2017).



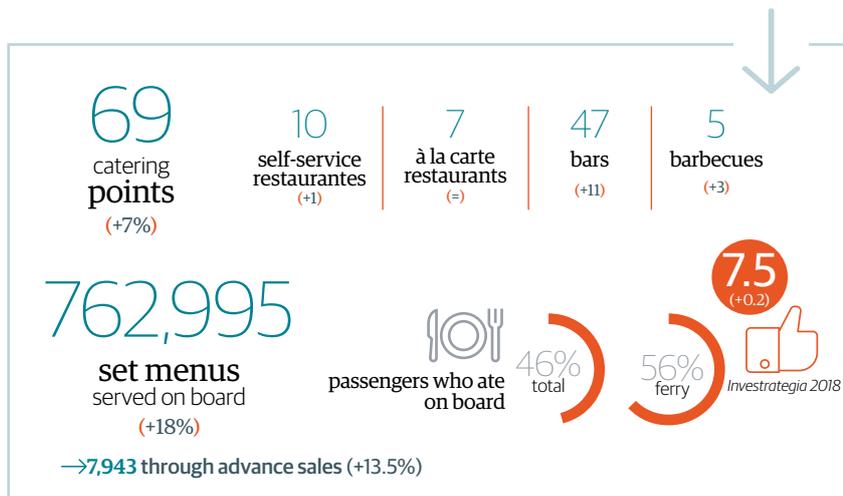
→ **On-board services**

The travel experience

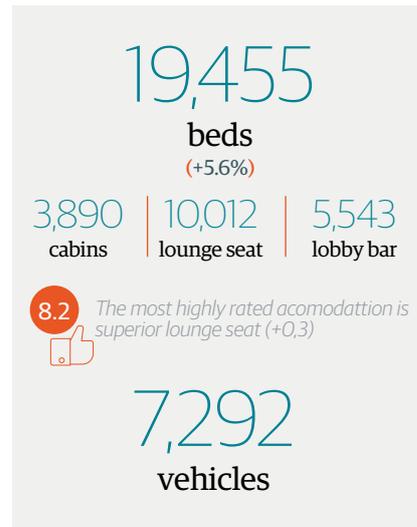
One of Baleària's goals is to make the journey on board a pleasurable experience. Which is why the ships, in particular the ferries, have numerous services available, with the focus on convenience and leisure, aspects which are stepped up in high season.

FOOD AND DRINK ON BOARD

Depending on the route, the time of year and the ship in question, passengers have access to various catering options: from snacks and sandwiches in the cafeterias to a range of menus at the self-service and à la carte restaurants. Appropriate produce is available for people with food allergies or intolerances, healthy, vegan and vegetarian menus, and halal food on North African sailings. New features were added in 2018, blending Asian, Arabic, Mediterranean and Caribbean cuisine, with 90% of the fleet now using biodegradable disposable tableware. → See page 75



Total fleet capacity



Services for families



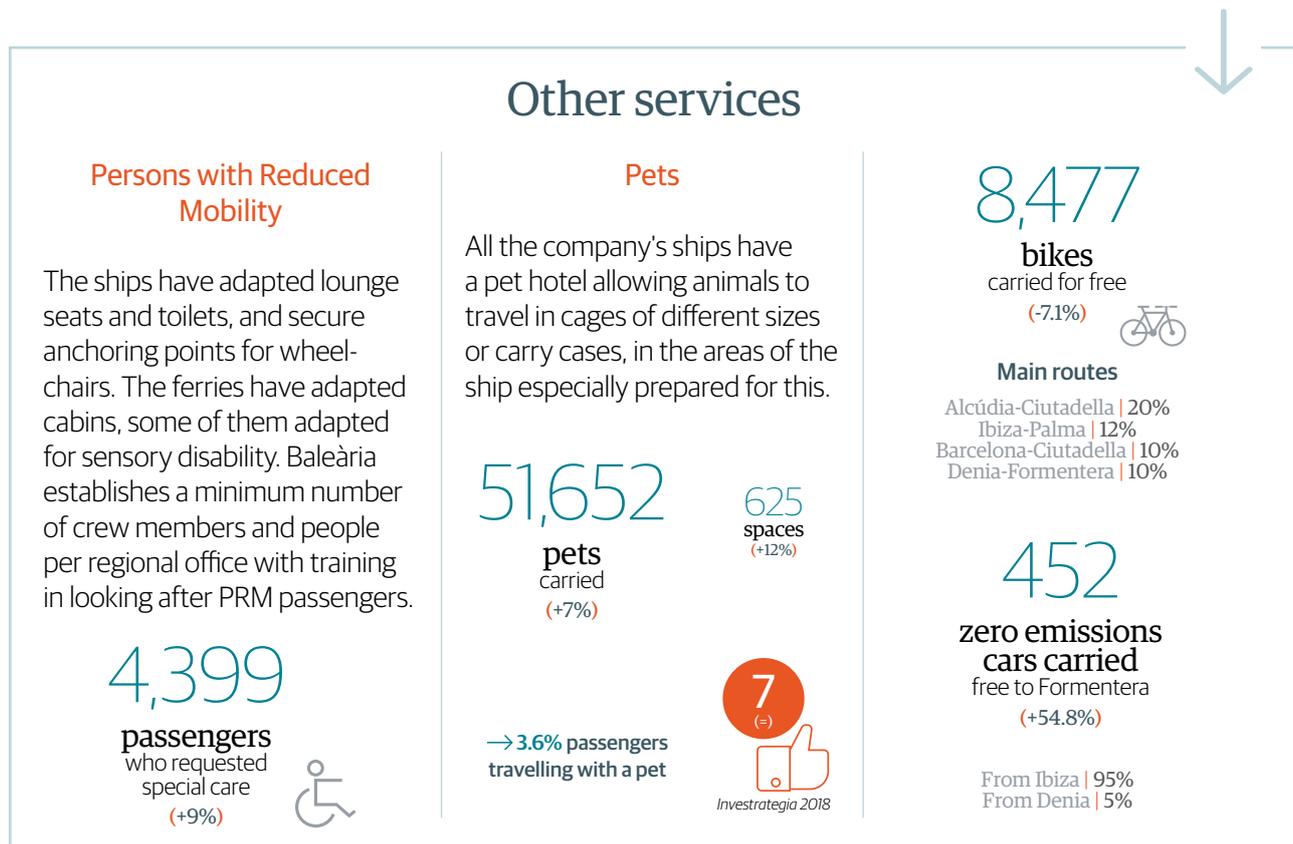
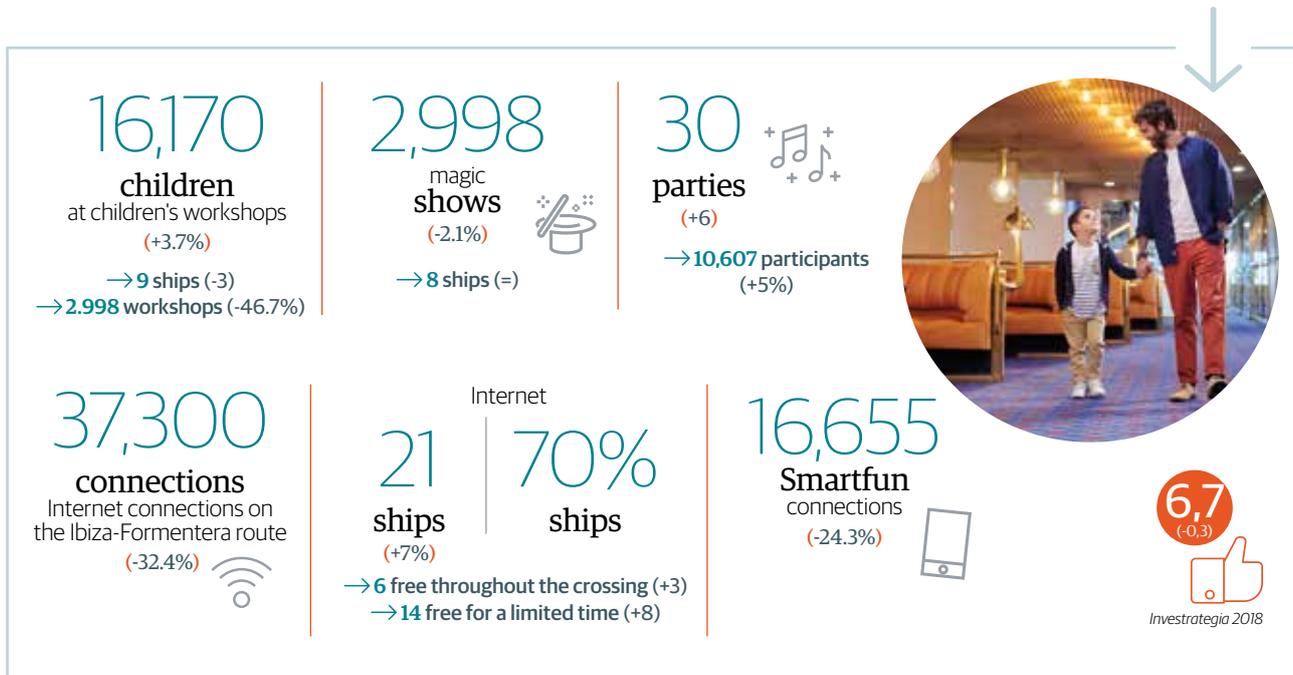
SHOPS

Most of the ships have an on-board store where passengers can buy drinks, snacks, gifts, books, toys...



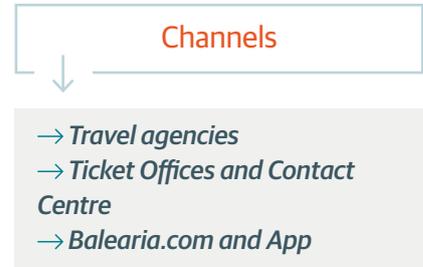
LEISURE ON BOARD

The fleet of vessels offer on-board entertainment options all year round, such as broadcasts of audiovisual content (two ships also have a cinema), Internet connection, the *Entreolas* by Baleària travel and trends magazine, the Smartfun à la carte leisure service, board games and recreational machines. During high season periods (Summer, Easter and Christmas) a part of the fleet stages the Baleària&Music programme, which includes children's workshops and entertainment staff, magic shows, and musical performances in the summer.



Customer loyalty

The fundamental principle of Baleària's commercial strategy is to place the customer centre stage. Efforts were made in 2018 to achieve balanced development of each distribution channel through digital transformation projects which serve to improve the customer experience and administrative efficiency. This makes the shipping line more competitive, while consolidating a multi-channel strategy aligned with all customer profiles. The weighting or importance of each channel may vary by region and customer type. Meanwhile, Baleària had a presence in a number of commercial and branding agreements with the aim of promoting the brand within the different sales channels and territories where it operates.



Visual identity

NEW BRAND

In 2018 Baleària continued its efforts to develop its brand and visual identity. This firstly involved the incorporation of a secondary colour (yellow-green), representing the shipping line's commitment to the environment and sustainability.

The new brand was furthermore gradually added to the company's different elements (ships, signs at ferry terminals, brochures, uniforms, website...).



NEW UNIFORMS

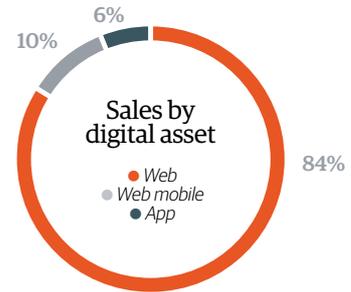
In 2018 Baleària launched a new uniform for its Land and Fleet personnel. Identity, comfort and versatility were the basic criteria in choosing the fabrics and the final designs for this change of apparel.

A specific uniform was also designed with a more informal style for the set of eco-fast ferries linking Ibiza to Formentera.



E-commerce

Baleària is engaged in a process of continuous improvement, which partly involves an increase in the importance of mobile devices in the digital strategy, as a fundamental feature of modern consumer habits. This channel is registering double-digit growth in numbers of visits and bookings, and is the brand's main point of contact with consumers. The aim is to improve the usability and convenience of digital assets, making them an integrated service platform providing relevant information on the destinations where the shipping line operates.



Key actions

New mobile application

The design and functionalities of the Baleària mobile application were renewed. In addition to a more agile and intuitive interface, priority was given to browsing usability with regard to the purchase process and the speed of response in queries about availability, fares and timetables. The main benefits added included the possibility of downloading the boarding card to a portable device.

Mobile website for Baleària Caribbean

A mobile portal was launched for Baleària Caribbean with a modern design and more accessible and optimised functionalities, such as ease of check-in, forms of payment and the booking of tourist experiences.

Amazon Pay

Integration with the Amazon Pay website was added, allowing tickets to be bought without entering bank details.

Formentera Express

During the summer Baleària launched a specific website to fast-track bookings between Ibiza and Formentera. The system allowed tickets to be purchased with an open date and time, with boarding cards being sent by email or to a smartphone wallet, allowing passengers to board with no further ado.

Improved mobile website

With the aim of enhancing the customer experience and adapting to the new branding manual, Baleària made an aesthetic and functional improvement to the mobile website. This is the first step in the 'mobile first' strategy, which will guide the process of upgrading platforms and channels for communication with customers.



Agreements and sponsorships

In 2018 Baleària underpinned commercial agreements with a number of agency groups, online travel agencies and administrative groups, as well as segments of interest to the shipping line. The main agreements are detailed below.

Senior Tourism

During the off season, Baleària was one of the senior customer carriers on the Alcúdia-Ciutadella and Algeciras-Tangier routes, prioritising day trips on preferential terms for its customers.

Students and Erasmus

Student traffic focused on the routes from Barcelona and the Valencia region to the Balearic Islands, but was also expanded to Morocco and Algeciras-Ceuta. During the year Baleària once again reinforced its operations to handle high demand from student groups.

Balearic cuisine

Baleària promoted Balearic cuisine by organising events together with **Chefs(In)** on the Spanish mainland and in the Balearic Islands.

Music festivals

Baleària collaborated with a number of music festivals: **Qué Celeste Festival** (Formentera), **Festivalito de Tango** (Formentera), **Mallorca Live Festival**, **Lovin Ibiza**, **MusicAula** and **Neox Onboard** (Atresmedia).

Sporting events

Baleària continued its collaboration with **Elite Chip** (the leading organiser of sporting events in the Balearic Islands), renewed its agreement with **Club Deportivo**

Atlético Baleares and remains a premium sponsor of **Palma Futsal** and an official sponsor of **Levante U.D.** It also collaborated with the **Formentera Marathon** and the **Spanish Legion's African Race** in Melilla. Lastly, there was a repeat of the **Cycling Onboard** event on the Algeciras-Tangier line. Meanwhile, Baleària was the carrier for the French **4L** model vehicles taking part in the **Roses des Sables** and **Tour Amical** rallies.

European Mobility Week

Baleària carried electric vehicles between Barcelona and Minorca, thereby underpinning its commitment to sustainability.

Corporate Association of Specialist Travel Agencies

Baleària became a member of **ACAVE**, an agreement underpinning its commercial relationship with the member agencies, positioning it as a leading member for the sales channel.

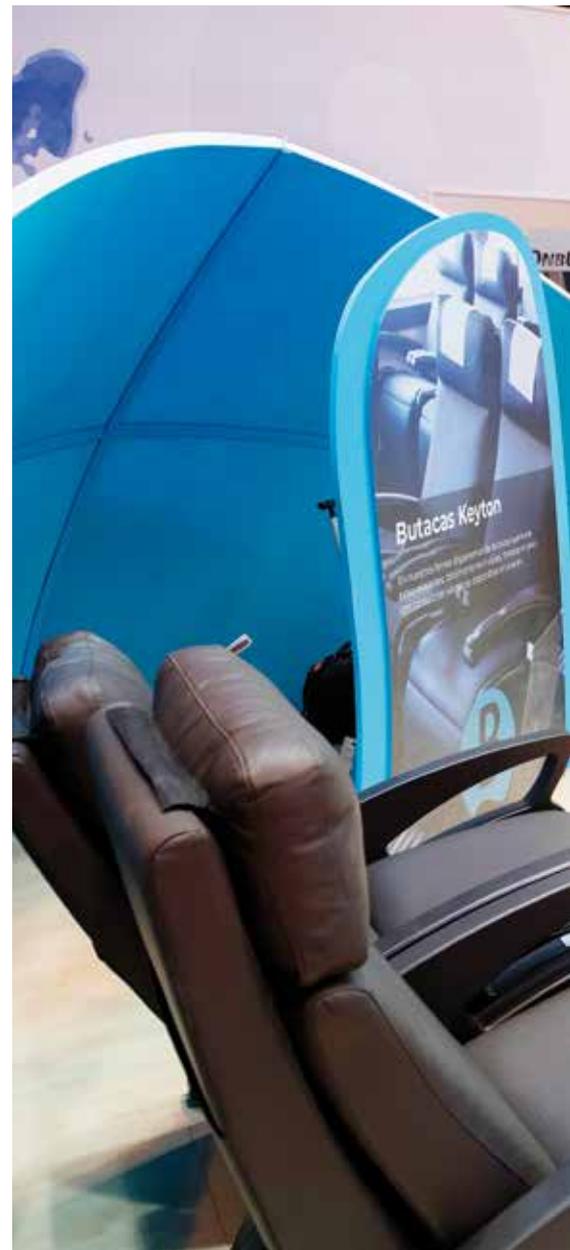


Travel agencies

Baleària conducted a telephone survey to ascertain the satisfaction of travel agencies. The most highly rated elements were the group bookings department (8.1) and commercial response (7.8).



General agency satisfaction
(8.1 in 2017)



Trade fairs and workshops

Balèria took part at the FITUR tourism trade fair with a striking 200 m², stand, providing the platform for various presentations, commercial meetings and other events.

The company's main projects for 2018 were presented here: the new smart ships under construction powered by liquefied natural gas, and the set of four eco-fast ferries for the Ibiza and Formentera route. An agreement was also signed with Gas Natural Fenosa (Naturgy) for the supply of LNG, while Denia was announced as a UNESCO Creative City of Gastronomy.

In addition to video screenings about the fleet and the shipping line's services, the stand also presented models of the newly built ships, while a virtual reality module allowed visitors to simulate a trip to Ibiza by ferry. To show the public the on-board leisure options, concerts and electronic music performances were scheduled, along with magic shows and culinary presentations.

Other promotional initiatives



Trade fairs

International Tourism, Travel and Transport Fair (Oran, Algeria) | Top Resa (Paris) | World Travel Market (London) | SITEV (Algiers)

Main workshops

Ibiza tourism foundation in Alicante, Valencia and Murcia | Nautalia Convention in Valencia | Convention Team Group in Zaragoza | 1st AVA Group Meeting in Majorca and 4th AVA Group Workshop | CEAV Travel Nights

Balèria Stand at Fitur 2018



Ibiza Cultural and Gastronomic Fair at Balèria Port (Denia)

Denia ferry terminal played host to a presentation of the cultural, gastronomic and tourism offering of the city of Ibiza, celebrating the 20th anniversary of its declaration as a World Heritage Site. Meanwhile, Balèria and Ibiza City Council signed an agreement to promote the destination, offering the shipping line's passengers free access to the various museums in the city in low season, among other benefits.



→ Safe Practices

Safety and protection

Baleària has protocols in place to prevent possible serious harm to the environment, both ashore and on-board its ships. Emergency control plans are in place in this regard in accordance with its environmental management SOPEP (Shipboard Oil Pollution Emergency Plan). The shipping line likewise stages regular drills to familiarise personnel with the possible environmental emergencies that could arise.

The crews of all the company's ships take part in weekly drills to prepare for any possible emergency that could occur on board. Baleària likewise stages shore-ship practice procedures in partnership with a number of organisations, such as SASEMAR (the Salvage and Maritime Safety Society), State law enforcement agencies, harbourmaster's offices, port authorities, fire service, etc. in order to refine its protocols and guarantee effective coordination in the event of an emergency.

Notable safety drills

→ Baleària took part in the European PICASSO (Preventing Incidents and Accidents for Safer Ships in the Oceans) programme, providing its *Regina Baltica* ship to conduct a pilot trial of a sensor capable of automatically detecting people falling overboard from a ship. The exercise, led by the Maritime Salvage Agency, also involved Escribano Mechanical Engineering, the Valenciaport Foundation and the Spanish Red Cross.

→ Over eight hundred employees took part in an exercise to evaluate evacuation times on board the *Jaume II* fast ferry, both through the deployment of the MES and a liferaft.

→ A fire evacuation drill was conducted in 2018 at the Denia head office. Meanwhile, as well as regular practice procedures covering fires and 'abandon ship' procedures, drills were conducted to cover ship-to-shore evacuation, combating of hostile boardings and actions on the detection of explosives on board, among other eventualities.

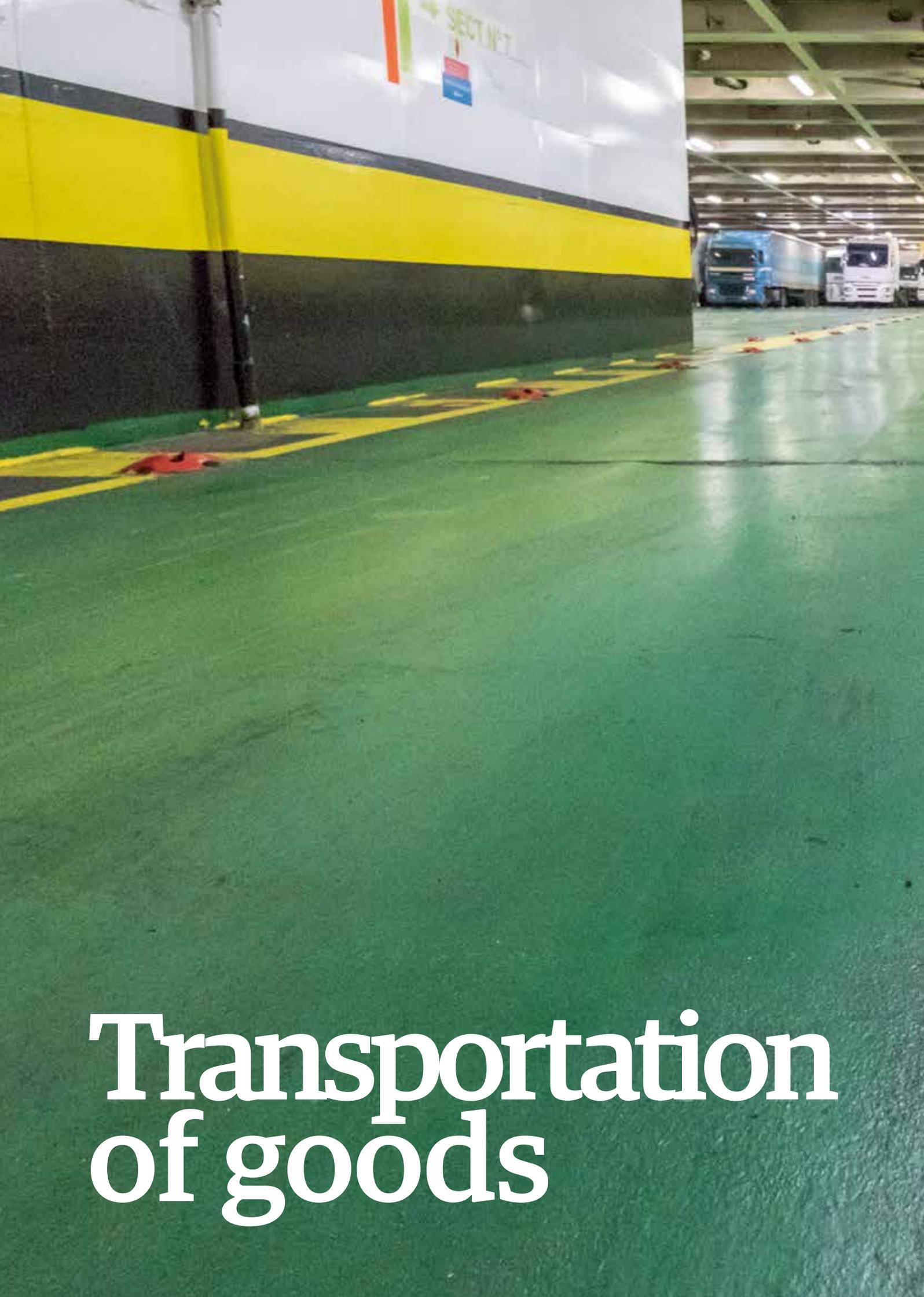


ENTERA 30 MIN.

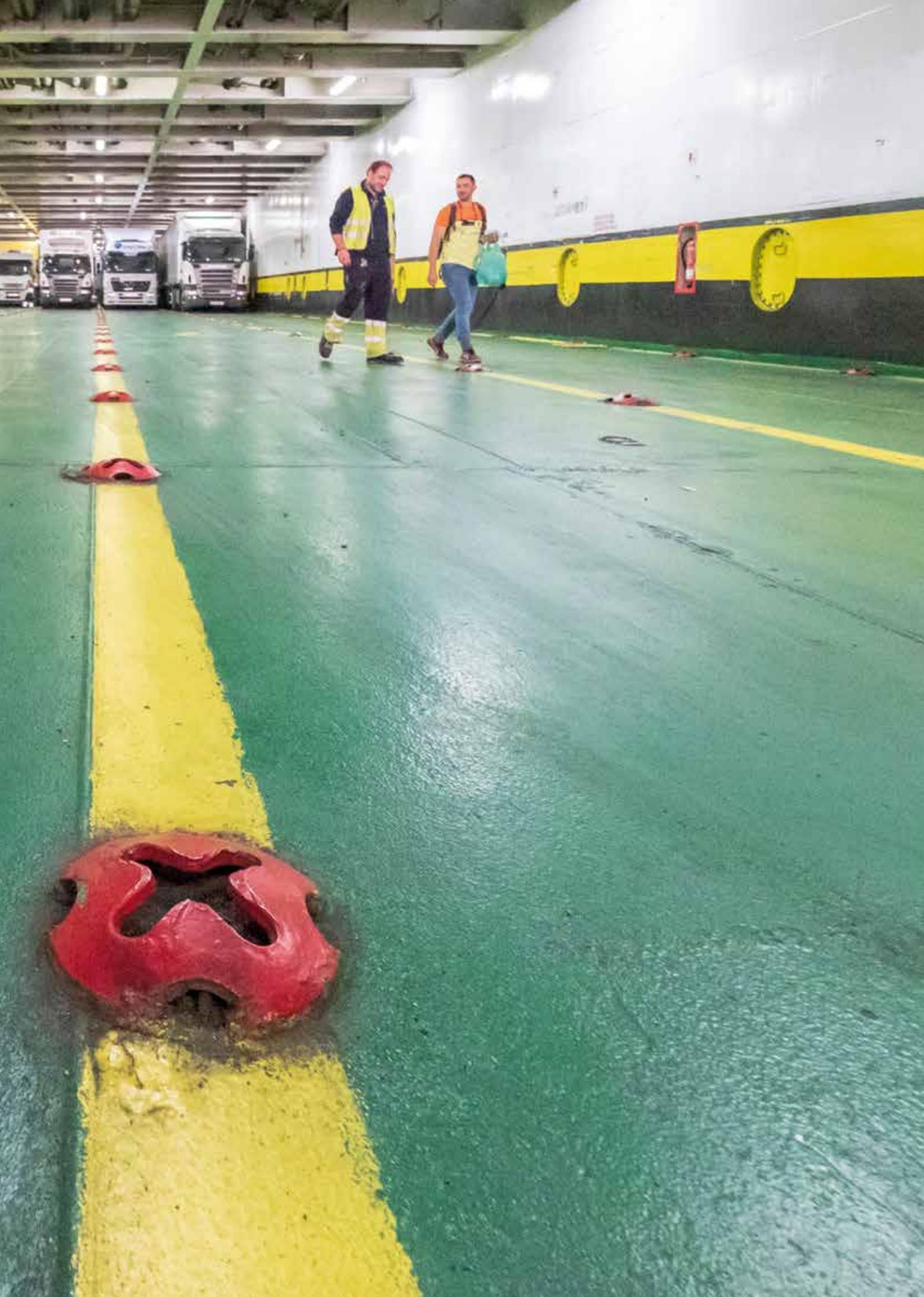
eco AIRE



BALEARIA



Transportation of goods



→ **Cargo transport**

Just-in-time goods

Goods transportation currently accounts for half of Baleària's turnover. This is an increasingly well-established business segment thanks to the improvement, reliability and punctuality of the services offered, leading to greater loyalty among customers and an increase in the cargo volumes carried. Freight is concentrated above all in two regions: the Balearic Island Crossings (79%) of the Strait of Gibraltar (20%).

In 2018 Baleària launched new freight routes, above all the crossing operated jointly with Fred. Olsen Express between Huelva and the Canary Islands, where goods traffic will be the key to consolidating the service. Meanwhile, Compañía Marítima Alborán was founded as a joint venture with goods transport specialist Marítima Peregar to operate routes in the Alborán Sea region (from Malaga to Tangier Med, Ceuta and Melilla). The main growth in freight transport at Baleària in 2018 was on the crossings Algeciras-Tangier Med, Malaga-Melilla and Almeria-Nador.

Baleària Cargo

↓

The group's logistics company, which continues to deliver a just-in-time door-to-door service. An agile, high-quality service has been achieved in partnership with transport providers, with the continuous rotation of semi-trailers and the outsourcing of land-based transport proving a key factor, while Baleària Cargo handles the maritime transport.

5,845,722

linear metres carried

(+3.5%)

415,000

trucks

(equivalent linear metres)

5,115

active customers

(+2%)

256,000

embarkations

(+6%)

FREIGHT DISTRIBUTION

By goods type

Balearic Routes		Straits Routes	
Food	34%	Consolidation	26%
Consolidation	27%	Food	13%
Drink	8%	Textiles	10%
Construction	3%	Automotive	7%
Other	28%	Medication	4%
		Furniture	4%
		Other	36%

The main goods carried for the leading customers are food, mail and drink.



By zone Weight out of total and variation





Key actions

Digital cargo model

Innovation project to improve and digitalise all processes of the cargo team and operations. The first phase was implemented in 2018 at the ports in the Balearic Islands, Barcelona, Valencia and Denia, comprising cargo management by means of tablets. This allows the operational teams to work online in real time with all cargo bookings, make modifications and consult embarkation status simultaneously. For cargo customers, the advantage is that they do not need to pass through the ticket office to collect boarding cards. The work to be performed in subsequent phases will involve a digital boarding card via SMS, which on smart ships will also be used for cabin access, and a specific web portal for cargo customers.

2018 International Logistics Trade Fair

Baleària was present at SIL 2018, the International Logistics Trade Fair held in Barcelona, at the stand set up by the Valencia Region as the guest participant at the 20th edition of the leading logistics sector trade fair for Southern Europe.

Environmental sustainability

The cargo department also worked on environment-related projects, such as carbon footprint and Lean&Green.

→ See page 75



A sustainable planet



→ **Eco-efficient sailing**

Care for the Environment

The nautical miles sailed by the Baleària fleet increased by 13% in 2018 compared with the previous year, although CO² emissions rose by just 6.5% (while in 2017 the growth was around 15% in terms of both nautical miles and emissions). Meanwhile, the ratio of tonnes emitted in terms of miles sailed, a more objective statistic when evaluating efficiency, dropped by 0.67%. In short, although Baleària sailed a great many more miles, it improved the efficiency of its routes.

The increase in the shipping line's high-speed service led to a rise in diesel consumption (the fuel used by the fast ferries), but a reduction in fuel oil consumption.

CONSUMPTION

Diesel (m ³)	69,768.58	+24.71%
Fuel (t)	121,195.75	-0.84%

CO² EMISSIONS

Diesel (t)	192,363.12	+24.71%
Fuel (t)	377,452.03	-0.84%
Total	569,815.16	+6.52%

Miles	1,359,435.00	+13%
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Ratio tCO²/mile	0.419	-0.67%
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Good practices in eco-efficient sailing

Cutting-edge anti-fouling treatments

The commitment to the use of this silicone coating on the underwater hull of ships continues, achieving a significant reduction in fuel consumption.

→ 15 ships (+4)

Engine replacement

Replacement of the engines on the fast ferries *Ramon Llull* and *Jaume III* was analysed, to fit them with more efficient engines and so reduce emissions.

Trim control system

This monitoring system installed on board serves to calculate the current and optimal trim in order to obtain more efficient consumption depending on the weather conditions and how heavily laden the ship is. It also monitors other ship data, allowing the corresponding actions to be taken and consumption levels to be adjusted.

Set of eco-fast ferries

→ See page 32

Commitment to LNG

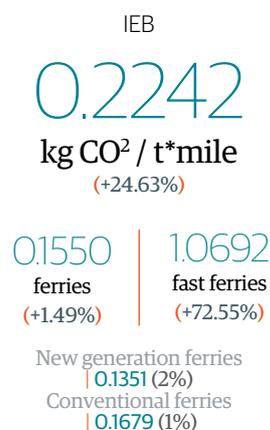
→ New natural gas-powered ships being built.
→ See pages 31 and 32

→ Natural gas retrofits.
→ See page 31

→ Natural gas auxiliary engine.



Baleària Eco-efficiency Index



As in previous years, to calculate greenhouse gas (GHG) intensity, the denominator used is the unit of transport activity (t · mile). This intensity of GHG emissions is known as the 'IEB' (Index of Eco-efficiency at Baleària).

The IEB is defined as mass of CO² emitted per unit of transportation activity. This analysis serves to conduct rigorous comparisons, although they may be affected by changes in ship and route.

As Baleària's ships carry passengers, private vehicles and freight vehicles, in order to calculate transportation activity an estimate of the tonnes being carried is made, so that the figure will correspond as closely as possible to the actual load carried on each leg, multiplied by the nautical miles travelled.

The IEB rose by 24% compared with the previous year in 2018, mainly because the fast ferries sailed 32% more miles but with similar cargo, which heavily penalises this indicator. In the case of ferries there was a slight increase in both cargo and miles, with the IEB values remaining similar to those in 2017. A separate study is likewise conducted for the new generation ferries and the older conventional ferries, with the values increasing slightly in both cases compared with the previous year.

This increase in the IEB is mainly the result of the company's ongoing commitment to continued customer service, increasing the offering of sailings and routes for its customers, above all with high-speed ships.

European and international regulations

In 2018 the European MRV (Monitoring, Reporting and Verification) Regulation came into force, requiring ships to measure and calculate their emissions, very closely related with the global 2019 IMO DCS (Data Collection System) regulations.

However, Baleària has voluntarily been monitoring its ships' emissions since 2013, in line with the company's philosophy and values of environmental sustainability, which means that the new regulations involved just slight adaptations to the ship reporting records in the ANDON System. The opportunity was taken to improve the recording system so as to make monitoring simpler.

Scheduled maintenance systems

The four eco-fast ferries are fitted with the PERAMA scheduled maintenance system, while the two LNG smart ships under construction will be equipped with the AMOS scheduled maintenance system, already used on a number of ships. The Dénia Ciutat Creativa added another similar system in 2018: SHIPSURE.

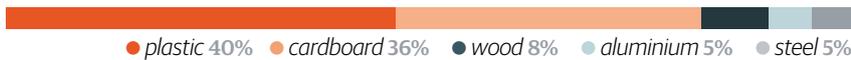
Reduce environmental impact

PREVENTIVE CLEAN PRODUCTION STRATEGY

Baleària applies a preventive clean production strategy which involves generating less waste, rather than recycling, by employing products and processes that reduce environmental impact, such as the application of anti-fouling paint on its ships (→ See page 72), biodegradable disposable cutlery (→ See page 75) and cleaning products.

SELECTIVE COLLECTION AND RECYCLED WASTE

In 2018 Baleària conducted a number of initiatives to ascertain the type of waste generated, so as thereby to be able to improve selective collection and recycling processes, with the aim of achieving 100% recycling of plastic waste in 2019. The results of the analysis were as follows:



→ **0.4 kg** average waste generated per passenger (the figure for air transportation is 1.43 kg; Source: IATA 2014).

The actions undertaken to approximate the volume and type of waste throughout the fleet were:

- Analysis of the selective waste collection of two ships, in partnership with Ecoembes.
- Waste triage on a ship to ascertain the percentage waste of each type generated on board.
- Separation and recycling of waste in Palma and Denia (in the latter case since 2015), in partnership with Ecoembes and Reciclamá.

Denia 157,037 kg



Palma 77,400 kg



The aim in 2009 in this regard is to draw up eco-efficiency plans at other ferry terminals.

Fleet waste generated

Baleària periodically discharges waste and oily water and solid waste from its ships at onshore facilities, with this waste subsequently being processed by authorised managers at their treatment plants. The amounts collected were:

- Oily water (MARPOL I): **10,824.43 m³** (repurposed to produce 944.4 t of recycled fuel oil)
- Ship bilge water (MARPOL IV): **53.85 m³**
- Solid waste (MARPOL V): **20,526.81 m³**

Quality of products and services

As part of its commitment to continuous improvement and quality in the services it provides, during 2018 Baleària renewed its quality and environment certification under the new ISO 9001:2015 and ISO 14001:2015 standards. The shipping line conducts periodic audits of the ferry terminals and ships included within the certification.

→ **Other environmental projects**

More sustainable initiatives

Biodegradable disposable cutlery

Following a pilot scheme the previous year, in 2018 Baleària brought in disposable crockery and cutlery made from biodegradable materials on 90% of its ships (those operating in the Balearic Islands, Melilla, Ceuta and the Canary Islands).

Recycled and biodegradable bleach-free cellulose card sourced from controlled woodland is used. Polylactic acid (PLA) thermoplastic is also used, made from vegetable starch and manufactured at low temperatures to save natural resources.

Baleària was furthermore the first shipping line to bring in 100% natural and biodegradable drinking straws, with recyclable and sustainable packaging.



90%
fleet
with biodegradable
tableware

→Glasses,
napkins,
tablecloths,
stirrers,
teaspoons,
drinking
straws and
other disposable
containers.

Carbon footprint

Thanks to the application of European and international regulations (→Explained on page 69) Baleària was able to digitalise the preparation of the carbon footprint reports presented to Cargo customers.

Lean&Green

Baleària registered as a new member of Lean&Green, the largest European partnership platform focused on reduc-



ing emissions associated with the supply chain, allowing companies to share good practice in the field of sustainability.

Circular economy

Following an analysis of the waste generated on board, (→See page 74), a project was established to improve the segregation of waste

allowing it to be used as part of a circular economy project.

Eco Fira in Valencia

The shipping line took part at the 16th International Environmental Solutions and Energy Fair, presenting its sustainability-related projects.

Environmental good practice agreement

Under the terms of the agreement signed with the Valencia Port Authority, Baleària committed to a yearly environmental invest-

ment and collaboration in the implementation of environmental good practice at the court.

Online courses

Worker training to raise awareness as to the importance of implementing specific eco-efficiency, sustainable water and electricity, fuel and paper management measures within the Valencia Port Authority's ECOPORT project.



B



BAR

RA 30 MIN.



Social commitment

→ Social cash flow

Value distributed to stakeholders

506,849,000€
social cash flow
(+31%)

→ inputs

Customers through sale of products and services
+371,624,000€

New debt issue
+131,609,000€

Cash
+3,120,000€

Interest collected
+496,000€

outputs →

Suppliers of goods and services
-217,069,000€

Investment and innovation partners
-146,073,000€

Employees
-49,676,000€

Public institutions (including taxes, Social Security)
-41,893,000€

Debt repayment
-40,263,000€

Financial institutions
-6,653,000€

Shareholders
-4,500,000€

Investment in social programmes
-722,000€

The social cash flow of Baleària is the value generated by the company and how it 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 in 2018 allowed the company to transfer 507 million euros to all its stakeholders, both public and private.



BALEARIA

RAMON LLULL



For a better society

The Baleària Foundation takes on board the social and environmental commitments defined in the Baleària Code of Conduct and Business Ethics. All its activities focus on improving the quality of life of citizens in the communities where the company operates, in collaboration with local or regional public and private bodies, and with the active participation of corporate volunteers.

The Foundation is guided by the Sustainable Development Goals, with the following operational strands in place:

- Contribution to sustainable development of the regions where the company operates.
- Generation of sustainable tourism offers.
- Conservation of the marine environment.
- Promotion of sustainability and strengthened commitment to combat climate change.

722,928€

budget
(-7.8%)

429

actions
(-3%)

112
in-house
(-12%)

327
with third parties
(+1%)

42

agreements
(-26%)

10
new
(-52%)

32
renewals
(-11%)



Women's choir of the University of the Balearic Islands (Church of Our Lady of the Rosary in El Verger).



Llonges de la Cultura

The Llonges de la Cultura are venues to facilitate the exchange of cultural expressions among the different regions, involving artists, research and educational institutions, charities, public authorities, business organisations and civic bodies. The Baleària Foundation has its own centres, as well as partnership agreements with other venues.



Baleària Port (Denia)

33
activities
(-35%)

3,373
attendees
(+4.8%)

Es Polvorí (Ibiza)

20
activities
(-25%)

13,179
attendees
(+32%)

Torre Ducs Medinaceli* (El Verger, Alacant)

12
activities

1,800
attendees

Other venues

74
activities
(-35%)

- Obra Cultural Balear (Formentera)
- Casal de Cultura Can Gelabert (Mallorca)
- Centre d'Art Taller d'Ivars, Benissa (Alicante)
- La Llotgeta, Aula de Cultura de la CAM (Valencia)
- Sa Pantxa (Formentera)
- Espai Frumentaria (Formentera)*

*Added in 2018

Key exhibitions

→40 years, 40 poets, XL artists

An exhibition combining the work of poets and visual artists, showcasing the cultural riches and artistic exchange of the regions that Baleària links together.

→Baleàrics

Collective exhibition featuring the work of 10 contemporary artists representing artistic activity around the regions that the shipping line links together.

→Naufrage en Méditerranée, by Hachemi Ameer

A show featuring this renowned Algerian artist, depicting the story of immigration through a vibrant and moving personal vision.



Opening of "40 years, 40 poets, XL artists" at the Torre dels Ducs de Medinaceli in El Verger.



Concert by the Association Culturelle Ibn Badja Mostaganem-Algerie at Baleària Port.

MAIN CULTURAL PARTNERSHIPS AND SPONSORSHIPS

Association Culturelle Ibn Badja Mostaganem-Algerie

A number of initiatives were undertaken as a result of the agreement with this cultural association from Algeria. In Spain, concerts of Moorish Andalusian music were staged in Denia, Ibiza and Majorca, while the Algerian painter Hachemi Ameur, Director of the School of Fine Part of Mostaganem, showed his work in Ibiza, Majorca, El Verger and Pego. In Algeria, the Foundation helped stage concerts by the Valencian singer-songwriters Borja Penalba and Mire Vives, and the Valencian musical group Colla el Falçó.

Promotion of maritime transport across the Straits

The Baleària Foundation, together with the Ministry of Education, Culture and Sport, the Regional Department of Education and Culture of Ceuta and Algeciras City Council, organised the 2nd 'My First Ship' Drawing Competition for primary school pupils in the two cities. The aim of the competition is to highlight maritime links between two continents.

→Participants: **210**

European digital skills project

The Baleària Foundation signed up as an associate partner of the company Tradigenia in Denia, one of the seven members of the European Digital Access project, the aim of which is to provide older people with the digital skills needed to access public services online. The Foundation will help to showcase the results of the project and the staging of international meetings in Denia.



Charitable Baleària: corporate volunteering

Baleària has since 2009 had a corporate volunteering group made up of company staff who play an active and altruistic role in the social, cultural and charitable initiatives of the Baleària Foundation.

143
volunteers
(-9)

21
activities
(+4)

Key activities

Hairdressing for the underprivileged

A joint project with the Extiende Tu Mano association in Denia selling T-shirts to help set up a hairdressers for the underprivileged.
→ **100 T-shirts sold**

Spectacles for the Visió Sense Fronteres charity

The Foundation gave the Visió Sense Fronteres charity spectacles provided by the shipping line's employees, to be used by children at risk of social exclusion who have problems with their eyesight.
→ **300 pairs of spectacles collected**

Donation of PRM adapted beds

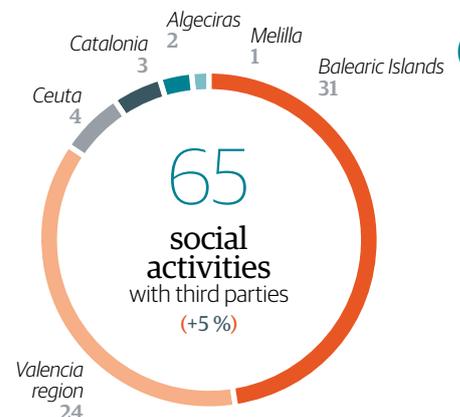
The Foundation donated beds adapted for people with reduced mobility to meet the needs of the Santa Llúcia old people's home in Denia.
→ **10 adapted beds**

Donations of humanitarian goods

The Foundation donated humanitarian goods to Càritas Algeciras, the Palma Food Bank, Hermanos y Hermanas de la Cruz Blanca in Tangier, and Hermanas de la Divina Infantita in Melilla.



Baleària volunteers with humanitarian goods.



Healthy Baleària

This programme focuses on promoting health and sporting pursuits through partnerships, agreements, sponsorships and activities connected with the world of health and sport. The activities, addressing both different social groups and employees at the shipping line itself, are connected with the world of sport, nutrition and healthy leisure, with the aim of promoting individual and collective well-being.

Key activity

Well-being and Health Plan

The Baleària Foundation launched a plan focused on promoting both physical and psycho-social health and well-being, by encouraging healthy habits within and beyond the company, with initiatives addressing both employees and their relatives and the wider community. This involved organising free hiking outings for the shipping line's employees with the goal of promoting healthy lifestyles, including in particular the option of walking a section of the Pilgrims' Way to Santiago in nine stages.

390
participants

12
walks



SPORTS SPONSORSHIP

An agreement was signed with the **Pilota Valenciana Foundation**, under the terms of which the shipping line became a new official partner of the organisation responsible for administering this traditional regional sport at the professional level.

Baleària President Adolfo Utor and the Vice-President of the Pilota Valenciana Foundation, Josep Maria Cataluña.



Internal activities

Expedicionària

Awareness-raising and environmental education project addressing secondary school students, comprising a scientific wildlife spotting expedition on board the ships, and other environmental activities on land.

599
students
(+42%)

17
educational
institutions
(+5)

'La Panseta'

Free solar-powered boat linking Baleària Port (the Denia ferry terminal and headquarters of the shipping line) to the town centre. In 2018 an information stand was installed at the boarding point of the La Panseta shuttle, covering the history of the Port of Denia, its evolution and the importance of the sultana trade in the 19th century. The Foundation also has in place a programme for school pupils likewise highlighting this topic.

19,161
trips
(+9%)

270,298
passengers
(+8%)

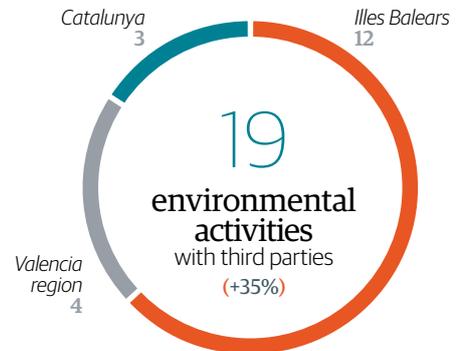
727
students
(-24%)



ENVIRONMENTAL PARTNERSHIPS

Spotting of cetaceans and marine animals

The programme for the sporting and monitoring of cetaceans and other marine species was extended to a new area, the Strait of Gibraltar, thanks to an agreement with the enterprise MMIRC (Marine Mammal Information, Research & Conservation), whose research is backed by the University of Cadiz. The Pelagicus Association, dedicated to the conservation and study of the marine birdlife of the Mediterranean, has also joined the programme. They therefore add their names to the organisations who have been involved in the project for some years: the GOB (Balearic Ornithology and Nature Protection Group), the Department of the Environment of the Autonomous Government of Catalonia, and the BloEduca environmental education centre. There was also a partnership with IMEDEA in a project focused on posidonia seagrass in Formentera.



→27 trips in the Strait and 16 trips in the Balearic Islands.

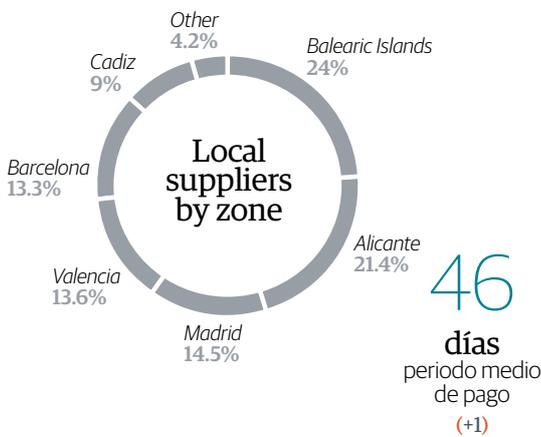


→ Suppliers

Local supplies

6,529
suppliers
(+7.3%)

80.9%
local
(-6.9%)



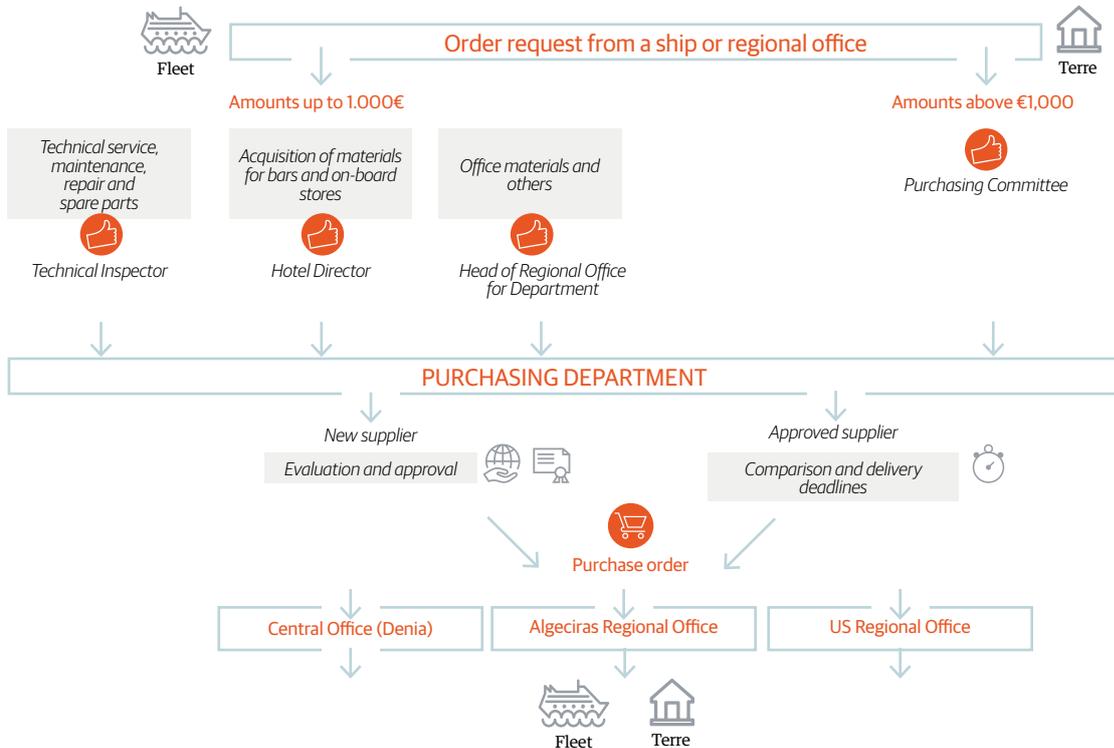
New suppliers

Baleària evaluates its new suppliers in accordance with the application of the company's existing standards and fulfilment of its code of conduct, giving them the opportunity to resolve any necessary issues in the case of those that do not pass the approvals process.

In 2018 there was a reduction in the number of suppliers in the maximum and minimum categories, with the greatest concentration in the neutral zone, along with a slight increase in non-approved suppliers.

Category A (max.)	31.6% (-13%)
Category B	54.6% (+17.4%)
Category C	8.5% (-5%)
Not approved	5.9% (+1.2%)

→ **Re-evaluation:** 5 went up a category and 13 went down.
→ **37%** of new suppliers are local.



The company's ships linking most of the regional offices perform deliveries of materials requested from headquarters. This serves to reduce the CO₂ emissions that would result from other means of transport.



IMO 9855288

EC

→ Awards

Benchmarks in the sector

Forinvest 2018 Career Award for Adolfo Utor

The financial and business networking forum Forinvest paid tribute to the professional career of Baleària President Adolfo Utor at its 2018 Finance Night, held in Valencia.



Forinvest Award

2017 Importantes Award from the *Información* newspaper

Baleària President Adolfo Utor collected this honour in recognition of the company's leadership and commitment to energy efficiency.



Importantes Award

2017 Shipbuilding Award

The Eco Aqua was chosen as the most notable shipbuilding project of 2017 undertaken in Spain, according to the Association and Chamber of Naval Engineers in a public vote.

Large Company Innovation Award

Baleària received the honour in the Large Company category from the CICV (Valencia Region Innovation Club) for the excellence of its innovation strategy management.



Shipbuilding Award

Finalist in the Intercontinental Foundation-FITUR Responsible Tourism Awards

Baleària received recognition at the FITUR trade fair as a finalist in the Intercontinental Foundation's Responsible Tourism Awards in the Transport category.

Strategic alliances

SICTED Seal of Commitment to Tourism Quality

The Baleària premises in Denia received the Seal of Commitment to Tourism Quality under SICTED (the Integrated Destination Tourism Quality System) covering cruise ship and ferry mooring at the port. This joint recognition issued by the Department of Tourism and the Valencia Tourism Agency certifies that the Baleària facilities in Denia have the capacity to handle the mooring of large leisure vessels in the future.

The SICTED methodology is intended to improve the quality of services at tourism destinations, with the aim of having a positive influence on tourist experience and satisfaction. The initiative

provides companies with the tools to improve the internal management of customer satisfaction processes, staff qualifications, technical support and other contributions.



Other entities on which Baleària is represented

- Business Association for Progress in Management (APD Levante)
- AINE (Association of Naval and Oceanic Engineers)
- ANAVE (Spanish Shipping Line Association)
- Valencian Business Association (AVE)
- ADEIT Chair of Enterprise Culture
- Marina Alta Business Federation (CEDMA)
- Bureau Veritas Naval Committee
- Climate Community
- CEV (Enterprise Confederation of Valencia)
- Valencia Tourism Code of Ethics
- Exceltur
- Conexus Foundation
- EDEM Foundation
- National Tourism Board
- Integrated Destination Tourism Quality System

Companies with best reputation in Spain

In 2018 Baleària was included for the first time in the Merco (Corporate Reputation Business Monitor) rankings of 150 Spanish and international companies operating in Spain with the best reputation. The shipping line is the only maritime transport company included on the list.

Spanish Global Compact Network

Baleària has since 2017 been a member of the Spanish Global Compact Network, having previously signed up to 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.

'Sana+Mente Responsables' Business Network

Baleària signed up to this health initiative of the Professional Association of Psychologists of the Valencia Region, comprising 20 of the leading local companies with the aim of acknowledgement and outreach for initiatives that help to create physically and psychologically healthy environments.

→ **Conferences and conventions**

Leadership vocation

Adolfo Utor,
President of Baleària

Speaker on the panel discussion *Keys to a New Governance of Tourism* at the **9th Exceltur Reshaping Tourism Forum**: How to grow sustainably and streamline digital transformation.

Participant at the round table *Opportunities in Infrastructure and Passenger Transport Management* at the **4th HotUSA Explora Tourism Innovation Forum**.

Participant at the round table *Strategic Vision: Natural Gas in Mobility*, at the **6th Convention of the Natural Gas for Mobility Association**.

Participant at the round table *Horizon 2025. New Opportunities in Valencia*, under the **Spain Innovation Roadtrip** programme, organised by Pangea Official and Forbes.

Opening contributor and speaker at seminars on the 'Who Can Be an Entrepreneur' programme of the University of Valencia's **Chair of Enterprise Culture**, of which Mr Utor is a Academic Director.

Contributor at the **Coffee&Break** forum organised by CaixaBank and the Cadiz Naval Maritime Cluster.

Participant at a round table at the **Annual Paco Pons Seminar. Valencia Region 2022**, organised by the AVE (Valencia Association of Entrepreneurs), the APD (Association for Progress in Management) and PwC (PricewaterhouseCoopers).

Speaker at the **1st Enterprise Consolidation Forum of Valencia, Empresabium**, of the AJE-CV (Association of Young Entrepreneurs of the Valencia Region).

Participant at the **Mediterranean**

Corridor Forum organised by broadcaster Cadena SER in Palma.

Opening speaker at the **57th Naval Engineering Maritime industry Congress** in Valencia.



Guillermo Alomar, Fleet Director

Participant at the session *Overcoming Barriers: Prospects for Ship Owners and Shipping Lines* at the **6th Convention of the Natural Gas for Mobility Association**.

Speaker at the **14th International GreenPort Convention** at the Port of Valencia.

Contributor at the **Use of Liquefied Natural Gas (LNG) in Maritime, Rail and Road Mobility** seminar organised by the Industrial Engineers of Catalonia.

Speaker at the **2nd Menorca Nedgia Balears Forum**.

Participant at the seminar **Towards a New Energy Model for Enterprise** organised by *El Economista* and the CEV (Enterprise Confederation of the Valencia Region).

Speaker at the **Liquefied Natural Gas in Maritime Transport** seminar organised by Gasnam and the Ceuta Court Authority.

Speaker at the **Annual Conference of the Spanish Association for the Promotion of Short Sea Shipping**, at the seminar *Working for a More Competitive Industry and Better Environment*.

Others

The Baleària CSR Innovation Director, **Josep Vicent Mascarell**, took part in the course "**Who Can Be an Entrepreneur?**" organised by the Chair of Enterprise Culture of the University of Valencia, giving an address about social responsibility.

Baleària Port (Denia) hosted the **Practical Training Days for the Maritime Labour Convention**, organised by the Regional Directorate of the Works Inspectorate and Social Security of Valencia. The Head of the Legal and Employment area, **Francisco Carrillo**, gave an address.

The Head of the Personal Development Area, **Conxa Romaguera**, delivered a conference address at the **17th Employment and Enterprise Forum** of the Faculty of Economics at the University of Valencia.

Joan Serra, Regional Representative for Ibiza and Formentera, took part at a round table discussion of logistics intelligence in crisis management at the **2nd Intelligence and Emergency Techniques Seminars**.

Baleària was involved in the seminar **Keys to Transformation: Impacts on Functional Areas of the Company**, organised by the APD (Association of Progress in Management) and KPMG.

Christian Tamarit, Baleària Revenue Analyst, took part in a **round table on new technologies applied to revenue management** at Gandia Technical University.

Baleària was involved in the round table discussion *Overseas Trade, Incentives for Research, Innovation and Enterprise in the Business Fabric*, at the forum **Challenges in the Industry and Economy of the Balearic Islands**, organised by the *Expansión* newspaper in Majorca.

Indicators

GRI Standards_ Global Reporting Initiative (GRI) and Sustainable Development Goals

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>Page 12</i>
102-3	Location of headquarters <i>Denia (Alicante)</i>
102-4	Location of operations <i>Pages 12, 13</i>
102-5	Ownership and legal form <i>Baleària Eurolíneas Marítimas S.A.</i>
102-6	Markets served <i>Page 12</i>
102-7	Size of the organisation <i>Page 12</i>
102-8	Information on employees and new workers <i>Page 50 SDG 8</i>
102-9	Supply chain <i>Page 86</i>
102-10	Changes in the organisation and supply chain <i>Pages 12, 26, 36, 37</i>
102-11	Principle or focus of foresight <i>Pages 38, 39</i>
102-12	External initiatives <i>Page 89</i>
102-13	Affiliation to associations <i>Page 89</i>

2. Strategy

102-14	Declaration by senior executives <i>Pages 6, 7</i>
102-15	Main impacts, risks and opportunities <i>Page 72</i>

3. Ethics and integrity

102-16	Values, principles, standards and behavioural guidelines <i>Page 12</i>
102-17	Mechanisms for consultancy and ethical concerns <i>More information in https://issuu.com/balearia/docs/codi_conducta_v2015_espanol</i>

4. Governance

102-18	Governance structure <i>Pages 26, 27</i>
102-19	Delegation of authority <i>Page 26</i>
102-20	Executive-level responsibility for economic, environmental and social issues <i>Page 26</i>
102-21	Consultation of stakeholders regarding economic, environmental and social issues <i>Pages 22, 23</i>
102-22	Composition of the highest governance body and its committees <i>Page 26 SDG 5</i>
102-23	President of the highest governance body <i>Page 26</i>
102-24	Appointment and selection of the highest governance 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 in order to be elected as a member of 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. ARTICLE 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 per iSDG of 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 responsible for managing conflicts of interest is the Code of Conduct Committee, such matters being set out in the Code of Conduct. The contracting of personnel or suppliers dependent on shareholders or governing bodies is strictly forbidden, unless authorised by this committee.</i>
102-26	Function of the highest governance body in the selection of aims, values and strategies <i>The most senior body of governance has the function of approving the mission, vision and values, and developing the strategies, policies and objectives connected with these matters.</i>
102-27	Collective knowledge of the highest governance body <i>The most senior body of governance has in place specific training actions allowing it to develop and enhance its knowledge.</i>
102-28	Evaluation of the performance of the highest governance body <i>No evaluation of the performance of the most senior body of governance is performed.</i>
102-29	Identification and management of economic, environmental and social impacts <i>Page 26</i>
102-30	Efficacy of risk management processes <i>The most senior body of governance addresses risk management processes at monthly meetings.</i>
102-31	Evaluation of economic, environmental and social issues <i>Monthly</i>
102-32	Function of the highest governance body in generating sustainability reports <i>Review and final approval</i>

102-33	Communication of critical concerns <i>The concerns of the company are expressed in its mission. To respond to the maritime transportation needs of society, by offering its customers a high-quality, environmentally friendly service, offering its shareholders appropriate returns, and its employees, the opportunity for development in professional and personal terms.</i>
102-34	Nature and total number of critical concerns <i>Information not available. If there is any critical concern, it is conveyed directly to management and addressed immediately.</i>
102-35	Remuneration policies <i>Information not available.</i>
102-36	Process to determine remuneration <i>Analysis of market positioning by external company.</i>
102-37	Involvement of stakeholders in remuneration <i>Information not available.</i>
102-38	Total annual compensation ratio <i>Information not available.</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>Page 23</i>
102-41	Collective bargaining agreements <i>100%</i>
102-42	Identification and selection of stakeholders <i>Page 23</i>
102-43	Focus for the involvement of stakeholders <i>Page 23</i>
102-44	Key issues and concerns mentioned <i>Pages 22, 23</i>

6. Report generation practices

102-45	Entities covered by the consolidated financial statements <i>The consolidated accounts are not audited.</i>
102-46	Definition of the content of the reports and coverage of the issue <i>Definition of the content of this report was based on the principles set out by the GRI (inclusion of stakeholders, context of sustainability, materiality and completeness). In order to guarantee its quality, meanwhile, the principles of precision, balance, clarity, comparability, reliability and timeliness were followed.</i>
102-47	List of material issues <i>Page 22</i>
102-48	Restatement of information <i>2017 international turnover: 75M. 2017 international miles: 232,561. 2017 Family Plan 4 beneficiaries.</i>
102-49	Changes in the preparation of reports <i>Stated in each aspect (where applicable).</i>
102-50	Reporting period <i>2018</i>
102-51	Date of last report <i>2017</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 preparation of the report in accordance with the GRI standards <i>This report was prepared in accordance with the Comprehensive option of the GRI Standards This report reflects economic and social performance (with reference to the workforce) in the 2018 financial year (1 November 2017-31 October 2018). All other data refer to the calendar year.</i>
102-55	GRI table of contents <i>Pages 92-96</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>Page 20 SDG 5, SDG 9</i>
201-02	Financial implications and other risks and opportunities derived from climate change <i>Page 72</i>
201-03	Obligations of the defined benefits scheme and other retirement schemes <i>The company has no benefits plan.</i>
201-04	Financial support received from the government <i>Balearia received an 11-million euro subsidy from the European Union, divided over four years, intended for a project to fit replacement LNG engines on five ships of its fleet.</i>

202. Market presence

202-01	Ratio of the standard initial category salary by gender against minimum local salary <i>Page 50</i>
202-02	Proportion of senior executives hired from the local community <i>71%. A senior executive is understood as any figure with management responsibilities and membership of the company's senior executive committees. Significant operations are those performed at each of the Balearia regional offices. SDG 8</i>

203. Indirect economic impacts

203-01	Investment in infrastructure and supported services <i>Page 20 SDG 5, SDG 9, SDG 11</i>
203-02	Significant indirect economic impacts <i>Information not available.</i>

204. Acquisition practices

204-01	Proportion of expenditure at local suppliers <i>Information not available. A method allowing this to be included in future reports is being examined.</i>
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205. Anti-corruption

205-01	Operations evaluated for corruption-related risks <i>The company has an email address in place allowing any employee or supplier detecting any unlawful conduct to report their grievances.</i>
205-02	Communication and training in anti-corruption policies and procedures <i>No training was given in this regard.</i>

205-03 Confirmed cases of corruption and measures taken | *The company has an email address in place allowing any employee or supplier detecting any unlawful conduct to report their grievances.*

206. Competencia desleal

206-01 Legal actions connected with unfair competition, monopolistic and anti-trust practices | *No proceedings in progress in this regard.*

ENVIRONMENTAL

301. Materials

301-01 Materials employed by weight or volume | *Page 74 | SDG 9, SDG 12*

301-02 Recycled inputs used | *Page 74 | SDG 12*

301-03 Reused products and packaging materials | *Page 74 | SDG 12*

302. Energy

302-01 Energy consumption within the organisation | *Pages 32, 73 | SDG 12*

302-02 Energy consumption outside the organisation | *Information not available.*

302-03 Energy intensity | *Pages 73, 74 | SDG 12*

302-04 Reduction in energy consumption | *Pages 73, 74 | SDG 12*

302-05 Reduction of energy requirements of products and services | *Pages 73, 74*

303. Water

303-01 Water extraction by source | *The company obtains the water that it uses from the municipal mains supply in the various locations where it operates. The organisation consumed 11,820.97 m³. | SDG 6*

303-02 Water sources significantly affected by water extraction | *The sources used (municipal mains) are not affected. | SDG 6*

303-03 Water recycled and reused | *The organisation does not use recycled water and has no resources in place for water recycling. | SDG 6, SDG 12*

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 | *The organisation does not have any operational sites located within or adjacent to protected areas or zones of high biodiversity value. | SDG 6, SDG 14*

304-02 Significant impacts of activities, products and services on biodiversity | *The significant impacts identified by the Company in connection with its activities are: emission of combustion gases from engines, generation of solid urban waste, generation of hazardous waste and consumption of natural resources (fossil fuels and water). In order to reduce these impacts, the company has been implementing various initiatives over recent years. These include the switch to the use of LNG as a fuel on board, thereby reducing emissions of CO₂ and NO_x, and practically eliminating the generation of SO_x and particles. | SDG 6, SDG 14*

304-03 Habitats protected or restored | *Collaboration with Volunteers Without Borders on various projects: "Clean Up the World", "XVI Sant Antoni Net a Fons", "Neteja Intramurs", "Sa Penya", "Eivissa Capital", "Clean Up the Med 2018".*

304-04 Species on the IUCN Red List and national conservation lists whose habitats are within areas affected by operations | *7 species in critical danger, 7 species at risk of extinction, 17 vulnerable species, 1 near-threatened species and 33 species of lower level concern.*

305. Emissions

305-01 Direct GHG emissions (Scope 1) | *Pages 73, 74 | SDG 12, SDG 14*

305-02 Indirect GHG emissions through energy generation (Scope 2) | *Page 31 | SDG 12, SDG 14*

305-03 Other indirect GHG emissions (3) | *Information not available. These are not measured, nor are there plans to do so in the short term. | SDG 14*

305-04 Intensity of GHG emissions | *Pages 73, 74 | SDG 14*

305-05 Reduction of GHG emissions | *Pages 73, 74*

305-06 Emissions of ozone-depleting substances (SDG) | *Information unavailable; not measured. There are no plans to enable calculation in the short term.*

305-07 Óxidos de nitrógeno (NO_x), óxidos de azufre (SO_x) y otras emisiones significativas al aire | *Not currently measured. Emission factors for NO_x, SO_x and other compounds will be analysed for the fuels used by Baleària to devise an index for these emissions.*

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. The waste water discharged by the ferry stations is derived from human use and enters the drainage network of the towns where they are located. Further information on page 74 | SDG 6, SDG 12, SDG 14*

306-02 Waste by type and elimination method | *Page 74 | SDG 6, SDG 12, SDG 14*

306-03 Significant spillages | *There were no significant spillages over the course of the year. Measurement is performed by means of notifications of this type of incident by the ships and Port Authorities, with no such incident being registered in 2018. | SDG 6, SDG 12, SDG 14*

306-04 Transportation of hazardous waste | *Baleària is not involved in the transportation of hazardous waste. Any hazardous waste that might be carried by the company is embarked as freight and transported on self-propelled vehicles operated by waste managers. The company does not interact with this type of freight at any time.*

306-05 Bodies of water affected by discharges of water and/or run-off | *Not applicable. Baleària has no discharges of water or run-off. The waste water generated by its ships is delivered to on-land treatment facilities. More information in page 74.*

307. Environmental fulfilment

307-01 Breach of environmental regulations and legislation | *No notices received of proceedings in this regard.*

308. Environmental evaluation of suppliers

308-01	New suppliers that have passed evaluation and selection filters in accordance with environmental criteria 16.6% of the suppliers evaluated apply environmental criteria as required by the company (information on certified environmental management systems).
308-02	Negative environmental impacts on the supply chain, and measures taken 82.4% of the suppliers evaluated do not have a certified environmental system. Work is ongoing to offer improvements. The relationship with them has not been terminated. In 2018 the Dènia warehouse underwent a reorganisation of chemical products with the support of Asepeyo to identify those that cannot be stored close to others because of the danger of explosion, corrosion or toxic gases.

SOCIALS

Work-life balance (material issue)

Enfoque de gestión 103-1 103-2 103-3	Work-life balance is an issue of particular importance for employees, whose wish is that the company should offer measures to achieve such a balance, with the organisation playing a fundamental role through its direct actions. A work-life balance plan has been drawn up for this purpose setting out measures (pending approval), in addition to some others that have already been implemented, and describing the company's current policies, commitments, objectives and goals, resources, programme and initiatives. The absence index, among others, will therefore be compared in order to evaluate the profitability and effectiveness of this matter.
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401. Employment

401-01	New hirings of employees and staff turnover Pages 42, 50 SDG 5, SDG 8
401-02	Benefits for full-time employees not given to part-time or temporary employees The 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 Page 48 SDG 5, SDG 8

402. Worker-company relations

402-01	Minimum notice period regarding operational changes 1 month
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403. Health and safety at work

403-01	Representation of workers on formal worker-company health and safety committees 100% the workers are represented.
403-02	Types of accident and frequency rates of accidents, professional illnesses, days lost, absences and number of fatalities through occupational accidents Sprains, falls, burns, muscle injuries. No cases of professional illness.
403-03	Workers with high incidence or high risk of illnesses connected with their activity None.
403-04	Health and safety issues addressed in formal agreements with trade unions The formal agreements with trade unions cover health and safety at 100% of the Health and Safety Committee meetings.

404. Training and education

404-01	Average hours of training a year per employee Pages 44, 45 SDG 5, SDG 8
404-02	Programmes to improve employee skills and transition support programmes Pages 46, 48 SDG 5, SDG 8
404-03	Percentage of employees receiving regular performance and professional development evaluation Page 58 SDG 5, SDG 8

405. Diversity and equality of opportunity

405-01	Diversity of governance bodies and employees Page 42 SDG 5, SDG 8
405-02	Ratio of basic salary and remuneration of women compared with men Page 50 SDG 5, SDG 8, SDG 10

406. Non-discrimination

406-01	Cases of discrimination and corrective actions undertaken None identified. SDG 5
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407. Freedom of association and collective bargaining

407-01	Operations and suppliers with a significant risk of cases of child labour The company supports the right of freedom of association and recognition of collective bargaining. No centres or suppliers have been identified in this regard.
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408. Child labour

408-01	Operations and suppliers with a significant risk of cases of child labour Baleària does not maintain a commercial relationship with any countries that could be involved in such cases. The countries where products are purchased correspond to Europe, the USA and Australia.
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409. Forced or bonded labour

409-01	Operations and suppliers with significant risk of cases of forced or bonded labour Baleària no mantine relaciones comerciales con países que puedan tener este tipo de casos. Los países donde compra productos pertenecen a Europa, EE.UU y Australia.
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410. Security practices

410-01	Security personnel trained in human rights procedures No personnel were trained in this regard.
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411. Rights of indigenous peoples

411-01	Casos de violaciones de los derechos de los pueblos indígenas Not applicable. Baleària has no operations in geographical areas affected by this issue.
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412. Evaluation of human rights

412-01	Operations subject to human rights impact reviews or evaluations None performed.
412-02	Employee training in human rights policies or procedures None performed. Implementation is planned in 2019.
412-03	Significant investment contracts and agreements with human rights clauses or subject to human rights evaluation None performed.

413. Local communities

413-01	Operations involving the local community, impact assessments and development programmes Pages 80, 83
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413-02 Operations with significant real or potential negative impacts on local communities | *Those 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 at the different regional centres.*

414. Social evaluation of suppliers

414-01 New suppliers passing through selection filters in accordance with social criteria | *61.4% of the suppliers evaluated applied the social criteria required by the company (voluntary certification of their occupational risk prevention system (OHSAS 18001/45001 or other)) and understand and apply the criteria included within the Baleària Code of Conduct and Ethics |SDG 5*

414-02 Negative social impacts on the supply chain and measures taken | *38.6% of the suppliers evaluated could have some type of negative social impact, although these are not significant. The relationship has not been terminated with any of them. |SDG 5*

415. Public policies

415-01 Contribution to political parties and/or representatives | *Baleària made no contribution in this regard.*

416. Customer health and safety (material issue)

Enfoque de gestió 103-1 103-2 103-3 *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.*

416-01 Evaluation of impacts on health and safety in the product or service categories | *In accordance with the legislation in force, the company evaluates all relevant aspects concerning occupational risks involved in the activities required to perform its services, both on board the ships and at the ferry terminals. 100%.*

416-02 Cases of breaches regarding impacts on health and safety in the product and service categories | *None received.*

417. Marketing and labelling

417-01 Requirements for information and labelling of products and services | *Baleària uses its website to inform customers as to control and safety measures established for embarkation on its ships. Passengers are also provided with information cards on board as to the various means of evacuation available on board the ship they are sailing on, and they are informed how to use these in the event of need by means of a video shown when the crossing begins.*

417-02 Cases of breach connected with information and labelling of products notices | *None received.*

417-03 Cases of breach connected with marketing communications | *None received.*

418. Customer privacy

418-01 Fundamental grievances regarding violations of customer privacy and loss of customer data | *None received.*

419. Socio-economic fulfilment

419-01 Breach of laws and regulations in the social and economic spheres | *None in the economic sphere. In the social sphere these are insignificant.*

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BALEARIA

