

25 BALEARIA
YEARS



SUSTAINABILITY REPORT
2023



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2023



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SUSTAINABILITY AND PURPOSE

Once again this year, we have been faithful to our commitment to explain what Baleària does and how it does it through the Sustainability Report, which shows our achievements for 2023 and our future objectives. This publication is an exercise in transparency towards society as a whole and, in particular, towards our stakeholders, but it also represents an annual reflection involving the 2,500 women and men who, day in and day out, provide essential maritime services to a number of regions, millions of people and thousands of companies.

From an open, multidisciplinary perspective, this document

presents data and analyses the trajectory of Baleària in 2023, a very special year that marked the culmination of our first quarter of a century of existence. It has been 25 years of work and improvement with our strategic sights set on 2050, the year marked on the calendar of any responsible company as the year of zero emissions; the year in which we will be neutral in terms of greenhouse gas emissions. As I have often stated with the deepest of convictions, there is no future without sustainability. The climate circumstances we are currently experiencing make it necessary to reflect calmly, but decisively, on the environmental

future we wish to bequeath to future generations.

The Sustainability Report, and I say this with undisguised pride, also reflects the fact that in Baleària there is talent and energy, as well as ideas and empathy with our customers. Values that are evidenced by the feedback we get from society. Women and men from many different backgrounds are brought together and bonded by a common goal: to offer the best maritime services and, in doing so, to contribute to sustainable economic development and human relations.

This report includes all the data that reflects Baleària's business

and social reality. But data alone cannot convey a company's commitment. What makes us different and accessible is our DNA, our purpose, based on the conviction that values are, in the 21st century, one of a company's main assets.



Adolfo Utor

Chairman of Baleària



LEADING SHIPPING COMPANY

At Baleària we are celebrating our 25th anniversary, proud and satisfied with the road we have travelled. What began as a modest venture has turned into a fruitful and successful journey that, today, makes us the leading shipping company in Spain, backed by a long history of efficiently transporting passengers, vehicles and goods. At the international level, this quarter-century-long journey has also borne fruit.

Today, we are recognised as a maritime company with an innovative approach to sustainable mobility. Innovation and care for the environment are the keys to eco-efficient mobility. Our aim is to always go one step beyond what is required by law, to contribute to improving the well-being of people and the planet.

The maritime sector is one of the most strictly regulated sectors, with stringent safety regulations governing CO₂ emissions and waste management, among other things. This must be the case. However, in addition to complying with all current regulations, we go much further: for more than 10 years, Baleària has been **researching and promoting the**

use of less-polluting fuels, such as natural gas, and more recently we have started working with other cleaner and more environmentally friendly energies, including green hydrogen and biomethane. This year we launched the first electric ferry in Spain, with zero emissions while in port, which is great news. We are pioneers because we want to achieve emission-free shipping by 2050. Our research goes on. Our commitment to the environment is undeniable.

Throughout this 25-year journey, we have grown steadily, making a **firm commitment to innovation**, the key to our leadership and our commitment to our customers and to society. Thanks to continuous innovation, we offer

the highest levels of efficiency, punctuality and comfort on all our routes, which each day connect 25 destinations in 6 countries, with a fleet of more than 35 vessels and some 2,500 people who form a cohesive and committed team.

Our aim is to always go one step beyond what is required, to contribute to improving the well-being of people and the planet



MISSION AND VALUES

Baleària’s mission is to respond to the maritime transportation needs of society, by providing its customers with a high-quality, eco-friendly service, offering its shareholders appropriate returns, and giving its employees the opportunity for development in professional and personal terms.

SOCIAL RESPONSIBILITY

Baleària accepts its responsibility, which it understands to be responding to the legitimate expectations of its stakeholders while remaining faithful to its values and principles.

INNOVATION

Baleària and its staff must apply their creativity, making productive use of their imaginations and knowledge, to generate value propositions that are successful among the stakeholders.

SUSTAINABILITY

Baleària must contribute to the balance between people, the planet and prosperity in the present without endangering it in the future. The company is also committed to using the 2030 Agenda and the SDGs as a roadmap, in particular in terms of eco-efficiency, sustainable mobility and the circular economy.

SOLVENCY

Baleària and its staff must be worthy of the trust placed in them by their stakeholders, they must be exemplary and must fulfil their obligations.

We are a benchmark in the shipping sector, providing personalised, quality services and with the capacity to compete in a global world



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

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Board of Directors

Adolfo Utor

Chairman and sole shareholder

Georges Bassoul

Chief Executive Officer

Ricardo Climent

Chief Financial Officer

José Manuel Orengo

General Secretary

GOVERNANCE STRUCTURE

Our governance structure reflects a holistic approach that encompasses both the internal and external aspects of our business management.

At the apex of this structure is our Board of Directors, the main governing body responsible for strategic decision-making and the overall supervision of the company. It plays a crucial role in setting the guidelines and policies that steer our path.

Just below the Board of Directors, is the Standing Committee, a dynamic entity comprising the members of our Board of Directors and key figures such as Chief Operating Officer David Fernandez. This committee is continuously in action, dealing with urgent matters and ensuring the smooth and efficient management of our day-to-day business.

Another governing body is the Executive Committee. This is responsible for the operational implementation of the strategic decisions made by the Board and the Standing Committee, ensuring that our daily operations align with the vision and objectives set out by our highest governing body.





Certain bodies perform specific functions. These include the Ethics and Compliance Committee, which is responsible for overseeing business ethics and ensuring compliance with ethical standards and regulations.

In addition, the Works Council is responsible for representing the interests of our employees.

This council, which includes trade union representatives, contributes to participatory management by facilitating communication between our management and our employees, thereby promoting a fair and collaborative working environment.

In addition, the Equality Committee, which is part of our Equality Plan, is responsible for promoting gender equality and non-discrimination in our work environment.

Overall, the governance structure, supported by the active presence of the Standing Committee, reflects our comprehensive commitment to transparency, ethics and fairness.

Our governance structure reflects our comprehensive commitment to transparency, ethics and fairness



ETHICS AND COMPLIANCE MANAGEMENT

At Baleària we are particularly committed to risk management. For us, it is essential to monitor our performance.

We use a comprehensive Ethics and Compliance Management Model to help us ensure that we comply with all rules, including our internal code of conduct. The Ethics and Compliance Committee is responsible for ensuring this is implemented.

This model includes tools such as a risk matrix and reports that tell our management team how we are managing risks and help us decide what to do to reduce them. The departmental risk matrix also helps us to identify the legal issues we face and any we may

have overlooked. We look at the sectors in which we work and the legislative framework that applies to us, and we talk to the people in charge of each area to identify important risks.

In this matrix we also assess ethical risks and use an approved form to analyse these, although some of these risks may be covered in the legal risk assessment.

Identifying non-financial risks is crucial and allows us to mitigate potential negative impacts in our operations





Cybersecurity

At Baleària, the management of risks related to information and cybersecurity is an essential part of our operations. We evaluate the apps we use and classify them according to how important they are to our business as well as the protection of confidential information. This allows us to prioritise and allocate security resources in proportion to the importance of each app.

We have specific policies to ensure data and information security.

Information Security Policy

This policy establishes crucial guidelines to ensure the integrity and security of our information, assets and the business processes associated with our systems and network infrastructure. The aim is to improve the stability, quality and continuity of our processes, to safeguard the confidentiality and integrity of information, and to boost the confidence our partners and users have in us.

Policy on the Proper Use of IT and Communications Resources

This policy sets out recommended practices for all users of our IT and communications resources. Its purpose is to define standards that ensure the efficient and secure use of our information systems, protecting the company and our users from risky or illegal activities.

In addition to these policies, we have an external cybersecurity team that monitors and responds to security incidents, acting rapidly to contain and resolve any issues. These internal policies and procedures, together with the external cybersecurity team, help us prevent threats and protect the stability, quality and continuity of our processes, as well as the confidentiality and integrity of information.

RISK MITIGATION

At Baleària we implement actions to minimise any threats that are defined in the criminal and ethical risk matrix. This shows us all the dangers we have identified, providing a complete picture of the possible threats related to illegal or unethical activities.

Each risk in this list has its own set of measures designed to control or reduce its impact. These controls are designed to strengthen our organisation in the face of legal or ethical issues, ensuring that our operations are aligned with Baleària's principles of sustainability and corporate social responsibility.



MILESTONES IN 2023

FIRST ELECTRIC FERRY IN SPAIN

At Baleària we marked an important milestone with the launch of the innovative *Cap de Barbaria*, an electric ferry and the first of its kind in Spain. This 82-metre-long boat that can carry 390 passengers links Ibiza and Formentera, revolutionising the connections between these islands.

Navigation and port stays are emissions-free thanks to the electric propulsion of this ferry. We are also committed to the future, and we have taken into account the possibility of incorporating green hydrogen as a fuel, allowing us to explore new forms of sustainable energy on a small scale.

In the design of the *Cap de Barbaria* we looked for not only

eco-efficient mobility, but also an optimised journey experience, giving priority to outdoor spaces that allow passengers to enjoy the natural environment during the crossing, as well as numerous on-board services.

This ferry, designed to carry up to 240 linear metres of cargo, equivalent to approximately 14 trucks, ensures the supply of essential products to Formentera. Our priority is its operational agility and ability to operate in various weather conditions, thereby ensuring a vital link between Ibiza and Formentera, as well as providing reliable services for residents and tourists.

Thanks to its electric propulsion, sailing and harbour stays are emission-free



CONSTRUCTION OF THE 'MARGARITA SALAS' FAST FERRY

At Baleària, work has continued on the construction of the *Margarita Salas* fast ferry at the Armon Shipyard in Gijón. This vessel, equipped with dual natural gas engines, has similar dimensions to its predecessor, the *Eleanor Roosevelt*, but will offer 10% more power thanks to its four 9,600 kW dual engines.

Able to transport 1,200 passengers and 450 vehicles, we have enhanced the interior spaces to provide an exceptional on-board experience. We have added a second passenger deck with a seating lounge, enlarged the aft deck, and upgraded the seating in the VIP lounge.

The ship will also include digital services such as an internet connection, a free digital entertainment platform and WhatsApp coverage throughout the voyage, ensuring customer comfort and satisfaction.

The name of this new ship pays tribute to the Spanish scientist Margarita Salas, renowned for her work in molecular biology.

This second gas-powered fast ferry has more powerful engines and larger lounges



GREEN MARINE EUROPE CERTIFICATION

Baleària has achieved a milestone by becoming the first Spanish shipping company to obtain the prestigious Green Marine Europe certification.

This green credential reflects our commitment to sustainability and eco-efficiency in the maritime sector. Through this accreditation, we confirm our leadership in implementing advanced environmental practices focused on reducing greenhouse gas emissions and preserving marine biodiversity.

The rigorous audit and self-assessment we undertook to obtain this certification ensures that we meet high standards in terms

of environmental management, reduced pollutant emissions and underwater noise, as well as the conservation of aquatic species. These efforts consolidate our long-term commitment to decarbonisation and care for the marine environment.

In addition to Green Marine Europe certification, Baleària has been awarded multiple recognitions and certifications that support our focus on environmental sustainability.

This certification reinforces our commitment to promote the decarbonisation of maritime transport



CELEBRATING 25 YEARS

The year 2023 was marked by the **25th anniversary of Baleària's founding**, which we began to celebrate at the International Tourism Fair (Fitur) together with more than 400 people from our target audiences and individuals linked to our activity. It was the first event of the year to highlight our journey from 1998 to now, which has made us the leading company in maritime passenger and cargo mobility in Spain.



Book

We have presented our stakeholders with a **commemorative book** (you can download it by clicking on this QR) which includes our history, the main ships that have operated under the Baleària brand and the thoughts of 25 people linked to our history.



Exhibition

In addition, in the various territories where we operate, the Baleària Foundation organised the exhibition '25 years of Baleària'. This commemorates our journey through the works of a number of Mediterranean artists.

A 25-year journey

In the **documentary A 25-year journey**, we bring together the testimony of experts from the shipping world and main players in the company's history, who narrate the beginnings of Baleària, the decisions that drove our growth, and the most complex moments in our history, as well as taking a look at the future.

The film **was screened in front of 300 people** at our headquarters in Dénia in June, coinciding with the date of our founding, which we celebrated with a fun day full of activities, music and cultural exhibitions.



Chapter 1
Origins



Chapter 2
Decisions



Chapter 3
Future



**OUR BUSINESS
MODEL**

OUR BUSINESS IN FIGURES

35 ships owned

We own a fleet of 30 ships and 5 auxiliary vessels. In addition, during 2023 we also sailed using **9 chartered vessels**. In line with our commitment to sustainability, we have **11 ships with dual natural gas engines** and **2 electric ferries**. Our innovative spirit is reflected by the **13 smartships** in the fleet.

6 countries **25** routes

We serve **18 domestic routes** through which we connect the Spanish mainland with the Balearic Islands (and between them), Ceuta, Melilla and the Canary Islands. We are also present at the international level, and we operate in **Morocco, Algeria, France, the United States and the Bahamas**, demonstrating our vocation to be a global shipping company with a local vision.

1,865,000 miles sailed

In 2023 we sailed **17%** more miles than last year, and our ships have made a total of **41,600 trips** counting all our routes. This significant growth in our operations underlines our position as a leader in maritime transport.

5.2 M passengers

For the first time in our history we have transported more than 5 million passengers, representing a growth of **14%** compared to the previous financial year. In addition, 21% of passengers travelled on one of our international routes. This data endorses us as a key company for the mobility of both residents and tourists in the regions where we operate.

1.4 M vehicles

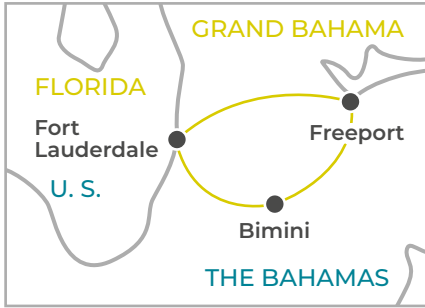
The number of passenger vehicles transported in the holds of our fleet has also grown, in this case by **18%** compared to the previous financial year. The figures reaffirm that the convenience of being able to travel with their vehicle is one of the benefits of maritime transport for passengers.

7.4 M linear metres of cargo

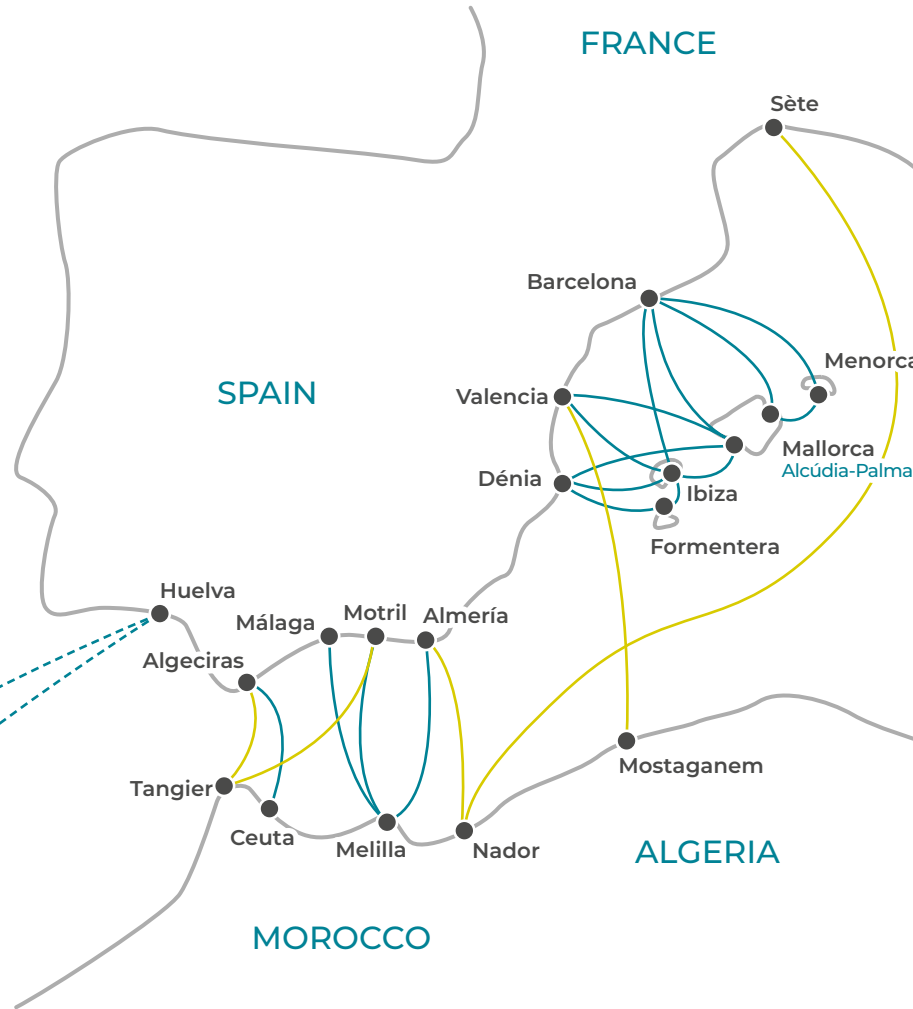
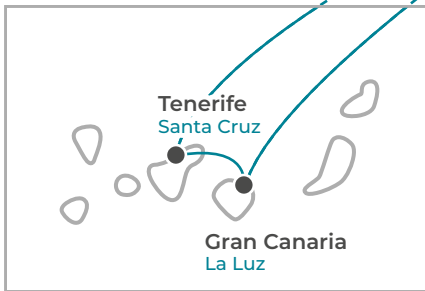
Our crucial role in the economic development of the regions in which we operate is demonstrated by our goods transport. This increased in 2023 by **6%** (in the case of international routes, growth reached **33%** compared to the previous financial year). The **550,000 trucks** that we have transported reliably and punctually in our holds have been strategic in the supply of essential commodities.

ROUTES

CARIBBEAN



CANARY ISLANDS



Our network of routes not only facilitates the efficient movement of passengers and goods, but also boosts the economic development of different regions. This helps us build economic and cultural bridges and strengthen Baleària's position as a key element in local and global mobility.

For our company, these routes not only represent business opportunities, but also a responsibility to sustainable development and communication between different communities. Our ability to offer quality services on these key routes establishes us as a reliable and essential partner in the shipping panorama.

We are a key player in maritime connectivity linking strategic destinations

PASSENGER TRANSPORT

At Baleària we are proud of our 25 years of experience and the recognition of our customers as a benchmark in mobility.

Today, our operations are geared towards providing our customers with memorable experiences through efficient, digitalised and reliable services. Our fleet and shore equipment allows us to excel in terms of innovation, technology and environmental protection.

Our aim is to be the leading shipping company for eco-friendly and reliable transport services for our customers and business partners. We set the course for the future.

5,242,000 passengers

+14%

By type of route



4,121,000 domestic (+9%)

1,121,000 international (+36%)

By zones

Balearic Islands 50%

Ceuta 21%

International 21%

Melilla 7%

Canary Islands 1%



1,375,000 vehicles

+18%

By type of route



1,080,000 domestic (+13%)

295,000 international (+45%)

By zones

Balearic Islands 52%

International 22%

Ceuta 18%

Melilla 6%

Canary Islands 2%



Domestic routes

We have celebrated our 25th anniversary with great success in the maritime passenger mobility sector. For the first time, we have transported more than 5 million passengers, representing a growth of 14% compared to the previous financial year. Our Balearic Island routes, from the mainland and inter-island, continue to be our main market, with high occupancy rates, especially in summer, and a progressive improvement in terms of deseasonalisation in the rest of the year. Our key to offering a differential experience continues to be our comprehensive ferry service combined with the competitive advantage of fast ferries.

We also recorded double-digit increases in traffic with Ceuta, the route with the highest passenger volume, and in links with Melilla, with good commercial performance and high customer satisfaction rates thanks to the entry of the new cruise ferry *Rusadir*.

On the routes between Huelva and the Canary Islands, operated together with Fred. Olsen Express, we have consolidated our presence by offering a third weekly departure.



International routes

Our international routes have seen a growth in passenger traffic marked by a busy Operation Crossing The Strait, or Operación Marhaba.

This season the services have been boosted by the presence of three more ships than last year, in addition to the opening of the Motril - Tangier Med line at the end of November 2022. Meanwhile, in Algeria, occupancies on our weekly service have decreased due to the

complex diplomatic situation and the lower capacity of the vessel assigned to this service.

The Bahamas routes have become profitable with good commercial and economic results. This encourages us to continue investing in this region in the future.

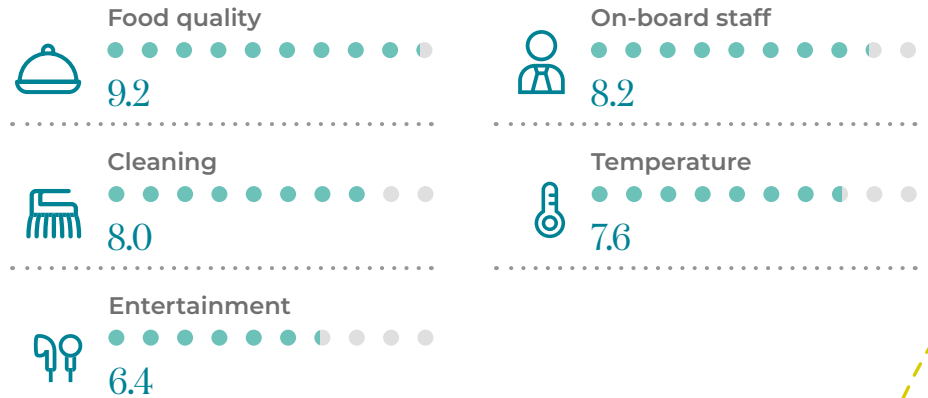
Routes to and from the Balearic Islands continue to be our main market, especially in summer



Customer ratings



*Net Promoter Score
Measures the likelihood that customers will recommend the company.



Our commitment is to offer our customers an exceptional and pleasurable on-board experience

GOODS TRANSPORT

We play a crucial role in the social and economic development of the regions in which we operate. At Baleària we are aware of the strategic importance of supplying essential products to the different regions and, for this reason, we are committed to the quality, reliable and punctual maritime transport of goods.

Thanks to our focus on innovation and the digitalisation of processes, we can meet the logistical needs of our customers and guarantee a high rate of punctuality in the departures and arrivals of our daily connections between different ports. Our cargo service schedules and frequencies are meticulously tailored to meet the logistical demands of our customers.

With arrivals scheduled early in the morning, in areas such as the Balearic Islands, we optimise each journey, allowing a return trip to be made on the same day. This operational efficiency not only benefits our company and customers, but also contributes to the economic development of regions outside mainland Spain, facilitating reliable cargo transport and optimising the logistics chain.

Through our commitment to sustainable energy, logistical efficiency and a focus on our

customers' needs, at Baleària we are not only leaders in maritime transport, but also a key partner in the sustainable development of the regions where we provide our services.

7,414,000

linear metres

+6%

550,000 trucks transported

By type of route



5,278,000 lm

on domestic routes (-2%)

2,136,000 lm

on international routes (+33%)



Linear metres transported

By zones

Balearic Islands 62%

International 29%

Canary Islands 5%

Ceuta 2%

Melilla 2%

By type of goods

Food products 27%

Consolidated 17%

Building materials 12%

Packaging 5%

Other 39%

We contribute to trade and the economy

During the last financial year we transported almost 7.5 million linear metres, experiencing a 6% increase on all our routes compared to 2022. Punctuality, reliability and adaptability to our customers' needs have been the cornerstones in consolidating our added value.

The Balearic Islands continue to be our main cargo market, maintaining similar rates to the previous year, thanks to our comprehensive service with six daily ferries to the islands throughout the year.

In North Africa we have experienced significant growth on the routes to Tangier Med, with reinforcements from Algeciras, offering up to ten daily services with two ferries (four in summer), as well as a new daily connection from Motril. In addition, services

to Nador from Almería have been strengthened thanks to the incorporation of a second ship during Operation Marhaba.

On the connections between Huelva and the Canary Islands, operated together with Fred. Olsen Express, we have incorporated a third weekly service to optimise the transport of goods to Gran Canaria and Tenerife from Huelva.

THE EXPERIENCE OF OUR CARGO CUSTOMERS





One of our top priorities is satisfying our maritime cargo customers. We aim to be more than a sustainable business; we are key players in the supply of essential goods and food, contributing to the development of the regions where we have a presence.

We understand that shipping is central to trade, development and prosperity, but we also recognise the logistical and environmental challenges associated with this process. That is why we strive to understand our customers' needs, especially in terms of sustainability and the digitalisation of supply chains.

We are therefore committed to meeting these expectations in our processes, seeking to minimise environmental impact and complying with quality standards.

OUR FLEET

Ferries

						
Abel Matutes	23 kn	190 m	900	365	2,235 ml	● ●
Bahama Mama	23 kn	154 m	1,000	320	1,350 ml	● ● ●
Cap de Barbaria	14 kn	82 m	399	74	246 ml	● ●
Dénia Ciutat Creativa	19 kn	150 m	399	440	1,850 ml	
Hedy Lamarr	24 kn	186 m	600	444	2,698 ml	● ● ●
Hypatia de Alejandría	23 kn	186 m	880	500	2,364 ml	● ● ●
Marie Curie	23 kn	186 m	400	107	2,364 ml	● ● ●
Martín i Soler	23 kn	165 m	1,200	517	1,710 ml	● ● ●
Nápoles	23 kn	186 m	1,600	458	1,100 ml	● ●
Passió per Formentera	22 kn	100 m	800	108	350 ml	
Poeta López Anglada	18 kn	132 m	1,257	243	832 ml	
Regina Báltica	19 kn	145 m	1,600	348	1,250 ml	
Rusadir*	22 kn	187 m	1,800	576	1,176 ml	● ●
Sicilia	21 kn	186 m	1,000	424	2,047 ml	● ● ●
Vírot (ro-ro)	12 kn	64 m	20		117 ml	

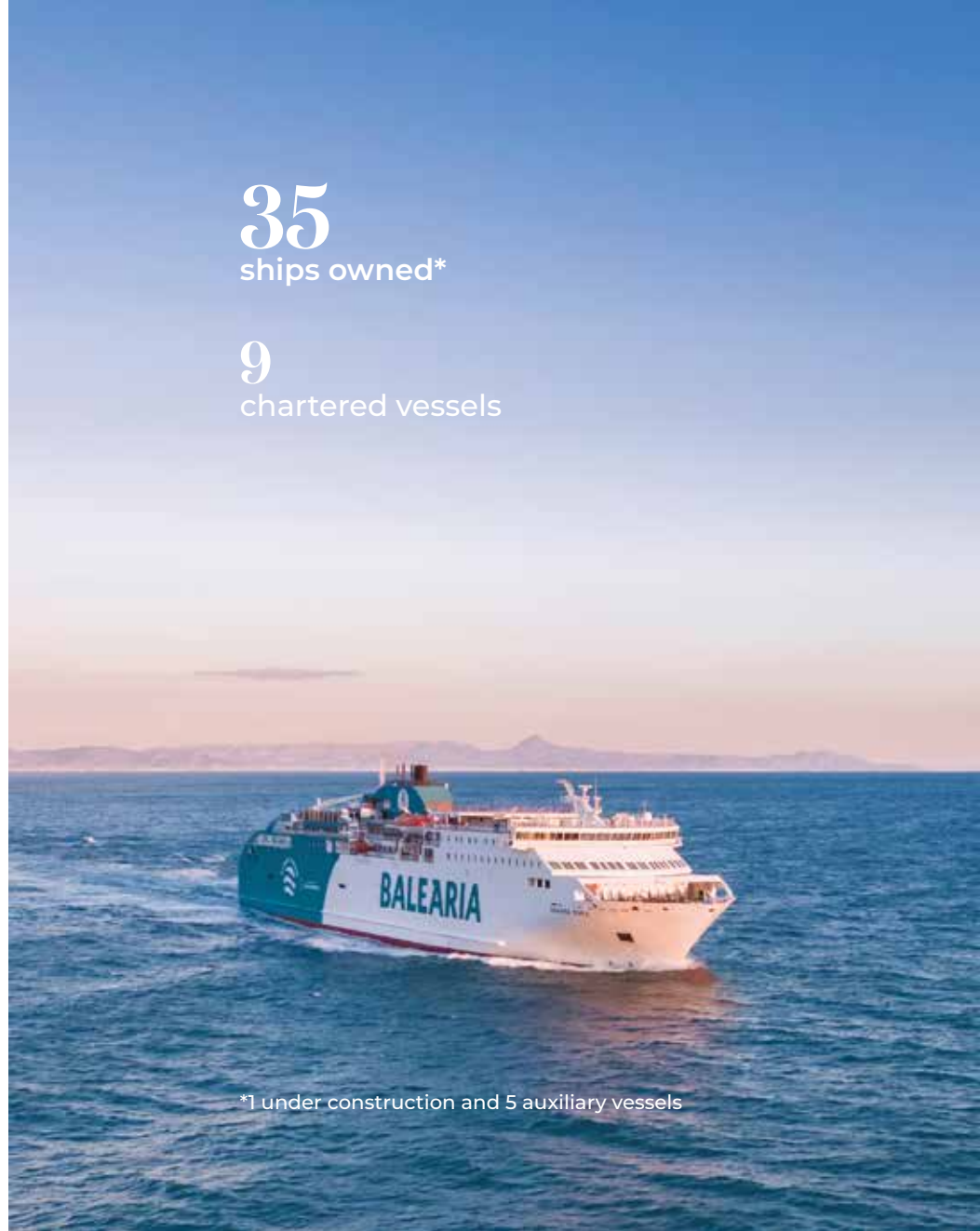
● Dual engines ● Smart ship ● Measuring sensors ● Electric** ● OPS

The ferry *Posidonia* was in the fleet until May 2023 / * Acquired in December 2023, after being chartered since March of the same year ** *Cap de Barbaria*: electric propulsion; *Rusadir*: dual fuel electric propulsion.

Ferries chartered in 2023 *Kerry, Moby Zaza, Tom Sawyer, Visborg, Volcan de Tauce, Wasa Express, Cadena 4, Miramar Express and Shipper*

















35
ships owned*

9
chartered vessels



*1 under construction and 5 auxiliary vessels

Fast ferries

					
Avenar Dos	34 kn	82 m	900	175	
Bimini Blue Marlin	30 kn	39 m	356	-	
Cecilia Payne	38 kn	86 m	800	200	 
Formentera Direct	24 kn	49 m	309	36	
Eco Aqua	25 kn	28 m	355	-	
Eco Aire	25 kn	28 m	355	-	
Eco Terra	25 kn	28 m	355	-	
Eco Lux	25 kn	28 m	355	-	
Eleanor Roosevelt	35 kn	123 m	1,200	450	   
Jaume I	32 kn	77 m	626	120	
Jaume II	32 kn	81 m	624	150	
Jaume III	32 kn	81 m	655	135	
Margarita Salas**	35 kn	123 m	1,200	450	   
Nixe	32 kn	63 m	546	75	
Ramon Llull	32 kn	83 m	550	88	

 Dual engines  Smart ship  Measuring sensors  OPS

** Under construction





FINANCIAL RESULTS

652

million euros in operating income (+15%)

117

million euros in EBITDA (-16%)

40

million euros in results for the year (-40%)

Turnover

By zones



Domestic 75%
International 25%

By business area



Passenger 59%
Cargo 36%
Other 5%

In the 2023 financial year, the shipping company's turnover reached record levels, exceeding 650 million euros, which represents an increase of more than 15% from the previous year. The EBITDA amounted to 117 million euros, demonstrating the solvency and robustness of the company's business model.

Main investments

113

 million euros

The company's most significant investments have been focused on improving and optimising fleet efficiency and on the construction and acquisition of new, more sustainable vessels. Also noteworthy is the drive to digitalise various key processes.

730

million euros in social cash flow (+4%)

This is the value generated by Baleària and how it is distributed among its stakeholders (employees, partners, public authorities, investment partners, and goods and services suppliers).



An aerial photograph of a boat's wake in deep blue water. The wake is a turbulent, white and light blue trail of water that stretches across the middle of the frame. The surrounding water is a rich, dark blue with subtle ripples.

SUSTAINABLE DEVELOPMENT STRATEGY

At Baleària we are committed to playing an active role in the field of sustainability. To this end, we have undertaken a comprehensive process to develop our sustainability strategy for the future.

We have now identified that our sustainability efforts are mainly framed within four of the Sustainable Development Goals (SDGs) set out by the United Nations General Assembly.

SDG 11: Sustainable cities and communities

We strive to reduce the environmental impact of cities, especially in terms of air quality and waste management, through eco-efficient practices and the use of cleaner energy, such as natural gas.

SDG 13: Climate action

We adopt eco-efficient measures to reduce gas emissions, we are efficient in our shipping, and we align with the various regulations for the maritime industry.

SDG 9: Industry, innovation and infrastructure

We are continuously working on modernising our infrastructures and using cleaner and more sustainable technologies, with a special emphasis on eco-efficient shipping and natural gas.

SDG 8: Quality employment and economic growth

We focus on supporting local and community-based trade, promoting prosperity and development in the different regions in which we operate.

THE NEEDS OF OUR STAKEHOLDERS

In 2023, we initiated a new dual materiality analysis to assess how the environment impacts the company and how Baleària's activities affect the ecosystem in which it operates. We are achieving this through dialogue with our stakeholders with the aim of identifying both our strengths and areas of opportunity that we need to address. This analysis anticipates European regulations on the reporting of sustainability indicators.

This process will help us identify the key pillars of our strategy, which we will prioritise according to the principles outlined below.

Firstly, the alignment of our strategy with the Sustainable Development Goals (SDGs) and the current needs of both the world and society. We seek to make a positive impact, especially in the communities where we operate.

Secondly, the direct linking of our sustainability pillars to our business operations and our business philosophy. This implies consistency with our

values and business objectives.

And finally, the integrity of our sustainability plan, which will be geared towards meeting the needs of our *stakeholders* and focused on achieving effective synergies that amplify our commitment to sustainability.

We recognise the need for this to be an in-depth and strategic exercise, so that we can optimise and develop our operations more effectively. We therefore look to the future with the goal of making our sustainability pillars public and implementing a clear and precise strategy. This will enable more transparent and effective communication with our stakeholders and the authorities.

OUR FOOTPRINT IN 2023

PLANET

11 ships with dual gas engines

Versatile technology that allows us to reduce emissions and be ready to sail into the future with CO₂-neutral renewable sources. In addition, this year we are building our second fast ferry with natural gas engines.

-28,000 tCO₂ thanks to the use of LNG

Once we had overcome the unfavourable circumstances, we resumed the use of natural gas, which meant that we were no longer emitting these tonnes of carbon dioxide into the atmosphere.

-8% tCO₂/mile ratio

Our shipping has yet again become more eco-efficient, with the tCO₂/mile ratio decreasing once more, thanks to our increased use of natural gas and other ship efficiency measures.

2 electric ferries

We launched the *Cap de Barbaria*, the first electric ferry in Spain with zero emissions during port stays and manoeuvres, and we also incorporated the cruise ferry *Rusadir*, with an electric propulsion system and dual gas engines.

PEOPLE

2,500 employees

This year we hit a record number of employees, which in high season reached 2,500 people.

94% open-ended contracts

Practically all of the company's direct employees in Spain are permanent, demonstrating our commitment to job stability. In addition, more than 100 people have been promoted internally.

+27% of women in the workforce

With the aim of achieving equity, we continue to add more women to our workforce. Today, more than 80 women hold leadership positions and we have renewed our Equality Plan.

62 nationalities

The richness of our company is reflected in the diversity of our staff, a cultural variety that enriches our daily interactions.

CONTINUOUS IMPROVEMENT AND INNOVATION

9 projects supported
by the EU

We encourage projects that promote the transition to clean energy, improve digital connectivity and modernise infrastructure.

17,100,000
website visits

We apply new technologies to improve the customer experience through innovations such as the chatbot service, and the facilities and entertainment available on our smart ships, as well as the digitalisation of cargo operations.

380,000
Baleària Club members

The number of customers who are members of our loyalty club has increased by 73%, reflecting the satisfaction of our experienced passengers.

77% local suppliers

We forge partnerships with suppliers who share our values to ensure we have a sustainable impact across our value chain.





**OUR COMMITMENT
TO THE PLANET**

At Baleària we are committed to the challenge of reducing carbon emissions to zero by 2050. We understand how complex this challenge is, but we are convinced that sustainable mobility is the only possible way to truly help care for the planet.

To achieve this ambitious goal, we have been investing considerable financial and human resources for many years, as well as continuously engaging in various research and development efforts. These include redesigning our ships, improving energy efficiency, using renewable fuels and applying new technologies to our fleet.

Maritime transport is a technically complex sector. It always has been. However, in order to achieve our decarbonisation goals, innovation has been playing an increasingly important role. Faced with such an ambitious goal, we need solutions that are also not simple. We are living in a period of transition and, in order to achieve zero CO₂ emissions, we must replace mature and established fuels, such as diesel and marine fuel oil, with other energy sources, most of which are still in the research or development phase.

In this changing era, we still do not have a definitive solution for decarbonisation. Our effort is significant, and we realise that achieving our zero emissions target requires a combination of different technologies, fuels and key partnerships. We cannot bring about this change alone.

The involvement and collaboration of governments, public bodies and the private sector is crucial for ensuring the provision of adequate infrastructure, access to renewable fuels on a large scale worldwide, and building socioeconomic consensus on the irrevocable, global and common challenge of decarbonisation.



Innovation has a very important role to play in achieving the decarbonisation goal

INCREASING REGULATIONS AND DEMANDS THAT DEFINE OUR COURSE

In response to growing concern about climate change –which is no longer perceived as a minor issue due to the clear degradation of the environment and the impact of industries on it– the European Union has, over the years, implemented regulations in a number of industries and sectors to accelerate the progress towards zero emissions.

These actions aim to regulate and significantly reduce greenhouse gas emissions associated with the impact of fuels used in this industry.

Since 2023, the regulatory framework has been strengthened and three important regulations have been brought in. These measures not only aim to control and report pollutant gas emissions, but also to set stricter standards that ensure an effective reduction of maritime transport's carbon footprint.

In January 2023, the **Carbon Intensity Index (CII)**, a measure introduced by the International Maritime Organisation (IMO), came into force. This aims to improve the efficiency of fleets in terms of CO₂ emissions.

Additionally, the European Union seeks to limit CO₂ emissions in maritime transport through the **EU ETS (Emissions Trading System)**. This came into force on 1 January, 2024, and obliges ferry operators to pay for the tonnes of CO₂ emitted, providing an incentive to reduce

emissions and implement more eco-efficient shipping practices.

Finally, in 2025, the **Fuel EU Maritime** regulation will come into force. Its main goal is to promote the use of cleaner fuels by setting standards for maritime fuels. It will oblige operators to pay according to the eco-efficiency of the fuel used, encouraging cleaner options that have less environmental impact.

Baleària has made a firm commitment to support these EU and IMO regulations by adapting our vessels to use energy sources that generate fewer carbon emissions and promoting sustainable solutions in all our operations. That is why we focus on improving the energy efficiency of our ships and aim to reduce emissions.

In addition to complying with environmental regulations, we see how growing consumer climate awareness and a demand for future solutions are shaping our operations.

We recognise the global need for viable proposals to develop and minimise our environmental impact, underlining the importance of innovation and technology in our transition to decarbonisation. For this reason, at Baleària we have put ourselves in the vanguard of this change and we are sailing towards a more sustainable future.

ECO-EFFICIENCY: OUR MILESTONES

2014/2017

First natural gas generator for passenger ferries in Spain

2018

Plan to retrofit and construct ferries to sail on natural gas

Incorporation of the Eco series between Ibiza and Formentera

2019

Baleària starts operating with natural gas

2020

Ship sensorisation project to monitor consumption data in real time

2021

World's first fast ferry with dual gas engines and Europe's first zero-emissions trip using biomethane

2023

First electric-powered ferries

2024

Launch of the first fast ferry with dual natural gas engines

2025/2030

New ships and projects to use renewable energies





OUR ENERGY TRANSITION STRATEGY

At Baleària we are committed to eco-efficient mobility driven by more planet-friendly energies. We already have 10 ships, plus one in the final stages of construction, that have dual engines, a versatile technology that allows us to sail with different fuels.

These ships, in addition to running on fuel oil, are capable of being propelled by natural gas, the cleanest and most mature energy currently available.

Our company has pioneered the adoption of natural gas as a fuel. It is worth noting that, although it is of fossil origin (and for this reason we consider it transitional), its environmental benefits are undeniable: it reduces CO₂ emissions by 30%, decreases nitrogen oxide emissions by 85%, and completely eliminates sulphur and particulate emissions that are harmful to health.

We are ready to sail into the future with CO₂-neutral renewable energy sources

Thanks to the technology incorporated in these ships, with dual engines prepared to sail into the future with renewable CO₂-neutral energy sources, these engines are able to consume 100% biometane, as well as green hydrogen mixtures of up to 25%. We also promote research into biofuels and synthetic fuels, considered to be the energies of the future.

Eco-efficient sailing

A total of 42,500 journeys were made across all our routes in 2023, an increase of 12% compared to the previous year.

This translates into significant growth in our operations, underlining our position as a leader in maritime transport.

Natural gas

At the end of 2021, due to the unfavourable circumstances, we temporarily reduced the use of gas to avoid losing competitiveness. This year, however, we progressively increased our natural gas consumption to 100 per cent in our ten dual-engine vessels currently capable of sailing on this fuel.

The use of natural gas as an alternative to fossil fuels has allowed us to mitigate our environmental impact by eliminating 28,100 tonnes of CO₂ emissions, proving that this fuel is an efficient and sustainable alternative.

We are continually studying and researching systems and technologies, whether they are currently on

the market or under development, that improve energy efficiency and which we can apply to our fleet. This year, we also developed an action plan, the Save Fuel Plan, to optimise fuel consumption.

The miles sailed in 2023 increased by 17%, while the volume of CO₂ emissions increased by 8%, making the ratio of tonnes of CO₂ emitted per mile 8% lower than in the previous year, signifying more efficient shipping.

This data underlines our progress and commitment to more eco-efficient practices, while pointing to specific areas where we can improve to achieve more ambitious goals in terms of environmental sustainability.

0.418 tCO₂/mile

-8%

1,865,000 miles sailed

+17%

Consumption

Diesel	1,089,682 MWh
Fuel oil	1,680,568 MWh
Natural gas	388,258 MWh

CO₂ Emissions

Diesel	282,185 t
Fuel oil	426,850 t
Natural gas	70,198 t
Total	779,233 t

42,500 journeys



OUR CONTRIBUTION

'Cap de Barbaria', the start of the electric ship era

The year 2023 saw the debut of the electric ferry *Cap de Barbaria*, an innovative vessel in the Spanish maritime sector. Since its launch in May, this first electric vessel has raised the sustainability and efficiency standards in the connection between Ibiza and Formentera.

This is not just improved operability, it is a solid step towards cleaner and more responsible shipping. With an electric propulsion system powered by lithium batteries and the possibility of adapting to green hydrogen in the future, the *Cap de Barbaria* guarantees a trip where there are no polluting emissions on either approaches or stays in ports.

This vessel not only represents a technical advance in shipping, but symbolises our firm commitment to sustainability and the conservation of the environment. Supported by the European Union's Next Generation Funds,

the *Cap de Barbaria* electric ferry shows that it is possible to sail in a cleaner and more sustainable way without compromising either efficiency or operational capacity.

Reduced emissions

The *Cap de Barbaria* has reduced CO₂ emissions by 33% compared to the *Posidonia*, the passenger and cargo ferry it replaced. This represents an annual reduction of around 1,300 tonnes of CO₂ compared to the ship that was previously in operation.

It should also be noted that the *Cap de Barbaria* ferry can carry almost 100 linear metres more cargo than the *Posidonia*, increasing energy efficiency per linear metre of cargo by almost 60% over the previous vessel.



Technical specifications

Length 82 m

Passengers 390

Cargo 240 linear metres (equivalent to about 14 lorries)

Speed 14 knots

Electric propulsion

Powered by state-of-the-art lithium batteries

H₂ Ready

Ready for the experimental use of green hydrogen

'Margarita Salas', sailing towards sustainability

The *Margarita Salas* fast ferry is the latest milestone in our plan to achieve a more eco-efficient fleet. It will be the eleventh ship to sail with this fuel, when it is completed in 2024, and improves on its predecessor, the *Eleanor Roosevelt*, a ship that was already innovative as the first fast ferry in the world to sail using gas.

Considered our new flagship, the *Margarita Salas* stands out for a 10% increase in power compared to its twin, an increase that enhances the speed by 35 knots. Moreover, being a smart ship, it will offer

technological innovations that will further enhance the passenger experience and satisfaction levels, thanks to services such as a free internet connection and an on-board digital entertainment platform.

The name *Margarita Salas* pays tribute to the 20TH century scientist who pioneered biochemistry and molecular biology and who, like this ship, represents innovation and the relentless pursuit of progress.

The construction of the ship was supported by European Union Next Generation funds.



Technical specifications

Length 123 metres

Passengers 1,200

Vehicles 450

Propulsion system

Four *water jets* and two azimuthal bow thrusters

Digitalisation

QR code access, free internet service, digital on-board entertainment platform, video surveillance system for pets.

Interior design

Priority given to width and separation between seats, stabilisation system for greater comfort, floating superstructure and high-tech insulation.

Emissions monitoring

Measuring equipment for fuel consumption, engine efficiency and real-time navigation. Integrated into the Balearia Control Tower project.

'Rusadir', the cruise ferry with natural gas engines and electric propulsion

In 2023, we added the cruise ferry *Rusadir* to the fleet, a vessel with dual natural gas engines and an electric propulsion system. Its eco-efficient and innovative character, together with a wide range of on-board services, make it a very competitive vessel and one of the best-rated in the fleet.

The *Rusadir's* propulsion system is all-electric and features an electric drive plant with dual gas engines. It also has two transverse bow thrusters plus one at the stern, with a power of 2 MW each. These, together with the electric motors, enable great manoeuvrability.

The sailing comfort of the *Rusadir*, which can reach speeds of 22 knots, is guaranteed thanks to a stabilisation system with hydraulically operated retractable fins. The ship also features technical innovations that minimise noise and vibration for greater passenger comfort.

On-board services

In terms of accommodation, it has 261 cabins for customers, with different categories and capacities, equipped with a bathroom and some with television facilities. It also boasts two cafeterias, a restaurant, a shop, a children's area, a cinema, a prayer room, a terrace and numerous lounge areas.

The ship is one of the best-rated in the company's fleet, with a customer score bordering on excellence. They highlight the attention of the staff, the cleanliness, the quality of the food, and the on-board entertainment.



Technical specifications

- Length** 187 m
- Passengers** 1,670
- Cargo** 2,600 linear metres
- Speed** 22 knots

Propulsion and engines

Electric propulsion system powered by dual natural gas engines.

OUR CONTRIBUTION FROM THE BALEÀRIA FOUNDATION

The Baleària Foundation collaborates with universities and organisations to understand and conserve our seas, supporting research projects on board our ships.

Collaboration in research projects

We make our ferries available for scientific teams to use as platforms for monitoring marine species and for research-related travel. We are currently collaborating with the Generalitat de Catalunya and the Pelagicus Association in the long-term monitoring of endangered marine vertebrates in the waters between Catalonia and the Balearic Islands; and with the Nereide Association in the monitoring of cetaceans by means of marine censuses in the routes to and from Algeciras.

We also collaborate with the Tursiops Association's Collisions project, which aims to understand the distribution and habitat of cetaceans, especially sperm whales, in order to reduce the risk of collisions in the

Levantine-Balearic Mediterranean. We also collaborate with entities such as the Universitat de les Illes Balears, the Universitat de València and the IMEDEA in projects to monitor *Posidonia*, cetacean fauna and sea turtles, as well as birds and reptiles on Ibiza's islets.

Sea turtles

For years we have been facilitating the transfer of injured marine animals, especially turtles, to the recovery centre at Palma Aquarium (Mallorca). This year we also collaborated in the Turtle Camp to monitor turtle nests on a beach in Dénia, in collaboration with Dénia Town Council, the Oceanogràfic de València, the Universitat de València and the Universitat Politècnica de València.

A lead-free sea

We took part in this project from the Obesmar Association to collect lead accumulated on the coast, mainly from sport fishing.

Posidonia

In addition, in 2019, Baleària established a working group with universities and research centres to explore the possibility of offsetting carbon emissions in *Posidonia* meadows and the Cádiz salt marshes. However, we have encountered a number of obstacles, including the low absorption capacity of these ecosystems, their protected status and the lack of existing credit-eligible projects.

After several meetings with Fundación Biodiversidad and the Spanish Climate Change Office, we are going to present, together with the working group, a pilot project in the next call of the Pleamar Programme. This initiative aims to identify areas of *Posidonia* that qualify as being eligible for compensation, thus contributing to the conservation of these crucial ecosystems.





**OUR COMMITMENT TO
OUR PEOPLE**

Our customers' unforgettable travel experiences would be impossible without the efforts of all the people who work at Baleària, the highly trained and motivated teams who are the heart of our company and our purpose. We are well aware of this. For this reason, empowering our people is a priority and we do not take it lightly.

We face the challenge of attracting and retaining highly qualified personnel, both in the fleet and on the ground, aligned with our corporate culture and committed to our values of responsibility, innovation, solvency and sustainability. These values not only define our culture, but also lay the foundations for building our future.

We believe that our commitment to empowering people helps us attract and retain the best talent, providing strong career opportunities and creating significant value for our company.

Future aspirations and commitments

We recognise that our responsibility includes not only promoting diversity and inclusion, but also empowering our people in terms of skills.

We highlight the increase in employee recruitment, job stability and professional development, evidenced by measures such as the new fleet agreement, the updated Equality Plan, and ongoing training and flexible work programmes. These initiatives are aimed at strengthening our team, increasing motivation and cohesion, and positioning Baleària as a good place for professional development in the maritime sector.

Staff



Fleet

Men 85%

Women 15%

Land

Men 57%

Women 43%

Our challenge is to empower people and retain talent by offering solid career opportunities

Job creation

2,500 employees

Job stability

94% permanent employees

Equity

27% growth in the number of women in the workforce

Diversity

62 nationalities

To achieve our goals, we create jobs in our local communities, prioritise job stability with a high proportion of employees on permanent contracts, and promote internal growth opportunities. We strive to promote gender equality and value diversity as a fundamental element that enriches our business.

We have generated a large number of jobs, which has led to record staff numbers, with **2,000** employees on average, and up to **2,500** during the high season. New employees are integrated into the workplace and working environment through a welcome plan that facilitates the transmission of our corporate culture, mission, vision and values, as well as our rules of conduct.

New employees have rated their on-boarding experience with an average of **8.6**, confirming

our efforts to put the focus on people from the beginning. In addition, this year we have had **122 trainees** in different positions, which is 60% more than in the previous year.

One of our priorities is to be able to offer **job stability**, so we try to keep our employees in their positions and promote their growth within the company, which is reflected in the fact that practically all of the company's direct employees in Spain are on permanent contracts. In addition, we have promoted more than **100 people** internally, including 14 women in the Fleet and 17 on Land.

We have also achieved **80 women in leadership positions**, 14% more than the previous year, and we have updated our equality plan to ensure equal opportunities and fairness in all aspects of our business.

The richness of our company is reflected in the diversity of our staff, a cultural variety that enriches our daily interactions and reinforces our position as a locally oriented company with an international vision. More than 40% of the workforce is international, and in the Fleet more than 54% of the crew are EU nationals.

One of our priorities is to be able to offer job stability, promoting the personal and professional growth of our people

PROFESSIONAL DEVELOPMENT

Ongoing training

Through the Baleària Business School we provide training for the professional and personal growth of our team.

We have a variety of ongoing training programmes to enhance employee skills, along with an internship programme designed to identify and attract new talent.

In 2023, we expanded the catalogue to **100 online courses** to boost our employees' careers.

We have strengthened the skills of both managers and middle managers with leadership and team management training in collaboration with the Escuela de Empresarios de Valencia (EDEM). **More than 60 people** have been trained in effective strategies to motivate employees, techniques to promote assertive communication, and how to set achievable goals and objectives.

In addition, we have fostered the foreign language communication

skills of our entire team through an online language school that combines personalised tutoring and group conversations with high quality content.

We have also continued the training and employment generation programme aimed at vocational training students in Morocco, promoted together with several Spanish organisations and in collaboration with the Moroccan government. We continue to enhance the employability and workplace insertion of these students in trades related to shipboard services and maritime passenger transport.

In addition, we have run courses on LinkedIn so that our employees can work on their professional brand. With regard to maritime training, technical training for fleet inspectors and training linked to the incorporation of electric-powered vessels are of particular importance.

Training

580,200€
investment

.....
25,800
hours

PERFORMANCE APPRAISAL SYSTEM

For years we have had a performance management system in place that allows us to align the behaviour of our teams with the culture and core values of the company.

With this approach we aim, in addition to achieving our goals, to cultivate an environment in which every member of our team feels valued and understood, boosting individual performance while fostering a strong and coherent organisational culture.

We also trained 80 managers and middle managers on how to conduct performance appraisal interviews. This approach focuses on making the most of these crucial interactions, in which the manager provides feedback.

FOCUS ON PEOPLE

In 2023, we launched our first flexible pay programme, Be Flex, which allows our employees to use part of their gross salary to purchase tax-free services (such as health insurance, restaurant vouchers or childcare) tailored to each employee's needs, via a virtual platform.

In addition, at the end of the year we held a convention-style meeting where we took stock of the year in terms of business. More than 400 people from central services, as well as middle management from all the delegations and Fleet managers took part in the meeting.

New flexibility measures for land-based employees

We incorporated some measures aimed at facilitating the work-life balance of our land-based employees. These are measures that boost flexibility, but above all they strengthen commitment and cohesion in all teams to maintain our competitiveness.

We have implemented improvements to our holiday policy, as well as adding a personal day and doubling the leave available for medical visits. Additionally, Central Services employees with appropriate functions or organisational structures may be able to work flexible hours, always taking into account operational needs.

These measures aim to strengthen the team, boosting motivation, commitment and team spirit to face the challenges ahead.

Payroll

We updated the pay of land-based employees in Spain, with a 5.7% increase on the remuneration received in 2022, as established in the agreements, taking the accumulated CPI of the previous year as a reference.

We incorporated measures to strengthen team commitment and cohesion



New Fleet agreement: well-being and professional development

In early 2023, we approved a new collective bargaining agreement with a clear focus on the well-being and development of our Fleet staff.

This agreement introduces a target-based pay system for specific positions on board, together with significant improvements in key areas such as on-boarding and career development for crew members.

Our fundamental purpose goes beyond complying with labour regulations; we seek to position Baleària as a benchmark employer in the private maritime sector. By investing in the development and well-being of our team, we also seek to increase workforce engagement and cohesion, recognising that our people are our most valuable asset.

Competitive advantages of the new agreement

- Four-year term
- Average salary increase of 12% during this period.
- Introduction of a target-based pay system for on-board positions with management responsibilities, linked to company performance.
- Reduction of maximum embarkation periods.
- Pay progression system based on company loyalty brought in.



OUR DIVERSITY

Diversity = innovation and adaptation

At Baleària we view plurality as a source of wealth and innovation. This perspective also allows us to adapt to the diversity of our clients.

Aware of the diversity of our customers, we have adapted our services on routes to Morocco and Algeria. This includes offering on-board services aligned with the local culture, such as halal food and rooms dedicated to worship and prayer. This has generated a high degree of client satisfaction.

We also recently expanded our telephone service by adding native Arabic-speaking operators during the high season. This improvement ensures a top-quality service for our Moroccan and

Algerian customers, as we can respond to their telephone queries in their native language.

Currently, 10% of our global land-based workforce is based in Morocco, 3% in the US and 2% in the Bahamas. As a company, we take responsibility for treating our staff and our customers fairly and respectfully, and we have a code of conduct that underlines our values and corporate culture. We are committed to providing tools and safe spaces for all people, customers, suppliers and employees.



Diversity gives us a competitive advantage and allows us to adapt to meet the needs of our customers



EQUALITY PLAN UPDATED

The Equality Plan approved this year (which updates the one in force since 2013) includes measures to promote and maintain equal treatment and opportunities between men and women within Baleària in all areas: recruitment, promotion, salary policy, training, working conditions, occupational health and work-life balance.

It was drawn up by the Equality Commission (made up of legal representatives of the workers and the company) and is valid until the end of 2027, when its implementation will be evaluated so that the next update of the plan can be designed. In addition, a Monitoring Commission has been set up to ensure compliance with the measures established.

A diagnosis of the company's situation was conducted beforehand, which determined, among other things, that there is a symmetrical distribution of the workforce on the Land and an asymmetrical distribution in the Fleet. The pay gap is 7% for positions of equal value.

Some of the objectives set out in the plan are to increase the percentage of women in the Fleet, eliminate gender bias in selection and promotion, ensure women's access to training, promote the development of female talent, favour work-life balance, prevent sexual harassment, and promote occupational health from a gender perspective.

A man and a woman are seated at a light-colored wooden table in a bright, modern office or lounge. They are both looking out a large, curved window to the right. The woman is wearing a white button-down shirt and black pants, while the man is wearing a green t-shirt and black pants. The room features several other similar tables and chairs, suggesting a collaborative workspace. The overall atmosphere is professional and forward-looking.

**OUR COMMITMENT TO CONTINUOUS
IMPROVEMENT AND INNOVATION**

At Baleària we continually promote projects and tools designed to improve our customers' experience, optimise operations and reduce our environmental impact.

In this way, we ensure that all the parts of our machine work as efficiently as possible. Thanks to the monitoring and digitalisation of processes, among other advances, we are able to reduce our impact and contribute to sustainability.

At Baleària, innovation has been key over the last 25 years, and forms part of our identity. We are aware of the impact we generate through innovation and digitalisation, so we have developed projects in these areas co-funded by Horizon 2020, Horizon Europe and Next Generation funds.

These EU funds are essential for funding innovative projects that drive forward cutting-edge technology, promote the transition to cleaner energy, improve digital connectivity, and modernise infrastructure.



Our challenge is to reduce our environmental impact while ensuring the quality of our customers' experience

OUR ONGOING PROJECTS

Adaptation of ships to run on electricity (ABCOE Project)

We plan to adapt two of our vessels so that they can be electrically connected to shore while in port. This measure will allow us to avoid using the combustion engines during these stops, instead using the electrical energy supplied by the port. This pilot project provides a model for adapting other vessels, thereby contributing to our ecological transition by eliminating the consumption of fossil fuels and reducing CO₂ emissions during port stays, minimising our impact.



Vessel Sensorisation (Green and Connected Ports)

We are involved in this initiative, whose main goal is to reduce the impact of port operations on cities and to control emissions generated by ports and ships in major European ports.

As a contribution to this project, we installed measurement equipment on five of our vessels

to collect real-time data that is integrated into our Control Tower. This sensorisation allows us to improve our operations, monitor engine parameters and promote more efficient sailing.



Interconnected and Smart Systems for Intermodal Maritime Cargo Transport (SIITIM)

We are working on optimising door-to-door intermodal transport planning and improving cargo traceability. Our goal is to create a smart, interconnected network to improve efficiency and optimise loading and unloading at ports, thus facilitating more effective connections between different regions.



Last Mile (Beyond Sea Project)

We are part of a consortium looking for technological solutions to optimise fuel consumption and reduce the environmental impact of maritime passenger transport. The goal is to use big data, algorithms and smart data visualisation to make operational decisions that minimise environmental impact and reduce our fuel consumption.



Green hydrogen (Green Hysland)

We are participating in a project to deploy a hydrogen ecosystem in Mallorca, turning the island into an H₂ hub in southwest Europe. The aim is to encompass the entire green hydrogen value chain on the island to promote a sustainable and eco-friendly alternative.



Poseidon (Power Storage in D Ocean)

We are part of a project that seeks to demonstrate the applicability of three fast-response energy storage systems in maritime transport. We contribute our experience as a shipowner to help understand the usefulness of these technologies and their viability in our industry.



Digital Twin (Digital Twin For Green Shipping - DT4GS)

Baleària is heading up a living lab in which a digital twin of one of the sensorised ferries analyses data and improves efficiency. This project focuses on reducing CO₂ emissions in maritime transport, defining decarbonisation solutions and aiming for a zero-emissions ro-pax vessel in the future.



'Margarita Salas fast ferry'
(Green catamaran - TAXOVER)
See page 44 for more information.



'Cap de Barbaria'
Electric vessel
(Zero Emissions Vessel in
Port Project - BUCEMTO)
See page 45 for more information.



THE CONTROL TOWER: A STRATEGIC PILLAR

In the digital era, the Baleària Fleet Control Tower is a strategic element in our maritime operations. This advanced system not only monitors a large amount of crucial data in real time, such as location, punctuality and speed, but also includes detailed information from sensor vessels, covering key aspects such as fuel consumption and emissions generated.

Streamlined and efficient decision-making are essential for all of Baleària's business areas, with a special focus on the fleet. In this sense, the Control Tower has two fundamental objectives: to transmit the company's instructions through information panels designed to facilitate decision-making by captains and chief engineers; and to intensify the flow of information so that there is optimal control of the

on-board actions. This strategy is essential for adapting the operational reality to meet its needs at all times.

We are continuously improving the Fleet Control Tower using artificial intelligence and big data tools, focusing on monitoring, prediction and analysis. We are on the path of continuous optimisation.



EXCELLENCE IN SERVICE

Digitalised Services

In a context of increasing digitalisation, the development of solutions that improve the customer experience has been remarkable for Baleària.

Smart ships

Since the introduction of gas-powered ships in 2019, we have simultaneously driven the digitalisation of on-board services, leading to the creation of so-called smart ships. This approach covers several areas, including on-demand digital entertainment, real-time viewing of pet travel via webcams, and digital access to the ships and accommodation, among other things.

Communication with clients

In recent years we have introduced innovations such as the chatbot and the Smart B portal, and we have integrated WhatsApp as a channel for communicating with our customers.

The evolution of our digital services has been significant.

Our Serena chatbot is a key tool that provides customers with relevant information and guidance. It is available on multiple platforms, including the website, social media, WhatsApp and the Smart B app. Its effectiveness is reflected in a significant increase in usage.

As part of the evolution towards digitalisation and efficiency, we have strengthened written channels for customer communication, reducing call congestion to the contact centre and providing fast and convenient information. In addition, we have simplified digital access to vessels. On domestic routes, passengers can now obtain their boarding passes in QR format via WhatsApp and, on some ships, they can access numbered seats or cabins via QR codes a few hours before departure.

We have also implemented the Smart B web portal, a smart travel assistant exclusively for customers travelling on smart ships. This portal offers detailed information about the journey, the purchase of additional services and the possibility of enjoying all the digital amenities available on board the smart fleet.

Sales channels

We have also continued to improve the company's digital sales and loyalty channels. In this vein, we have developed both a new website and an app that improve the customer experience by simplifying booking, self-management and access to member benefits; and we have introduced a new commercial management system for our Cargo customers.

Our digital channels

17,100,000

website visits

430,000

followers on social media

380,000

Baleària Club members

157,600

users of on-board entertainment services

864,000

conversations with the Serena chatbot, with a 98% resolution rate

478,000

contacts handled

On-board services

We are committed to ensuring an exceptional travel experience from start to finish, through a wide range of on-board services including: restaurants, terraces and chill out areas, shops, services for families, and so on, in addition to smart ship services, such as on-board internet and an on-demand entertainment system that features newspapers, films and games.

We currently offer a variety of dining options in our cafeterias, *self-service* restaurants and à la carte service. Our restaurants prioritise the use of **local produce**, Mediterranean cuisine and traditional recipes.

We strive to provide exceptional experiences, from local flavours to fun times for the whole family

In the high season, we provide a range of entertainment for families, including magic shows, DJ sessions on the terraces, and children's activities supervised by monitors.

In addition, each year we improve and renovate our boats to ensure the comfort and satisfaction of our customers. This year we have invested more than **1,300,000 euros** in completely refurbishing 3 of our vessels, as well as making changes to 6 other ships.

For customers who travel with their pets, we offer **pet-friendly cabins** with specific equipment and a special cleaning protocol to guarantee hygiene. We also have

pet-friendly seats for pets up to 8 kg, which must travel in a carrier at the owner's feet or on their lap. All our ships have a dedicated pet area, and on some of our smart ships we offer the possibility of

viewing pets via **webcams from mobile devices**. In 2023, the number of pets travelling with us continued to grow, reaching **86,000 pets transported**.



SUPPLIERS AND LOGISTICS OPERATIONS

Our suppliers and responsible supply chain

At Baleària we embrace a holistic approach to ensure that our sustainable impact encompasses our entire value chain. That is why we are committed to forging partnerships and working together with suppliers who share not only our values, but also our common goal of promoting sustainability and decarbonisation.

Our supplier selection and certification strategy is key to our commitment to sustainability. This process not only contributes to the ethical aspects, but also generates significant economic benefits for our company.

We base this process on five key elements that ensure consistency with corporate social responsibility and foster stable and sustainable relationships.

Ethical, economic and quality optimisation

We prioritise ethical and transparent relationships with suppliers, evaluating quality, efficiency and prices for mutual benefit.

Unified procurement procedure

This allows us to simplify procurement, ensuring coherence and the consistent application of sustainable criteria.

Ethical business compliance

Recruitment is governed by compliance with our Code of Ethics, contributing to an ethical and responsible business environment.

Environmental and social focus

We focus on ethical and local suppliers to reduce environmental impact and strengthen communities.

Dialogue and continuous improvement

Constant dialogue allows for mutually beneficial adjustments, strengthening business relations.

At Baleària we define local suppliers as those establishments

located in the areas where we have branches. We play a driving role in the regional economies where we operate, supporting local suppliers who share our core values.



Transforming logistics operations

We have modernised and optimised our **digital cargo model** with the aim of delivering significant benefits to the cargo transport cycle.

With the comprehensive digitalisation of the logistics cycle and the launch of a dedicated **website for cargo customers**, we give greater autonomy to customers so that they can manage their bookings and better plan their logistics thanks to the availability of real-time information on the status of their assets.

In terms of boarding control, the people responsible for operations on the quayside are provided with real-time information on the progress of boarding through digital devices. This allows drivers

to board without having to go through the ticket office, speeding up the entire process.

Additionally, carriers have a **dedicated mobile app** that offers various functionalities to enhance their boarding experience and facilitate access to on-board services.

This makes our cargo transport model more efficient and faster, leveraging the benefits of digitalisation for our customers.



We provide our customers with greater control over their bookings and real-time information through an exclusive platform



STRATEGIC ALLIANCES AND OUR ACTIVE PARTICIPATION

BALEÀRIA FOUNDATION

The Baleària Foundation, set up in 2004, is an essential pillar of our social and environmental commitment.

Its primary mission is to support social, cultural, sporting and environmental initiatives in the regions where we operate, with the fundamental goals of enriching the quality of life of society, promoting culture, respecting the environment and strengthening social cohesion.

Over the years, the Foundation has forged significant partnerships with organisations in various fields, in line with the principles defined in the Code of Business Conduct and Ethics.

The Foundation carries out its activities in four main areas: EcoBaleària (whose main actions are described in the section 'Our commitment to the planet'), Baleària Cultural, Baleària Solidarity, and Baleària Health.

Baleària Cultural

The Foundation actively promotes the Llonges de la Cultura, a network comprising both its own spaces and venues in collaboration with third parties, to facilitate the exchange of cultural expressions between the different territories where we operate.

Over the last year, 39 exhibitions were held in our 8 Llonges de la Cultura, in which more than 300 artists took part and which attracted more than 33,000 visitors.

Among these shows, the collective exhibition '25 years of Baleària' stands out, which celebrated our company's professional history. This exhibition toured the Llonges de la Cultura in different regions, including Ibiza, Menorca, Mallorca, Dénia, Ceuta and Melilla.

In addition, the exhibition 'Balearics 5 years' was organised as a tribute to the collective show that, since 2018, has brought together more than eighty Mediterranean artists in five editions.



280 actions

150 collaborations

1,098,000€

Investment in partnerships or sponsorships

Baleària Solidarity

Within the framework of Baleària Solidarity, one of the Foundation's main goals is to promote initiatives aimed at improving the quality of life of groups at risk of social exclusion, while boosting equal opportunities, interculturality, integration and diversity. In 2023, more than 50 solidarity actions were carried out, among which the following stand out:

SolidarizArte

This is a project conceived to support, through art, non-profit organisations that work with disadvantaged groups and



promote actions to improve the quality of life of these people.

In this fourth edition, a number of products were sold featuring a design inspired by Sustainable Development Goal 5: Gender Equality, courtesy of the artist Xavi García. The profits were donated to the Matria Women's Association, to help develop projects against gender violence.

Humanitarian aid

The Foundation has collaborated with various humanitarian aid initiatives aimed at countries such as Ukraine, Morocco and Syria, among others.

In addition, other solidarity actions have been carried out, including blood donation campaigns, charity walks, toy collections, and aid for families in vulnerable situations, thereby consolidating the Foundation's commitment to social responsibility and contributing to the welfare of society.

Baleària Health

The Baleària Foundation actively supports local sports clubs in the regions where we operate, supporting them in their participation in national events and collaborating with various sporting activities. The Foundation has established more than 100 agreements with sporting organisations in all the regions in which it operates, thus strengthening its commitment to the promotion of sport at the local level. It has also established a new agreement with the Trinidad Alfonso Foundation, with the aim of promoting sport in

the Autonomous Community of Valencia.

In addition, the 'Healthy Routes' initiative stands out as a significant programme, consisting of monthly trips for Baleària employees. This year more than 360 people took part in the 12 routes. This programme not only promotes physical activity and health among the workforce, but also reflects the company's commitment to the well-being and quality of life of its employees.



RELATIONSHIPS WITH SOCIETY

Awards

Workplace Inclusion

Award for Best Workplace Inclusion Practice in the 6th edition of the Diversity and Inclusion Awards given by the Adecco Foundation and the Club de Excelencia en Sostenibilidad.



Entrepreneur of the Year

Adolfo Utor, president of Baleària, received the Businessman of the Year Award at the 1000 Companies Awards presented by El Diario de Mallorca.

Excellence

Award for Excellence in Coastal and Nautical Tourism at the Ibero-American Blue Economy Awards.



Achievement

Recognition for Lifetime Achievement at the Excellence in Tourism Awards from 8 Mediterráneo TV.

Sponsorship

Prize for the Best Sponsoring Entity for the Baleària Foundation at the Consell d'Eivissa Sports Awards.

Sustainability

Sustainability Action 23 for the electric ferry *Cap de Barbaria*, at the Sustainability Day 2023 event organised by CompromisoRSE.

ALLIANCES AND PARTICIPATION

Our active involvement with society is reflected through various associations and organisations that share our corporate values and contribute to our business vision focused on sustainability.

We currently contribute to 34 organisations, including professional and trade associations, business entities, foundations and non-profit organisations dedicated to various issues, tourism and environment-related bodies, and research and technology-related organisations. We are proud to promote business that is responsible both in terms of the environment and people, and we recognise the need to be actively involved in other initiatives to maximise this contribution.

We are proud to be a company recognised for our efforts in innovation, digitalisation and excellence

About this report

This Sustainability Report aims to provide a transparent and accurate view of the performance of the entire Baleària Group, focusing on the organisation's impact in the economic, environmental and social spheres, as well as creating long-term value for our stakeholders. On this premise, the document covers all those aspects and initiatives that are considered relevant both internally and externally.

For the first time, we have focused the entire content of this report on the information, data and activities within the period of our financial year. Reports prior to this edition included data and activities for the calendar and financial year, depending on the content.

The Non-Financial Information Statement (NFIS) of Baleària Eurolineas Marítimas S.A.U. was published in February 2024, and covers the 2023 financial year (from November 2022 to October 2023). This report provides

further details on some of the issues covered in this report and is available at www.balearia.com

Both the Sustainability Report and the NFIS are based on the European CSRD (Corporate Sustainability Reporting Directive) through which the European Commission seeks to improve sustainability reporting by companies on their social and environmental impact.

For any questions about this report, please contact comunicacion@balearia.com

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25 BALEARIA
YEARS