



VIKING LINE

Sustainability 2019

© 2019 Viking Line

AMORELLA

Contents

ANNUAL REVIEW

This is Viking Line.....	2
Our vessels.....	3
The year in brief.....	4
Statement of the President and CEO.....	6

SUSTAINABILITY

Sustainability Report.....	8
Sustainability in 2019.....	10
Viking Line is for everyone.....	12
Marine transport enables trade.....	13
Economic value.....	14
Restitution to sustain domestic competitiveness.....	16
Our employees.....	18
Safety on board.....	24
Our environmental work.....	28
Environmental figures.....	34
Carbon dioxide emissions.....	35
Viking Line's environmental journey.....	36
Risks and opportunities.....	38

Contact information.....inside back cover

NG LI

This is Viking Line

Viking Line provides services on the vessels Amorella, Gabriella, Mariella, Rosella, Viking Cinderella, Viking Grace and Viking XPRS. Our vessels depart from Åland, Stockholm, Kapellskär, Turku, Tallinn and Helsinki. Shares of the parent company, Viking Line Abp, are traded on Nasdaq Helsinki. The company is domiciled in Mariehamn.

Mission

We link together the countries around the northern Baltic Sea by providing sustainable and regular ferry service for everyone. Our three basic services are cruises, passenger transport and cargo transport. Our unique expertise in combining these services generates customer and business benefits.



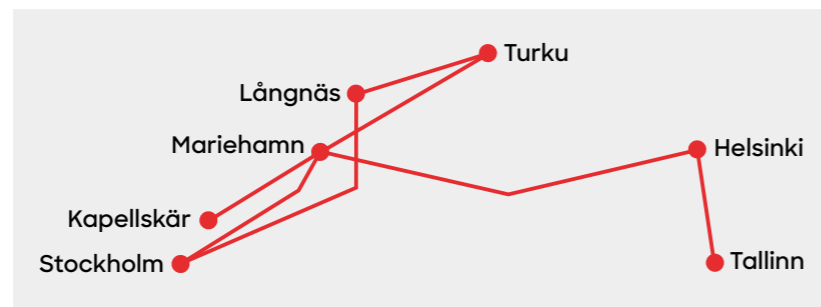
Vision

We are the leading brand in our service area and the preferred choice of all those seeking sea transport services and experiences. We shall preserve and enhance our position as a profitable company.



Service area

Viking Line provides services on the Baltic Sea, with Finland, Sweden and the Baltic countries as its main markets. Our sales offices are located in Finland, Sweden, Estonia and Germany. In addition, the subsidiary Viking Line Buss Ab provides bus transport based in the Åland Islands.



Finland's biggest maritime employer

Viking Line is Finland's biggest maritime employer. In all, more than 40 different occupational categories are employed on a vessel in areas such as operation, maintenance, shops, kitchens, hotels, entertainment, conference facilities, security and healthcare.



Fundamental values

- Viking Line is for everyone. Our customers are our foremost priority and we aim to exceed their expectations, especially with regard to good service.
- We respect our co-workers and value initiative, innovation, teamwork, openness, honesty, loyalty and acceptance of responsibility. We stand for humility and cost-consciousness.
- We take advantage of all good business opportunities.
- Our vessels are safe and well-maintained. We conduct our operations in compliance with applicable environmental standards and legislation.
- We strive to continuously improve our environmental and sustainability work.



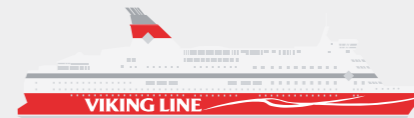
Our vessels

M/S Amorella
Turku-Åland Islands-Stockholm



Built in 1988
34,384 gross registered tonnes
Length 169.4 m
2,480 passengers
450 cars
900 lane meters
1,946 berths
Finnish flag

M/S Gabriella
Helsinki-Mariehamn-Stockholm



Built in 1992
35,492 gross registered tonnes
Length 171.2 m
2,400 passengers
400 cars
900 lane meters
2,382 berths
Finnish flag

M/S Mariella
Helsinki-Mariehamn-Stockholm



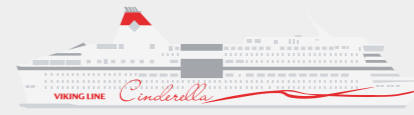
Built in 1985
37,860 gross registered tonnes
Length 177.0 m
2,500 passengers
430 cars
980 lane meters
2,500 berths
Finnish flag

M/S Rosella
Mariehamn-Kapellskär



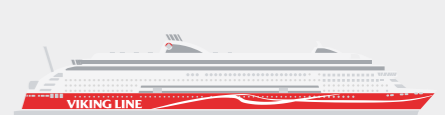
Built in 1980
16,879 gross registered tonnes
Length 136.1 m
1,530 passengers
340 cars
720 lane meters
422 berths
Finnish flag

M/S Viking Cinderella
Stockholm-Mariehamn



Built in 1989
46,398 gross registered tonnes
Length 191.0 m
2,560 passengers
306 cars
760 lane meters
2,500 berths
Swedish flag

M/S Viking Grace
Turku-Åland Islands-Stockholm



Built in 2013
57,565 gross registered tonnes
Length 218.0 m
2,800 passengers
556 cars
1,275 lane meters
2,980 berths
Finnish flag

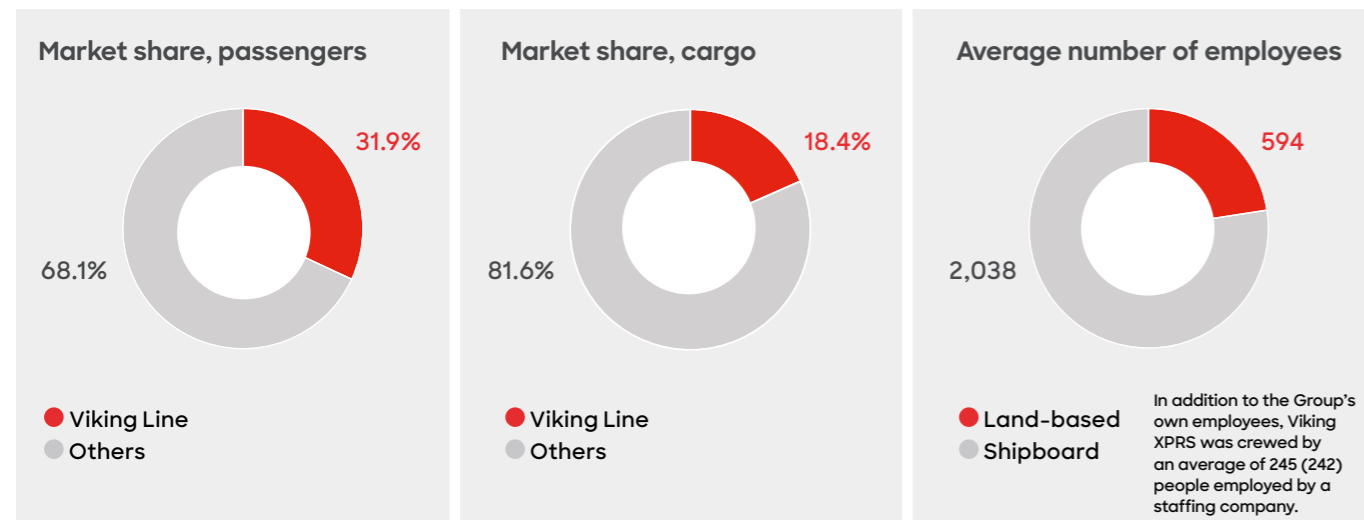
M/S Viking XPRS
Helsinki-Tallinn



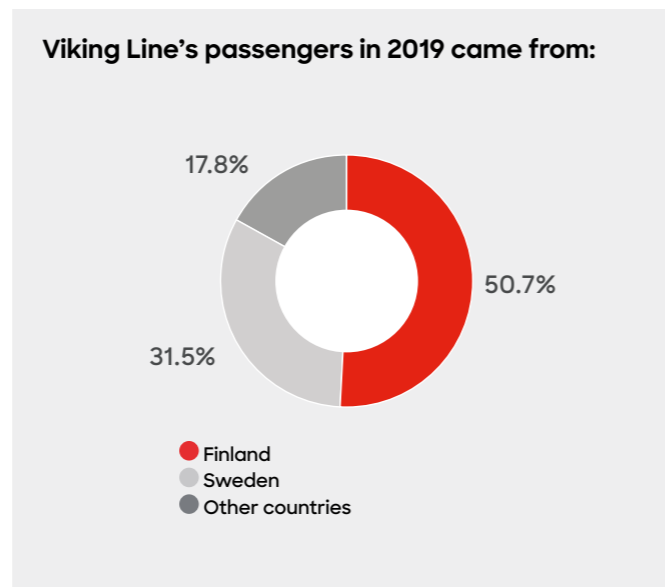
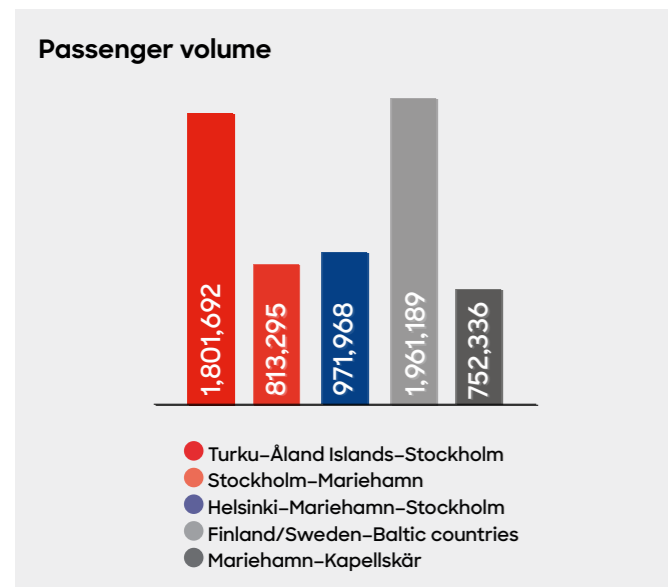
Built in 2008
35,918 gross registered tonnes
Length 185.0 m
2,500 passengers
220 cars
995 lane meters
736 berths
Estonian flag



The year in brief



	Passengers	6,300,480		Cargo units	133,940
	Cars	714,006		Buses	14,747



Viking Glory

Passengers submitted 22,486 name suggestions

In April 2019, Viking Line announced a competition to name its future vessel which was open to the general public. A total of 22,486 suggested names were submitted from Sweden, Finland, Åland and the rest of the world. After intense jury work, the shipping company selected ten final submissions, after which the general public were invited to vote for their favourite among the finalists. More than 30,000 people voted on the ten final names, and on May 27 the winning vessel name was announced: Viking Glory.

Keel laying on June 3

The keel laying ceremony is an old shipbuilders' tradition during which coins are placed under the keel of the vessel for good luck during construction.

During the ceremony, the first section of the vessel is hoisted into place in the shipyard's building dock, where coins are placed atop the keel block. The laying of the keel symbolizes the birth of the ship; the first section of the hull has been completed, and work now begins to

attach the different sections to it. When the vessel is ready to be launched, the lucky coins placed under the keel are collected and later welded together as part of the mast.

Viking Line's new climate-smart cruising vessel will provide passengers with a unique opportunity to enjoy views of the Baltic archipelagos, and the vessel has already generated great interest in both Finland and Sweden.



Viking Line's app

The work to renew and develop Viking Line's app is always ongoing, and the new App 3.0 was launched in two phases during the year.

Viking Line's app includes the digital membership card for the Viking Line Club. Using the app, members can take advantage of all the club's special offers and benefits. It is also easy via the app to check in using the automated check-in machines in the terminals, check a booking confirmation, browse the assortment available in the shops, get quick access to WiFi on board and pre-order goods online.

New features in the app

App 3.0 includes boarding cards, check-in, a vendor control system and – for trips with Viking XPRS – a digital cabin key.



New organization

In 2018, a restructuring of Viking Line's organization was launched in order to better meet operational environment challenges and customer expectations. The restructuring began on board the vessels, and responsibility for results in the new organization was moved closer to the customer. With these changes, the vessels were given more opportunities to influence their operations. 2019 was the first full fiscal year in which the vessels worked under the new organizational model, and the positive results trend shows that these measures were successful.

In 2019, the restructuring continued in the land-based organization in the form of measures to modernize and streamline operations.



Statement of the President and CEO

Improved results confirm that we are on the right path

Results for the year

The results trend for the financial year was better than in 2018. I am especially pleased with the improved sales revenue per passenger, but also with the lower operating expenses. It is also gratifying that our customer satisfaction numbers during the year improved compared to the preceding year.

Results for 2019 show that we are on the right path. We have had considerable success in reversing a downward trend. The work to develop our organization, which we began in 2018, has been successful. The goal was to create clearer ownership of results and sharpen our commercial focus.

I am particularly pleased that our employees, both on board the vessels and on land, have worked together to create experiences for our customers. It is important that, together, we do everything to promote and support business operations and that we provide good, cheerful service to our guests on board in true Viking spirit. We must not forget that the Company's results are a reflection of our employees' engagement and the confidence that customers show in us.

Many positive events and activities took place during the year, but we were also affected by external factors that have had an unfavourable impact on our operations. I have in mind primarily the Finnish Seafarers' Union's solidarity strike in November. I hope we never again need to experience something like that. The strike affected many of our employees financially and at the same time had a negative impact on the Company – although we were not a party to the dispute. If there is something positive to be seen in this strike action, it showed that we are a united organization. I would like to thank in particular all the employees who contacted the Group management team and me during the strike. We appreciated that.

Maritime transport's role in society

Maritime transport is unbeatable when it comes to long-haul transport. Functioning sea links are an essential condition for the competitiveness of trade and industry. Finnish maritime transport today is characterized by high-quality, innovative skills, and Viking Line has been a pioneer here in new technological solutions. In terms of securing a country's emergency supplies, shipping companies that sail with their country's flag flying from the stern are an important cog in the wheel. Maritime transport is also extremely important for trade, industry and the hotel and restaurant sector. According to a recent survey conducted by the University of Turku, foreign visitors who travelled to Helsinki with passenger shipping companies brought 695 million euros into Finland. That amount is significantly larger if other ports are included.

Our sustainability engagement

In a time of active social discussion and rapid change, we want to meet our customers' growing needs for sustainable services and greater demands for travel options in our region and also create customer-friendly, responsible solutions. Viking Line has chosen to play an active role in developing sustainable travel – a field that we have been at the forefront of for a number of years, including in terms of technological innovations.

During the year, we put greater focus on our sustainability engagement. The work is strategic and is aimed at customers, employees and the environment. As an Åland-based shipping company, we live off the sea, and it is important to us to promote its well-being. We want to be a pioneer when it comes to implementing solutions that reduce our environmental impact.

Through different fuel optimization measures, over the past decade, we have managed to achieve total fuel savings of more than 20%. The International Maritime Organization's goal is to reduce carbon dioxide emissions from maritime transport by at least 50% by 2050 compared to 2008. We are the first shipping company in our service area to report the fleet's CO₂ emissions in its sustainability report. In order to give a fair, reliable picture of emissions levels, cargo transport should also be taken into consideration. Our new vessel, now under construction, will further improve our environmental performance and ensure our position as a pioneer in sustainability work in maritime transport.

One interesting project during the year involved reducing food waste on board Mariella. In four months, we managed to reduce waste from the restaurants on board the vessel by 40 per cent. Overall, this corresponds to 70,000 portions of food. The results are impressive, and similar projects are planned for a number of our other vessels.



Construction on our new passenger vessel is progressing

Last spring, a competition was held to determine the name of our new vessel. During the two stages of the competition, we received nearly fifty thousand suggestions from Finland, Sweden, the Åland Islands and the rest of the world. In May, we announced the name of the new vessel: Viking Glory. Participation in the competition exceeded all our expectations.

In early June, a traditional laying of the keel ceremony was held in the XSI shipyard in China, when about ten euro and yuan coins in different denominations were ceremoniously placed under Viking Glory's keel. The vessel is really taking shape now. We have the great fortune of having a talented, engaged team on site in Xiamen, China.

Thanks to advanced, innovative technological

solutions, Viking Glory will be one of the world's most climate-smart passenger vessels. It is expected to use up to 10% less fuel than Viking Grace, which previously was awarded the honour of being the world's most environmentally-friendly passenger vessel in its size class. We look forward with great anticipation to including Viking Glory in our fleet.

I would like to give my warm thanks to all our employees for their good work during the past year. I would also like to thank our customers and partners for the confidence they showed in us in 2019.


Jan Hanses
President and CEO

Sustainability Report

It is often taken for granted that sustainability is about development and looking forward – using resources in a smart way, leaving as much as we ourselves have inherited for future generations. That is certainly true, but sustainability also entails a historical dimension. Only the passage of time will show what is truly sustainable. Every now and then, it is worthwhile to look back and think about where we began and how far we have come.

It has been six decades since Viking Line launched its service in the north Baltic Sea. Our traffic democratized travel between the Finnish mainland, the Åland Islands and Sweden and made car journeys possible for ordinary people. Few people believed in us at the time.

Today we are a brand. When we look back, we can take pleasure in the idea that our first vessels were already sailing somewhere in the Baltic archipelagos when Neil Armstrong took his first step on the surface of the moon. The world has certainly changed since then, and the same thing can no doubt be said about our vessels. There have been, to say the least, considerable technological advances. The range of products and services on our vessels has become ever more varied, comfort has increased, and the vessels have grown in size. The picture below clearly demonstrates this development.

Although we have not yet been able to eliminate the use of fossil fuels, which is and remains our big challenge for now, over the years we have done a fair amount to protect the environment and the Baltic Sea that is so dear to us (see more about our environmental journey on page 36). We have made it possible for many people to travel and for trade goods to be transported between the Nordic and Baltic countries. We have combined utility and pleasure while respecting our surroundings. Our commitment stems from our origins in these archipelagos.

Today Viking Line is Finland's biggest maritime employer, and our employees reside in most parts of Finland and Sweden (see more on page 17). The labour arrangements of seafarers, whereby longer shifts are generally followed by equally long periods of leave, enable our employees to live outside of densely populated areas. We are pleased that the geographic spread of our employees contributes to preserving the population structure in smaller communities and ensures that tax revenue also goes to other regions besides densely populated areas.

But we are still not satisfied because we are ambitious. We want to continue to be a role model in environmental thinking and new climate-smart technology. We want to produce more from less. We want to leave a diminishing trail in our wake. And we want to feel good and have fun on our journey towards this goal. That is what sustainability means to us.



Dani Lindberg,
Sustainability Manager

This Sustainability Report was approved by the Board of Directors of Viking Line Abp on February 12, 2020.



Our commitment to the UN's Sustainable Development Goals

Our ambition is for sustainability to one day be integrated throughout our value chain and for it to always be a basis for decisions with economic or ecological consequences. We want to treat our customers and employees with respect and protect their health, safety and well-being. We have chosen to prioritize four areas where we believe we can make a difference:



Affordable and clean energy

We will continue to be a pioneer in applying new environmentally sensitive technology.

We test new as well as alternative technological solutions to achieve lower emissions. We will continue to support and collaborate with innovative companies and researchers in energy technology.



Life below water

Our vessels do not discharge any wastewater into the sea. Nor do we use environmen-

tally hazardous paint on the bottoms of our vessels. We vow to continue to find ways to reduce the use of water and chemicals in our operations.



Good health and well-being

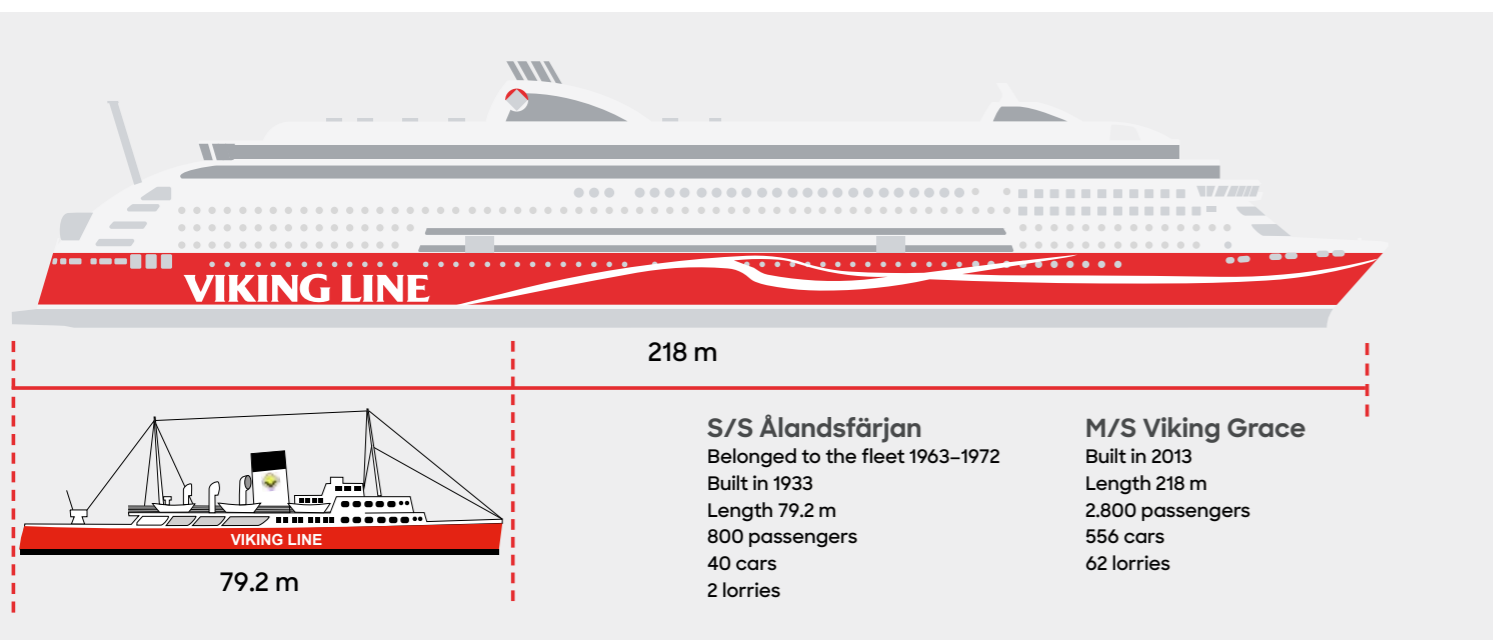
Well-being at work and a healthy lifestyle are the basis of success on the job. Through good leadership, an open, stimulating, secure and pleasant atmosphere is created in which employees' efforts are appreciated and recognized and where everyone is treated equally. We promote good health, wellness

activities and employee well-being by encouraging and promoting meaningful leisure activities.



Responsible consumption and production

We vow to sort by-products generated from our operations. We want to maximize recycling and, where possible, reuse materials. We strive to reduce waste quantities and create increasingly circular material flows.



Procurement principles still under review

In 2017, we began work to revise the principles governing our procurement and tender processes. We believed the work had been completed in 2018, but it turned out that there was more to be done. In 2019, we drew up a new procurement policy that better reflects our most important criteria in tender processes and procurement. We also carried out extensive work together with all the procurement managers to update our procurement processes and implement this in our operations. The work will continue in 2020.

Fight against corruption

In 2018, we supplemented our operational principles with a policy against corruption and bribery. The aim was to support the organization, including in tender processes, procurement and our cooperation with authorities. We also wanted to provide our employees with better tools for detecting and reporting suspicions of inappropriate behaviour. In 2019, we had one confirmed incident involving corruption that was adjudicated in a court of law. We want to oppose all forms of corruption and promote transparency in all dealings with our stakeholders. We will therefore continue to work actively to fight corruption.

Sustainability in 2019



Viking Line cycled for the Baltic Sea

The Viking Line Challenge was a tough but fun activity for on-board staff, with the goal being to cycle on a Watt bike for two weeks without a break and raise money for the Baltic Sea.

The cycling challenge was held on board Amorella, Rosella, Viking Grace and Viking XPRS during the period January 25–February 9, 2019. Employees met the challenge of keeping the wheels in motion for two weeks, and Viking Line donated 25,000 euros to the Tvärminne Zoological Station.

€ 25,000

New learning environment for students with special needs

In late October, Viking Line and Vocational College Live launched a partnership to provide a brand-new learning environment for students with special needs.

According to Vocation College Live's principles, every individual should manage to work based on his or her individual conditions, and everyone should have knowledge that society needs. Live's goal is to help students identify their own proficiencies and create their own path to work and community. Corporate partnerships are an integral part of Live's operations. By getting the chance to work in a company, students develop their vocational know-how and their working capacity in many ways better than in a school.

The partnership with Viking Line opened the doors to a new, inspiring learning environment. From late October to Christmas 2019, the students' assignment was to encourage passengers to take photos of themselves in front of a media wall and show them how to tag the photos in social channels. The service, implemented in collaboration with the Port of Helsinki, was part of Viking Line's new concept, called "The Ship of Joy".

Live is the largest vocational school for students with special needs in the Helsinki metropolitan area. Its vocational training is intended for people who need education tailored to their individual needs, personal support and guidance with their studies and work. Some of the reasons why students need additional support are various health issues, learning difficulties and social or mental problems.



From late October to Christmas 2019, the students' assignment was to encourage passengers to take photos of themselves in front of a media wall and show them how to tag the photos in social channels.

Ville Viking mug in 2019

During the summer of 2019, the second Ville Viking mug was released as part of a collection that is intended to include a number of mugs over the next few years, produced in partnership with Arabia.

Viking Line has a close collaboration with the Finnish environmental organization Keep the Archipelago Tidy Association, and for the second straight year, we are supporting vital environmental work by donating 1 euro from each mug sold for this purpose.



Pure Waste is one of the few clothing manufacturers on the market that produce 100% recycled apparel.



Viking Line Collection – Pure Waste

The Viking Line Collection of clothing is an homage to the Baltic Sea, featuring an assortment of basic apparel made of 100% recycled material. By working together to produce this clothing collection, the apparel maker Pure Waste and Viking Line saved more than 26 million litres of water. Textile waste from consumers was collected, sorted and recycled to eventually become new clothes.

-40%

Piston pull performed by crew

Rosella's crew replaced the pistons on two of the vessel's four main engines on their own. The switch to new pistons is expected to reduce the use of lubricating oil by about 40%. The crew will also replace the pistons on the other two main engines, which – in line with our environmental strategy – will help to further reduce the use of lubricating oil.

Update of ventilation system

Viking Grace's ventilation system was updated during the year in order to maintain an optimal indoor climate and to increase energy efficiency. The estimated annual saving is about 90 tonnes of liquefied natural gas (LNG), with the result being a reduction of nearly 250 tonnes of carbon dioxide emissions.

On board Gabriella, a frequency control system for indoor fans resulted in a reduction in fuel consumption of about 2%. This corresponds to an annual saving of about 580 tonnes of fuel, which in turn means a reduction of nearly 1,830 tonnes of carbon dioxide emissions.

-250 tonnes of carbon dioxide/year

-1,830 tonnes of carbon dioxide/year

By updating the ventilation system on Viking Grace, the energy saved is equivalent to the total annual consumption of electricity and heating for all of Viking Line's offices in Mariehamn, including the Group's main office.

Viking Line is for everyone

At Viking Line, we have a shared approach to service, in which the customer always comes first. The objective is for us to produce even more satisfied customers who will choose to travel again with Viking Line through consistent, friendly and engaging service, internally and externally, across country borders and professional roles.

Viking Line's quality strategy entails:

Friendly service

Good food

Enjoyable entertainment

Fully functional and clean facilities on board

Attractive shopping

Motivated personnel

Skills development

The One Service platform is Viking Line's concerted in-house efforts to take the good customer experience one step further. It is important to us that all employees feel engaged in the Company's "Good Hospitality", which is the shared foundation of values for how we should treat each other, our customers and our partners. Together, we become even stronger.

These are Viking Line's fundamental values

Our fundamental task is to link together the countries around the northern Baltic Sea by providing sustainable and regular ferry service. Our three basic services are cruises, passenger transport and cargo transport.

Our unique expertise in combining these three basic services generates customer and business benefits. We are the leading brand in our area of traffic, the northern Baltic Sea, and we offer the market's best value for money by providing good quality at affordable prices.

Three of our fundamental values:

- Customers are our top priority. We aim to exceed their expectations, especially with regard to good service. Our selective quality factors are friendly service, fully functional and clean facilities, good food, enjoyable entertainment and attractive shopping.
- We respect our co-workers and value initiative, innovation, teamwork, openness, honesty, loyalty and acceptance of responsibility. We motivate and train our employees to achieve improved quality, service and productivity.
- Our vessels are safe and well-maintained. We strive to continuously improve our sustainability work and conduct our operations in compliance with applicable safety and environmental standards and legislation.



Did you know that...

In 2018, marine transport accounted for 84% of Finland's total foreign trade (Source: Finnish Customs).

Marine transport enables trade

Regular, reliable sea transport is a vital link in the large flows of goods between Finland, Sweden and Estonia.

Finland, Sweden and Estonia are all included in the EU's so-called transport corridors, which are considered essential to the trans-European transport network. Shipping is crucial in linking together the transport infrastructure of the Nordic countries, the Baltic countries and Central Europe. Bearing in mind the importance of security of supply, it is important that Finland has its own fleet.

Our traffic enables the reliable, regular transport of large volumes of trade goods between the Nordic and Baltic countries. Our cargo customers come primarily from Finland, Sweden and Estonia but also from the other Baltic countries as well as Poland, Denmark, Norway and Russia.

Demand for transport and travel for pleasure varies sharply during the year. Summer is peak season for us, which is when the need for car deck capacity is also greatest. Our challenge is to utilize the capacity on our vessels in the best possible way for every single departure, every single day. The greater capacity utilization is, the more we contribute to the sustainability of marine transport as a transport mode.

Dialogue with cargo customers

Cargo transport constitutes an important

part of our transport volume and is a cornerstone in our work to utilize our capacity to the fullest. While summer tourism peaks in mid-July, trade goods must still be transported year-round. Seasonal variations in supply and demand for different goods create different transport needs. We maintain a continuous dialogue with our cargo customers in order to plan for their needs with as good long-term planning as possible.

Collaboration with stakeholders

Collaborating with stakeholders is an important part of our sustainability work in cargo and logistics. Our aim is to take part in discussions about national and international flows of goods. In this context, port authorities are some of our most prominent stakeholders. We maintain an ongoing collaboration with our destination ports in order to improve logistics to and from our vessels, among other aspects. Through activities such as measuring and weighing units in ports, we further improve our capacity utilization and provide the ports with important information.

A total of 1,700,123 tonnes of cargo were loaded on board our vessels in 2019.

Economic value

Viking Line's operations generate economic value for the Group's stakeholders in the countries and market areas in which we operate. The most important cash flows consist of revenue from our customers, purchases from suppliers of goods and services, salaries to employees, payments to and from the public sector, dividends to shareholders, and funding costs to financiers.

In 2019, consolidated sales and other revenue totalled 497.2 million euros. The Group's purchases from suppliers totalled 300.0 million euros, and investments totalled 29.9 million euros, with 23.6 million euros of this mainly advance payments for the vessel under construction.

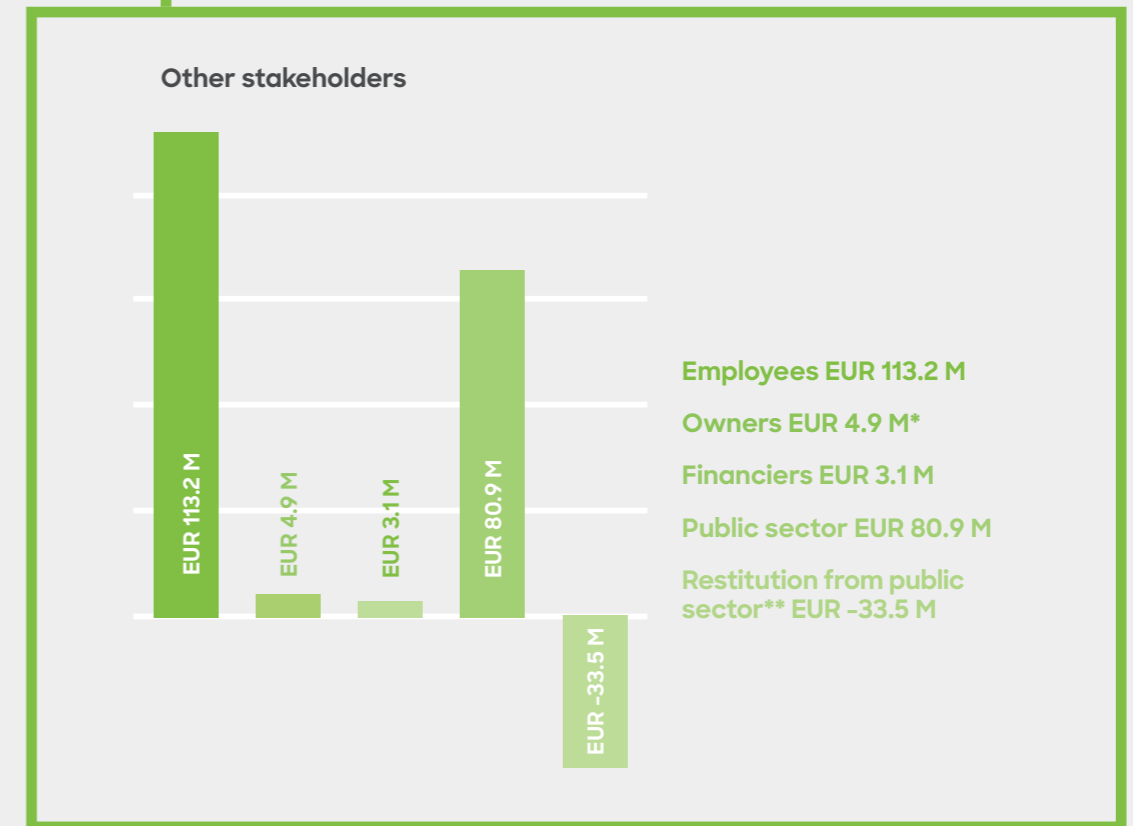
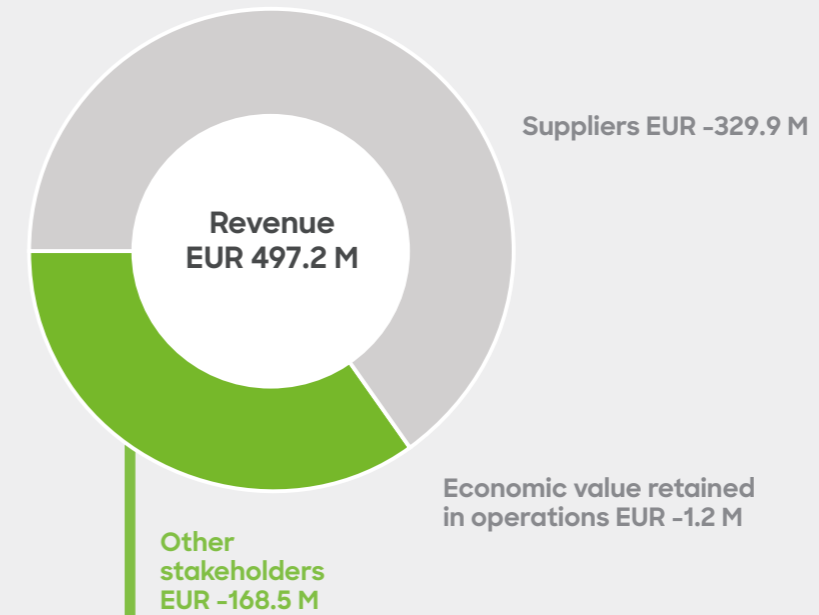
Viking Line employed an average of 2,632 people. Net salaries and pension expenses totalling 113.2 million euros were paid to employees. Viking Line paid a total of 80.9 million euros to the public sector in the form of port expenses and vessel charges, taxes on salaries and social security contributions and income taxes. The Group received restitution from the Finnish and Swedish states totalling 33.5 million euros for shipboard employees' taxes and social security contributions. Shareholders were paid a total of 4.9 million euros in dividends. The Group's income statement, balance sheet and cash flow statement are presented in their entirety in Viking Line's financial statements.

Generation of economic value, EUR M	2019	2018
Customers		
- Sales, other operating revenue, financial income	497.2	500.6
Suppliers		
- Procurement	-300.0	-308.5
- Investments	-29.9	-15.9
Economic value generated by Viking Line	167.3	176.1
Employees		
- Net salary and pension expenses	-113.2	-112.9
Owners		
- Dividends*	-4.9	-2.2
Financiers		
- Interest expenses	-3.1	-3.4
Public sector		
- Income taxes	-2.6	-0.5
- Port expenses and vessel charges	-40.9	-40.9
- Taxes on salaries and social security contributions	-37.4	-38.9
Paid to public sector	-80.9	-80.3
- Restitution from public sector and EU funding	33.5	34.4
Public sector, net	-47.4	-45.9
Economic value distributed	-168.5	-164.3
Economic value retained in operations	-1.2	11.8

* For the financial year 2019, proposed by the Board of Directors to the Annual General Meeting.



Generation of economic value



* For the financial year 2019, proposed by the Board of Directors to the Annual General Meeting.

** Read more on the next page

Restitution to sustain domestic competitiveness

Restitution to shipping companies is repayment for preserving Finnish seamanship

Restitution is an essential condition for enabling ferry service to be carried out under a Finnish flag and with a Finnish crew. To sustain the competitiveness of European sea transport, a restitution system was implemented in a number of EU countries, including Finland, Sweden and Denmark. In accordance with EU State Aid Guidelines, shipping companies may be reimbursed for taxes and social security contributions paid to maintain service under their countries' own flags. This restitution system, which is often called maritime financial aid, is mainly financial aid for seafarers – not shipping companies. Most European countries therefore have a similar system.

Viking Line – Finland's largest maritime employer

As Finland's largest maritime employer, with five of the Company's seven vessels under the Finnish flag, we have the highest amount of taxes and fees borne by the maritime population. For Viking Line, this restitution applies to some 1,600 Finnish seafarers. All shipping companies receive this restitution, and the size is determined by the number of seafarers employed by the Company. The restitution really benefits seafarers, who get a tax exemption, but since Finland has chosen to follow the model of exception in the guidelines, the taxes are borne by the seafarers and refunded to the shipping company. In Sweden and Denmark, this restitution is not recognized as aid to enterprises, which is why it is also debated to a lesser extent than

in Finland. For Viking Line, this restitution also applies to some 400 Swedish seafarers.

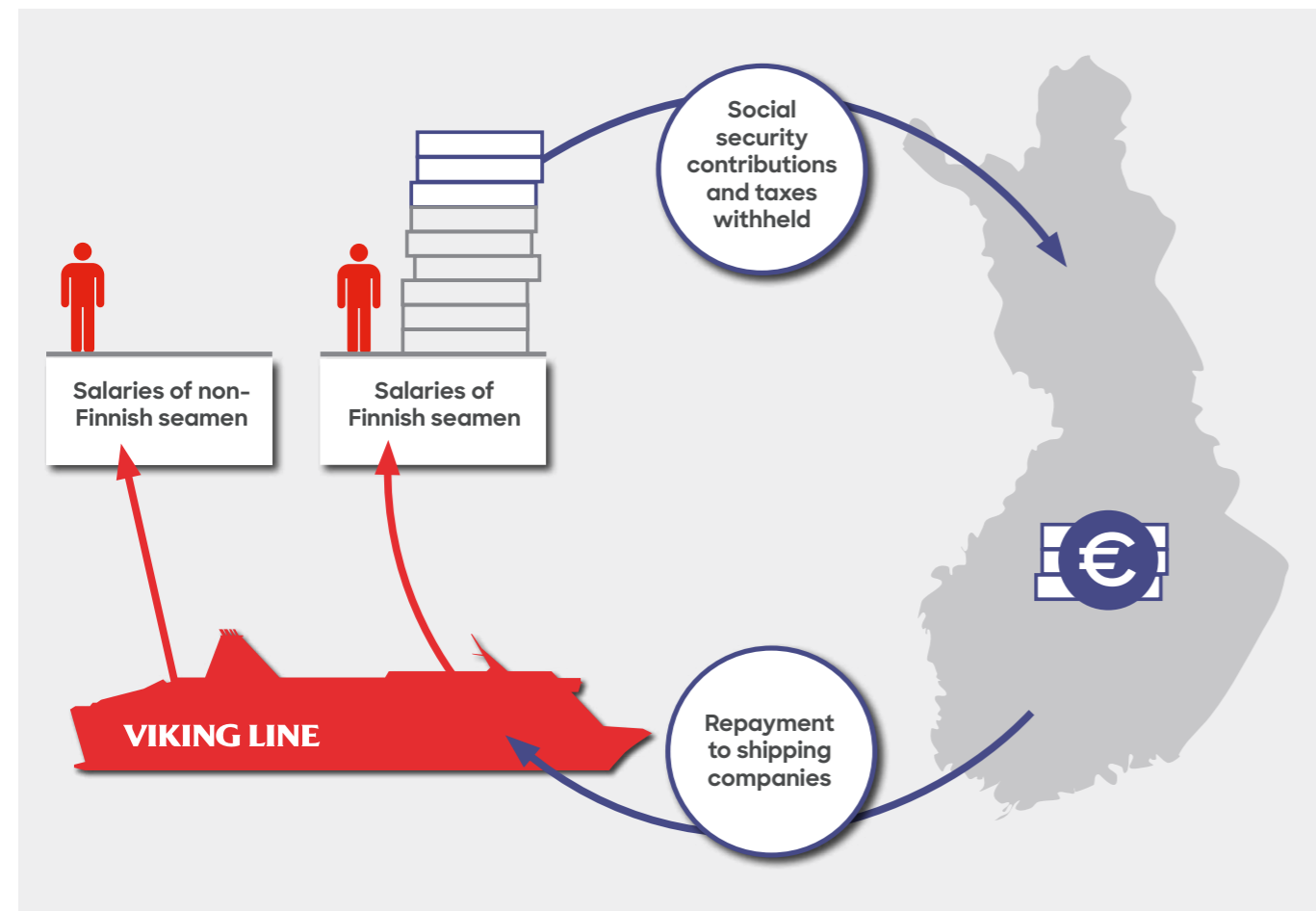
The Finnish National Emergency Supply Agency is of the opinion that Finland should have a merchant fleet flying under its own flag, to secure the country's emergency supplies. The seafaring profession also provides many jobs in sparsely populated areas, particularly in archipelagos, where people can work one week on/one week off.

Shipping boosts prosperity in smaller communities

For natural reasons, the majority of our land-based employees reside close to our market units and terminals. However, among shipboard personnel, the geographic spread is much wider. We have employees who live in

Lapland north of the polar circle, in the archipelago communities of the Åland Islands and Turku, in eastern Finland close to the Russian border, in the Estonian countryside and in Sweden near the Norwegian border.

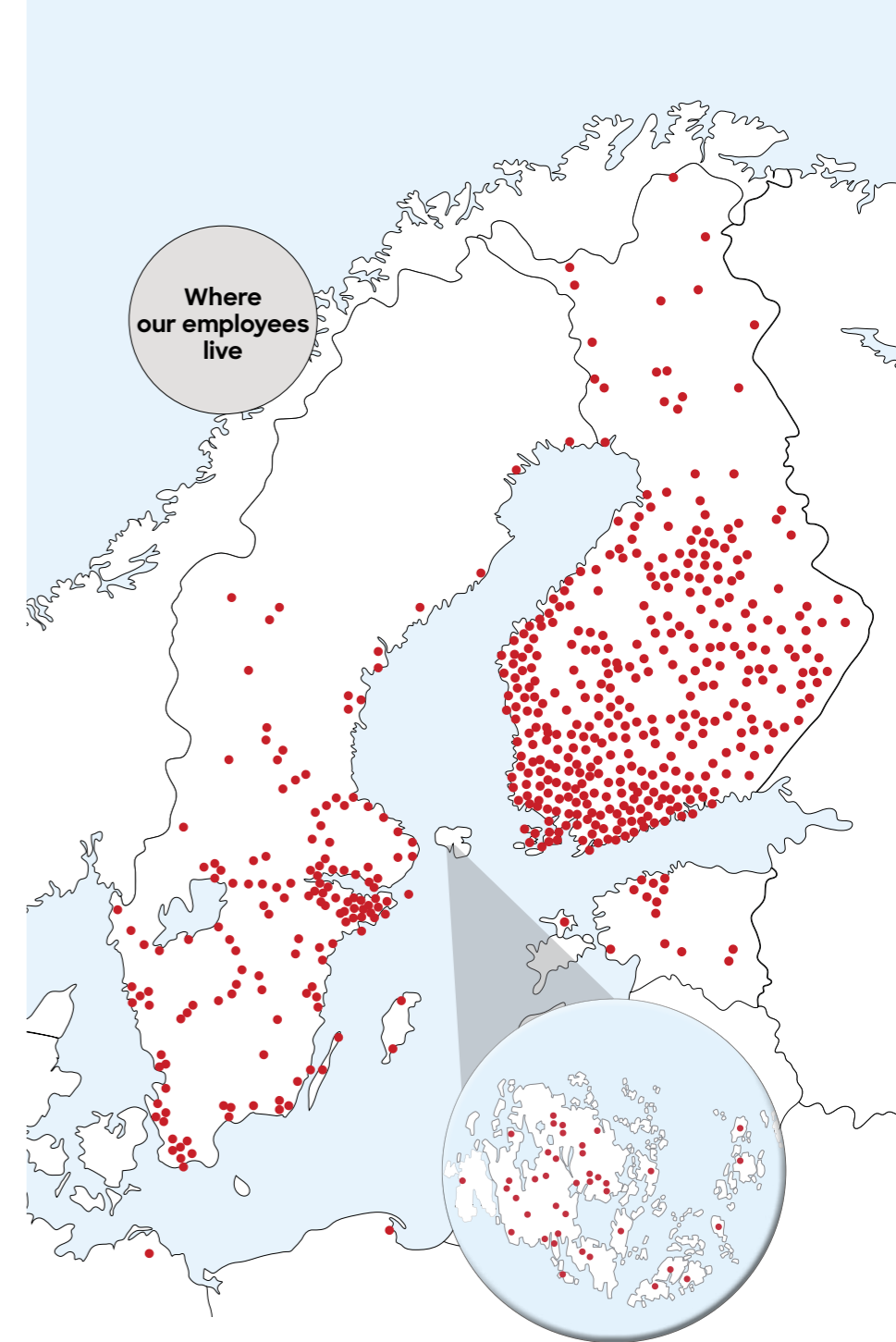
The personnel on our vessels work in shifts, with one week on/one week off or ten days on/ten days off. These extended periods of time off enable them to live away from densely populated areas. With such labour arrangements, shipping companies help to preserve the population structure in smaller communities and ensure that tax revenue goes to other regions besides densely populated areas. The hiring by shipping companies of some of these residents may be crucial to sparsely populated communities, including in archipelagos, located far from urban areas.



Viking Line is Finland's biggest maritime employer.

We safeguard domestic nautical skills.

We ensure the security of supply for logistics transport in Finland.



Our employees

During 2019, the average number of employees in the Viking Line Group was 2,632 (2,671). Shipboard personnel totalled 2,038 (2,037) and land-based personnel 594 (634). In addition to the Group's own employees, Viking XPRS was crewed by an average of 245 (242) people employed by a staffing company.

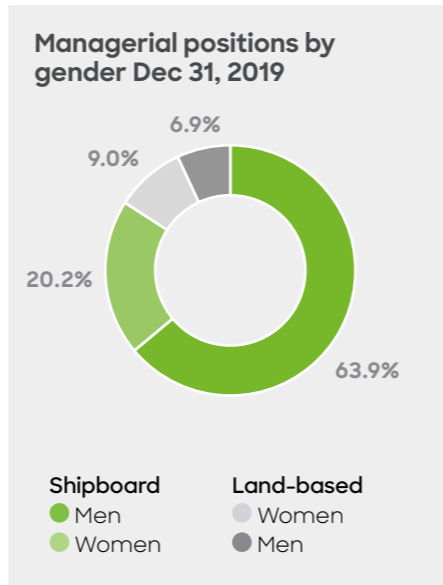
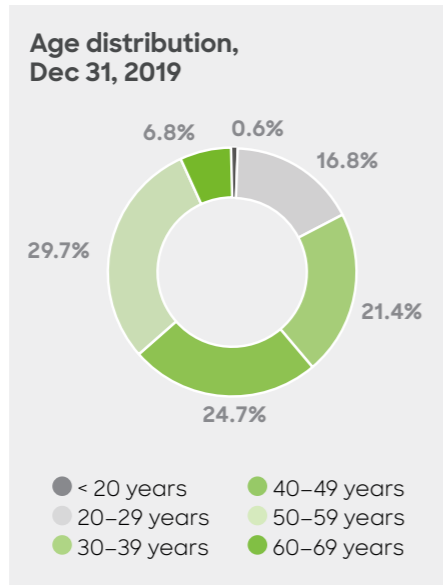
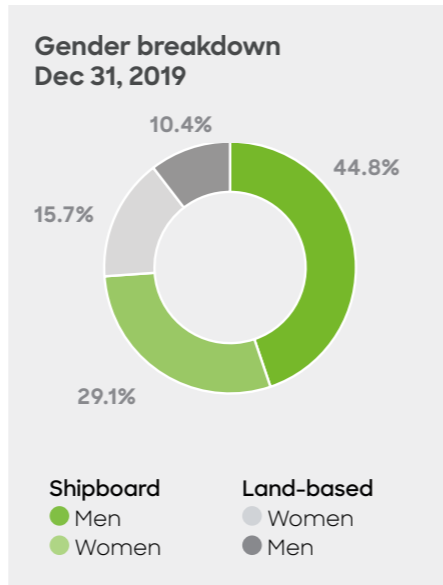
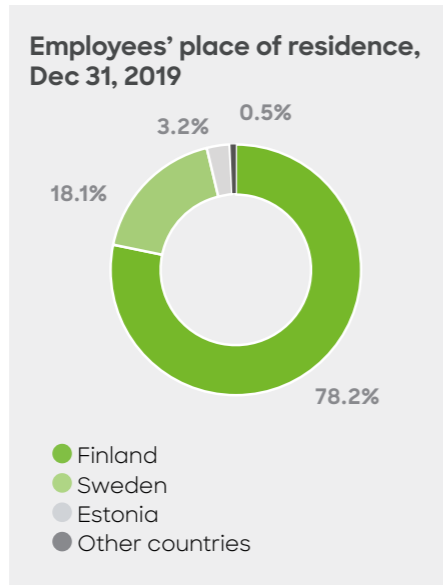
At the end of 2019, the Group had a total of 2,810 (2,874) employees, of whom 2,198 (2,299) resided in Finland. The number residing in Sweden was 507 (453). There were

91 (111) employees residing in Estonia and 14 (11) in other countries.

The land-based organization's operations were reviewed during the spring of 2019, as part of the modernization of work, taking into consideration future requirements and external factors. All parts of the land-based organization were affected, including Finland, the Åland Islands, Sweden, Estonia and Germany. The number of positions affected was 21 full-time positions.

The Group, Dec 31, 2019	
	Total
Board of Directors	7
Group Management team	7
Foremen	377
Finnish flag	1,642
Swedish flag	433
Shipboard personnel	2,075
Finland	518
Sweden	149
Estonia	66
Germany	2
Land-based personnel	735
Group total	2,810

The Group, Dec 31, 2019	Permanent staff	Temporary staff	Total
Shipboard personnel	1,669	406	2,075
Land-based personnel	592	143	735
Total	2,261	549	2,810



New organizational model

A new, results-driven organizational model was introduced in the Group in April 2018.

Since the start, both the vessel management teams and the Group management team have worked together with staff to strengthen the sense of purpose and provide our employees with better insight and understanding about the importance of their own work for Viking Line's results. 2019 was the first full financial year in which the vessel manager appointed for each vessel was responsible for overall economic results for that vessel.

Henrik Grönvik, vessel manager on Viking Grace, comments:

What advantages can we see from this new way of working?

"The big advantage is that responsibility for results is now located closer to the people who interact with customers. At the same time, Group management has established more direct contact with the vessels and the support functions. The development of Viking Line's future strategy continues – work which includes the Board of Directors, Group management and also those with responsibility for results in the process. The Company's finances and faith in the future have been strengthened."



Vessel manager Henrik Grönvik

How is the work monitored?

"Along with monitoring environmental targets, safety and security aspects and sales results, which the vessels work with on a daily basis, we also measure customer satisfaction, efficiency, job satisfaction and a number of other important qualities on a continuous basis. A number of external audits of our operations are also carried out."

How can customers see the benefit of this new way of working?

"The vessels' collaboration with the Company's market organization provides direct feedback in the important communication with customers, both before and after their trip. A continuous dialogue with colleagues on land helps to provide the service customers request. This creates added value for our customers and at the same time boosts Viking Line's results."

Viking Line will continue to be the most affordable alternative on the Baltic Sea. The Company's focus is always on attractive products and services, happy, friendly customer service and safety and sustainability issues.

Next generation leadership

Viking Line's investment in extensive leadership training began in 2016–17 for human resource managers in the land-based organization. In 2018, this training continued on Viking Grace and Amorella. In 2019, the training was carried out on Gabriella, Mariella, Viking XPRS and Rosella.

The training covered all departments on board the vessels, from vessel operations to customer service, with the main points being group dynamics, management by objective, motivating individuals, communication and organization of the work.

The training also served as support for the vessel managers in the new organizational model and led to a valuable discussion of leadership issues that crossed department and vessel boundaries.

Aims of the training:

THE CUSTOMER EXPERIENCE. It is crucial how guests experience their trip with Viking Line. We must always provide excellent, consistent quality. "Disembarking Smiling" is our main goal.

EMPLOYEE SATISFACTION AND THE WORKPLACE ENVIRONMENT. Clear tasks, operational goals and a functioning workplace environment are needed for people to do a good job. The work should be motivating, and we should strive for continuous improvement. It should feel good to come to work.

ECONOMIC RESULTS. We need to develop and change in order to achieve better results, which also enables continued investments in the future. Operations should be streamlined, and any challenges should be resolved efficiently and simply.

"Disembarking Smiling"



Viking Line's equality work

Our success depends on the diversity and competence of our employees. At Viking Line, we want to treat all people with respect, compassion and dignity. We therefore continuously work to:

- establish workplaces, adopt working methods, organize the work and create working conditions so that they are suitable for all employees,
- make it easier for all employees to combine work and parenthood,
- prevent discrimination and harassment,
- investigate all cases of discrimination and harassment in the workplace and take appropriate measures to eliminate and prevent such cases,
- give all employees opportunities for development and training, and work for a more even gender balance and provide all employees with equal pay and conditions on equal terms.

Managers with responsibility for personnel at all levels are responsible for the equality work outlined in laws, agreements and Viking Line's equality policy.

Code of Conduct

Viking Line's Code of Conduct is a vital document in our everyday work. Everyone must study and comply with the rules and ethical guidelines in the Code of Conduct, which includes how we shall treat colleagues, suppliers and customers.

The Code of Conduct specifies clear rules for how to act responsibly in society. We work against trafficking, prostitution, smuggling and other criminal acts in close collaboration with authorities. If an employee or customer is suspected of violating the law or internal regulations, our employees always have an obligation to report this.



Pamela Mäkelä at the helm on Amorella

Pamela Mäkelä works as chief officer on Viking Grace, and during the summer of 2019 she stood in as master on Amorella. Mäkelä has also worked as route pilot. In working as a summer replacement, she became the Company's **first female master**.

Mäkelä's skills and professional excellence are greatly appreciated, and Viking Line welcomes a new era in its corporate culture, with more women working in traditionally male-dominated workplaces on board.



Health, happiness and motivation

SWEDEN

In Sweden, during the year we focused on establishing an attractive workplace that promotes well-being. The aim has been to create an open, positive atmosphere in the workplace, which benefits both individuals and the entire workplace environment.

HR annual accounts

For the first time, Viking Line Skandinavien compiled annual accounts for human resources for 2018. The work continued in 2019. We strive to be an attractive employer and want to carry out HR work that ensures we have capable, motivated staff who develop and contribute to achieving our business goals.

The HR annual accounts summarize what the year looked like in terms of employees, skills development, use of time, absence due to illness, the workplace environment and proactive work with employee wellness. This provides us with an assessment of the current situation and helps us to set goals and action plans where this is required.

Activities to promote employee wellness

During the year, a number of activities to promote wellness were arranged, such as various sport challenges and an inspirational lecture.

Introduction for new employees

During the year, a new digital introduction for new employees was implemented. As a result, they get general introductory training even before they start their job. The training is conducted in brief digital training sessions by e-mail.

FINLAND AND ÅLAND

The Finnish market area, with the help of volunteer employee representatives in Helsinki and Turku, arranged a number of different activities to promote employee health, happiness and well-being with an emphasis on wellness, relaxation, activity and food.

Activities for enhancing health and well-being

During the year, employees had the opportunity to take part in different activities such as lectures, wellness groups, work-out programmes, sport activities and lotteries. Wellness passes and the use of an app for effective work-outs during employee breaks also helped to increase well-being.

In Åland, our leisure fund arranged different kinds of activities, such as theatre trips. Thanks to the leisure fund, employees also had the chance to get subsidized tickets for different performances. Great use was made of the wellness passes, which cover both work-outs and cultural experiences.



Work environment

We strive to continuously improve the work environment in order to create job satisfaction and employee well-being. Our occupational health and safety activities shall ensure a safe and healthy work environment that promotes good physical and mental health for all of the Group's employees.

We want to prevent occupational injuries, reduce work-related absences due to illness and work actively with rehabilitation at as early a stage as possible. Occupational health and safety activities are regulated by our occupational safety policy as well as by laws and other regulations in effect.

Regular safety rounds on board the vessels

One way to inspect the workplace environment is to conduct safety rounds. Safety rounds are carried out on our vessels on a regular basis by members of the occupational safety and health commission together with the foremen of the different departments. On a safety round, operations in a workplace are reviewed in order to detect any current deficiencies in the workplace environment and to remedy and prevent them.

Worker safety

In partnership with supervisory authorities,

a number of important development areas were identified concerning worker safety and the workplace environment on the Group's vessels. In 2019, we initiated various activities aimed at updating the vessels' operational plans for these areas. Our goal is to also improve the risk analysis tools used by on-board staff.

We train our suppliers in occupational safety

All suppliers that carry out work on board our vessels take part in an occupational safety training programme. Our own employees also complete the training when they take part in the work being carried out by suppliers. Through this training, information is provided about rules that must be followed in order to ensure occupational safety for everyone affected in the shared workplace.

Accidents and absence from work, vessels with Finnish flag

	2019	2018	2017
Average number of employees	1,600	1,594	1,621
Accidents reported for shipboard employees			
On the job	247	250	257
During their time off	113	109	146
Total	360	359	403
Causing an absence from work (% of accidents)			
0 days	86%	81%	71%
1-6 days	6%	3%	7%
7-30 days	5%	14%	15%
> 30 days	3%	2%	7%
Causing an absence from work (% of accidents during their time off)*			
0 days	69%	67%	52%
1-6 days	2%	1%	6%
7-30 days	20%	20%	28%
> 30 days	9%	12%	14%

* Accidents during an employee's time off while on board the vessel are included.



Safety on board

The safety and security of passengers and employees is our top priority. The staff's knowledge and efforts are crucial to safety and security work, and our procedures are all developed on a continuous basis through our safety and security management system.

Safety and security efforts are based on operating vessels in compliance with the prevailing national and international regulations and standards, such as SOLAS, STCW, ISMC, MARPOL and ISPS, as well as careful internal monitoring and regulatory oversight. Continuous training in and monitoring of safety and security of the vessel crews are carried out in order to maintain and improve their skills in safety and security. Through its cooperation with various authorities, the Company carries out systematic work to identify potential risk situations.

Drills in safety and security

Each year, thousands of drills in safety and security are carried out on board. Every week, fire safety, evacuation, rescue and security drills are conducted on board all the vessels. In addition, special drills are carried out with varying frequency, as are large-scale drills on each vessel four times a year. The entire crew takes part on these occasions. A growing emphasis has been placed on acquiring equipment, developing instructions and carrying out drills in managing difficult situations involving violence.

We maintain continuous cooperation with maritime rescue organizations, fire brigades, police, customs, border control authorities and national emergency response forces, in order to quickly and efficiently obtain adequate information during any emergency situations. Other activities, including training with the border control authorities' maritime vessel and helicopter units, are carried out in conjunction with the drills.

The safety organization on board

The master of the vessel has the main responsibility for safety on board, and all crew members have been well trained in their safety organization duties. The crew is divided into groups with different areas of responsibility, such as evacuation, first aid, fire-fighting and information. It is mandatory for all employees to take part in safety

drills. On board, there are trained nurses and spaces outfitted with special equipment to provide care in a medical emergency.

The land-based organization is also prepared for emergency situations and can assist the vessels in taking care of passengers and crew members. The organization holds annual exercises to improve its ability to handle different emergencies that can arise in operations.

Safety checks

On-board safety equipment is checked daily. Before every departure, the ship's officers go through a checklist to verify that the vessel is seaworthy. Hatches, doors and ramps and all navigation instruments are inspected. During the voyage, the car deck, areas that are critical to operations and public areas are monitored by the camera surveillance system, while guards make regular rounds.

Maritime authorities have delegated oversight of vessels to classification societies, which inspect the vessels at least once a year.

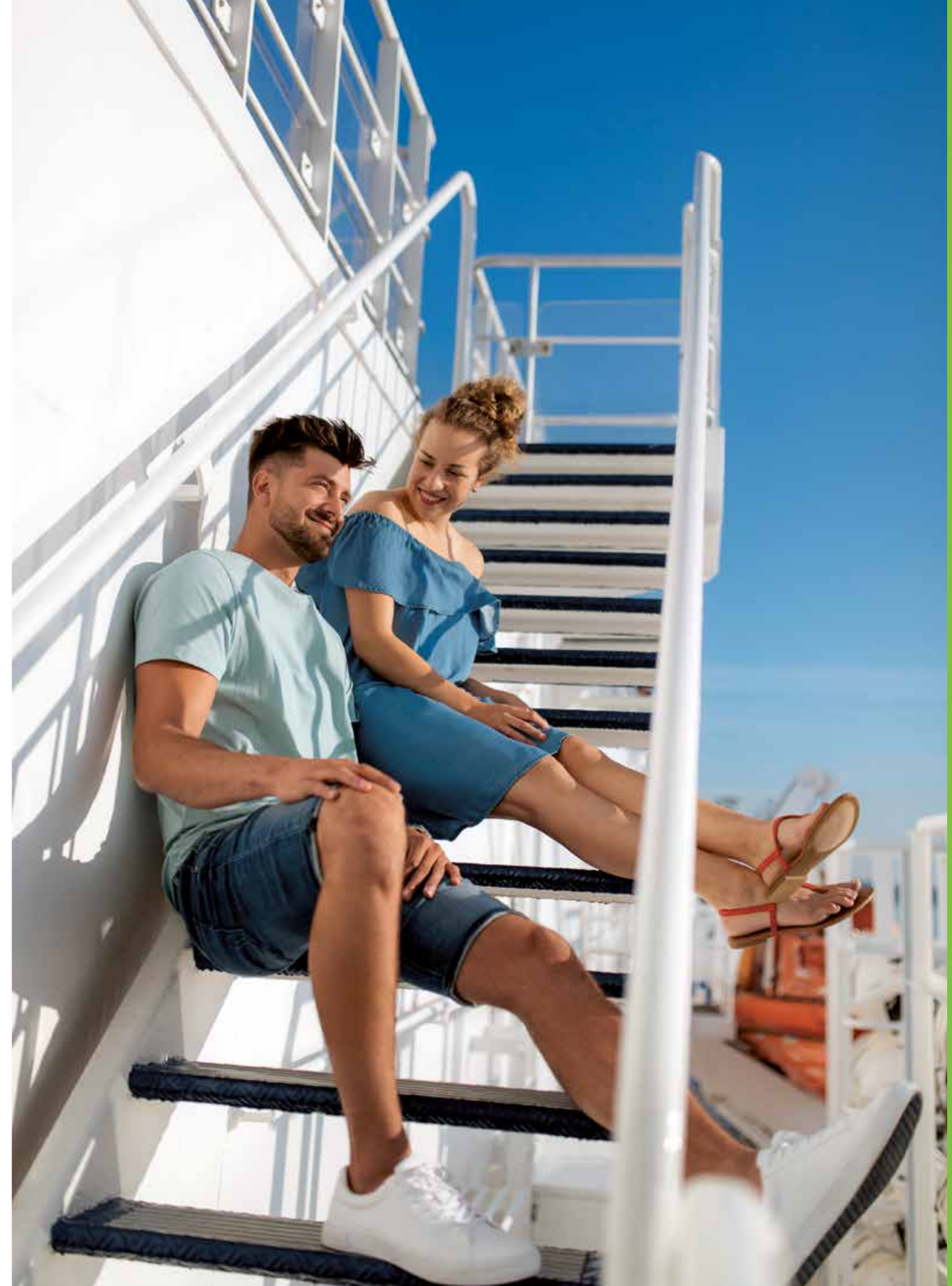
Preventive work

Preventive safety work on board the vessels is fine-tuned and strengthened on a continuous basis by further developing procedures and processes and providing training in risk factors on car decks, such as electric cars.

Collaboration on maritime safety

We collaborate with community groups, classification societies, authorities and other shipping companies in our maritime safety work to ensure broad agreement on maritime safety issues. One such effort is NORDKOMPASS, a Nordic forum for passenger ship owners. The forum's objective is to collaborate on various maritime safety issues in Nordic passenger ship operations. In case of emergency, we also work in collaboration with the Red Cross in Finland and Sweden.

ISMC	International Safety Management Code
ISPS	International Ship and Port Facility Security Code
MARPOL	International Convention for the Prevention of Pollution from Ships
SOLAS	Safety of Life at Sea
STCW	Standards of Training, Certification and Watchkeeping for Seafarers



Zero vision – safe, secure and enjoyable trips

We have a zero vision when it comes to different kinds of crime, harassment and disorderly conduct on board. We work on a continuous basis to realize this vision – together.

The focus of our zero vision is on safety, security and people's sense of well-being. It should be fun to travel with Viking Line. Viking Line's winning the Swedish security industry's Security Award 2017 has spurred us in our continued safety work and shows us that we are on the right path.

Rules for a more enjoyable trip

In order for everyone to have a good time, we have rules on alcohol and have zero tolerance of drugs or any kind of crime on board – from theft and disorderly conduct to assault and sexual harassment. We also have a group of experts who work specifically with issues to prevent sexual harassment on board our vessels.

Security guards and camera surveillance

Security guards make fire safety and security rounds on the vessels on a continuous basis in public areas and in corridors. There are also security cameras operating on the vessels for everyone's safety.

Collaboration on board

Preventive safety work plays a crucial role for everyone who works on board. Employees are experienced, observant and can see and react quickly to deviant behaviour. They undergo continuous training and work closely with the security guards.

Close collaboration with authorities

To ensure that people have a safe, secure journey, we work in close collaboration with authorities, including maritime and port authorities.

O

FACTS ABOUT OUR SAFETY AND SECURITY WORK

Viking Line's in-house group for safety issues work across departments to review vital safety issues and determine what activities need to be strengthened, retained, developed, or discontinued. Viking Line's zero vision for crime was adopted by Group management, and at the same time an advisory board with external experts was established to help Viking Line develop its safety work.



Conceptual image of the shared terminal (Source: Port of Turku)

Secure Pax

Secure Pax is an EU-funded project whose goal is to improve the safety of passenger transport in ports.

We are active participants in different contexts to develop and improve work related to vessel safety and thus safety on board, for both passengers and employees.

The idea for Secure Pax was born in March 2018, when together with Wega Group Oy we considered the possibility of launching a project with financial support. A great deal has happened since then, and the project now has a framework, an approved budget and a decision on financial support backed by the Trans-European Transport Network (TEN-T) through the Connecting Europe Facility (CEF).

Preventive safety work

The focus of this project is on safety challenges in scheduled passenger service on vessels with short stays in port and large numbers of people and vehicles. In order to manage the risk of threats or violence on public transport modes, there is a need to minimize risks in the port terminals by developing

effective preventive control work at the most basic safety level. The project is being carried out in close collaboration with shipping companies, ports and the authorities involved.

Digital security system

The goal is to develop a digital security system to improve the potential to register passengers with accurate identification information and mitigate security risks. This goal also includes scanning and remote detection of dangerous items such as hidden weapons and explosives in vehicles, in baggage and on people. The project includes comprehensive development of the security concept in the passenger port. To improve the digital information flow given increased data volume, a pilot project is being carried out for the 5G network in the Port of Turku.

The outcome of the project is expected to be a concept that can be used throughout Europe.

Project plan for the Turku terminal

The city of Turku is growing towards the port, which makes it more difficult to access the current terminal and transit area. The City of Turku, the Port of Turku, Viking Line Abp and Tallink Silja Oy have all signed a declaration of intent to develop the harbour area, and according to the plans a new terminal will be placed in service in early 2025.

The project is intended to develop commercial and cruise traffic in the area by creating a maritime district that combines housing with business operations and passenger and cargo traffic. According to the plans, the new terminal will be equipped with the latest technology in security and customer service.

Planning is under way for the new terminal, the transit area and the area that will be freed up once the plan is implemented. The project plan is expected to be adopted in early 2020, after which decisions on investments and a potential project launch will be made.

Our environmental work

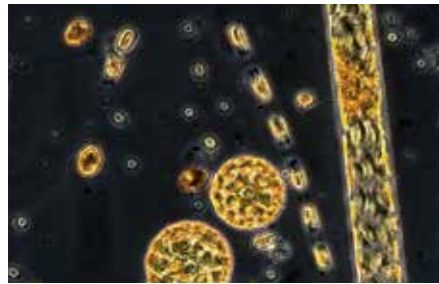


Sea Laboratory 3.0 – playing and learning with a Baltic Sea theme

During the summer of 2019, Sea Laboratory 3.0 was part of our summer concept for children and youths on board. The aim of the programme was to highlight environmental issues in a way that is fun and instructive.

For the third summer in a row, from mid-June to mid-August, our young passengers had the opportunity to take part in our Sea Lab – a programme concept created in collaboration with the Tvärminne Zoological Station. The Sea Lab is geared to children and youths, and the learning concept includes different experiments and an environmental quiz game.

Participants could take part in activities such as testing how surface tension works and how light is reflected off water. The Baltic Sea Adventure took up questions about the Baltic Sea and different factors that affect the species diversity and vegetation. The summer 2019 concept also focused on facts and problem solving, including different kinds of discharges and plastic in the sea.



Exhibition of underwater photos

During the summer of 2019, Mats Westerborn, a researcher at the Tvärminne Zoological Station at the University of Helsinki, displayed his underwater photos on board Viking Grace.

The photo exhibition on Viking Grace gave Westerborn the opportunity to reach a wide public with his important Baltic Sea theme. The goal was to present the valuable environments we have in Finland and Sweden in an instructive way, with the desire being to change values in society in general. Westerborn has been a dedicated photographer for ten years, and underwater photography is his speciality.

Underwater photography is a challenge. There is limited light, visibility is often limited, light from the camera flash is often reflected back, and it can be difficult to locate the subject. The best conditions for underwater photography in the Baltic Sea are in October–November, on the few days the sun is shining and the water is calm.



Fewer plastic items on board

About 80% of the waste found on shores consists of different kinds of plastic. As a shipping company, we have a great responsibility to do what we can for a cleaner maritime environment. We have therefore developed environmental goals to be realized by 2021, when an EU directive will prohibit some single-use products made of plastic.

Our goal is to prevent plastic from entering the sea from our vessels and thus to reduce the environmental impact of plastic. Our environmental goals entail gradually reducing the use of plastic items on our vessels and replacing existing plastic products with more environmentally-friendly alternatives. We will also focus increasingly on monitoring where this plastic ends up after it is used.

From words to deeds

In a single year, about 1.5 million straws are used on board our vessels. They run a great risk of ending up in the sea. In 2018–19, we thus replaced classic plastic straws on board with straws made from biodegradable material.

New alternatives to plastic

Many new alternatives have come onto the market since the EU announced its directive, which will take effect in 2021. In the future, it will be possible to provide products made, for example, from maize (corn), sugar cane, cellulose and bamboo.



Viking Line collaborates with the Tvärminne Zoological Station at the University of Helsinki.

Food and the environment

The work to reduce food waste on board is carried out each day. Dishes on the buffet tables are portion-controlled, and sandwiches in our cafés are made on the spot, to meet actual demand.

Pre-booked meals minimize waste

We are collaborating with different external partners to reduce food waste, and monitoring and awareness have a great effect in the day-to-day work. Pre-booking meals also minimizes waste – since passengers book their meals in advance, our kitchen staff know how many people will be eating.

Meals from a sustainability perspective

We adjust our food offering seasonally based on the supply of ingredients, and to the greatest extent possible we choose local and sustainable alternatives. All fish purchases are made in compliance with regulations in Sweden, Finland and the EU. The coffee served on board is organic, and we only use biodegradable drinking straws in our bars and restaurants. The water served on board in the restaurants is bottled and carbonated on board and served in glass bottles with an environmental theme. Priority is also given to sustainable solutions in serving guests, such as porcelain, glass and melamine. The hot beverage mugs used on board for takeaway have the Nordic Swan ecolabel or are PEFC-certified*.

* PEFC = Programme for the Endorsement of Forest Certification



Roska-Roope cleans waterways

Through the years, we have supported the activities of the Finnish environmental organization Keep the Archipelago Tidy Association in different ways. In 2019, we donated 25,000 euros to the association for its purchase of the waste-collecting boat Roska-Roope.

Roska-Roope is the Keep the Archipelago Tidy Association's latest innovation, and the boat began its work in late May. The boat was built by the Finnish company Alpo Pro Boats Oy in Raumo. Roska-Roope, which runs entirely on electricity, picks up waste floating on the sea.

"The well-being of the Baltic Sea is something close to hearts of people at Viking Line. The sea gives us our livelihood, and it is important to us that it is in good health. We want to be a role model in finding and employing new solutions that reduce the environmental impact," says Johanna Boijer-Svahnström, Viking Line's senior vice president of corporate communications.

There are many kinds of waste-collecting boats around the world, but nothing like the new Roska-Roope. The electrically-powered boat also uses solar energy as a power source. Roska-Roope was showcased at many summer events around Finland during the year. In addition to collecting waste, the boat also has another important task – reminding people that no waste produced by humans belongs in our waters.

"We have studied the polluting of Finland's shores ever since 2012. A great deal of the waste in the sea and waterways originates on land. With plastic waste, like with all waste, people have to be very careful to make sure it always ends up in an appropriate waste container, one that preferably is also properly sorted. Plastic as such is not a problem, but the fact that plastic winds up in our natural environment is, and we all have a great responsibility here," says Aija Kaski, secretary-general of Finland's Keep the Archipelago Tidy Association.



“By using a land-based power supply, in 2019 we saved 506 tonnes of fuel on Gabriella, 345 tonnes on Mariella and 336 tonnes on Rosella. This amount of fuel consumed in operations corresponds to about 3,800 tonnes of carbon dioxide emissions.”

Biodegradable plastic carrier bags

Our successful environmental campaign for plastic carrier bags also continued in 2019. Through the campaign, some of the revenue from each bag sold in the vessels' tax- and duty-free shops was donated to environmental work in the Baltic Sea.

In 2019, the recipients were Finland's Keep the Archipelago Tidy Association and the Tvärminne Zoological Station. We value direct collaboration with environmental organizations and researchers since they work with great focus to achieve visible, concrete results in our local environment.

Recycled plastic and Poly-Bi

Our plastic carrier bags, produced in Merikarvia, Finland, are made in part from recycled plastic, with some of this material coming from plastic recycling on board. The compound Poly-Bi has been added to the material, which allows the product to decompose if it ends up in our natural environment. Our plastic carrier bags do not contain what are known as oxo-degradable plastics, the use of which will soon be banned in the EU.



Wind power and land-based power

An important part of our environmental strategy is the use of green electricity and land-based power. Today in Åland, we use 100% green electricity, produced by wind power, at our two offices in Mariehamn and in our warehouse facility in Sviby.

Rosella is connected to a land-based power supply for about 7 hours at night, when it is moored in Mariehamn. This land-based power also consists of 100% electricity generated by wind power. When Gabriella and Mariella are moored in Stockholm, they are also supplied with 100% green electricity. In Helsinki, the electricity from the vessel's land-based supply is currently not from renewable sources. In early 2020, we plan to be able to connect Viking XPRS to a land-based power supply when the vessel is moored in Tallinn.



Reduced fuel consumption

The biggest energy consumption in our operations takes place on our vessels. We have therefore chosen to focus on vessel operations for our major energy-saving projects.

In the past four years, we have invested more than 4 million euros in different projects to make energy consumption on board the vessels more efficient. Examples of successful projects include the modification of Gabriella's sponson (a structure extending from the hull of the stern which, among other functions, contributes to increased stability) and Viking XPRS's new integrated construction of its rudder and propeller system.

Upgrades of the ventilation systems have been carried out on a number of vessels so that ventilation can be monitored and regulated more efficiently. On Rosella, installations have been completed for the use of land-based power in Mariehamn, and new propeller blades have been installed using a new design. Viking Grace has been equipped with a rotor sail and placed the Ocean Marine energy recovery system in service, which converts waste heat into electricity.

In a comparison of the years 2015 and 2019, fuel consumption per nautical mile on the different routes has changed as follows:

Turku–Stockholm	-2%
Helsinki–Stockholm	-9%
Helsinki–Tallinn	-10%
Mariehamn–Kapellskär	-6%
Stockholm–Mariehamn (cruises)	-15%

Did you know that...

All of our vessels except Viking Grace are powered by both main engines and auxiliary engines. The main engines handle forward propulsion while the auxiliary engines deal with the vessel's electricity production.



Recycling of materials is very beneficial to the environment

Greater recycling reduces our climate impact. It requires much less energy to recycle materials than to extract new ones from nature. Eco-cycles benefit the climate.

93,000 kg of wall-to-wall carpeting

Since 2014, nearly 93,000 kg of wall-to-wall carpeting from the Company's vessels have been returned to the carpet supplier Tarkett. The French manufacturer has launched a pioneering project to recycle its corporate customers' used carpeting, which is collected at the end of its economic life and processed into material for new carpets. As a result of this recycling and new production methods, progress is being made to complete the life cycle of this product in operations.

32,000 kg of plastic packaging

Since the summer of 2016, the vessels have collected 32,000 kg of plastic packaging, which is reused in the production of plastic carrier bags for the shops on board.

Recycled from vessels in 2019



391 tonnes of glass packaging.

When recycled glass is melted down to make new glass, the process consumes 20 per cent less energy than starting from sand, soda ash and limestone as raw materials. Glass packaging can be recycled any number of times without deteriorating in quality.



108 tonnes of scrap metal.

Recycling of steel, for example from food tins, consumes 75 per cent less energy than production from iron ore.



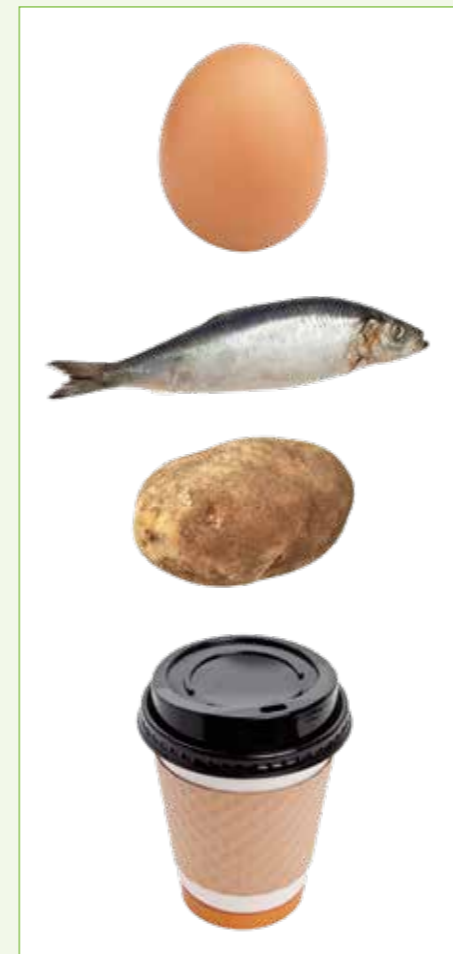
732 tonnes of paper and cardboard.

Because of recycling, we do not need to cut down as many new trees. A tonne of recycled paper is equivalent to about 14 trees. Paper can be recycled around seven times.



1,199 tonnes of food waste

were brought ashore from Viking XPRS, Viking Grace and Mariella for biogas production. This yielded 89,925 cubic metres of biogas, equivalent to 101,600 litres of petrol. Biogas production neither increases atmospheric carbon dioxide levels nor contributes to the greenhouse effect. Biogas is thus usually described as carbon dioxide-neutral.



Did you know that...

- On the whole, only reusable containers made of porcelain, glass or melamine are used for serving on board.
- The non-reusable dishes used, for instance, in the buffet restaurants are made from either corn or cellulose.
- Takeaway cups in the vessels' cafeterias are either paper cups with the Nordic Swan ecolabel or PEFC-certified* hot beverage cups.
- Eco-friendly biodegradable drinking straws are now used in the bars on board.
- Volume products such as cream, butter, yoghurt and eggs that are served on board our vessels are all locally sourced from Finland. Milk and potatoes are sourced from Finland and Sweden.
- For more than a decade, all herring served on board has been MSC-certified**.
- Food waste is controlled on board in part by offering single-portion servings in the buffet restaurants. In the cafeterias, sandwiches are made on the spot to better meet actual demand.
- During 2019, Viking Line served **6,636,700** cups of organically grown coffee on board its vessels. Organic cultivation means that the beans are grown amid rich biological diversity and without artificial fertilizers, chemical pesticides or genetic manipulation.

* PEFC = Programme for the Endorsement of Forest Certification

** MSC = Marine Stewardship Council

Environmental figures

VIKING LINE'S VESSELS	2019	2018	2017
Volumes			
Passengers	6,300,480	6,411,537	6,881,149
Cars	714,006	704,799	762,253
Cargo units	133,940	128,549	127,668
Total distance (000 km)	1,159	1,140	1,135
Viking FSTR, which was chartered during the period April 10–October 16, 2017, is not included in the figures below.			
Resource consumption			
Fuel oil (tonnes)	76,210	76,460	77,676
Lubricating oil (m ³)	737	737	747
Urea (m ³)	240	291	289
Fresh water (m ³)	309,922	318,629	324,874
LNG (tonnes)	15,058	14,776	15,172
Emissions (tonnes)			
Nitrogen oxides (NOx)	3,413*	3,100	3,175
Sulphur oxides (SOx)	137*	72	73
Carbon dioxide (CO ₂)	281,562	284,400	287,204
Residual products (tonnes)			
Solid waste for combustion	2,948	2,956	3,025
Waste sent to landfills	125	98	165
Waste for recycling	1,396	1,317	1,434
Biowaste	1,199	1,314	1,141
Hazardous waste	41	77	55
Wastewater pumped ashore (m³)			
Grey and black water	280,576	286,836	293,576
Bilge water	9,725	8,520	8,349
Waste oil (m³)			
	1,462	1,402	1,775

* Calculation method changed to The Shipping KPI Standard V3.0.

VIKING LINE BUSS AB	2019	2018	2017
Number of kilometres driven	786,943	793,38	787,475
Amount of diesel consumed (litres)	244,916	250,759	247,441
Water use (m ³)	328	345	351
Garage's electrical consumption (kWh)	64,537	63,712	60,038

A vessel generates three main kinds of wastewater – grey water from showers and other washing activity, black water from toilets, and bilge water that is separated from water in engine rooms and contains traces of oil.

Nitrogen oxides (NOx)

Nitrogen oxides is an umbrella term for nitric oxide and nitrogen dioxide, which form when oxygen in the air and nitrogen react at high temperatures. Since high temperatures are needed to form nitrogen oxides, the greatest emissions are produced during combustion processes. Nitrogen oxides are toxic and irritate people's air passages and mucous membranes. Together with organic pollutants and sunlight, nitrogen oxides contribute to the formation of ground-level ozone.

Sulphur oxides (SOx)

Sulphur dioxide is a colourless gas that causes coughing. It is produced in the burning of fossil fuels and other materials containing sulphur but also through natural processes, such as volcanic eruptions. Sulphur dioxide is oxidized in the atmosphere and forms sulphuric acid, which contributes to acidification.

Carbon dioxide (CO₂)

The main cause of global warming is the change in the chemical composition of the atmosphere caused by humans through the emission of greenhouse gases, primarily carbon dioxide. Greenhouse gases enhance the ability of the atmosphere to capture and recycle energy emitted by the Earth's surface, thereby reinforcing the so-called greenhouse effect.



Carbon dioxide emissions

According to the EU's MRV regulation, as of January 1, 2018, vessels over 5,000 gross tonnage must monitor, report and verify their carbon dioxide emissions and fuel consumption on voyages to and from EU ports of call.

In accordance with the requirements in the EU's MRV regulation, all of our vessels have their own monitoring plan, which has been checked and verified by an independent auditor. The report submitted annually to the EU is also verified by an independent auditor. The monitoring plan specifies, for example, how fuel consumption is monitored, how any deviations are dealt with and how carbon dioxide emissions produced are assigned between passengers and cargo units. Assignment can be made using two different established methods, measurement by mass or measurement by area. The Company has chosen to use the mass method, in which calculations are based on the total weight of the cargo (vehicles and loads) and the total weight of passengers (passengers, baggage and vehicles). In calculating total mass, some standard values under European standard EN 16258 are used, such as the weight of passengers and their cars.

Before submitting this mandatory EU report, we placed a new reporting system for all our vessels in service. The system is adapted to the requirements for reporting carbon dioxide emissions set by the EU, but we also collect data about other consumption and emissions parameters related to the environment. As a result of the new system, we have an even better overview of our operations' consumption and emission figures. Today the system is an important tool in the continuous work to achieve fuel savings.

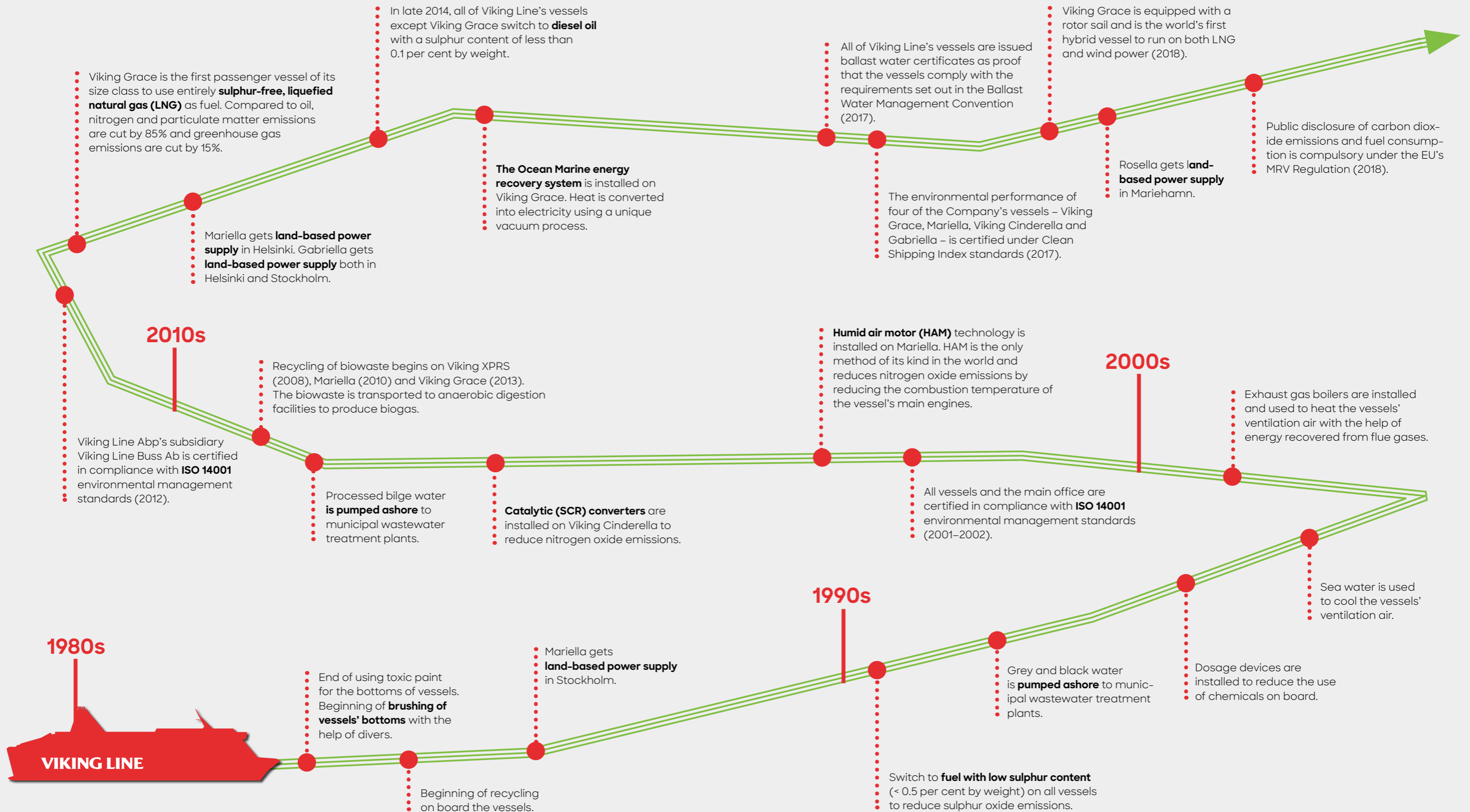
Carbon dioxide emissions, average 2019	Kg per passenger	Kg per tonne of cargo
Turku–Långnäs	6	21
Stockholm–Långnäs	9	29
Turku–Mariehamn	8	28
Stockholm–Mariehamn	11	27
Helsinki–Mariehamn	15	70
Helsinki–Tallinn	7	19
Mariehamn–Kapellskär	23	53

The figures in the table are averages in kilograms of carbon dioxide per passenger and kilograms of carbon dioxide per cargo tonne for all vessels that regularly serve their route

The vessels' carbon dioxide emissions per passenger include, along with vessel propulsion, heating and cooling of the vessel, hot water supply and all electricity used in passenger operations such as the restaurant and hotel functions.

In most cases, our ports are located close to the city centre. That means less of a need for connecting traffic and thus lower carbon dioxide emissions than if the ports were located farther away.

Viking Line's environmental journey



Risks and opportunities

Our operations are subject to different kinds of risks to varying degrees and with a varying effect on operations. There are risks and uncertainty factors that we are well aware of, but also those that we are not aware of or consider to be unlikely or small.

The following risk areas have been identified:

- Accidents and disasters
- Security threats in the form of terrorism/crime
- Changes in regulations and laws
- Maritime policy
- Fuel price trend
- Foreign exchange rate fluctuations
- Competitive situation and market trends
- General economic trends
- IT threats
- Climate change

Maritime safety and security are governed by our safety policy and are a top priority in Viking Line's operations. Under the International Safety Management (ISM) Code and the International Ship & Port Facility Security Code (ISPS), we work systematically to identify potential risk situations and thereby prevent accidents. Our objective is continuous improvement in safety and security.

At Viking Line, we have a zero vision when it comes to different kinds of crime, harassment and public order problems on board. We work continuously to achieve this vision. A team that works with these issues meets regularly, and external expertise has also been engaged.

Viking Line maintains a crisis preparedness plan to prevent and mitigate the consequences of adverse events and crises with serious consequences for passengers, staff, traffic, property, the environment, operations and trust in the Company. The crisis preparedness plan is characterized by an effective alert system that quickly establishes the central crisis management organization in the Company. In crisis situations, this central crisis management organization works in close cooperation with the relevant authorities.

Various organizations, companies and specialists are hired as needed to provide support and assistance in the crisis work. Communication, information and crisis support are key aspects of the crisis management organization's work. In order to be effective and maintain stamina despite the physical and mental pressure, the organization undergoes training on a continuous basis. The work of the crisis management organization is aimed at saving lives, avoiding injuries and damage to the environment and property and ensuring that rescue measures are so effective that operations can return to a normal situation as soon as possible without damaging the Company's brand.

Finnish maritime transport is governed by environmental regulations in the International Maritime Organization

(IMO)'s rules, EU directives, HELCOM recommendations and national laws. Maritime transport is the most environmentally-friendly transport mode, and there is no form of traffic that can replace it. We actively monitor the drafting of environmental regulations, developments in environmental technology and the solutions that research provides to comply with ever more stringent environmental regulations.

The EU Sulphur Directive entered into force on January 1, 2015, for the Baltic Sea and stipulates a switch to fuel with a 0.1% maximum sulphur content. The IMO also decided to designate the Baltic Sea as a so-called nitrogen oxide emission control area (NECA) with more stringent emissions requirements for newbuild vessels beginning January 1, 2021. Furthermore, the EU has introduced requirements for the monitoring, reporting and verification (MRV) of carbon dioxide emissions from large vessels (more than 5,000 gross tonnage) that serve EU ports of call. In order to provide an accurate and reliable picture of emission levels per passenger, cargo transport should also be taken into consideration. During 2017, Viking Line in partnership with the company Blueflow installed an energy management system on all of its vessels. The system is adapted to the requirements for reporting carbon dioxide emissions set by the EU, but it also serves as a tool in the day-to-day work to achieve fuel savings.

The financial risks are described in more detail in the consolidated financial statements.

Opportunities

Alongside the risks faced by our operations, there are also many opportunities and scope for development in the years ahead:

- A newbuild project in China
- A strong economy in our main markets
- A growing segment: the international market
- Digital advances
- Viking Line as a pioneer in innovative environmental technology
- Fuel optimization programmes that reduce fuel consumption and emissions
- Our customer loyalty programme
- Engaged employees with a strong record of providing good service
- A new vessel organization
- Great engagement in the Group's sustainability work
- Increased interest in travelling and taking holidays locally



Contact information

VIKING LINE ABP

Street address: Norragatan 4
Postal address: PB 166
AX-22101 Mariehamn
Åland, Finland
Tel: +358 18 270 00

Street address: Storagatan 3
Postal address: PB 166
AX-22101 Mariehamn
Åland, Finland

SUBSIDIARIES

Viking Line Skandinavien AB

Box 4154
SE-131 04 Nacka, Sweden
Tel: +46 8 452 41 00

Viking Rederi AB

c/o Viking Line Skandinavien AB
Box 4154
SE-131 04 Nacka, Sweden
Tel: +46 8 452 41 00

OÜ Viking Line Eesti

Hobujaama 4
EE-10151 Tallinn, Estonia
Tel: +372 666 3966

Viking Line Finnlandverkehr GmbH

Große Altefähre 20-22
DE-23552 Lübeck, Germany
Tel: +49 451 38 46 30

Viking Line Buss Ab

Storagatan 3
AX-22100 Mariehamn
Åland, Finland
Tel: +358 18 263 11

FINLAND UNIT

Street address: Mastokatu 1
Postal address: PB 119
FI-00161 Helsinki, Finland
Tel: +358 9 123 51

Street address: Linnansatama
Postal address: PB 265
FI-20101 Turku, Finland
Tel: +358 2 333 11

PASSENGER OFFICES

Turku

Info & Travel Shop
Street address: Linnansatama
Postal address: PB 265
FI-20101 Turku, Finland
Tel: +358 2 333 11

Tallinn

Hobujaama 4
EE-10151 Tallinn, Estonia
Tel: +372 666 3966

SWEDEN UNIT

Danvik Center
Hästholmsvägen 28
SE-131 30 Nacka, Sweden
Tel: +46 8 452 41 00

ÅLAND REGION

Storagatan 3
AX-22100 Mariehamn
Åland, Finland
Tel: +358 18 262 11

CARGO UNIT

Street address: Mastokatu 1
Postal address: PB 119
FI-00161 Helsinki, Finland
Tel: +358 9 123 51

CARGO BOOKING

Turku

Postal address: PB 265
FI-20101 Turku, Finland
Tel: +358 2 333 1446

Vikingline.com

Vikingline.fi

Vikingline.ax

Vikingline.se

Vikingline.ee

Vikingline.ru

Vikingline.de

Vikingline.dk

Vikingline.no

Production: Viking Line Abp, Viking Line Inhouse.

Photos: Viking Line Mediabank, Visit Åland Mediabank, Sami Pitkänen, Tiina Tahvanainen, Jani Koivuniemi.

Translation: Susan Long.

VIKING 190619B

VIKING LINE

Follow us



VIKING LINE