



Sustainability Report

2020

VIKING LINE

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VIKING LINE



Sustainability Report

It is often taken for granted that sustainability is about development and looking forward. Over the past year, we really have been challenged by circumstances we could not affect. Despite the global pandemic, it is a question of looking forward. Of thinking in terms of solutions. Of continuing to use resources in a smart way. Of leaving at least as much as we ourselves have inherited for future generations.

Sustainability also entails a historical dimension. Only the passing of time will show what is sustainable, so it is worth looking back and thinking about where we started and how far we have come. It has been more than 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.

Technological advances

The technological advances have been considerable, to say the least. The range of products and services on our vessels has become ever more varied, comfort has increased and the vessels have grown in size. 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 great deal to protect the climate and the Baltic Sea that is so dear to us (see more about our environmental journey on page 28).

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 archipelago origins

Our commitment stems from our origins in these archipelagos. We have our roots in the Åland Islands. Viking Line is Finland's biggest maritime employer today, and our employees reside virtually all across Finland and Sweden (see more on page 16). The labour arrangements for seafarers, with long working periods followed by just as long periods of time off as a rule, enable them to live away from densely populated areas.

We are pleased that the geographic spread of our employees helps to preserve the population structure in smaller communities and ensure that tax revenue also goes to other regions besides metropolitan areas.

We want to continue to be a role model in environmental thinking and new climate-smart technology. A good example of this is our new vessel, Viking Glory, which will soon launch in service. We want to produce more from less. We want to leave less and less of a trace behind us. That is what sustainability means to us.

Dani Lindberg

Sustainability Manager

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 continue to be a pioneer in applying new climate-smart technology. We test new as well as alternative technological solutions to achieve lower emissions. We 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 environmentally 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 is progressing.

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 government authorities. We also wanted to provide our employees with better tools for detecting and reporting suspicions of inappropriate behaviour.



This is Viking Line



Fundamental values

Viking Line provides services on the vessels Amorella, Gabriella, Mariella, Rosella, Viking Cinderella, Viking Grace and Viking XPRS. Our vessels depart from Åland, Stockholm, 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 northern Baltic Sea, with Finland, Sweden and the Baltic countries as its main markets. We have sales offices in Finland, Sweden, Estonia and Germany. In addition, the subsidiary Viking Line Buss Ab provides bus transport based in the Åland Islands.

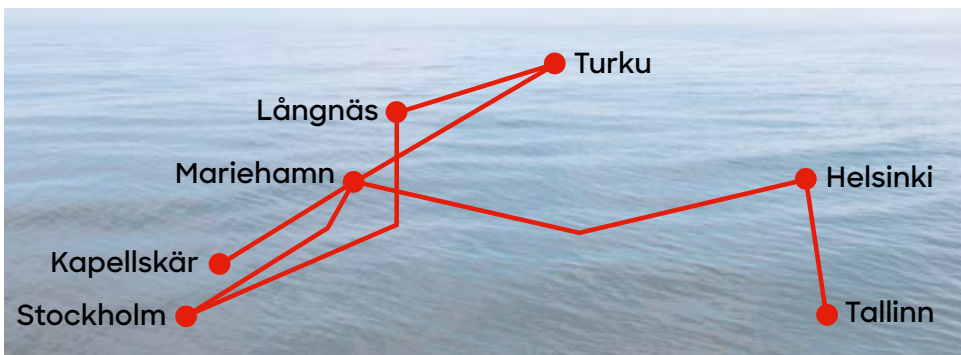
Finland's biggest maritime employer

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.

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-Stockholm



Delivered in 1998
34,384 gross weight tonnes
Length 169.4 m

2,480 passengers
450 cars
900 lane metres
1,946 berths

M/S Gabriella

Helsinki-Mariehamn-Stockholm



Built in 1992
35,492 gross weight tonnes
Length 171.2 m

2,400 passengers
400 cars
900 lane metres
2,382 berths

M/S Mariella

Helsinki-Mariehamn-Stockholm



Delivered in 1985
37,860 gross weight tonnes
Length 177.0 m

2,500 passengers
430 cars
980 lane metres
2,500 berths

M/S Rosella

Mariehamn-Kapellskär



Delivered in 1980
16,879 gross weight tonnes
Length 136.1 m

1,530 passengers
340 cars
720 lane metres
422 berths

M/S Viking Cinderella

Stockholm-Mariehamn



Delivered in 1989
46,398 gross weight tonnes
Length 191.0 m

2,560 passengers
306 cars
760 lane metres
2,500 berths

M/S Viking Grace

Turku-Åland-Stockholm



Delivered in 2013
57,565 gross weight tonnes
Length 218.0 m

2,800 passengers
556 cars
1,275 lane metres
2,950 berths

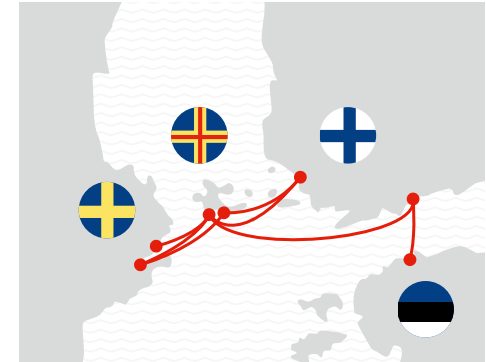
M/S Viking XPRS

Helsinki-Tallinn



Built in 2008
35,918 gross weight tonnes
Length 185.0 m

2,500 passengers
220 cars
995 lane metres
736 berths





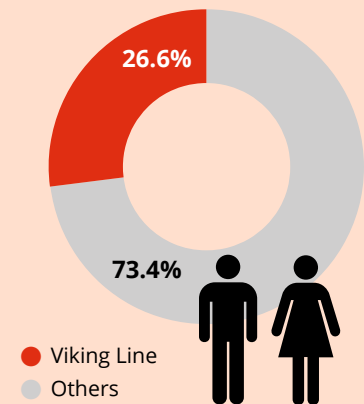
The year in brief

The coronavirus and its spread affected all maritime travel and especially passenger shipping companies in 2020. In a short period of time, we noted that virtually all sales revenue disappeared while a large share of costs were still incurred. Passenger volume fell sharply in March, and that trend continued for the rest of the year.

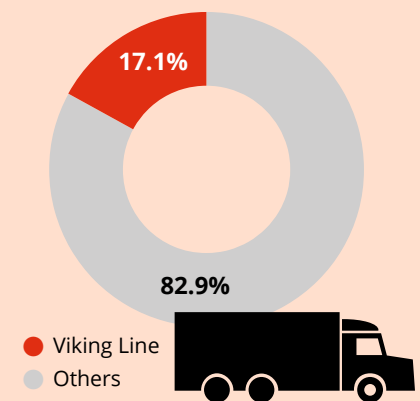
As a result, the figures in this report deviate significantly from figures for previous years.

Sales: EUR 188.8 M
Income before taxes: EUR -52.9 M
Investments: EUR 15 M
Equity/assets ratio: 46.4%

Market share, passengers



Market share, cargo





NEW VESSEL

Viking Glory



Viking Line, together with the Port of Turku, the Ports of Stockholm, the Port of Mariehamn and the city of Turku, has been granted EU funding from CEF for their collaborative NextGen Link project.

The project entails an upgrade of maritime transport links between Turku, Mariehamn and Stockholm with a new vessel that runs on liquefied natural gas (LNG) as well as infrastructure improvements in the ports. The project is in line with the EU's TEN-T priorities since it contributes to increased use of more sustainable vessel fuel and thus reduced emissions while also improving logistics in the link between Turku and Stockholm and making them more efficient.

Viking Glory



Viking Glory embodies Viking Line's faith in a bright future for travel on the Baltic Sea. Key words are sustainability, energy efficiency and innovative Nordic design.

Viking Glory is the result of a close collaboration with Finnish and other Nordic partners who, by contributing their expertise and know-how, will enable us to soon celebrate the launch of a truly unique vessel.

Climate-smart vessel

Viking Line is a pioneer in developing sustainable passenger ships of the future. First out was Viking Grace, which was placed in service in 2013 as the world's first large passenger ship powered by liquefied

natural gas (LNG) and was honoured with a number of sustainability awards. The new Viking Glory is larger than the environmental pioneer Viking Grace but is nonetheless expected to use about ten per cent less fuel and thus be one of the world's most energy-efficient vessels. The focus throughout the project has been on energy optimization and eco-friendly solutions. Key Nordic partners in developing environmental technology details and an innovative interior include Wärtsilä, ABB Marine, Konzept, Climeon, Kone, Deltamarin, Almaco, Evac, Pointman and Projektia. The technological innovations that were tested and developed are an important basis for the new cruise experiences that will be offered going forward in the Baltic archipelagos.

One of the world's most energy-efficient vessels

Nordic design with a focus on archipelago views

With Viking Glory, Viking Line wants to open up the world's most beautiful archipelagos to passengers in a brand-new way. The vessel offers large panoramic windows combined with quiet, comfortable travel in all seasons. All of the interior is characterized by timeless, yet playful design, Nordic light, sustainability and digital solutions.

The plans are for the vessel to enter service in early 2022 on the Turku-Mariehamn-Stockholm route.



Quick facts about the technological innovations on board Viking Glory:

- **Dual engines from Wärtsilä** will enable better optimization of fuel consumption.
- **The use of LNG** will result in virtually zero particulate and sulphur emissions as well as reduced carbon dioxide emissions compared to diesel.
- **Waste cold from LNG** use will be recovered and recycled for cold counters, cold rooms and other specialized areas on board the vessel.
- It is estimated that the **energy recycling system from Climeon** will generate up to 40 per cent of the electricity required for passenger functions.
- **The Azipod propeller system from ABB** will save time and fuel in terms of ship manoeuvring. Viking Glory will be the first vessel of its kind in the world with this system.
- **Dynamic ventilation and lighting** will save energy. Some spaces will be equipped with sensors. When these spaces are unused, the lights switch off automatically. Similarly, the ventilation system is automatically turned off when spaces are not used for a while.



STATEMENT OF THE PRESIDENT AND CEO

Strong faith in the future

The year 2020 was exceptional in many ways. Since the beginning of the year, the operating environment has been extremely unfavourable to passenger shipping companies and as a result the economic consequences have been drastic.

The challenge in 2020 was to run operations when demand evaporated due to various restrictions.

Passenger volume collapsed in March 2020, and at year-end we recorded a loss of four million passengers. In a short period of time, we noted that essentially all sales revenue had disappeared while a large share of costs was still incurred.

Of our four operating pillars – cargo, passenger cars, cruise passengers and passengers in scheduled service – only cargo functioned normally.

The year was also dominated by passenger safety issues. The safety of passengers and staff is Viking Line's top priority, and that has also been the case during the ongoing pandemic.

We have long worked at the company with infection control measures. During the spring, we decided to have the company assessed by a third party to quality-assure our infection control work. The accredited classification society Det Norske Veritas Germa-

nischer Lloyd (DNV GL) was contacted, and we became the first shipping company in the world to be verified in accordance with DNV GL's My Care methodology.

We at Viking Line intend to ride this out. We have a new vessel, Viking Glory, on the way and believe in the future of our industry. The vessel will be one of the world's most climatesmart vessels, and we look forward to introducing it to our customers.

Travelling locally, enjoying archipelago views, taking a lovely short holiday will also be attractive in the future. This will require engagement, patience and drive from us, but we have talented, skilled staff. At Viking Line, we have something we call the Viking spirit. It strengthens us and enables us to work towards the same goals.

I would like to extend my warm thanks to all our customers and partners for their faith in us and for a good collaboration. An especially big thank you goes to our staff, who have fought patiently under tough conditions over the past year.

Jan Hanses,
President and CEO



An exceptional year for passenger shipping companies

Since January 2020, Viking Line's operations have been affected by unforeseen external factors in the form of a global pandemic. Covid-19's impact on society is clearly reflected in our annual accounts, and the virus continues to affect individuals, companies and markets.

No one could suspect in early 2020 that service between our countries would be affected so abruptly and that our everyday lives would be dominated by social distancing and digital meetings via Microsoft Teams, Zoom and Skype.

Looking back

We started off 2020 feeling confident and cautiously satisfied about having made the right choices. We had succeeded in reversing a negative trend, and results for 2019

showed that we were on the right track. Our operating income of 17.4 million euros was double the figure in 2018.

The organizational development work we began in 2019 proved to be a success. The goal had been in part to strengthen our commercial focus. There was an eagerness to continue the work, and high goals were set. Unfortunately, things did not turn out as planned.

The confidence and eagerness we still felt in January 2020 were quickly replaced by worries and alarm about what could lie ahead. The reports we received from China were initially considered remote, but as news of people falling ill came closer to home, spreading to our region, the situation became serious. In March, these worries were confirmed. The year 2020 will probably go down in history as a distressing year for passenger shipping companies. But we have learnt a lot.

An extraordinary year for service

Starting in March, travel was mainly affected by the extent of the spread of Covid-19 around the Baltic Sea along with the various restrictions introduced in the countries we serve.

These restrictions were eased to some degree in mid-May, but during our peak season restrictions were still in place on travel between Finland and Sweden. International passengers were conspicuous by their absence. We were able to place all of our vessels back in service on partly new routes in July.

Among other changes, Gabriella made some twenty well-appreciated cruises from Helsinki to Mariehamn. A slight improvement in demand was seen in late August, but this was quickly reversed by new restrictions, which affected operations throughout the autumn. During the autumn, four of the company's seven vessels were in service.

Despite operational restrictions, we have maintained uninterrupted passenger and cargo service between our countries and thus ensured a traffic pattern that has been in place since 1959.

A challenging economic situation

Our operations are based on four different pillars – that is, cargo, cars, cruise passengers and passengers in scheduled service. Three of these pillars were knocked down during the year. The company's vessels and business model are constructed in such a way that cargo traffic alone does not cover variable operating costs, not even after staffing is reduced to a minimum, which we did with the help of furloughs for both shipboard and land-based employees. In 2020, we lost more than four million passengers. During a normal year, we transport 6.4 million passengers, so this figure is very telling.

Faith in the future



During the year, the focus was on securing the company's liquidity. This was done by making cost adjustments and through various financial arrangements with our creditors.

Employees have carried a heavy load, with furloughs implemented in all of the Group's operating countries during the spring. The furloughs were in the form of part-time and mostly full-time furloughs.

During the autumn, we were forced to convene cooperation negotiations to reorganize operations, which unfortunately resulted in redundancies for some 300 employees in Sweden, Finland, Åland and Estonia.

During the spring, the company received funding from the National Emergency

Supply Agency in Finland to maintain cargo traffic between Finland and Sweden, Åland and Sweden, and between Finland and Estonia.

The funding covers variable costs for service and some fixed costs, but was reduced by revenue from cargo traffic and aid for passenger traffic. We also received aid from the Government of Åland.

During the autumn, similar aid was provided by the Finnish Transport and Communication Agency (Traficom). Relief for fairway dues was granted by Finland and Estonia. We also received aid for operations from the Estonian State. In Sweden, we were able to obtain some short-term furlough aid. Negotiations with

our financiers were conducted in a positive spirit and were concluded during the third quarter. In mid-October, the Swedish gov-

ernment approved State guarantees on Viking Line's liquidity loans for a maximum of 38.7 million euros. In addition to the State guarantees, commercial banks guaranteed 4.3 million euros. Viking Line undertakes not to pay a dividend or pay out any other funds until the company's obligations related to the guarantees and loans have been met in full.

Verified infection control work

The safety of our passengers and employees is always our top priority, and that has also been the case during this pandemic. Everyone must be able to travel safely with us. And all of our employees must feel safe on the job.

We have long carried out work to mitigate infection risks and prevent infectious diseases. To ensure safe procedures in these exceptional times and reinforce our passengers' faith in our service during the Covid-19-pandemic as well, Viking Line became

the first shipping company in the world to be verified by the accredited classification society Det Norske Veritas Germanischer Lloyd (DNV).

The verification, covering all seven vessels in the fleet and operations at six terminals, affirms our capability to manage and mitigate infection risks, including for Covid-19. DNV's My Care methodology assesses the risk management systems of companies and applies hospital-quality standards and systems.

Engaged, skilled staff

The robust efforts and skill of our staff have been crucial. Thanks to their know-how and especially their engagement, we were able to achieve our goal. Our infection control measures have been effective, and our surveys show that customers view them positively. There has been great employee engagement, which instils confidence.

There has been great employee engagement, which really instils confidence.

Safe, secure travel

Many concrete measures have been implemented to prevent the spread of infection. Below is a description of some of the measures we introduced to ensure that passengers will be able to travel safely with us:

- We have allowed almost half as many passengers per sailing as normal. As a result, we have ensured that distances can be maintained between all passengers.
- We have restricted and checked all passenger flows in the terminals and during the boarding and disembarking of vessels. Face coverings are recommended.
- We have expanded and intensified cleaning procedures and provided hand sanitizer to all our passengers.
- We have regular reminders about how people should keep a social distance and about how important it is for them to wash their hands often and properly.
- We have limited the number of guests in restaurants and shops. People can also buy take-away or order room service in the cabins.
- The selection of entertainment on board is limited. We do not have any large-scale performances by artists, the ball pits are empty, and our sauna and spa facilities have remained closed.
- Check-in counters, information desks and pay tills have been equipped with Plexiglass screens.
- Only card payment is accepted until further notice for hygiene reasons.
- We have reminded passengers to travel in small groups and limit socializing with new acquaintances.
- If passengers experience any cold symptoms, they have been encouraged to contact staff, for example, using their cabin phone. There are always nurses on board.



Viking Glory
– climate-smart,
beautiful and
unique

A new year and a new vessel instil confidence

We at Viking Line will get through this. Stronger. We continue to work with financial issues and look forward to society reopening soon thanks to the vaccines now being rolled out.

Late in the autumn of 2021, our new vessel, Viking Glory, will be delivered. The vessel, which will be one of the world's most climate-smart, will be unique and beautiful – both its interior and exterior.

We already see enormous interest in it, which is gratifying. Viking Glory gives us faith in the future.



Johanna Boijer-Svahnström
Director, External Communication,
Sustainability, Land-Based HR



Maritime transport that 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 securing emergency supplies, 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 pri-

marily 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 significantly during the year. Summer is our peak season, 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 our 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 total of 1,544,790 tonnes of cargo were loaded on board our vessels in 2020

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 the best long-term planning 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.



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 2020, consolidated sales and other revenue totalled 190.2 million euros. The Group's purchases from suppliers totalled 145.4 million euros, and investments

totalled 15.0 million euros, with 7.4 million euros of this mainly advance payments for the vessel under construction.

Viking Line employed an average of 1,640 people. Net salaries and pension expenses totalling 71.8 million euros were paid to employees. Viking Line paid a total of 51.3 million euros to the public sector in the form of port expenses and vessel charges, taxes on salaries, social security contributions and income taxes. The Group received national restitution, national state aid for maintaining freight transports and security of supply during the pandemic, and EU funding totalling 53.5 million euros. Shareholders received no dividends. The Group's income statement, balance sheet and cash flow statement are presented in their entirety in Viking Line's financial statements.

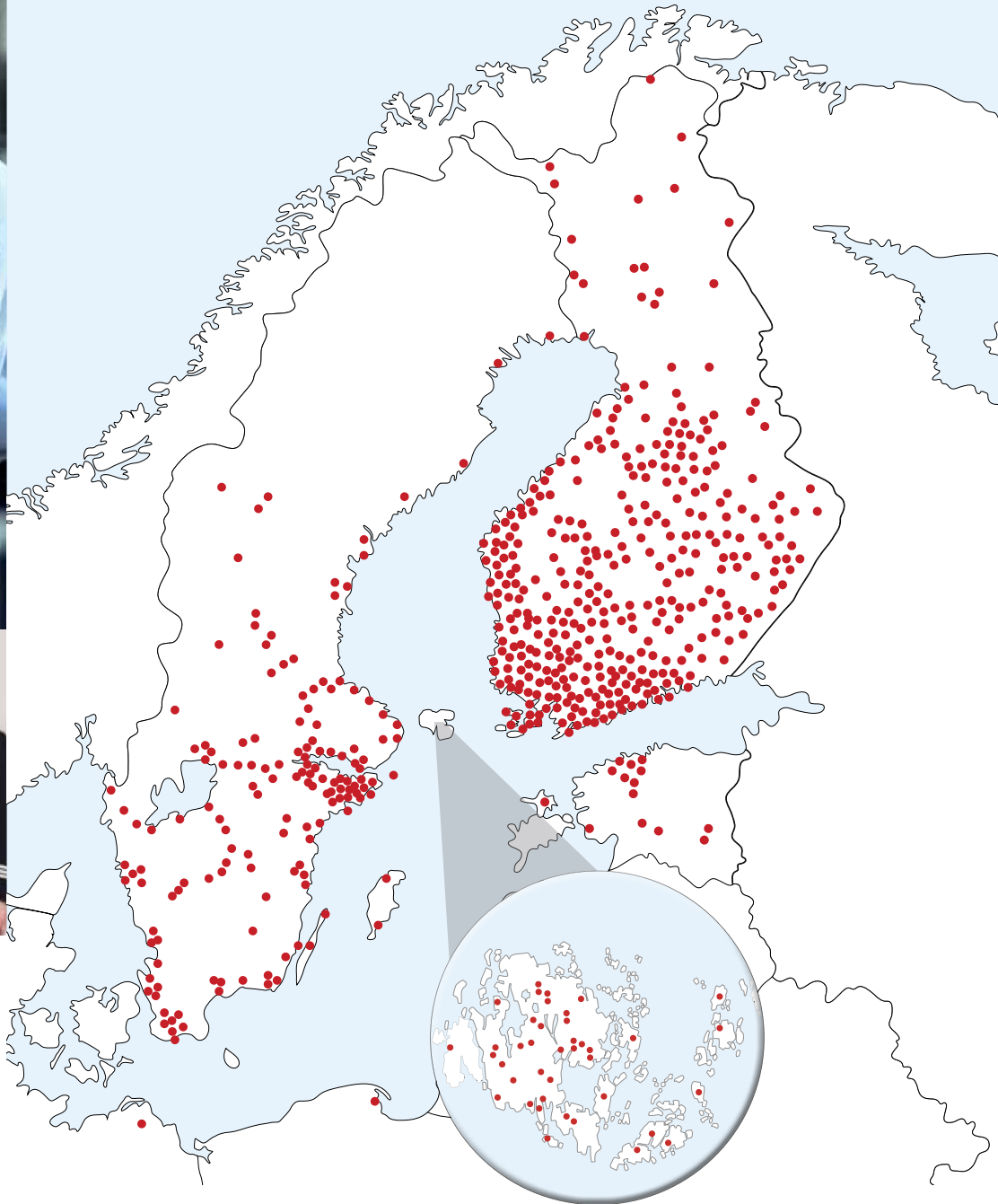
GENERATION OF ECONOMIC VALUE, MEUR

	2020	2019
Customers		
Sales, other operating revenue, financial income	190.2	497.2
Suppliers		
Procurement	-145.4	-300.0
Investments	-15.0	-29.9
Economic value generated by Viking Line	29.8	167.3

DISTRIBUTION OF ECONOMIC VALUE

Employees		
Net salary and pension expenses	-71.8	-113.2
Shareholders		
Dividends	0.0	0.0
Financiers		
Interest expenses	-2.7	-3.1
Public sector		
Income taxes	0.0	-2.6
Port expenses and vessel charges	-25.2	-40.9
Taxes on salaries and social security contributions	-26.1	-37.4
Paid to public sector	-51.3	-80.9
Restitution and aid from public sector and EU funding	53.5	33.5
Public sector, net	2.2	-47.4
ECONOMIC VALUE DISTRIBUTED	-72.3	-163.6
Economic value retained in operations	-42.4	3.7

Our employees



During 2020, the number of employees in the Viking Line Group was 2,359 (2,632). Shipboard personnel totalled 1,725 persons, including the personnel on Viking XPRS employed by a staffing company. The subsidiary Viking Line Buss employed 39 persons.

The number of employees residing in Finland was 1,732, with 487 persons residing on the Åland Islands. The number residing in Sweden was 354. There were 264 employees residing in Estonia, including Viking XPRS personnel. The number of employees residing in other countries was 9.

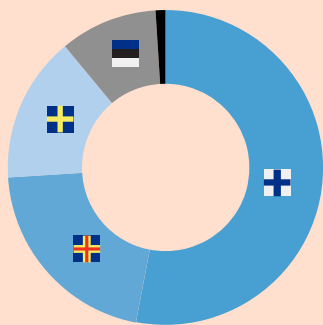
The Group

Dec 31, 2020	Women	Men	Total
Board of Directors Group	1	6	7
Management team	1	6	7
Foremen	88	223	311
Finnish flag	467	754	1,221
Swedish flag	114	226	340
Estonian flag	-	-	164
Shipboard personnel	581	980	1,561
Land-based personnel	377	257	634
Group total	958	1,237	2,359*

* Including staff on Viking XPRS (164) employed by a staffing company.

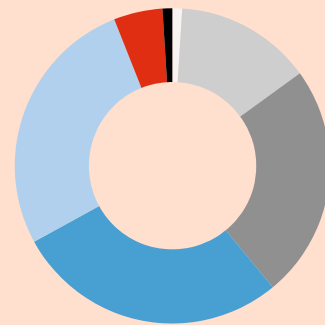


Employees' place of residence



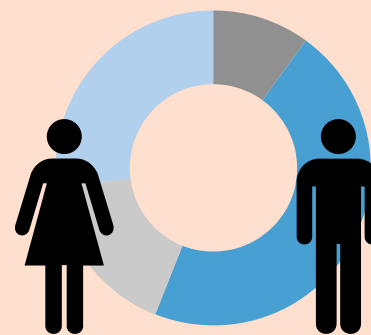
- Finland
- Åland
- Sweden
- Estonia
- Other countries

Age distribution



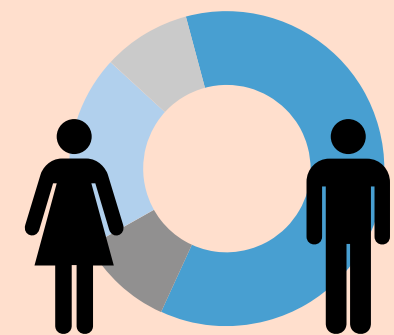
- < 20 years 1%
- 20-29 years 14%
- 30-39 years 24%
- 40-49 years 28%
- 50-59 years 27%
- 60-69 years 5%
- > 70 år < 1%

Gender breakdown



- SHIPBOARD Women 27%
- SHIPBOARD Men 46%
- LAND-BASED Women 17%
- LAND-BASED Men 10%

Gender breakdown in foreman positions



- SHIPBOARD Women 20%
- SHIPBOARD Men 61%
- LAND-BASED Women 9%
- LAND-BASED Men 10%



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 enabled 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 areas other than metropolitan regions. 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.



Verification of Infection control work

Viking Line became the first shipping company in the world to be verified by the accredited classification society Det Norske Veritas Germanischer Lloyd (DNV GL) in accordance with its My Care methodology, which affirms Viking Line's capability to manage and mitigate infection risks, including for Covid-19.

The verification is for all of Viking Line's vessels – Viking Grace, Amorella, Rosella, Viking Cinderella, Gabriella, Mariella and Viking XPRS – as well as its terminals in Stockholm, Kapellskär, Mariehamn, Turku, Tallinn and Helsinki.

Everyone must be able to travel safely with us

Viking Line has long carried out work to mitigate infection risks and prevent infectious diseases, and the safety of our passengers and employees is always our top priority. When the infection situation deteriorated in our service area, we chose to be evaluated by a third party, to quality-assure our work in conjunction with Covid-19.

We previously worked with DNV GL in other areas such as environmental and safety management as well as vessel class inspections, and they were again chosen as our partner. The company's My Care methodology, developed in-house, was used to



assess readiness and maturity across six different dimensions – actions, communication, strategy, governance, data analysis and continuous improvement. The methodology applies hospital-quality standards and systems.

There is currently extensive infection control work under way at the company, including on related documentation such as an infection control manual that describes everything from practical measures on board the vessels to reporting and communication between vessels and the land-based organization as well as with the authorities involved. Alongside the manual, there are separate needs-based directives and instructions aimed, for example, at sub-contractors that carry out work on board. All documentation is available to employees on the company's intranet. To promote safe travel for our customers, we have information about infection control measures available on our website and on board the vessels.



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.

Exercises in safety and security

Each year, thousands of exercises in safety and security are carried out on board. Every week, fire safety, evacuation, rescue and

security exercises are conducted on board all the vessels. In addition, special exercises are carried out with varying frequency, as are large-scale exercises 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 exercises 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 exercises.

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.

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

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.



Life on board — a year like no other

The past year has involved plenty of changes in procedures and working methods on board. Cleaning procedures have been expanded, opening hours have been limited and new forms of restaurant services and entertainment were developed during the pandemic to guarantee safe travel for everyone.

Probably no one in early 2020 could have imagined the tumultuous, long-lasting impact that the Covid-19 pandemic would have. Preventing the spread of the disease and safeguarding the health of both passengers and employees were a key focus area throughout the year. We have invested a great deal in cleaning and training, and procedures are continuously being developed.

Positive energy and support

Creating positive energy in a difficult situation, providing clear and accurate information, countering stress and providing

"No day is the same, and that's what's best about our job on board."

INTENDANT
VIKING GRACE

support to staff were especially important during the year. Concerns about the spread of the disease have affected everyone in society – indeed, the whole world – including our employees. Shipboard staff have carried out incredibly important work that is greatly appreciated to prevent the spread of infection, work that has been verified BY DNV GL in accordance with its My Care methodology. We have also been praised for our cleaning in our regular customer surveys.

The positive response from customers has energized and pleased employees.

"It will get better"

PARAMEDIC
VIKING GRACE



Towards new goals

Despite reduced passenger volume and staff furloughs, we have our sights set on new goals. "Planning for the spring and summer 2021 season is in full swing, and we hope we will be able to return to a more normal existence as soon as possible", notes **Sari Launonen**, Intendant on Viking Grace.

A cruise feel on land



During the winter of 2020, Viking Line opened three pop-up shops on land. We also launched some of our best known food specialities, shrimp sandwiches and meatball sandwiches, in well-stocked supermarkets in the Helsinki region.



Viking Line tested new ways of tackling the challenges we have faced in these exceptional times when it came to shopping on board. In November, the first of a total of three pop-up shops opened. The shop in the Iso Omena shopping centre in Espoo quickly became popular, and the next step was the launch of the Viking Line pop-up shop in the Mylly shopping centre in Raisio and in Viking Line's travel shop in Mariehamn.



Classic food specialities on land

By far our best-known food speciality since the 1960s is our open-face shrimp sandwich. Each year, we sell 250,000 shrimp sandwiches on board our vessels. Another favourite with passengers is our meatball sandwich. During the year, these classics could be found in supermarkets in the Finnish capital. The sandwiches are made according to our recipe at Bomatin keittiö in Helsinki.

“Our classic shrimp sandwiches have long been appreciated by our passengers. In these exceptional times with fewer passengers than normal, we want to offer a bit of that cruise feel on land”, notes **Janne Lindholm**, Viking Line's restaurant manager.



Green electricity and land-based power have reduced climate impact

An important part of our sustainability strategy is the use of green electricity and land-based power.

Today in Åland, we use 100% green electricity, generated 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 consists 100% of 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 2020,



we were able to connect Viking XPRS to a land-based power supply when it is moored in Tallinn. Viking XPRS's land-based power supply is also 100% green electricity.

Digital cabin keys on Viking XPRS

We are the first passenger shipping company on the Baltic Sea to utilize digital cabin keys. Since early 2020, passengers on Viking XPRS can use the Viking Line app as the key to their cabin. By including this functionality in the app, it is now possible for passengers to have their ticket on their mobile phone. People can now book a journey, check in and open their cabin door totally paper-free using the Viking Line app.

Digital tax-free catalogues

In 2020, we replaced our traditional printed tax-free catalogues found in the shops and in each cabin with a digital alternative. Instead of printing catalogues, we chose to have an advert sheet with a QR code linked to current campaigns and offers.

"We have opted for digital catalogues in order to reduce our climate impact and to ensure the availability and relevance of our offering to our passengers. With digital catalogues, we have also eliminated any risk of infection if several people were to leaf through the same catalogue", says **Mats Kotka**, Head of Tax-Free Operations.



Fewer plastic items on board

About 80% of the waste found on shores is various 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 word to deed

In a single year, about 1.5 million straws are used on board our vessels. They belong to by far the biggest risk group of objects that could end up in the sea. We have therefore

replaced classic plastic straws on board with straws made from biodegradable material.

Biodegradable plastic carrier bags

Our plastic carrier bags, made in Merikarvia, Finland, are made in part of recycled plastic, with some of this material coming from plastic packaging we collect on board the vessels. 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.



Since the summer of 2016, the vessels have collected 24,000 kg of plastic packaging, which is reused in the production of plastic carrier bags for the shops on board.

Sustainable solutions



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.

“It is a matter of finding new applications for what was previously waste and focus on using all of our ingredients. Being creative and concocting tasty dishes from what used to be thrown away. It could be fish skin, which becomes a beautiful decoration, or leftover bread that becomes the main ingredient in a dessert”, says **Janne Lindholm**, the company's restaurant manager.

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



Recycling of materials

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.

Since 2014, nearly 85,000 kg of carpeting from the company's vessels have been returned to the Dutch carpet manufacturer Desso. Our supplier 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.



Recycled from vessels in 2020

- **143 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.
- **84 tonnes of scrap metal.** Recycling of steel, for example from food tins, consumes 75 per cent less energy than production from iron ore.
- **226 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.
- Viking Line brought ashore a total of **470 tonnes of food waste** from Viking XPRS, Viking Grace and Mariella for biogas production. This yielded 35,230 cubic metres of biogas, equivalent to 39,800 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.

Food and the environment

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 cafés on board the vessels 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 cafés, sandwiches are made on the spot to better meet actual demand.
- Viking Line serves 7.4 million cups of organically grown coffee on board each year. Organic cultivation means that the beans are grown amid rich biological diversity and without artificial fertilizers, chemical pesticides or genetic modification.

* **PEFC** = Programme for the Endorsement of Forest Certification

** **MSC** = Marine Stewardship Council



Environmental figures

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 (NO_x)

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. Nitrogen oxide emissions are thus closely linked to combustion processes. Nitrogen oxides are toxic and also contribute to the formation of ozone together with organic pollutants (source: Swedish Environmental Protection Agency).

Sulphur oxides (SO_x)

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 (source: Swedish Environmental Protection Agency).

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 energy emitted by the Earth's surface, thereby reinforcing the so-called greenhouse effect (source: Swedish Environmental Protection Agency).




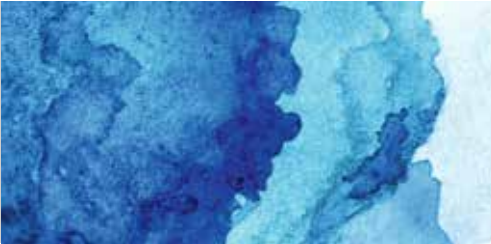

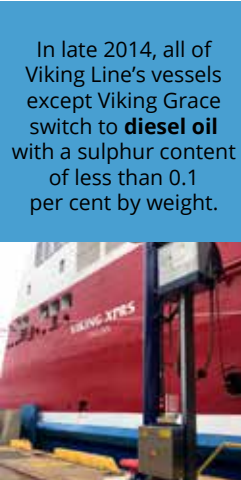
VIKING LINE'S VESSELS	2020	2019	2018
Volumes			
Passengers	1,927,302	6,300,480	6,411,537
Cars	356,809	714,006	704,799
Cargo units	125,693	133,940	128,549
Total distance (000 km)	802	1,159	1,140
Resource consumption			
Oil (tonnes)	51,698	76,210	76,460
Lubricating oil (m ³)	398	737	737
Urea (m ³)	240*	240	291
Fresh water (m ³)	125,663	309,922	318,629
LNG (tonnes)	14,609	15,058	14,776
Emissions (tonnes)			
Nitrogen oxides (NO _x)	2,532**	3,413**	3,100
Sulphur oxides (SO _x)	93**	137**	72
Carbon dioxide (CO ₂)	203,074	281,562	284,400
Residual products (tonnes)			
Solid waste for combustion	1,065	2,948	2,956
Waste sent to landfills	67	125	98
Waste for recycling	464	1,396	1,317
Biowaste	470	1,199	1,314
Hazardous waste	36	41	77
Wastewater pumped ashore (m³)			
Grey and black water	120,717	280,576	286,836
Bilge water	7,148	9,725	8,520
Waste oil (m³)	977	1,462	1,402

* Given in tonnes

** Calculation model changed to the Shipping KPI Standard version 3.0

VIKING LINE BUSS AB	2020	2019	2018
Number of kilometres driven	681,084	786,943	793,385
Amount of diesel consumed (litres)	196,870	244,916	250,759
Water use (m ³)	325	328	345
Garage's electrical consumption (kWh)	67,935	64,537	63,712

Viking Line's environmental journey

<p>1980s</p>	<p>End of using toxic paint for the bottoms of vessels. Beginning of brushing of vessels' bottoms with the help of divers.</p>		<p>Beginning of waste recycling on board the vessels.</p>			<p>Mariella gets a land-based power supply in Stockholm.</p>
<p>1990s</p>	<p>Switch to fuel with low sulphur content (< 0.5 per cent by weight) on all vessels to reduce sulphur oxide emissions.</p>	<p>Grey and black water are pumped ashore to municipal waste-water treatment plants.</p>	<p>Dosage devices are installed to reduce the use of chemicals on board.</p>		<p>Sea water is used to cool the vessels' ventilation air.</p>	<p>Exhaust gas boilers are installed and used to heat the vessels' ventilation air with the help of energy recovered from flue gases.</p>
<p>2000s</p>	<p>All vessels and the main office are certified in compliance with ISO 14001 environmental management standards (2001–2002).</p>	<p>Humid air motor (HAM) technology is installed on Mariella. HAM is the only method of its kind in the world and reduces nitrogen oxide emissions by reducing the combustion temperature of the vessel's main engines.</p>	<p>Catalytic (SCR) converters are installed on Viking Cinderella to reduce nitrogen oxide emissions.</p>	<p>Processed bilge water is pumped ashore to municipal waste-water treatment plants.</p>	<p>Recycling of biowaste begins on Viking XPRS (2008), Mariella (2010) and Viking Grace (2013). The biowaste is transported to anaerobic digestion facilities to produce biogas.</p>	
<p>2010-2020s</p>	<p>Viking Line Abp's subsidiary Viking Line Buss Ab is certified in compliance with ISO 14001 environmental management standards (2012).</p> <p>All of Viking Line's vessels are issued ballast water certificates as proof that the vessels comply with the requirements set out in the Ballast Water Management Convention (2017).</p>	 <p>The environmental performance of four of the company's vessels – Viking Grace, Mariella, Viking Cinderella and Gabriella – is certified under Clean Shipping Index standards (2017).</p>	<p>Viking Grace is the first passenger vessel of its size class to use entirely sulphur-free, liquefied natural gas (LNG) as fuel. Compared to oil, nitrogen and particulate matter emissions are cut by 85% and greenhouse gas emissions are cut by 15%.</p> <p>Viking Grace is equipped with a rotor sail and is the world's first hybrid vessel to run on both LNG and wind power (2018).</p>	<p>Mariella gets a land-based power supply in Helsinki. Gabriella gets a land-based power supply in both Helsinki and Stockholm.</p> <p>Rosella gets a land-based power supply in Mariehamn.</p>	<p>In late 2014, all of Viking Line's vessels except Viking Grace switch to diesel oil with a sulphur content of less than 0.1 per cent by weight.</p> <p>Public disclosure of carbon dioxide emissions and fuel consumption is compulsory under the EU's MRV Regulation (2018).</p>	 <p>The Ocean Marine energy recovery system is installed on Viking Grace. Heat is converted into electricity using a unique vacuum process.</p> <p>Viking XPRS gets a land-based power supply in Tallinn</p>



Viking Line Buss introduces disinfectors in its buses

As part of the effort to fight the spread of Covid-19, Viking Line Buss is introducing ozone generators on ten buses.

Volvo Buses has developed a Clean & Care programme to maximize safety in vehicles during the pandemic.

ECO3 is a disinfection unit with one of the most effective ways of protecting the driver and passengers against bacteria and viruses. The disinfectant continuously produces

ozone gas, which cleans the air and reduces the quantity of particulate matter and organic substances on surfaces that people come into contact with.

The ozone generator performs a thorough disinfecting of the vehicle. To further protect drivers, Viking Line Buss has also installed Plexiglas screens. Hand sanitizer is available on all buses.

The safety of our passengers and employees is always our top priority. Everyone must be able to travel safely with us. The parent company, Viking Line, has long



worked with measures to mitigate infection risks and prevent infectious diseases. During the spring, this work was verified through DNV GL's My Care verification model.

"We have also worked actively with preventive measures in our bus operations. We have now chosen to increase safety by investing in Volvo's ozone generators to protect our passengers and drivers", says unit manager **Mikael Lindström**, Viking Line Buss Ab.

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