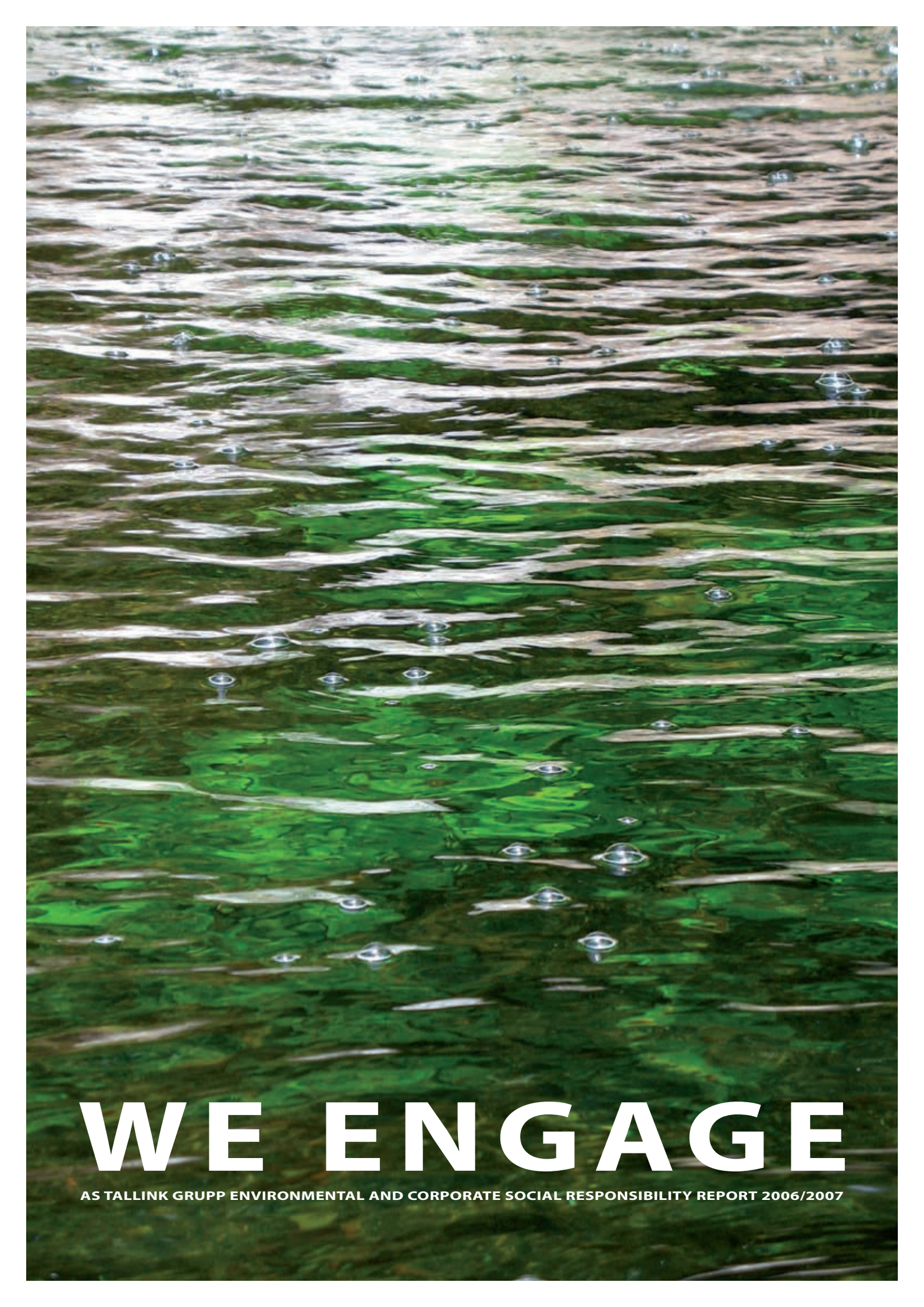




WE ENGAGE

AS TALLINK GRUPP ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY REPORT 2006/2007

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AS TALLINK GRUPP ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY REPORT 2006/2007

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C O R P O R A T E P R O F I L E

AS TALLINK GRUPP

AS Tallink Grupp is one of the leading European ferry operator offering high-quality mini-cruise and passenger transport services in the Northern Baltic Sea region, as well as a leading provider of ro-ro cargo services on selected routes.

Our fleet of eighteen vessels allows us to offer a wide range of services and frequent departures. As a result of our ongoing investment and fleet renewal program, we currently deploy some of the most advanced cruise ferries in the Northern Baltic Sea region with state-of-the-art facilities, improved accommodation, large onboard shopping areas and high quality on-board services, setting a new benchmark for travel standards in the Northern Baltic Sea region.

The company has 6,500 employees and operates on seven different shipping routes between Estonia, Finland, Sweden, Latvia and Germany. The company's fleet consists of eighteen vessels, including four recent new builds. In the next two years

the company will receive delivery of three more new vessels. Vessels operate under the brands of Tallink, Silja, and SeaWind Line. Tallink also operates the hotel network, Tallink Hotels, with two hotels in Tallinn. In the 2006/2007 financial year the company serviced 6.9 million passengers, with a revenue of 761 million euros.

Dedication and hard work were the cornerstones of 2006/2007, since the period delivered several new services to manage and demanded attention on the developing of previous investments. Aside from the integration process for Silja Line, which was acquired in 2006, and two new routes - Finland-Germany and Latvia-Sweden - which were opened in the same year, the hard-working team of AS Tallink Grupp managed to successfully launch the new Spa & Conference Hotel in Tallinn in March 2007. A month later the new service concept, Tallink Shuttle was introduced, as was the new high speed vessel M/S Star, running on the Estonia-Finland route.

VISION

The company's vision is to offer excellence in leisure, entertainment and travel services for every market in which we operate.

MISSION

Our mission is to provide an enjoyable and memorable travel experience that exceeds customer expectations simply by doing more.

AWARDS

AS Tallink Grupp was voted the best Estonian company of 2007 by three important organisations - Enterprise Estonia, the Estonian Chamber of Commerce and Industry, and the Estonian Employers Confederation.

Tallink was granted the "Entrepreneurship Award 2007," as well as the top award of the "Most Competitive Estonian Companies Ranking 2007." With that honour, Tallink became the first company in history to win both main awards in the same year. In addition, AS Tallink Grupp was also the winner of the award "Tourism Innovator 2007."

CORPORATE STRUCTURE

AS TALLINK GRUPP Holding company, Estonia-Finland and Estonia-Sweden route operator, sales and marketing in Estonia, general administration.			
Tallink Silja Oy Finland-Sweden routes Sales & Marketing	AS Tallink Baltic Finland-Germany route	AS Tallink Duty Free Supply of goods for ships	18 Ship-owning Companies:
Tallink Silja AB Sales agent in Sweden & manning	AS Tallink Riga-Stockholm route	OÜ TDF Kommerts Supply of goods for ships	Galaxy Victoria I Romantika
AS Tallink Latvija Sales & Marketing in Latvia		OÜ Hansaliin Onboard personnel crewing	Star
OOO Tallink-Ru Sales & Marketing in Russia		OÜ HT Laevateenindus Technical ship management	Silja Europa Silja Festival Silja Serenade Silja Symphony Regina Baltica Vana Tallinn
		AS HTG Invest Stevedoring services	Fantaasia Regal Star
		HTG Stevedoring Oy Stevedoring services	Kapella Sea Wind Tallink AutoExpress 2
		OÜ TLG Meedia Media & Advertising	Superfast VII Superfast VIII Superfast IX
		OÜ TLG Hotell Operator hotels	23 Other companies
		OÜ Hera Salongid Beauty services	
		OÜ HT Hulgi Tolliladu Public customs warehouse	
		OÜ HT Meelelahutus Entertainment on ships	
		OÜ Tallink Travel Club Travel services	
		Neptun Juridica Oy Legal services	
		Suomen Jakelutiet Oy Hardware and Software services	

HIGHLIGHTS OF 2006/2007



PERSONNEL

- The year 2006/2007 was the year of integration for Tallink and Silja Line. All major goals were achieved by the end of 2007.

- According to the survey conducted by TNS Emor, Tallink was one of the most reputable employers in Estonia in 2007.

CUSTOMERS

- The development of the company provided many new opportunities for our customers. One of the most important opportunities is the new group-wide loyal customer program, Club One, which provides clients with many additional advantages on all the routes we operate, as well as in associated hotels and with our business partners.
- The new Shuttle concept on the Tallinn-Helsinki route combines the convenience of high speed craft with frequently-departing cruise ferries to increase travel options to a large extent.

- The brand new Spa & Conference Hotel in Tallinn which was only recently opened provides an additional level of value for those clients of ours who want to spend a relaxing time in the capital of Estonia.
- Tallink launched the new booking and check-in system, probably one of the world's most modern, connecting together all our offices in six countries and hundreds of travel agencies across Scandinavia and Europe, and which includes the advanced internet booking module.



HIGHLIGHTS OF 2006/2007



BUSINESS

- March 2007 saw the launching of the Spa & Conference Hotel in Tallinn.
- The delivery of the M/S Star took place in April 2007.
- The addition of a second vessel, M/S Vana Tallinn, to the Latvia-Sweden route helped assure daily departures on the route.

- The figures for passenger volumes and financial results were 6.9 million passengers and 761 million EUR in revenue.

ENVIRONMENT

- The new and environmentally friendly high speed service concept, Tallink Shuttle, was launched on the Tallinn-Helsinki route.
- 2006/2007 was the final season for Tallink's high speed crafts, which consume a lot of fossil fuels and create high waves in their wake. All of Tallink's HSC's are either sold or chartered.
- Tallink continued the fleet renewal strategy: the cruise vessel, Cruise 5, was ordered from Aker Yards.
- The company signed the WWF proposal on waste water issues.
- This millennium, Tallink has invested a total of over one billion euros in renewing the fleet, and has additionally spent hundreds of millions of euros on environmentally friendly operations.



New Building 1365

Tallink Cruise 5

Delivery

2009

Length

212.1 m

Quadrupled exhaust gas treatment system consisting of Selective Catalyst Reduction reactors

Advanced triple biological treatment plant for sewage water treatment

High efficient carbage collection and selection system

ADDRESS OF CEO



ENN PANT

Chairman of the Management Board

TALLINK IS NOW A MAJOR PLAYER ON THE BALTIC SEA

Over eighteen years, Tallink has grown and become a well-known player in passenger shipping on the Baltic Sea. Tallink is a large international company with 6,500 employees in six countries. Last year the company served approximately seven million passengers. As a company which recognises the importance of social responsibility, we comply with environmental protection and marine safety requirements, and we aim to give a share of our success back to the community and the environment where we operate.

Tallink has become a leading company in the Baltic Sea passenger shipping industry thanks to the trust of its customers; and every day our employees do their best to guarantee customer satisfaction. For the future, our aim is to not only be the flagship of the Baltic Sea passenger shipping industry, but also to be a provider of complete travel solutions and to take care of all our customers' travel-related concerns.

A VERSATILE AND INTERNATIONAL STAFF

Exceeding customer expectations and achieving increasingly higher goals would be mere words if it were not for our hard-working employees. Tallink has 6,500 employees in six countries and values its versatile staff with their different cultural and ethnic backgrounds. Our customers are all different; so similarly, these differences can be best understood by employees from various backgrounds. Additionally, Tallink is contributing daily to improving the work environment – these efforts were recently acknowledged when Tallink was declared to be one of the three most reputable employers in Estonia in 2007.

ENVIRONMENTAL PROTECTION IS OUR PRIORITY

An emphasis on environmental protection is the company's priority and is based on real initiatives covering the company's activities at sea and on land. Tallink is making much more effort to preserve the environment than the relevant regulations stipulate. We use environmentally-friendly paints and bio-

ADDRESS OF CEO

chemicals for ship maintenance; we establish strict environmental sustainability requirements for our sub-contractors; ship machinery operates on fuels with a low sulphur content; waste is sorted, and waste water from the ships is treated on-board and discharged ashore in ports.

In order to enhance environmental protection and sustainability, Tallink has constantly been renewing its fleet which, despite its size, is now one of the most modern fleets in the Baltic Sea region. The company has an ambitious strategic objective: our wish is that in the future none of our vessels will be older than between fifteen to twenty years.

Not only is Tallink one of the most successful companies in Estonia, the company, together with other large companies, also acts as the heart of the Estonian economy, pumping success into the veins of smaller Estonian companies day after day. That way, Tallink Grupp – which in 2007 was declared to be the best company in Estonia in three important competitions – does not keep this success to itself, but tries to boost business growth for almost 500 large and small business partners and suppliers.

As a major tax-payer in Estonia, Finland and Sweden, Tallink believes that financial success can only be guaranteed through

responsible and sustainable development. Therefore, each year, Tallink Grupp gives a significant share of its success back to society and the environment in which the company operates; Tallink supports sports, culture, youth and children's education, and environmental protection. For two years, Tallink has supported Kaia Kanepi, the most successful Estonian female tennis player ever, giving her the largest sponsorship in Estonian sports history.

"No true marina in the southern waters is complete unless there are at least two sun-tanned Estonians, their hair bleached by the salty sea winds," – as Ernest Hemingway, the later Nobel Laureate in Literature, wrote in his novel, "To Have and Have Not," first published in 1937. As the 'flagship' in the Baltic Sea passenger shipping industry, Tallink is striving to guarantee that Estonia and the other Baltic Sea countries will still be seafaring countries today and tomorrow, and that the competent sailors from these countries will be a welcome help in every port in the world and onboard every ship.

Finally, I would like to thank all of Tallink's customers and investors for their trust, and our wonderful employees for their contribution to the development of the company. I wish everyone success and prosperity for the new year!

TALLINK ENVIRONMENTAL POLICY

- We recognise that environmental protection and management is one of our highest priorities.
- Every effort is to be made to conserve and protect the environment from marine, atmospheric and other forms of pollution, including office-based waste.
- Vessels are maintained and operated in accordance with the MARPOL convention (the International Convention for the Prevention of Pollution from Ships) in order to ensure that air and sea pollution is kept to its lowest practicable levels.
- Our vessels use low sulphur content fuel.
- We operate a policy of zero sea spillage and our objective is to eliminate all possibility of pollution at the source.
- All of our vessels have received all the required international pollution prevention certificates.
- In order to protect the environment we comply with compulsory rules and regulations.
- We actively promote environmental awareness by continuously training and educating our employees.
- We follow the requirements for the efficient use of energy and materials in our offices and onboard vessels.
- Wherever practicable, we adopt the principles of re-use and recycling.
- We prefer suppliers and contractors who apply environmental standards.



ENVIRONMENTAL RESPONSIBILITY

THE BALTIC SEA – ONE OF THE MOST UNIQUE ECOSYSTEMS IN THE WORLD

The Baltic Sea is one of the most unique marine ecosystems in the world. Protecting the Baltic Sea will help to preserve biodiversity, and will also maintain the livelihood of the millions of people living in the nine Baltic Sea countries which all consider the Baltic Sea region as their home.

The Baltic Sea has already had to pay a high price for many years of human activity on the sea – illegal or excess fishing, irresponsible shipping operations, the strain and pressure of agriculture and industry; all of these, among other things, continue to have a negative impact on such a fragile marine environment. As a result, the marine ecosystem of the Baltic Sea is one of the most endangered on the entire planet.

THE POLLUTION-SENSITIVE BALTIC SEA

The Baltic Sea is sensitive to pollution due to its slow water circulation. In the Baltic Sea, evaporation and precipitation are almost balanced. It takes about 25 years to replace all the water in the Baltic Sea. So we can say that this is a practically stagnant water body. Water exchange with the open sea through the shallow Danish straits is poor and mostly depends on the winds. Nevertheless, the Danish straits are enough to maintain a salt content in the water of the Baltic Sea. The salinity is not high, though – the water here is brackish water which is neither fresh nor salty enough. The average dissolved salt content of the Baltic Sea is less than 10‰, whereas in the oceans the average salinity is about 35‰. The flow of both fresh and salt water into the same water body causes the water to be

brackish and also causes stratification, or the layering of salts (the heavier salt water and the light fresh water do not mix completely). This creates favourable conditions for the development of a special but fragile ecosystem. The Baltic Sea also has specific ice conditions: the shallower bays may freeze to the bottom in cold winters, resulting in a shortage of oxygen. This in turn affects plant and animal life in the Baltic Sea, such as fish.

A COMMON PLAN OF ACTION

The Estonian Fund for Nature participates in the BEAP (Baltic Eco-region Action Plan) project which unites all the national WWF departments of the Baltic Sea countries and the partner organisations. BEAP is a versatile project with the aim of considering the factors affecting the state of the sea as a whole. The main objective is to protect and restore to as great a degree as possible the full extent of the biodiversity of the Baltic Sea. The effectiveness of nature protection relies a great deal on a thorough knowledge of the actual situation; therefore, we are constantly collecting information about the state of the Baltic Sea and monitoring the impact of decisions and proposals made by governments on the condition and future of the sea.

Ivar Tamm

Director of Communications
Estonian Fund for Nature



ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL RESPONSIBILITY – OUR TOP PRIORITY

AS Tallink Grupp recognises that environmental protection and management is one of its highest priorities. Every effort is to be made to conserve and protect the environment from marine and atmospheric pollution and any other form of pollution, including office-based waste.

Our vessels are maintained and operated in accordance with the MARPOL convention (the International Convention for the Prevention of Pollution from Ships). This ensures that air and sea pollution is kept to the lowest practicable levels.

Tallink operates a zero spill policy. Our objective is to eliminate the possibility of pollution at the source by ensuring high standards of safety and awareness are maintained and that all relevant legislation and conventions are followed for both its sea and shore activities. Tallink is also committed to the continual improvement of the methods that are used to carry out and achieve this objective, including the use of equipment and practices that minimises waste generation.

AN ENVIRONMENTALLY AWARE CHOICE OF CONCEPTS: TALLINK SHUTTLE

The M/S Star and Tallink Shuttle services have added a new dimension to maritime transport on the Baltic Sea. The fast passenger ship, Star, has an entirely new concept, combining the best features and tractive force of five vessels. With this new Shuttle concept the company can replace as many as six vessels – four AutoExpress high-speed vessels, the large ferry, Meloodia and the cargo vessel Kapella.

The ship was painted green in order to emphasise its environmentally friendly nature and the service it operates. Star itself uses relatively less fossil fuels than small high-speed crafts, and does not create big waves which can damage the marine environment.

Until spring 2007, high-speed travelling on the Baltic Sea was the privilege of passengers only. Until then, the carriage of goods between Helsinki and Tallinn was done aboard cruise ships which travel the distance in 3.5 hours; whereas today Star travels the same distance in less than two hours. And since the stay at the port is short, the unloading and loading processes are also quicker. The significant time-saving gained in boarding, crossing, and disembarking allows companies who transport goods to offer their clients an even faster service. Star has a high Ice Class rating and the most powerful machinery of all vessels flying the Estonian flag; unlike high-speed vessels, Star can also travel the sea in difficult weather conditions.

The investments made into the launch of the Tallink Shuttle service reaches hundreds of millions of euros. This service is highly promising and Tallink will continue to make substantial investments in the service by launching an analogous new vessel in the spring 2008. This fast passenger ship, which is called Superstar, is currently being built in Italy and will further enhance the Tallink Shuttle high-speed service.

INTERNATIONAL ENVIRONMENTAL CERTIFICATES FOR TALLINK

- MARPOL Sewage pollution prevention certificate
- MARPOL Air Pollution Prevention Certificate
- IAFS International Anti-Fouling System Certificate
- MARPOL Oil Pollution Prevention Certificate
- Document of Compliance for Anti-fouling System
- MARPOL Garbage Pollution Prevention Attestation



ENVIRONMENTAL RESPONSIBILITY

OUR MODERN FLEET: FOR THE SEA, FOR THE ENVIRONMENT

AS Tallink Grupp has been one of the leading companies in the Northern Baltic Sea region not only thanks to the size of its fleet, but also due to the number of new vessels which have recently arrived. One of the most important ideas behind the renewal of the fleet is to protect the environment.

The most recent new vessels which are now sailing under the Tallink brand are the cruise ferries, Romantika (2002), Victoria I (2004), Galaxy (2006), and the new generation high speed vessel, Star (2007). Next year we are looking forward to deliveries of the second new generation high speed vessel, M/S Superstar, and the Galaxy-type cruise ferry, Cruise 4. In 2009 the cruise ferry which currently has a code name, Cruise 5, will also join our fleet. Our three Superfast vessels are also recent new buildings, having been unveiled in 2001 and 2002.

GOAL: ALL VESSELS ARE YOUNGER THAN TWENTY YEARS

The new arrivals are part of the company's strategy to finally reach a position in which no vessel in the fleet is younger than between fifteen to twenty years. It is a very ambitious plan, but definitely not unreachable.

Our passengers are satisfied with this development, since travelling with our modern vessels is becoming more and more comfortable, but also because of the important fact that they are environmentally friendly.

A good example is in the various vessels in the market which ply the Tallinn-Helsinki route, where you can choose between the services of cruise ferries, ro-pax ferries and high speed crafts. The latter - high speed crafts - are creating quite heavy waves when they operate, something that is claimed not to be good for the sea's environment or the shoreline. In 2007 Tallink heralded a new era on the route by launching the high speed ferry Star, which is almost as fast as the older high speed craft, but does not create the waves which are a characteristic of high speed craft. M/S Star replaced Tallink's high speed crafts and Tallink uses the high speed crafts no more, as three out of the four have already been sold.

We are glad that other shipping companies in the region have also started to follow the trend, ordering new vessels themselves.

THE ENVIRONMENTAL CONTRIBUTION OF MODERN SHIPS

New or modernised ships can have a reduced effect on the environment through the implementation of new environmentally-friendly solutions. Either in ship design, in the form of advanced hull forms or low fuel consumption, or in reducing emissions, in the form of exhaust gases, noise and vibration, different waste products, etc.

The vessels can also benefit from an extended service life with environmentally friendly solutions.

There are already several international rules and regulations which require the prevention of sea or air pollution (such as IMO, MARPOL). One of the newest, which will arrive very shortly, is for ballast water treatment to prevent harmful organisms migrating between harbours.

Minimising negative environmental effects is already being considered at the design stage for new passenger vessels. Nowadays it is taken for granted that no stanniferous paint is used to keep a vessel's bottom clean, and that emissions into the air or water as well as noise pollution being created by engines, ventilation and other noisy functions, are kept as low as possible.

New engines are constantly being designed in order to optimise fuel consumption, and environmentally friendly fuel variations are being developed. A good example is the Aker Yards-built LNG powered passenger ferries, ie. those using liquid natural gas; with CO₂ emissions radically reduced.

ENVIRONMENTAL RESPONSIBILITY

AKER YARDS - AN ENVIRONMENTALLY RELIABLE PARTNER

All vessels built by Aker Yards for Tallink fulfil the international "MARPOL" rules for preventing sea or air pollution and also have biological waste water treatment plants on board. The catalytic reduction units installed onboard the vessel, Victoria I for the better control of exhaust emissions, make the vessel one of the most environmentally friendly. As for the cruise ferries, Cruise 4 and Cruise 5, there is the presence of advanced dynamics in the hull form which are designed to minimise the overall power demand.

An excellent example of versatile modern solutions from the environmental point of view is the world's biggest cruise ship which is being built at Aker Yards. One technical improvement on board is that of advanced water purification. The state-of-the-art AWP plant purifies all of the ship's grey and black waters to a level in which it is virtually pure drinking water before it is released into the sea.

The vessel also has diesel-electric propulsion. In order to ensure the best possible fuel economy and subsequent environmentally-friendly operation, a series of different hydrodynamic improvements including a new ducktail design were carefully studied and brought into use.

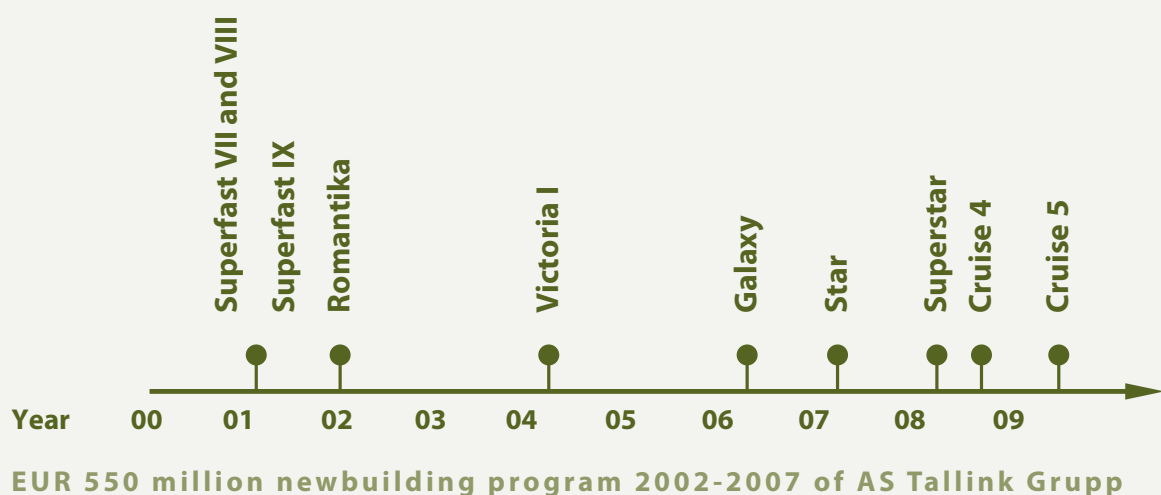
Aker Yards takes its environmental responsibilities seriously. Environmental status reporting is an integral part of the company's annual reporting, on a par with reporting on financial matters and operations.

Aker Yards is committed to complying with the requirements contained in laws, rules, and regulations. This commitment extends to evaluating and adopting environmentally beneficial improvements in production processes, alternative materials, and services. The Group will promote open communications on environmental issues with employees, neighbours, public authorities, and other interested parties.

Aker Yards' activities have only a limited environmental impact. No significant accidental emissions to the environment were recorded in 2006. Aker Yards companies gather and sort waste to ensure environmentally-responsible handling, disposal, and the recovery of any residual value.

Sinikka Railo

Communications Manager, Aker Yards





ENVIRONMENTAL RESPONSIBILITY

TALLINK PROTECTS THE WATER

Each drop of water contains a whole world, and Tallink is making efforts both at sea and on land to protect this world. Life on Earth began in the sea and life on our planet cannot be sustained without clean water.

SAFETY STANDARDS

In Tallink's operations, securing the safety of people, the environment and property comes first. The objective of Tallink's Safety Management System is to ensure that the valid rules and requirements set out by the IMO maritime authorities (the International Maritime Organisation), various certification bodies, and other maritime organisations, as well as their applicable regulations and standards, are adhered to. The modern technical systems on board new ships are built in a way which allows them to contribute in providing the very safest of voyages and maintain a clean sea and air environment.

WASTE AND OILY WATERS

Waste water is definitely also a problem for the Baltic Sea, as discharging waste water into the sea is officially permitted. Tallink is cooperating with ports to leave waste water and oily water from its ships at the harbour. The waste water is also cleaned on board with modern equipment. To prove our point in protecting the sea's environment in this way, Tallink has also joined the WWF (the World Wildlife Fund) agreement to continue this policy in the future.

CHEMICALS

The chemicals used on board ships to keep them tidy and clean are mostly biochemical and therefore also environmentally friendly.

ANTIFOULING SYSTEMS

According to the WWF, the hull of a ship is a perfect home for marine species such as algae and barnacles. "But these so-called fouling organisms slow down ships, increase fuel consumption, and reduce the durability of vessels. People have long used various chemicals to keep their ships free of fouling organisms. In the 1960s, the chemicals industry developed organotins - toxic chemicals that can be added to paint which kill anything that attaches itself to a ship. The problem is, these chemicals leach from the paint into sea water, and are absorbed by marine organisms. Persistent and bioaccumulative, they can remain in the environment and increase in concentration as they climb up the food chain," the WWF says at www.panda.org

TALLINK – AHEAD OF THE FUTURE

In 2001, the IMO finally adopted the International Convention on the Control of Harmful Antifouling Systems on Ships to phase out dangerous antifouling chemicals.

Many countries are still planning to ratify the convention, whereas Tallink has been voluntarily implementing the convention in its activities for some time now. For Tallink, the protection of the marine environment is very important. Therefore, the maintenance of all the company's vessels has for years been carried out in compliance with this international convention. All vessels in the Tallink fleet also have certificates proving their compliance with this convention. Ships built before 2003 have been re-painted with environmentally-friendly paints; and in the case of all newer ships, the principle of environmental friendliness has already been adhered to in their construction. The hulls of Tallink's vessels are cleaned by divers who, when conducting this process, do not use chemicals that are harmful to the environment.

Tallink lauds the decision of the states to join the IMO's international agreement and hopes that this will motivate other ship operators to give more thought to environmental protection and to keep the Baltic Sea clean.

ENVIRONMENTAL RESPONSIBILITY

TALLINK HAS JOINED THE INITIATIVE TO STOP DISCHARGING WASTE WATER INTO THE BALTIC SEA

The WWF and the Estonian Fund for Nature (ELF) have encouraged ship operators in the Baltic Sea region to stop discharging waste water from ships into the Baltic Sea. Additionally, the ship operators have also been invited to join the voluntary agreement not to discharge waste water into the sea in international waters where such discharging is allowed. By joining the initiative, the shipping companies and ship operators assert that waste water will be treated on board ship or will be transferred to onshore water treatment facilities.

On 18 June 2007, the WWF published the list of companies who have joined the voluntary initiative. One of the eleven companies on the list was AS Tallink Grupp which had already implemented these principles on the vessels operated under the Tallink, Silja Line and Seawind Line brands before this particular initiative.

Untreated waste water contributes to eutrophication in the Baltic Sea – ie. the proliferation of seaweed which in turn causes a lack of oxygen in the water and as a result may cause the death of fish and other marine animals and organisms. The excess of nutrients is a serious threat to the biodiversity of the Baltic Sea; therefore, the WWF and ELF have encouraged ship operators to protect the marine environment by ceasing to discharge waste water from ships into the sea.

By voluntarily applying the restrictions, the ship operators are able to show their interest in the preservation and restoration of the unique biodiversity of the Baltic Sea.

In cooperation with nine countries around the Baltic Sea, the WWF is using the programme for the protection of the marine environment of the Baltic Sea to target the biggest problems threatening the Baltic Sea as a whole.

The ELF is handling the environmental problems and the protection and conservation of the Baltic Sea within an international cooperation network which includes the branch offices of the WWF in the countries bordering the Baltic Sea. The primary activities of the ELF under the programme include the creation of protected marine areas and all activities related to the dangers created by the significant increase in maritime transport, including the improvement of the preparedness for containing potential oil spills in the Gulf of Finland.

Source: WWF & ELF







ENVIRONMENTAL RESPONSIBILITY

TALLINK PROTECTS THE AIR

The sea and sky merge on the horizon, and similarly, the measures for water and air protection used by Tallink, the biggest shipping group in the Baltic Sea Northern region, are also intertwined.

Still, many people generally associate the shipping industry with objects in the water and the seas themselves, and less with the air which totally surrounds us but is often unnoticed. What is certain is that human activity does have an impact on the quality of air everywhere, at sea and on land. It is important to be aware of this fact and for us to try to do everything in our power to guarantee that subsequent generations also have a chance of living in a clean environment.

Although the shipping industry does have an effect on the air too, this negative impact is significantly smaller than that of other means of transport, thanks to the joint efforts of companies, governments and various organisations. Therefore, maritime transport is also one of the preferred means of transport in the European Union.

The environmental policy of AS Tallink Grupp includes clear, specific measures for the protection of the environment where it concerns air quality levels.

LESS EXHAUSTION GASES

Exhaust gases are a very big problem for our whole planet. It has been proven that maritime transport is many times more environmentally friendly because it produces many times less exhaust gases as does land-based transport. That is also why the European Union has started a plan to support the development of shipping as the logistical means for transporting goods.

TALLINK USES ONLY LOW-SULPHUR FUEL

Tallink is hunting down opportunities which will allow it to do more for the sake of the environment and that is why the company is using only low-sulphur fuel, investing more in using fuels which have an even lower sulphur content than that which is already required. This helps to further decrease the exhaust fumes which are produced by ships.

In some ports like Stockholm it is possible for our vessels to switch off the engines and use the electricity of the harbour. That minimizes the fuel usage and diminishes the noise level in the port area.

The company is also using fuel supplements to decrease the soot percentage in exhaust fumes in order to make them less harmful to the environment where air quality levels are concerned.

The catalytic converters in ships are also important tools in contributing to environmental care.

Catalytic converters are the most effective means of reducing NOx levels in exhaust fumes, with an achievable reduction level of up to 90-99%.

CERTIFIED SPARE PARTS ONLY

All that moves also abrades and therefore we renew our equipment regularly. Tallink uses only certified spare parts in order to guarantee the best working results in combination with environmental safety.



ENVIRONMENTAL RESPONSIBILITY

**THE EUROPEAN UNION
INTEGRATED MARITIME POLICY
FAVOURS SAFE AND SECURE SHIPPING**

"The first goal of an EU Integrated Maritime Policy is to create optimum conditions for the sustainable use of the oceans and seas, enabling the growth of maritime sectors and coastal regions.

In many member states the recent growth of the maritime economy has been higher than that of the overall economy; particularly in regions which are active in maritime logistics. Container movement has grown considerably since 2000 and is expected to triple by 2020. Regions which are active in other strong growth markets, such as marine equipment, off-shore wind energy, recreational boating, and cruise shipping, will also continue to benefit from this growth. The potential for European industries to develop cutting-edge maritime products that can take a lead in world markets is also considerable, given Europe's considerable expertise in marine technology. /.../

Shipping is vital for Europe's international and domestic trade and remains the backbone of the maritime cluster. However, this industry will only continue to prosper if the Union keeps working to establish a high level of maritime safety and security, helping to safeguard human lives and the environment while promoting an international level playing field.

Although shipping is a preoccupying source of air pollution and CO₂ emissions, it remains considerably more energy efficient than road transport. For this reason, and because of the need to reduce the number of lorries on Europe's congested roads, an Integrated Maritime Policy strongly favours the promotion of safe and secure shipping. Current EU programmes (TEN-T and MARCO POLO) will continue to support the creation of the Motorways of the Sea and/or the Short Sea Shipping Networks. The future development of TEN should also take full account of the increasing uses of the seas in the energy field."

Source:

*An Integrated Maritime Policy for the European Union;
Brussels, 10.10.2007 COM (2007) 575 final.*



ENVIRONMENTAL RESPONSIBILITY

TALLINK PROTECTS THE LAND

Although water covers 71 per cent of the Earth's surface, Tallink makes similar efforts to protect the land environment, even though most of the company's activities take place at sea. In nature everything is interconnected, and water, air and land must be protected in order to guarantee a clean environment.

OUR OFFICES AND HOTELS: SUSTAINABILITY ABOVE ALL

A part of the company our passengers do not see so often is the Tallink offices. But also there we can do quite a lot for the sake of the environment. It starts with the small things like optimising energy consumption by switching off the lights for the night and switching off the heating in rooms which do not require heating. Of course this has to be done regularly.

One of the most important facts is that most of Tallink's documentation is held only on an electronic basis, so that paper documents are used only when it is really necessary. With 6,500 employees and six main offices this can result in a very large saving in paper.

The empty cartridges from printers do not go into the bin, but are instead refilled over and over again.

The environmental policy of Tallink Hotels is based on the criteria of the Estonian Green Key programme.

For an accommodation facility, the more significant areas of environmental impact are definitely electricity consumption, thermal energy consumption, water consumption and waste.

We have an effective waste handling system; waste is sorted in accordance with the requirements of the law. The following are collected separately: glass, tin cans, plastic bottles, packaging, hazardous waste and organic waste.

The Tallink Spa & Conference Hotel has been opened for almost a year and we now have an understanding of its potential environmental impact. Since the hotel is still quite new, the specific details of the hotel's environmental policy are still being worked out. One of the objectives is to decrease the environmental impact of our accommodation facility which in turn would also help to save on expenditure.

The utility systems installed in the hotel are state-of-the-art and the systems are controlled by an automated computer. This ensures that the hotel technicians always have an overview of the ventilation, the lighting, the heating and the energy consumption. For example, the constant monitoring and adjusting of the systems' performance has helped to significantly decrease the hotel's energy consumption.

Main onland priorities:

- Optimising energy consumption in office buildings and hotels
- Electronic documentation system helps to diminish paper usage
- Printer cartridges are refilled
- Usage of recycled paper

ENVIRONMENTAL RESPONSIBILITY

OUR VESSELS: RESPONSIBILITY EVERY SECOND

The handling of the domestic waste which is produced by the ships is also a responsibility we take very seriously. We already sort domestic waste on board our ships as much as is practicable, and in port the waste is transferred into the care of certified waste handlers.

That which is used also gets old and broken – that's a given fact. As much as is possible, used spare parts are handed over to certified manufacturers and most of the material is recycled and is largely used all over again in a new format.

Main priorities on board:

- Sorting domestic waste on board
- Cooperation with certified and approved manufacturers
- Usage of spare parts produced by certified manufacturers
- Recycling

COOPERATION PARTNERS: SHARED VALUES

Our many cooperation partners - for instance, Aker Yards, Fincantieri, BLRT in the shipbuilding and renovation sector to name some of them - are also putting a lot of effort into using environmentally friendly working methods. Together we can create a much larger effect than would otherwise be the case, and we hope we will be able to add to our number of cooperation partners in the future, partners who care about the environment in which we all live.

Main cooperation priorities:

- We prefer suppliers and contractors who apply environmental standards

Tallink's efforts to protect the land are supported by "three whales": the measures taken in offices, the measures taken on ships, and the observance of common environmental principles by Tallink and its business partners. The ultimate dream of each sailor is to always reach port; similarly, the wish of Tallink, the largest shipping group in the Baltic Sea region, is that that the families and friends of our crew members are able to wait for their loved ones on unspoilt land.







ENVIRONMENTAL RESPONSIBILITY

PEOPLE – THE SALT OF THE EARTH IN ENVIRONMENTAL PROTECTION AT TALLINK

Even the most stringent environmental requirements will be of no use if there are no people who closely adhere to these requirements every day. Therefore, Tallink has undertaken to continually give its employees training in environmental protection and to encourage employees to think green by inviting them to participate in various environmental events.

Tallink's environmental policy provides even more stringent environmental requirements for the company than relevant legislation and international agreements stipulate. For example, Tallink does not release a single drop of waste water from the ships into the sea, although international regulations would allow us to do that. Naturally, we transfer all bilge water at the port. Another sign of quality is the fact that Tallink follows the principles and recommendations of the ISO 14001 environmental management standard throughout its activities.

TRAINING AND EVALUATIONS

In order to apply stringent environmental requirements in practice, all crew members also receive training in environmental protection – both upon first starting work and continually during their employment on a ship. By this means, all employees will gain an overview of Tallink's environmental policy, the protection of the marine environment, and the impact of

pollution on the sea, as well as practical knowledge about the safe handling of waste water, refuse and oils, and the prevention of pollution risks. Once every five years, crew members must prove their expertise in the prevention of marine pollution, pursuant to the MARPOL convention (the International Convention for the Prevention of Pollution from Ships) which is carefully observed on all Tallink's vessels in the course of daily operations, and is also observed during the undertaking of technical maintenance duties.

EXPENSIVE WATER TREATMENT EQUIPMENT ON SHIPS

Furthermore, Tallink's ships are equipped with water treatment equipment worth of millions. This guarantees that all waste water goes through a complicated treatment process on the ships and that the refuse is sorted before it is transported off the ship at the port.

But all the expensive equipment will only be effective if employees have the knowledge and desire to use it. That is why the environmental training of employees at Tallink is an ongoing process. Tallink's employees are prepared to attend tree planting events and to take part in other environmental activities, even while off duty.

ENVIRONMENTAL RESPONSIBILITY

KALEV JÄRVELILL: VISIT THE FOREST MORE OFTEN

"I wish people would go to the forest more often, as a way of releasing stress," says Kalev Järvelill, a member of the Supervisory Board of AS Tallink Grupp. He himself spends one or two days in the forest each week and feels great in the countryside.

Kalev Järvelill has been going hiking for ten years. He has travelled over all the continents and has been on trips everywhere from Asia to Antarctica. "Antarctica is the cleanest continent – you must take back home everything that you have with you when you arrive," says Järvelill. "Antarctica is also the world's driest continent and everything that is left behind will stay there for millions of years."

HIKING – THE MOST JOYFUL ACTIVITY

In Kalev Järvelill's estimation, hiking is the most sensible activity as it helps people realise that there are things we should not ruin. "It is interesting that the forest camping sites that you can access by car tend to be strewn with litter, whereas the camping sites you cannot drive to are clean," Järvelill wonders. "People who carry everything on their back also carry all the litter back home with them. Hiking is a good way to make people realise that the people coming after you should also be able to see the same surroundings as you first did. I do not know any serious hikers who would ever leave litter behind in the countryside."

It was somewhat of a coincidence that Kalev Järvelill became interested in hiking. His friend bought a canoe and invited Kalev to go on a spring-time canoeing trip on the River Jägala.

The trip ended with a swim in the ice-cold April water. "I promised myself that I would never go on a water trip again, but six months later I bought a canoe myself," recalls Järvelill.

ESTONIA IS A COOL PLACE

The man who could live anywhere in the world has nothing but praise for Estonia. "Denmark, for example, is basically a park and you must use a plane in order to get to untouched countryside, whereas in Estonia you can see a beaver dam or virgin forest after just a thirty minute drive out of the capital," Järvelill explains. "That is also the reason why I don't ever want to move away from here – Estonia is a cool, wonderful place for people who love nature. Finland, Sweden and Estonia also offer unlimited options for hiking and camping; for instance, more than forty per cent of Estonia is covered by forest."

YOU CAN ONLY HEAR TRUE SILENCE IN THE COUNTRYSIDE

Kalev Järvelill has been on mountain trips, ski trips and water hiking trips – a potholing trip is the only one he has not yet been on but naturally Kalev is planning to remedy that. "On a hiking trip you do not really need very much – just warm food a couple of times a day and firewood or a portable stove for cooking," Järvelill explains. "Civilisation has its charms but in no way can it replace being out in a purely natural environment. In Antarctica, you can hear the blood circulating through your blood vessels; in the forest in autumn you can hear leaves falling into the river. You can never hear true silence anywhere but in pure nature."



KALEV JÄRVELILL

Member of Tallink's Top Management since 1999

C O R P O R A T E S O C I A L R E S P O N S I B I L I T Y

BECOMING THE LEADER ON THE BALTIC SEA THANKS TO CUSTOMER TRUST

What is the recipe for becoming the leader in the Baltic Sea passenger shipping industry in a little over fifteen years? Seemingly, the recipe is simple – win the customers' trust.

It is only thanks to the customers that Tallink can be one of the leading shipping groups in the Baltic Sea region and can employ 6,500 people in six countries. All of our employees give their best every day in order to win customer trust, because the company's mission is to exceed the customers' expectations by offering a memorable travelling experience.

NEW BOOKING AND CHECK-IN SYSTEM FOR MORE CONVENIENCE

In order to offer services to each customer – of whom Tallink serves about seven million a year – which meet their exact needs, this year Tallink launched a booking system that is probably the most innovative in the world. The new booking system connects, in real time, all the Tallink and Silja sales of-

fices which are located in the six countries, and also hundreds of travel agencies all over Scandinavia and Europe. Customers will be able to experience the benefits of the new system as they use the new online booking system on the company's web page. The system enables people to buy tickets for all Tallink and Silja vessels travelling six regular routes daily, and to do so even at midnight, requiring just a few mouse clicks.

The new booking system has been integrated with the Tallink call centre. The contemporary IP-based (Internet Protocol) call centre helps customers to save time: for example, when the customer service phone line in Finland or Sweden is currently on hold, the call can be automatically re-directed to Estonia, to a customer assistant who speaks the respective language; this way, the customer will get an answer to their question quicker. The call centre allows us to conveniently monitor the workload of customer service assistants and to flexibly distribute customer calls between different countries, regardless of where the person answering the customer's call is actually sitting.

SAFETY FIRST

Tallink's priority both at sea and on land is, above all, the safety of the passengers, and we shall not hesitate to invest money and time in increasing safety.

Tallink complies with the principles of international safety regulations and with the requirements of the ISO 14000 environmental management standard in order to prevent accidents and the presence of danger to people and the environment. Each year, our safety management system is audited by experts from the independent risk assessment organisation, Lloyds Register, and the Estonian, Swedish and Finnish maritime administrations.

Tallink aims to comply with the regulations of the International Maritime Organization (IMO) and to guarantee that our activities are safe for passengers as well as crew members. Since our employees are the key to guaranteeing safety, we are constantly developing their skills by training our staff. The proper procedure for crew members in

emergency situations is practiced in drills and tests which are carefully monitored by inspection authorities.

All our vessels are equipped with life-saving and survival equipment which meets all requirements and is ready for use all day, every day, and all year round. Even so, the crews of Tallink and Silja vessels use their great expertise and long-term work experience, combined with an efficient safety system, in order to prevent the need to ever use the life-saving equipment.

The company responsible for the technical management of Tallink's ships has gained certificates confirming company's congruity to ISM (International Safety Maritime) code by Swedish, Finnish and Estonian Maritime Administrations as well as by the independent auditor Lloyds Register. It confirms the company's congruity of resources and activity plans to Swedish, Finnish, Estonian and international maritime safety requirements.



CLUB ONE
www.tallinksilja.com/clubone

CLUB ONE



Liity nyt
ainutlaatuiseen
joukkoon!
...
Bli medlem nu



CORPORATE SOCIAL RESPONSIBILITY

COMPLETE TRAVELLING SOLUTIONS

The new state-of-the-art booking system makes it possible to study customers' expectations in more detail and to offer services that meet their expectations. Since people are increasingly busy and they are faced with much more information every day, more and more effort has to be made each day to win clients. Tallink has set itself the objective not to sell sea trips as just journeys from one place to another, but rather as a holiday and a unique experience which will exceed the customer expectations. That is why we offer our customers complete travelling solutions, combining various services with each other. For example, on some of our ships, business travellers can enjoy entertainment after a tiring conference day; passengers going on a holiday can purchase cruise trips, hotel packages, spa services or ski trips from Tallink.

Tallink has a clear objective for the future: to be not only the flagship of the Baltic Sea passenger shipping industry, but to be a provider of complete travelling solutions, taking care of all the travel-related concerns of customers. To this purpose, a spa and more than one Tallink hotel have already been opened in Tallinn; the sale of holiday packages is picking up; pursuant to the client's wishes, sea journeys can be combined with a flight; the company is also planning to set up its own taxi service in order to serve its customers even better. All these undertakings have the same aim: to guarantee roughly 20,000 people – whose wishes our customer service staff are carefully listening to every day, both at sea and on land – a travelling experience from Tallink that will exceed their expectations.

**CLUB ONE –
THE BEST ON THE BALTIC SEA**

In May 2007, Tallink launched the new groupwide loyal customer programme Club One, which combines the previous loyal customer programmes of both companies. Today, Club One already includes 450,000 households.

Club One clients can use travel benefits with fixed monetary values and special offers in the shops and restaurants of both Tallink and Silja vessels. Additionally, Club One clients are collecting bonus points on their tickets and onboard purchases; these points can be used to pay for their trips. Club One clients can take advantage of the biggest fleet on the Baltic Sea, plenty of interesting travel routes and the best shopping opportunities in the vessels' shops. Club One also offers benefits on land – loyal customers can enjoy discount prices at Tallink Hotels establishments as well as from our other business partners, ranging from popular dining and entertainment facilities to beauty salons and theatres.

Club One is a three-level customer loyalty programme (with Gold, Silver and Bronze levels), in which the benefits become increasingly tempting the more you travel on Tallink and Silja vessels. The transfer from one level to another is related to the amount of trips and the onboard purchases made.

TALLINK CUSTOMER CARE IN 2006/2007

Number of passengers across six countries	6.9 million
Calls to the customer service number	2,202,490
Total length of calls to customer service	8,833,556 minutes
Number of e-mails handled	471,261
Visits to the Tallink ferry booking engines over	2.4 million
Visits to Tallink Group's all web pages	over 10 million



CORPORATE SOCIAL RESPONSIBILITY

EMPLOYEES – FUELLING TALLINK'S SUCCESS

The thousands of employees in six countries are Tallink's greatest asset as they are fuelling the company's success. The responsibility of the employees is to guarantee our passengers' wellbeing every day; similarly, the company is also trying to do its best to guarantee that the employees feel great.

AS Tallink Grupp has about 6,500 employees, most of whom work at sea. This is natural, of course, since the company does specialise in maritime transport – the company owns a total of eighteen vessels and operates seven different ship routes. The company's headquarter is situated in Estonia and the destination of three major routes is Tallinn; therefore, it is natural that a large share of crew members are from Estonia. At the same time, Tallink is a very international company which employs people from six different countries and where at least seven different languages can be heard daily. Nevertheless, this does not hinder cooperation among the staff. On the contrary, our

people have so much to hear and learn from each other – we consider this exchange of experience as a major added value. Moreover, the language proficiency within the company is at a very high level due to the nature of the services – our routes between the Baltics and Scandinavia serve approximately seven million passengers from Scandinavia and Baltics as well as from Europe, Asia, USA, and so on, per year.

TALLINK VALUES ITS VERSATILE STAFF

The company is proud of the rich mix of different nationalities in its staff. Also, the knowledge of both younger and older employees is the basis for a highly significant pool of experience – this is shared in order to allow everyone to learn something new. Tallink values its versatile staff with their different cultural and ethnic backgrounds. Our customers are all different; so similarly, these differences can be best understood by employees from various backgrounds.

A QUARTER OF A CENTURY WITH THE COMPANY

Ann-Marie Samils started to work at Silja Line on 17 May 1982. That's a bit of a coincidence, as it is Norway's Independence Day, and Ann-Marie is half Norwegian. For 25 years Anne Marie has been working for Silja Line and, more recently, for Tallink Silja.

"It was more or less by mere accident," she says when starting to talk about how she chose this job. "I had studied tourism in the city of Falun and I liked to work in the service sector. On one of our study trips we went to Finland by boat - with Silja Line in one direction and with Viking Line in the other. I must say that I liked Silja Line much more, so I guess that was the main reason why I applied to work in Silja Line's Telex Department. There were three of us there who received bookings from travel agencies. It was all handled manually those days. From there I went to Silja Line's call centre. Then I started to work at the Silja Line shop at Stureplan in Stockholm city centre. There, we also served customers with a special offer we had then – we rented cottages on the Aaland Islands. After that I served in the group & conference department in the same

shop for some years, before I started to work at the main office in Stockholm. Until recently I worked in the product & pricing department and since November 2007 my new title is Marketing Coordinator. So I have picked up quite a bit of experience from working in several departments."

"I'm not sure there are any clear specific advantages regarding a shipping company as such, although it is an interesting environment. There is always something happening – new routes, new vessels and destinations and, of course, I really like the company and my colleagues. It's almost like a second family."



CORPORATE SOCIAL RESPONSIBILITY

TALLINK'S AND SILJA'S EMPLOYEES
SHARING THEIR EXPERIENCE

The past year was special for Tallink's staff as they worked towards making the integration of Tallink and Silja Line a success. Among other things, employees responsible for various fields on the Tallink and Silja vessels visited each other's ships in order to get to know the work organisation and methods and to be able to share their experience. Today, we are preparing even longer visits, so that the best work practices and professional discoveries of different ships can be applied on all vessels.

Tallink will continue to cooperate with various educational institutions, including most vocational schools and especially the Estonian Maritime Academy and other organisations in this field, in order to introduce young people to the maritime industry. We try to actively promote maritime transport as a field of employment and to introduce the employment opportunities at Tallink with the primary aim of attracting employees with the relevant specialised education, so that even years from now our staff remains amongst the best in the Baltic Sea region.

TALLINK –
FAMILY BUSINESS FOR LATVIAN COUPLE

Stewardess Natalja Antoņuka and automatic engineer Valērijs Antoņuks did not meet each other onboard M/S Regina Baltica – they had already been married for 25 years. Going through so many different days, having grown-up children, spending so much time together, they are lucky now that they can work in one company.

Having worked in Tallink since its first trip on the Riga line, Valērijs is sure that working onboard is the right place for him. Natalja is now happy that she accepted the job a year ago: being busy and meeting various people, her daily life has now become much more interesting. Despite both dealing with their own duties and having their own working hours and friends onboard, they still try to find some time to spend together.

Joking that somebody also has to take care of a cat at home, they admit that their common working weeks are partly overlapping... Still you are the light of someone's life, and it's nice that you can brighten someone's days so subtly - just by being close.

The following table provides an overview of the Group's personnel as of 31 August 2007:

Onshore total*	1,642	At Sea	4,567
Estonia	683	Estonia	2417
Finland	662	Finland	951
Sweden	238	Sweden	922
Latvia	37	Latvia	277
Germany	15		
Russia	7		
		Hotel*	272
		Total	6,481

* The number of hotel personnel is not included in the total number of onshore personnel



Stewardess **NATALJA ANTONUKA** and
automatic engineer **VALERIJS ANTONUKS** on M/S Regina Baltica

A concert to thank the employees was organized in December 2007, where great Estonian singers **IVO LINNA**, **GERLI PADAR** and **HANNA-LIINA VÕSA** performed to the audience.



CORPORATE SOCIAL RESPONSIBILITY

TALLINK – ONE OF THE MOST REPUTABLE EMPLOYERS

According to the survey conducted by TNS Emor, Tallink was the most reputable employer in Estonia in 2007. Tallink strives for employee satisfaction on a daily basis. Interesting career and development opportunities, flexible working schedules, a great salary plus a performance pay system and stock options – these are just a few examples of the benefits that Tallink offers its employees.

Employees are most motivated by interesting work duties, attractive wages, a contemporary work environment, and internal career opportunities, as indicated by the latest employer reputation survey conducted by TNS Emor. Tallink tries to offer all of the above to its employees wherever they are on the Baltic Sea coastline and, considering the number of job applications the company receives, Tallink is a popular employer in Estonia, Finland, Sweden and Latvia. Tallink's fleet is one of the most modern and comfortable fleets on the Baltic Sea; also, the new professional challenges and career opportunities at the fast-developing company are quite good. New people often join our crews because of suitable working schedules and rotas which give employees two weeks off after two weeks of working, while the company provides complementary catering and accommodation for employees on duty. Since Tallink is an international company, its employees can also travel a lot, which especially pleases younger people.

DEVELOPMENT OPPORTUNITIES

Tallink also offers very many training opportunities targeting both the specific job responsibilities and the improvement of additional skills – including various free language courses. Naturally, the training and development of employees is a continuing process. The service staff training courses – which are required both for achieving a service standard and for improving customer service skills – are considered to be especially important. Brand new employees will receive basic training and weeks of specialised training before they start work. In accordance with maritime standards, there are frequent safety training sessions and drills for ships' crews in order to guarantee an extremely high level of maritime safety.

APPRECIATING EMPLOYEES

Tallink also has performance pay and reward systems and several other internal benefits to offer. Occasionally, there are also special one-off rewards; for example, recently the group thanked all of its 6,500 employees for the awards and recognition that Tallink has received. However, there is always room for improvement and we try to create even better conditions for our employees in order to guarantee the successful development of the company.

TALLINK IS MAKING SIGNIFICANT CONTRIBUTIONS TO OCCUPATIONAL HEALTH

AS Medcover Eesti, which is the leading provider of occupational medicine services in Estonia, is very happy that more and more companies are realising the importance of occupational health and safety, and are applying relevant regulations in their everyday activities to take care of their employees' health. The cooperation between Medcover Eesti and AS Tallink Grupp has been fruitful – which no doubt benefits both employees and employer.

In cooperation with Tallink, our aim is to avoid or decrease the danger to employees' health and to prevent occupational diseases. All the different occupational medicine and health specialists at Medcover Eesti – occupational

health doctors, occupational health nurses, an occupational psychologist, an ergonomist, and occupational hygienists – are included in the process. All these specialists work together as a multidisciplinary team and each specialist has their own important role in assessing the working conditions.

Tõnu Velt

Chairman of the Board, AS Medcover Eesti



CORPORATE SOCIAL RESPONSIBILITY

A VALUABLE CO-OPERATION PARTNER FOR BOTH LARGE AND SMALL COMPANIES

What does the Äksi quail farm have in common with the Saku and A Le Coq breweries? Quails do not drink beer; quail's eggs are not used to brew beer. Nevertheless – they are all important business partners for Tallink. On the one hand, our partners contribute to the satisfaction of the millions of customers of AS Tallink Grupp; on the other hand, they become more successful companies themselves through co-operation with Tallink.

Not only is Tallink one of the most successful companies in Estonia, the company, together with other large companies, also acts as the heart of the Estonian economy, pumping success into the veins of smaller Estonian companies day after day.

Tallink has approximately 500 suppliers and business partners, including large corporate chains as well as small-scale companies whose contribution to Tallink's services at sea and on land is invaluable.

A SPRINGBOARD TO THE SCANDINAVIAN MARKET

On the one hand, Tallink applies the criteria of the best price/quality relationship when choosing suppliers, with the aim of offering end-customers goods and services at more affordable prices. However, the company observes other principles, as well. First, the suppliers with which Tallink co-operates are renowned and reliable business partners so that we can always guarantee the observance of fair trade practice. In addition to major international groups and passenger shipping agencies, our valued cooperation partners also include domestic producers in Estonia, Finland and Sweden, as they supply almost all of the foodstuffs for the Tallink restaurants and other dining facilities. Also, thanks to Tallink, the Estonian beers from the Saku and A Le Coq breweries are available in the shops on Swedish-Finnish routes' vessels and have become a valued brand next to the Finnish and Swedish beer brands. For years now, we have cooperated with two valuable partners: Liviko, which is also well-known abroad, and Kalev, which has for

years been the most valued Estonian brand. But in addition to the big suppliers, Tallink equally values its smaller co-operation partners.

The Äksi quail farm, which is located in Tartu County, started its cooperation with Tallink back at the time when the legendary M/S Georg Ots, which used to symbolize the white ship of hope for Estonians, was still travelling between Tallinn and Helsinki. Practically all of the farm's production output, that is, 20,000 to 25,000 quail's eggs per month, ends up on the tables which are laid for Tallink's customers. But the supply of foodstuffs is not the only area in which domestic partners are preferred.

NEW JOBS IN THE LOCAL COMMUNITY

Some time ago, the laundry on Silja cruise ships which were departing from Turku was also washed in Estonia. But this year, it was decided to take the laundry work back to the local community and to continue co-operation with the local service provider, Comforta. The reason behind the decision was the better price/quality relationship that was available in Turku, for washing textiles from the ships which were departing from that town. As a result of this decision, there will be extra work for many people living in Turku, because the company's service centre will start to work in two shifts in order to wash the more than two million kilograms of laundry a year that is generated by Silja vessels.

In 2007, Tallink Grupp was declared to be the best company in Estonia in three important and independent competitions – the company does not enjoy this success alone. Many larger and smaller business partners have made an invaluable contribution to the success story of the biggest shipping group of the Baltic Sea region; in turn, Tallink tries to help their business to develop as well.

CORPORATE SOCIAL RESPONSIBILITY

**ÄKSI QUAIL FARM –
PRESERVING THE ESTONIAN QUAIL BREED**

Äksi quail farm, which is known for preserving the Estonian quail, began operations thirty years ago; its co-operation with Tallink already began twenty years ago, when quail's eggs were not used for food in Estonia. "What makes Äksi quail farm special is the fact that it is one of the two farms where the breed of Estonian quail is being preserved – it is the only cultivated bird breed that was originally bred in Estonia," explains Vello Peedimaa from Äksi quail farm. "We sell ninety percent of our egg production to Tallink, which is an average of 20,000 to

25,000 eggs a month. In July and in August, egg consumption is lower, whereas around Christmas and Easter we get more orders than we can fulfil."

Äksi quail farm, which raises 1,000 birds on average, considers Tallink to be a very valuable cooperation partner. "We have developed a reasonable business relationship and thanks to long-term cooperation, we will know the client's needs much earlier," Vello Peedimaa said.

C O R P O R A T E S O C I A L R E S P O N S I B I L I T Y

CORPORATE GOVERNANCE – NOT A THING-IN-ITSELF

Corporate governance at Tallink is not a thing in itself. The main objective of our entire management system is to guarantee customer satisfaction and our employees' compliance with Tallink's core values in their daily activities.

The highest governing body of Tallink Grupp is the Shareholders' General Meeting where all Tallink's shareholders, from the smallest up to major investors, can have their say in discussing the company's situation. The general meeting approves the annual financial statements and dividend distribution; it also elects the members of the Supervisory Council and the auditor, and makes all of the remaining decisions which are of the highest importance.

SUPERVISORY COUNCIL AND MANAGEMENT BOARD

The Supervisory Council of Tallink determines the company's strategy and objectives, elects the members of the Management Board and oversees the company's management as they carry out the business plan. The Supervisory Council includes between five to seven members with a three-year term of office.

The executive governing body of Tallink is the Management Board, which members are appointed for a three-year term of office. Members of the Management Board are responsible for the everyday activities at Tallink and report to the Supervisory Council.

THE CORE VALUES OF TALLINK

For Tallink, the management system acts as a kind of backbone which guarantees that all Tallink's employees give their best and strive towards customer satisfaction, in accordance with the company's core values. As a service company, Tallink considers its values to be honesty, reliability, commitment, dynamism and enjoyment.

By treating customers with respect and showing maximum concern for their needs, wishes and well-being, we want to earn the esteem and respect of our customers. By striving towards reliability, we take care of the well-being and safety of our customers at all times. Reliability does not come from nowhere - it must be earned. We are committed to our job responsibilities and, through this, to professionally fulfilling customer wishes so that we can guarantee that both customers and Tallink's employees will be satisfied. At the same time, our employees must realise that there are different clients and different situations. If our employees are dynamic in their approach, we will be able to offer exactly what customers expect, want and need. And finally, with honesty, reliability, commitment and dynamism we can offer our customers such an enjoyable sea trip that they will want to experience it again and again in the future.

HOW ARE TALLINK'S VALUES APPLIED IN PRACTICE?

Employees who have just joined Tallink will first receive training where they will learn about the company's goals, core values and service standards.

The Tallink service standard provides the guidelines for everyday communications with customers – from the appearance and communicative style of the service staff to team work and the solving of problem situations.

All new employees will be assigned a supervisor to help them adapt to the Tallink way of business as smoothly as possible and to learn to guarantee customer satisfaction at their job every day. Employee skills are further enhanced at regular training sessions and evaluations – passing these is the prerequisite for a successful career in the leading shipping company in the Baltic Sea region.



Captain **ROLAND LEMENDIK**
M/S Victoria I

CORPORATE SOCIAL RESPONSIBILITY

TALLINK - A GOOD CITIZEN

As a major tax-payer in Estonia, Finland and Sweden, Tallink believes that financial success can only be guaranteed through responsible and sustainable development. Therefore, each year, Tallink Grupp gives a significant share of its success back to society and the environment in which the company operates.

PROTECTING SEALS IN THE BALTIC SEA

A good example of giving some of the success back to the environment is in the sale of plastic bags. At sea as well as on land, it is difficult to run shops without providing plastic bags for customers; however, these bags are still one of the leading dangers threatening marine fauna if such plastic bags end up in the sea. Therefore, all the profits earned from the sale of plastic bags on the Silja vessels are donated to the protection of seals in the Baltic Sea, in order to balance out the impact of economic activities on the marine environment.

AS Tallink Grupp and its subsidiaries are actively involved in supporting many public initiatives and events, especially in youth and sports organisations. Being one of the largest Estonian companies by number of employees, it has also always been our goal to motivate our employees to participate in social events for the sake of nature or society.

There are many areas in which Tallink is providing support and sponsorship. The environment, children and young people, and sports are some of the major areas which are considered to be important targets for support in all the countries in which Tallink operates.

KAIA KANEPI - TENNIS TALENT FROM ESTONIA

The largest sponsorship deal for Tallink, and the largest so far in Estonian sports history for an athlete, was announced at the beginning of 2007, when Tallink became the main sponsor of the highly talented young Estonian tennis player, Kaia Kanepi. Now the contract has been extended into 2008 as well.

Inspired by its successful cooperation projects, Tallink Grupp will definitely continue its sponsorship and charitable activities over coming years. We wish that good ideas could always be realised and life would be happier and more carefree for everyone in all the countries in which we operate.

TALLINK SUPPORTS

SPORTS

Youth sports and professional sports in various fields.

The biggest sponsorship targets are as follows:

- Tennis player, Kaia Kanepi
- Speed Promotion Finland SPF Oy
- Ilves Hockey Oy ice hockey club
- HIFK ice hockey team
- Estonian Karate Federation
- Estonian Union of Sports for the Disabled
- Estonian Biathlon Federation
- Estonian Moto Cycle Sports Federation
- Estonian Swimming Federation
- Estonian Handball Federation
- Estonian Shooting Union
- Estonian Paraolympic Committee
- The Equestrian Federation of Estonia

CHILDREN

We have all been children and we know that in the early years the most important thing is to feel safe, secure and supported. Education and hobbies are no less important. AS Tallink Grupp cooperates with organisations which work with children to provide them with better living conditions and helps coordinate their hobbies, etc.

The biggest sponsorship targets are as follows:

- Santa Claus Foundation - the Foundation helps children in need both in Finland and abroad
- Nuori Suomi / The Young Finland Association.

CULTURE

The cultural environment of the region is incredibly rich - creativity finds its way into theatres, cinemas, concert-halls, and museums. AS Tallink Grupp has not chosen only one branch to be its favourite but is instead supporting different kinds of events.

- The film, "Georg," is a tale about the life of Estonia's best-known singer, Georg Ots
- The film, "I was here," ("Mina olin siin")
- The Association of Great Music
- The Youth Theatre in Tallinn

C O R P O R A T E S O C I A L R E S P O N S I B I L I T Y**ENVIRONMENT**

- World Wildlife Fund - WWF
- Pidä Saaristo Siistinä /
The Keep the Archipelago Tidy Organisation

SOCIETY

- The Delegation of the European Commission
in Estonia
- Enterprise Estonia
- The "My Country" Foundation
- The Estonian National Defence College
- The Baltic Development Forum



WORLD CUP COMPETITION -
Tallinn International Horse Show 2007

C O R P O R A T E S O C I A L R E S P O N S I B I L I T Y

OUR EMPLOYEES - GOOD WILL AMBASSADORS

The employees of AS Tallink Grupp are not only putting a great deal of effort into their day-to-day work, they are also putting a great deal of effort into participating in public campaigns for the sake of society and the environment. The company is willing to provide as much information as possible about the various campaigns going on to motivate the people into increasing their awareness about different social and environmental issues and to encourage them to participate in the ongoing projects.

EVERYONE'S HELP IS NEEDED

According to Tallink's and Silja's choice in respect of social responsibility projects, one criteria is the opportunity for employees to participate. We prefer activities where our own people are able to lend a hand and share in the joy of contribution with the company. This was the one main reason why Tallink supported a project called Greenwave - an extensive tree-planting campaign.

The eagerness of our employees to take part in such activities gives us the courage to sponsor many more such campaigns. A sustainable lifestyle enables us to consider the welfare of future generations and to be able to hand over to our children a clean environment and an untouched Estonian countryside which is well-known globally for the level of its preservation.

GREENWAVE - THE TREE-PLANTING EVENT

In 2004, when the ten new members joined the EU, Estonia arranged a nationwide tree planting campaign to mark its accession. A total of a million trees was planted, mainly by volunteers, in a country of 1.3 million inhabitants. The success of the event, including the high participation rate, and the compliance with the criteria inspired the re-use of the concept in Es-

tonia as well as suggesting that it becomes an EU-wide "wave": Greenwave.

Among the various EU 50th Anniversary celebration events, that of the Greenwave campaign which is based on tree planting is probably the most wide-reaching, long-lasting and interactive.

Estonia's Government Communications Office, in cooperation with the State Forest Management Centre, initiated a pan-European campaign for planting trees which was called "Greenwave". The campaign involved opinion leaders from society, major corporations and institutions, and it has the potential to reach every inhabitant of the state in a positive and involving way.

The members of government, parliament, diplomatic missions, EU institutions, local authorities and major participating corporate partners were invited to the event which marked the culmination of the campaign in Purila.

AS Tallink Grupp participated in this project as well as informing its employees and clients that they should share in the project. Up to 300 employees of the company actively participated in this campaign.

Altogether, nearly 6,200 volunteers signed up for participation in the three-week planting period, which started on 14 April and reached its culmination on 4 May in Purila, Rapla County. Nearly 900,000 pine and fur trees were planted at 250 sites all over Estonia.

The initiative was followed by Malta, Bulgaria, Romania, Slovenia, Slovakia, the Czech Republic, Belgium, Lithuania, and Latvia.

CORPORATE SOCIAL RESPONSIBILITY



Hundreds of Tallink's employees participated in the tree-planting campaign in 2007



Sales and Marketing Director **PETER ROOSE** and
the 2nd place winner of the essay contest, **VIKTORIA MIHHAILOVA**

CORPORATE SOCIAL RESPONSIBILITY

A PARTNER FOR SOCIETY

A few hundred years ago, when ships were made of wood and men were made of iron, applicants for the position of sailor's apprentice had to swim under the keel in order to get to serve on board a ship. The modern maritime romance is different: snow white uniform shirts with epaulets, the dim light on the bridge at night, long rows of displays for radar, gyroscopes and other navigational equipment, the quiet and even vibration of the machinery, and, of course, the waves beating against the ship and the salty sea air, all of which attracts young people like a magnet to the maritime industry. But sailors must still be made of iron – in good physical shape, with nerves of steel and a sharp mind – so that they can also successfully handle high-level state-of-the-art technology on ships made of iron.

Maritime education and youth education are important fields for Tallink to support. In cooperation with the state and local government authorities, Tallink aims to guarantee that even a century from now there will still be a highly-valued Estonian sailor in every port in the world, so that the future Ernest Hemingways can write about them; and because of their great skills these sailors will be welcome to work in any leading shipping company in the world.

SUPPORTING YOUNG PEOPLE

For Tallink, supporting the hobbies and the development of young people is as important as supporting maritime education, because not everyone has to become a sailor or work at sea. Every year, Tallink supports the long-distance trips of thousands of youngsters who are attending sports competitions, cultural events or student conferences. In addition to that, Tallink provides prizes for various contests and competitions. As an example, Tallink was one of the sponsors of the national integration project, "Minu Riik" which helps students from Russian-language schools learn about the state, the authorities and political institutions.

Children and education will continue to be one of the most important fields for Tallink to support. By supporting this area, we are trying to guarantee that in the future, there will still be active and talented young people in Estonia to advance both the economy and the society of Estonia.

INTEGRATION PROJECT "MINU RIIK"

The national integration project, "Minu Riik" ("My Country"), was started in the 2002/2003 school year as part of the national programme, "Integration in Estonian Society 2000 to 2007." The "Minu Riik" project targets schoolchildren from Russian-language general education schools, introducing them to the state, the authorities and political institutions.

Within five years, more than forty thousand students and their teachers have attended study days which have been organised under the project. Participation in the study days has broadened the students' knowledge, given them a better understanding of society, and sparked interest in paying more attention to what is going on in the country, which is part of the integration process.

The patron of the "Minu Riik" project is Ene Ergma, President of the Riigikogu, and the project was initiated in cooperation between the Minister for the Population and Ethnic Affairs, and the office of the President, the Chancellery of the Riigikogu, and the State Chancellery.

This year, one of the project activities was the essay contest, "My Country is Proud of Me," with the aim of encouraging schoolchildren from Russian-language schools to express their opinions about being citizens of Estonia, and to see the importance of citizens as the cornerstone of the country through the eyes of schoolchildren. The organisation of the essay competition was also supported by AS Tallink Grupp.

A jury selected the fifteen best essays from the 264 entries which were submitted to the essay contest and announced the following students as being the winners, with additional honourable mentions:

- 1st place – Doris Tihu, Väätsa Põhikool (Järva County)
Prize – SEB Eesti Ühispank
- 2nd place – Viktoria Mihhailova,
Narva Pähklikmäe Gümnaasium
Prize – AS Tallink Grupp
- 3rd place – Anna Regina Loik,
Miina Härma Gümnaasium (Tartu)
Prize – AS EMT

CORPORATE SOCIAL RESPONSIBILITY

Estonian tennis player **KAIA KANEPI**

THE ESTONIA'S LARGEST SPORTS SPONSORSHIP TO KAIA KANEPI

AS Tallink Grupp and company's largest shareholder AS Infortar sponsored Estonian tennis player Kaia Kanepi with 1.5 million Estonian kroons (approximately 100,000 euros), which is the largest sponsorship given to an individual sportsperson so far in Estonia. With this continuous support the companies are going to be the main sponsors of Kanepi already for the second year.

Kaia Kanepi is the youngest player ever to get the Estonian Champion title of adult class at the age of 14. At the age of 16 she won European junior Championships and French Open in junior class. In 2001 Kanepi was 13 weeks in a row in the top of ITF junior ranking list.

In previous season's Grand Slam tournaments Kanepi made it to the second round in Australia as well as Wimbledon and to the semifinals in Bad Gasteini WTA tournament in Austria. After seven years of break Kanepi played again in Estonian Championships becoming the already the fourth champion title for her in the individual level as well as doubles.

The best result of Kanepi in last season in the WTA rankings was the 40th position gained in the end of July of 2007. Among the victories the most valuable was the one over Patty Schnyder (13.) in Miami.

"We wish to give Kaia the freedom to concentrate on training and competing and we hope that this continuous support will give her a good advantage for that. As in the last year, we are also going to visit the competitions, because aside of the financial support also emotional support has an important role," said Mr. Enn Pant, CEO of AS Tallink Grupp.

CORPORATE SOCIAL RESPONSIBILITY

KAIA KANEPI – THE MOST SUCCESSFUL ESTONIAN TENNIS PLAYER

Talented Estonian tennis player Kaia Kanepi as the godmother of Tallink's newest high speed vessel "Superstar" believes that the high expectations, placed upon her by the company that is also her main sponsor, are far from inaccessible.

"In 2008 we will have two superstars – one sailing from Tallinn to Helsinki and back, the other on the tennis courts all over the world," said the CEO of Tallink Mr. Enn Pant when he was introducing Kaia Kanepi to the hundreds of people taking part in the ship's christening ceremony in October 2007. Ms. Kanepi had been asked to be godmother to the ship in central Italy.

Are these predictions as bold as the new ship's somewhat surprising and flamboyant colour scheme with its bright orange and lettuce green stripes?

"No, I do not believe that," stated Mr. Pant later firmly. "Expectations are always great and surely one must always set high aims for oneself. And Kaia hasn't been doing so bad at all – although her world ranking has slipped a bit lately, her place is nevertheless higher than any other Estonian tennis player has ever achieved. And being in the range of the world's best 50 players can hardly be called a poor result."

There is a tent set up on the wharf at Ancona shipyard and Kaia Kanepi looks shy and summery in jeans and a flimsy shirt, with her blonde hair characteristically pulled up in a ponytail, as a contrast to the crowd of businessmen and officials all in suits and ties. Her hand is used to hard serves and with a steady chop she breaks the line on the table in front of her, starting the chain reaction that sends the traditional bottle of champagne hurtling against the ship's hull.

"We started to talk about my coming here to christen the new Tallink's ship a few months ago, I think it was at the US Open in New York," she recalls. "Of course I agreed to come. Because, among other things, I have never had such a great relationship

as I have with Tallink with any sponsors before. They are no longer just sponsors, but more like good friends." And what about the expectations – great or maybe even frightening? "No, I think they are actually rather realistic," she claims. "Thanks to their support I can take part in necessary competitions without having to worry about having the money for that."

She confesses that naturally it is hard to stay at the top of her form all year round; nevertheless she considers her results this year to be "rather good". Although the tournaments in New York and Paris ended quite quickly. "But in 2007 I played well in Australia, and in Wimbledon also, I did well in Miami – better than the year before. My physical and mental condition is good at the moment. The shoulder is fine once again."

Kaia is hoping that the shower of champagne said to bring luck to a new ship might bring some for her also, as the previous weekend meant a new beginning for her too – after a short break at home she moved on to Sweden, where she started working with a new coach. "Actually there has been talk about needing to change my coach for quite a long time. Magnus Larsson has been among the world's top ten and I have high hopes for him," she said. Although training will now mean continuous shuttle trips to Sweden, because Larsson is raising his daughter alone and thus would not care for intensive travelling.

Enn Pant is looking for the same kind of sparkle in Kaia: "Kaia has fully justified our expectations and will certainly continue doing so. Therefore it seemed logical to me that she would be the person to wish her six feet of water under her keel."

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AS Tallink Grupp recognises the need for environmental protection and management as one of its highest priorities. Every effort is to be made to conserve and protect the environment from marine, atmospheric and other forms of pollution, including office-based waste. Our vessels are maintained and operated in accordance with the MARPOL convention. Our vessels use low sulphur content fuel and we operate a zero spill policy. We actively promote environmental awareness by training and educating our employees and by making efficient use of energy and materials in our offices and on our ships.



