



# WE ENGAGE

AS TALLINK GRUPP SUSTAINABILITY REPORT 2014

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AS Tallink Grupp celebrated its 25th anniversary in 2014. It is not a very long time in terms of an existence of an enterprise, but definitely a significant number of years for people. During this quarter of century, the Group has grown to an internationally well-known and strong organization with valuable brands like Tallink and Silja Line. There are people, who have worked in this company almost from the very beginning and naturally also the ones, who have just joined. Among our customers there are hundreds and thousands of frequent travellers and those, who will travel with us just for the first time. In our fleet there are quite recently built vessels and ships, which have already been sailing for 20 years. For AS Tallink Grupp they are all very valuable. They combine

the experience, knowledge and ideas about the future. The results of the employee as well as customer satisfaction survey show that we have been rather successful in listening to the people and putting the ideas and proposals into practice.

Not less important is the environment around us - the social as well as natural one. All those elements are vital for the Group to succeed. A sustainable way of business is what the Group has chosen to last another 25 and 250 and more years to come.

The following sustainability report gives an overview of the Group's operations, strategy and concrete actions from the sustainability point of view.



# ECONOMICAL INDICATORS

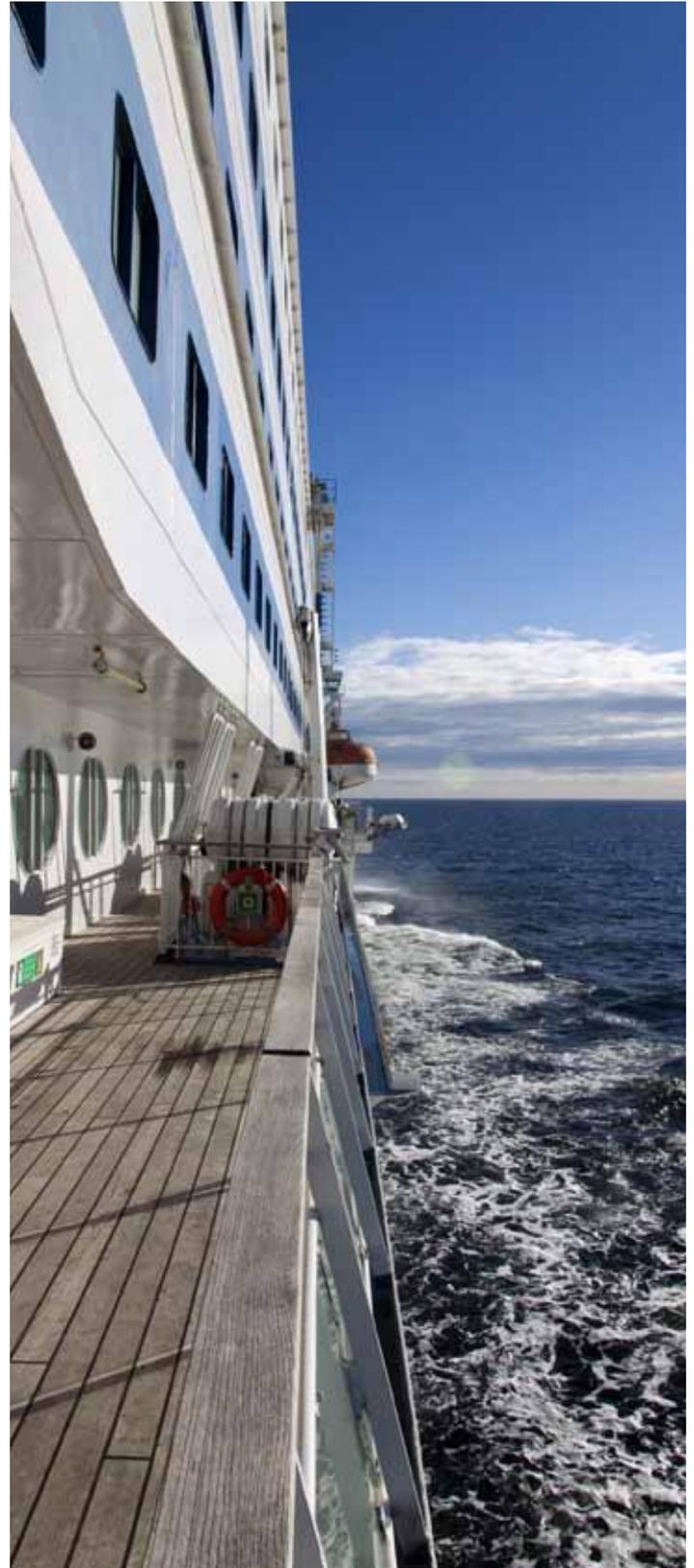
## ECONOMIC HIGHLIGHTS OF 2014

AS Tallink Grupp is the market leader in the passenger ferry operations in the Northern region of the Baltic Sea. This position holds an increased responsibility within to represent the ferry operators in the most responsible way and show a good example to be followed. The company recognizes the responsibility and has applied the good practices of sustainable and responsible operations in all units and functions for everyday work.

“When the Northern Baltic passenger market for the ferry industry is approximately 19 million people, then AS Tallink Grupp with the 8.9 million passengers per year has the overall market share of 46 %.”

### OPERATIONS

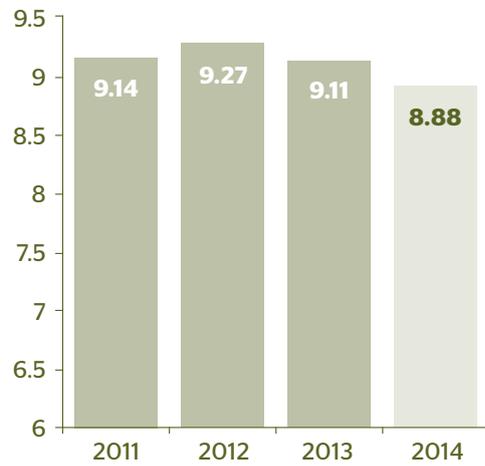
- Operations impacted by an overall weak economic environment in the region
- Increased competition
- Development of the online sales channels
- Development of “Newboard”
- Upgrade of vessels
- Re-routings and additional charters
- Global drop in fuel prices



## ECONOMICAL INDICATORS

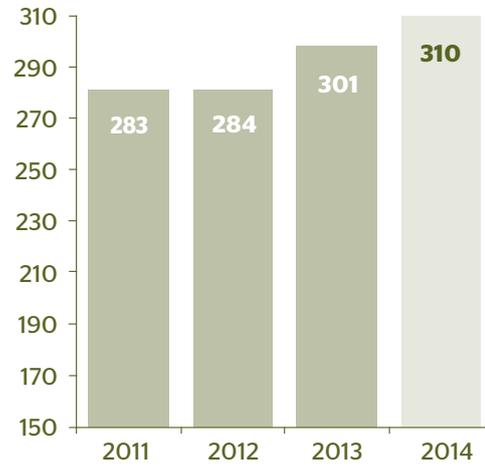
### PASSENGERS

Million



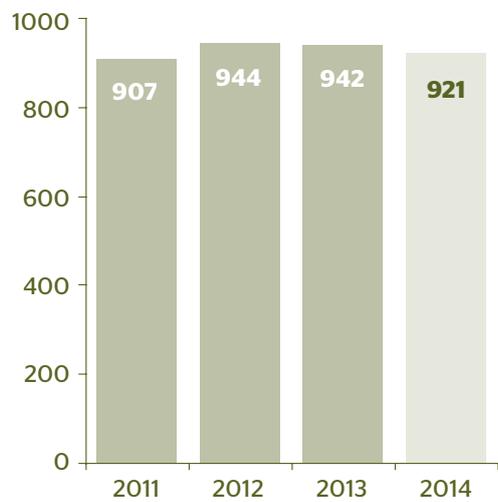
### CARGO UNITS

Thousand



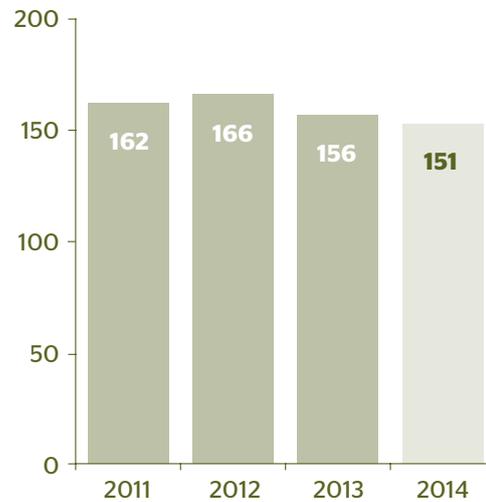
### REVENUE

Million EUR



### EBITDA

Million EUR



**ECONOMICAL INDICATORS****FINANCIAL REVIEW**

<b>Million EUR</b>	<b>2009/2010</b>	<b>2011<sup>2</sup></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Net sales	814	908	944	942	<b>921</b>
Gross profit	168	193	201	190	<b>182</b>
EBITDA	145	163	166	156	<b>151</b>
Net profit	22	38	56	43	<b>27</b>
Depreciation	73	71	71	73	<b>80</b>
Investments	6	9	9	43	<b>49</b>
Total assets	1,871	1,800	1,742	1,722	<b>1,686</b>
Total liabilities	1,204	1,094	981	951	<b>907</b>
Interest-bearing liabilities	1,068	960	840	794	<b>743</b>
Net debt	1,010	884	775	722	<b>678</b>
Total equity	668	705	761	771	<b>778</b>
Fleet value	1,651	1,570	1,510	1,479	<b>1,451</b>
Weighted average number of ordinary shares outstanding <sup>1</sup>	69,882,040	669,882,040	669,882,040	669,882,040	<b>669,882,040</b>
Number of ordinary shares outstanding <sup>1</sup>	669,882,040	669,882,040	669,882,040	669,882,040	<b>669,882,040</b>
Earnings per share (EPS) euros <sup>1</sup>	0.03	0.06	0.08	0.06	<b>0.04</b>
Shareholders' equity per share euros <sup>1</sup>	1	1.05	1.14	1.15	<b>1.16</b>
Price-Earnings ratio (P/E) <sup>1</sup>	19	10	10	14	<b>21</b>
Gross profit margin	21%	21%	21%	20%	<b>20%</b>
EBITDA margin	18%	18%	18%	17%	<b>16%</b>
Net profit margin	2.7%	4.2%	6.0%	4.6%	<b>3.0%</b>
Return on assets (ROA)	3.8%	5.0%	5.4%	4.8%	<b>4.1%</b>
Return on equity (ROE)	3.3%	5.5%	7.8%	5.7%	<b>3.6%</b>
Return on capital employed (ROCE)	4.2%	5.4%	6.4%	5.6%	<b>5.0%</b>
Net debt / EBITDA	6.7	5.4	4.7	4.6	<b>4.5</b>
Equity ratio	36%	39%	44%	45%	<b>46%</b>
Number of passengers	8,428,055	9,144,290	9,264,561	9,114,812	<b>8,881,732</b>
Cargo Units	258,773	283,105	283,973	301,660	<b>310,492</b>
Average number of employees	6,612	6,651	6,868	6,948	<b>6,952</b>

<sup>1</sup> the share and per share information has been adjusted with the share bonus issues

<sup>2</sup> Pro forma, due to change in the financial year period

EBITDA - Earnings before net financial items, share of profit of associates, taxes, depreciation and amortization, income from negative goodwill

Gross margin - Gross profit / Net sales

EBITDA margin - EBITDA / Net sales

Net profit margin - Net profit / Net sales

Price-Earnings ratio (P/E) - Market value per share/ Earnings per share

ROA - Earnings before net financial items, taxes, income from negative goodwill / Average total assets

ROE - Net profit / Average shareholders' equity

ROCE - Earnings before net financial items, taxes, income from negative goodwill / Total assets - Current liabilities (average for the period)

Equity ratio - Total equity / Total assets

## ECONOMICAL INDICATORS

### VESSELS AND OTHER INVESTMENTS

The Group's main revenue-generating assets are vessels, which account for approximately 86% of total assets. At the

end of the financial year the Group owned 18 vessels. Their types and operations at the end of the financial year are described in the table below:

Vessel name	Vessel type	Built/renovated	Route	Other information
<b>Baltic Queen</b>	Cruise ferry	2009	Finland-Estonia	overnight cruise
<b>Superstar</b>	High-speed ro-pax	2008	Finland-Estonia	shuttle service
<b>Star</b>	High-speed ro-pax	2007	Finland-Estonia	shuttle service
<b>Sea Wind</b>	Ro-ro cargo vessel	1972/1989	Finland-Sweden	cargo transportation
<b>Galaxy</b>	Cruise ferry	2006	Finland-Sweden	overnight cruise
<b>Baltic Princess</b>	Cruise ferry	2008	Finland-Sweden	overnight cruise
<b>Silja Symphony</b>	Cruise ferry	1991	Finland-Sweden	overnight cruise
<b>Silja Serenade</b>	Cruise ferry	1990	Finland-Sweden	overnight cruise
<b>Romantika</b>	Cruise ferry	2002	Sweden-Estonia	overnight cruise
<b>Victoria I</b>	Cruise ferry	2004	Sweden-Estonia	overnight cruise
<b>Regal Star</b>	Ro-ro cargo vessel	1999	Sweden-Estonia	cargo transportation
<b>Isabelle</b>	Cruise ferry	1989	Sweden-Latvia	overnight cruise
<b>Superfast VII</b>	High-speed ro-pax	2001	Chartered out	renamed "Stena Superfast VII"
<b>Superfast VIII</b>	High-speed ro-pax	2001	Chartered out	renamed "Stena Superfast VIII"
<b>Superfast IX</b>	High-speed ro-pax	2002	Chartered out	renamed "Atlantic Vision"
<b>Silja Festival</b>	Cruise ferry	1986	Chartered out	
<b>Silja Europa</b>	Cruise ferry	1993	Chartered out	
<b>Regina Baltica</b>	Cruise ferry	1980	Chartered out	

As at 31 December 2014 the value of the ships amounted to EUR 1,451.4 million (EUR 1,479.0 million at the end of 2013). The Group's vessels are regularly valued by 2 or 3 independent international shipbrokers who are also approved by mortgagees.

In December 2014, AS Tallink Grupp and Meyer Turku Oy signed a letter of intent for the construction of the LNG powered fast ferry for Tallinn-Helsinki route shuttle operations which was followed by a construction contract and signed in February 2015. The dual fuel ship will be about 212 metres in length with a passenger capacity of 2,800. The fast ferry will cost around 230 million euros and will be built

at Meyer Turku shipyard for delivery at the beginning of 2017. According to the contract 20 per cent of the total cost will be paid during the construction period and the rest after the delivery of the vessel. The Group plans to finance 80 per cent of the cost of the new ship in 2017 by a long term loan.

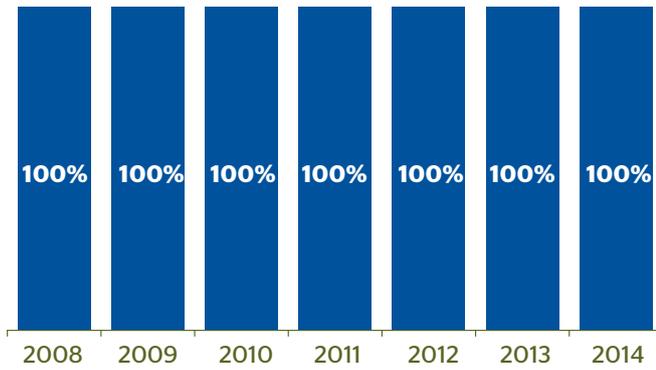
All of the Group's vessels have protection and indemnity insurance (P&I), hull and machinery insurance (H&M) and they meet all applicable safety regulations.

The Group does not have any substantial ongoing research and development projects.

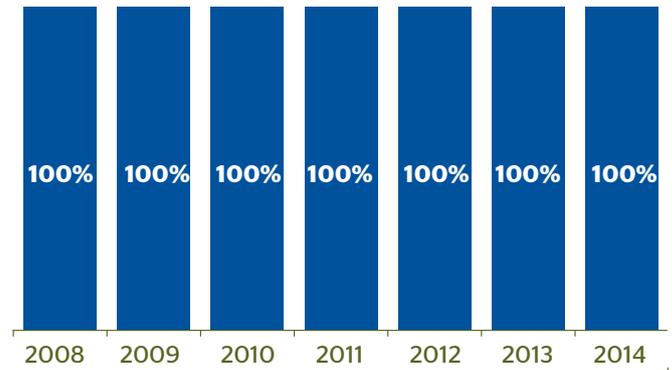
**ECONOMICAL INDICATORS**

**MARKET SHARES BY THE END OF 2014**

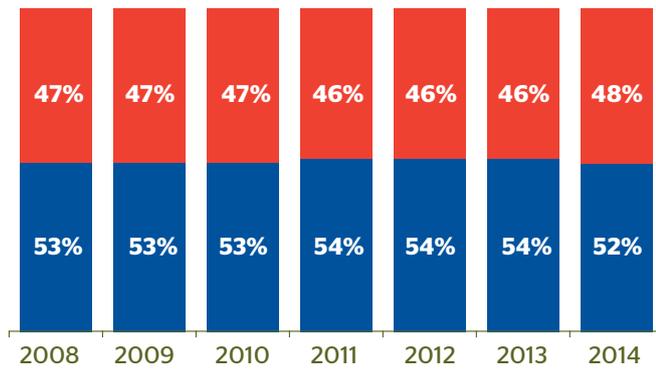
**TALLINN - STOCKHOLM**



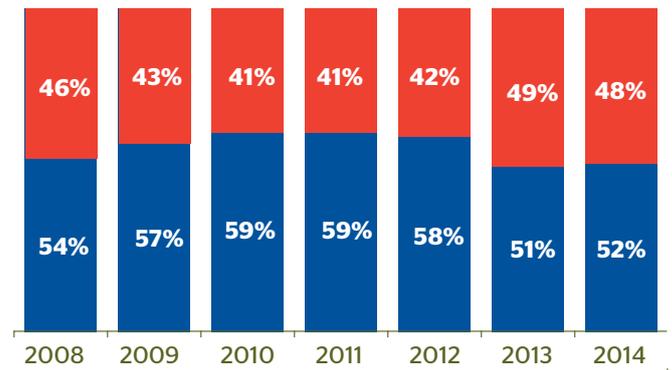
**RIGA - STOCKHOLM**



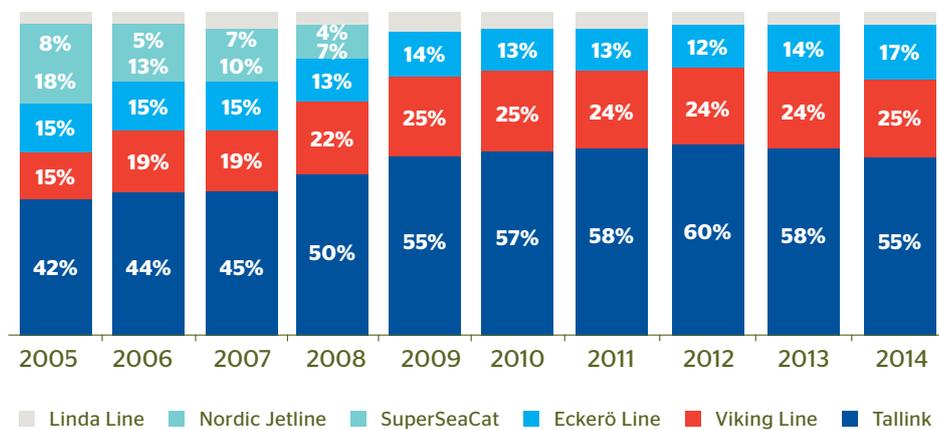
**HELSINKI - STOCKHOLM**



**TURKU - STOCKHOLM**



**TALLINN - HELSINKI**



Legend: Linda Line (grey), Nordic Jetline (light green), SuperSeaCat (teal), Eckerö Line (light blue), Viking Line (red), Tallink (blue)

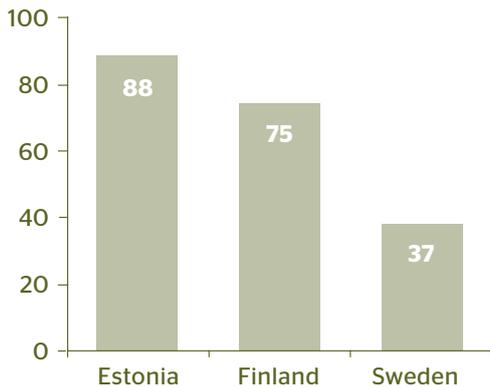
## ECONOMICAL INDICATORS

The Group belongs among the largest tax payers in the region and specifically in Estonia, where it employs the largest part of the employees. Also due to the Group's headquarter being situated in Estonia, the most significant decisions are made here to influence the overall economic landscape, labor market and tourism industry.

AS Tallink Grupp contributes more than 200 million Euros per year through taxes and payments to the public sector, authorities in the home markets.

### PAID TAXES AND MARITIME FEES IN HOME MARKETS IN 2014

Million EUR



Procurement Practices are considered carefully.

**“The Group prefers the local companies and products to contribute to the local economies, while making sure through contract details and additional information inquiries, that these have been led and produced by following the laws and good practices of environmental protection, labor market and healthy competition.”**

## CORPORATE GOVERNANCE

The main objective of the corporate governance in the Company's entire management system is to guarantee customer satisfaction and our employees' compliance with Tallink's core values in their daily activities.

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, the Group has identified commitment, professionalism, cooperation and joy to represent the corporate values the best.”**

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 realize 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 commitment professionalism, cooperation and joy we can offer our customers such an enjoyable sea trip that they will want to experience it again and again in the future.

## ECONOMICAL INDICATORS

The key principle of our Investor Relations is to help promote the securities issued by a publicly traded company, with emphasis on equal access to information.

Pursuant to the Commercial Code and the Articles of Association of AS Tallink Grupp (the Company), the right of decision and the administration of the company are divided between the shareholders represented by the shareholders' general meeting, the supervisory council and the management board.

The Company's highest governing body is the Shareholders' General Meeting. The primary duties of the general meeting are to approve the annual report and the distribution of dividends, elect members to the supervisory council, appoint auditors, and pass resolutions on any increase or decrease in share capital and on any other changes to the Articles of Association. According to the law the Articles of Association can be amended only by the shareholders' general meeting. In such a case it is required that 2/3 of the participating votes are for it.

The supervisory council engages in oversight and longer-term management activities such as supervising the management board and approving business plans acting in the best interest of all shareholders. No residency requirements apply to the members of the supervisory council. The supervisory council reports to the general meeting of shareholders.

The management board is an executive body charged with the day-to-day management of the Company, as well as with representing the Company in its relations with third parties, for example by entering into contracts on behalf of the Company. The management board is independent in their decisions and follows the best interest of the Company's shareholders. The management board must adhere to the lawful orders of the supervisory council. The management board ensures, at its best efforts, the Company's compliance with the laws and that the Company's internal audit and risk management procedures are functional.

When talking about Investor Relations there are many rules and regulations that apply but two stand out as the most directly connected to the practice. The first requirements come from the local Stock Exchange in form of "requirements for issuers". The regulation by law comes from the Estonian Securities Market act. These rules and regulations are followed by us and by every other publicly traded company in Estonia.

By Investor Relations we use various channels to promote convenient access for all shareholders. Today the primary channel is internet. Through our investor website everyone can access the monthly statistics, quarterly reports, annual reports, company presentations, factsheets, annual general meeting notices etc. We hold multiple roadshows each year where the management takes time to meet with large institutional investors to update them on the company. Our company has a dedicated Investor Relations position; this means existing or potential shareholders can e-mail or call in directly and ask questions or clarifications.

## ECONOMICAL INDICATORS



*Standing, from the left:  
Kalev Järvelill,  
Enn Pant,  
Ain Hanschmidt,  
Colin Douglas Clark*

*Sitting, from the left:  
Lauri Kustaa Äimä,  
Eve Pant,  
Toivo Ninnas*

### SUPERVISORY BOARD

#### **ENN PANT (born 1965)**

Chairman of the Supervisory Board since 2015  
Chairman of the Management Board from 1996 to 2015, Chief Executive Officer  
Member of the Supervisory Board of AS Infortar  
Chancellor of the Ministry of Finance of Estonia from 1992 to 1996  
Graduated from the Faculty of Economics, University of Tartu, Estonia, in 1990  
Direct shareholding of 3,951,913 shares and 350,000 share options

#### **EVE PANT (born 1968)**

Member of the Supervisory Board since 1997  
Graduated from the Tallinn School of Economics, Estonia, in 1992  
Direct shareholding of 530,000 shares and 350,000 share options

#### **AIN HANSCHMIDT (born 1961)**

Member of the Supervisory Board since 2005, also from 1997 to 2000  
Chief Executive Officer of AS Infortar  
For years he served as Chairman of the Management Board of AS SEB Eesti Ühispank  
Graduated from the Tallinn Polytechnic Institute (Tallinn University of Technology), Estonia in 1984  
Direct shareholding of 1,800,000 shares and 350,000 share options

#### **TOIVO NINNAS (born 1940)**

Member of the Supervisory Board since 1997  
Chairman of the Supervisory Board from 1997 to 2015  
Served at ESCO (Estonian Shipping Company) 1973 to 1997 in various positions, Director General since 1987.  
Graduated from the Far Eastern High Engineering Maritime College (FEHEMC), maritime navigation, in 1966.  
Direct shareholding of 19,200 shares and 350,000 share options

#### **COLIN DOUGLAS CLARK (born 1974)**

Member of the Supervisory Board since 2013  
Managing Director and Head of Central & Eastern Europe, Middle East and Africa for The Rohatyn Group  
Formerly a Partner of CVCI Private Equity, from 2003 to 2013 until the merger of CVCI with The Rohatyn Group in December 2013  
Director of the Supervisory Board of Prestige  
Worked from year 2000 in Citigroup Inc.'s leading emerging markets projects financing team  
Worked for Bank of Scotland in Edinburgh in various positions  
Holds a Bachelor's degree in Accountancy and Management from University of Dundee (Scotland)  
Member of the Institute of Chartered Accountants of Scotland  
Direct shareholding of nil shares and nil share options

## ECONOMICAL INDICATORS

### KALEV JÄRVELILL (born 1965)

Member of the Supervisory Board since 2007

Member of the Supervisory Board of AS Infortar

He was a member of the Management Board of AS Tallink Grupp from 1998 to 2006

General Director of the Estonian Tax Board from 1995 to 1998

Vice Chancellor of the Ministry of Finance of Estonia from 1994 to 1995

Graduated from the Faculty of Economics, University of Tartu, Estonia, in 1993

Direct shareholding of 1,276,800 shares and 350,000 share options

## MANAGEMENT BOARD

### JANEK STALMEISTER (born 1974)

Chairman of the Management Board since 2015

Member of the Management Board since 2009, Chief Financial Officer

Has been with the Group since 1999 in the positions of Financial Advisor, Treasurer and Financial Director

Has worked as a stock broker, Deputy CEO and CEO at AS HT Finants

Head of the External Debt Division at the Estonian Ministry of Finance from 1994 to 1997

Graduated from the Faculty of Economics, International University "LEX", Estonia, in 1999

Direct shareholding of 45,000 shares and 350,000 share options



### ANDRES HUNT (born 1966)

Vice Chairman of the Management Board since 2008

Member of the Management Board since 2002

Has been with the Group since 1998 in the positions of Financial Director and Chief Financial Officer

Director of Tax Policy Department at the Ministry of Finance of Estonia from 1995 to 1998

Graduated from the Faculty of Economics, Academy of Agriculture, Estonia, in 1992

Direct shareholding of 822,000 shares and 350,000 share options



### LAURI KUSTAA ÄIMÄ (born 1971)

Member of the Supervisory Board since 2002

Managing Director of KJK Capital Oy

Chairman of the Management Board, KJK Management SA, KJK Fund SICAV-SIF and Amber Trust II SCA

Chairman of the Board of directors, KJK Fund II SICAV-SIF

Vice-chairman of the Management Board, Amber Trust SCA

Supervisory Board member of several companies including AS Premia Foods, AS Toode, AS Baltika, AS Riga Dzirnavnies and UAB Malsena Plius

Holds a Master's degree in Economics from the University of Helsinki, Finland, 1997

Direct shareholding of 237,000 shares and 350,000 share options

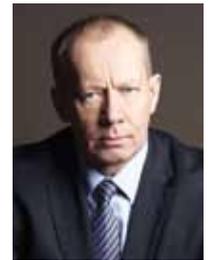
### LEMBIT KITTER (born 1953)

Member of the Management Board, since 2006

Worked in the banking sector in Estonia since 1992 at leading positions, including in Eesti Maapank, Tartu Maapank, Põhja-Eesti Pank and in SEB Eesti Ühispank

Graduated the Faculty of Economics, University of Tartu, Estonia, in 1976

Direct shareholding of nil shares and 350,000 share options



### KADRI LAND (born 1964)

Member of the Management Board since 2012, Managing Director of Tallink Silja AB

Has been with the Group since 2005 in the position of Managing Director at Tallink Silja AB

Has worked as editor and broadcaster in Sveriges Radio and Voice of America

Graduated from the Faculty of Chemistry and Physics, University of Tartu, Estonia, in 1987

Direct shareholding of 39,792 shares and 350,000 share options



### PETER ROOSE (born 1969)

Member of the Management Board since 2012, Group Sales and Marketing Director

Has been with the Group since 2005 in the positions of Sales and Marketing Director

Has worked as CEO at OÜ TLG Meedia and CEO at AS DDB Brand Sellers Estonia

Graduated with a BA in Economics from Wilfrid Laurier University, Canada, in 1999

Direct shareholding of 39,588 shares and 350,000 share options



## ENVIRONMENTAL INDICATORS

# ENVIRONMENTAL INDICATORS

The Baltic Sea and its numerous picturesque sceneries with archipelagos and rich life above and below the water level are among the most important reasons why people choose to travel by sea in this region. The countries around the Baltic Sea as well as most of the organizations working here have recognized the importance of the environmental protection in regards to this very specific and fragile sea environment. The public awareness overall about the responsible travelling and environmental aspects have increased significantly throughout the recent decade. Those are crucial for carrying out activities and investing additionally into minimizing the impact of the Group's operations have on the environment.

**“The Company recognizes environmental protection and management as one of its highest priorities and that every effort is to be made to conserve and protect the environment from marine, atmospheric and other forms of pollution, including office based waste.”**

The Company operates on zero spill to the sea policy and the Company's objective is to eliminate the possibility of pollution at source by ensuring high standards of latest technology, safety and awareness are maintained and that all relevant legislation and conventions are followed for both its sea and shore based activities. The Company is also committed to the continual improvement of methods used to carry out and achieve this objective, including the use of equipment and practices that minimize emission and waste generation.

The most important task for the environmental point of view in 2014 was the preparation of the fleet for the MARPOL Annex VI Convention requirements for 0.1 % Sulphur content fuel usage in Sulphur Emission Control Areas (SECA), including also the Baltic Sea. After careful consideration and thorough analyzing it was decided the currently the Group's fleet starts to use the 0.1% Sulphur content fuel over the alternative of installing scrubber systems on board. It required investments reaching millions of Euros to prepare the vessels for this specific fuel. Additionally the cooperation with universities and other scientific organization is carried out to research the additional measures applicable for decreasing CO<sub>2</sub> as well as other harmful emissions from the ships' operations by using additional technologies and chemicals.

The schedules of routes, rerouting of vessels taking into consideration the route's specifics were successfully adapted to additionally decrease the fuel consumption and therefore also the impact to the environment.

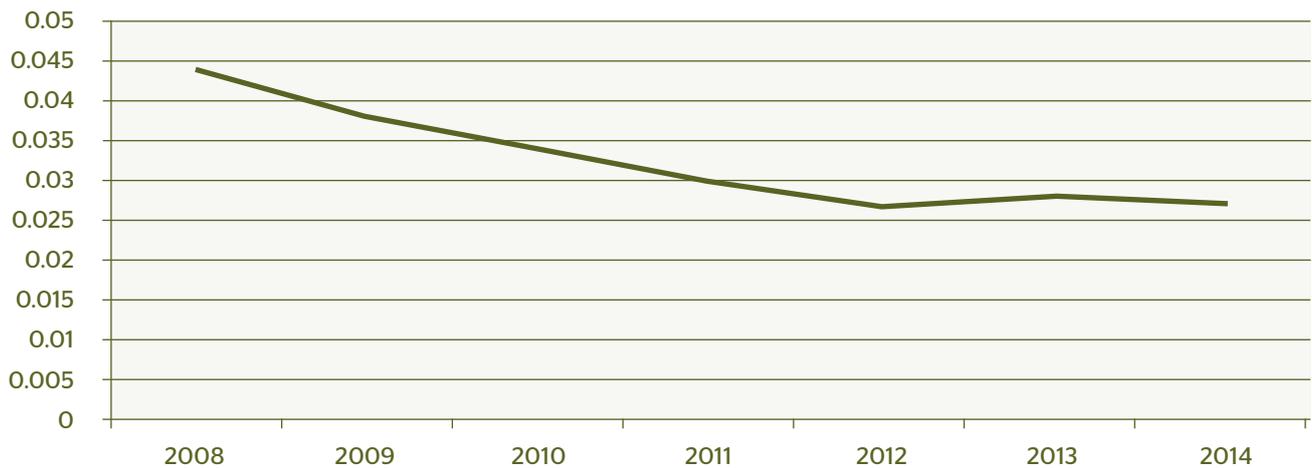
The technical crews were having additional training to make the most of the new technical solutions to help them decrease the fuel and optimize overall energy consumption on board.

By adopting the Company procedures, the Company does:

- Comply with mandatory rules and regulations, takes into account codes, guidelines and standards from maritime organizations;
- Actively promote environmental awareness by training and education of its employees.
- Operate its office and ships taking into consideration the efficient use of energy and materials.
- Require that suppliers and contractors working under its direct control and affiliated companies apply environmental standards consistent with its own.

## ENVIRONMENTAL INDICATORS

### FUEL TON PER PAX



- Participate in discussion with relevant authorities with a view to being aware of current environmental issues and topics and to develop measures to minimize risk to the environment.
- Ensure compliance by undertaking regular inspections and audits along with the rectification of any non-conformities.
- Wherever practicable, adopt the principles of re-use and recycling.

Tallink as a huge company produces many decorations, which are not the only things left without any use after the campaign or show is done. It would be irresponsible not to donate those or try to produce something new out of them. The materials from our spring and autumn marketing campaigns were seen as Christmas decorations in winter 2014. On board of Victoria I, Romantika, Isabelle and Baltic Queen there were 4 Christmas trees made out of the recycled materials. The textile Christmas tree for instance was made from curtains used for Brazilian campaign. The textile trees, sweetly round and candy-like also had brothers and sisters made from wood and kitchen items. The last example though has been so attractive to our customers that also many times, some branches of the tree have been taken along.

Banners are mainly produced from materials, which biodegrade very slowly and are a burden for nature. Why not to give a new life to them for example as shopping bags?



The curtains and other intact textiles from Silja Serenade and Symphony were designed into sweet valets very popular among the customers, after they were renovated.

## ENVIRONMENTAL INDICATORS

The Group's Finnish subsidiary, Tallink Silja Oy is a member of the Climate Partners network, a joint cooperative organization formed by the city of Helsinki and the Confederation of Finnish Industries. The primary target of the network is to reduce carbon dioxide emissions. In frames of this particular cooperation, Tallink Silja Oy has committed to the following specific targets:

1. Reducing the fuel consumption of ships on the Helsinki-Stockholm route by 1% per year, based on the current summer and winter timetables and winters with normal ice conditions.
2. Reducing the amount of waste per passenger on the ships of the Helsinki-Stockholm route by 2% by the year 2015.
3. Reducing the paper waste generated at headquarters by 5% per year with the existing number of personnel (approx. 230 persons).

Tallink Silja Oy also cooperates with WWF Finland by supporting WWF's Baltic Sea protection program.



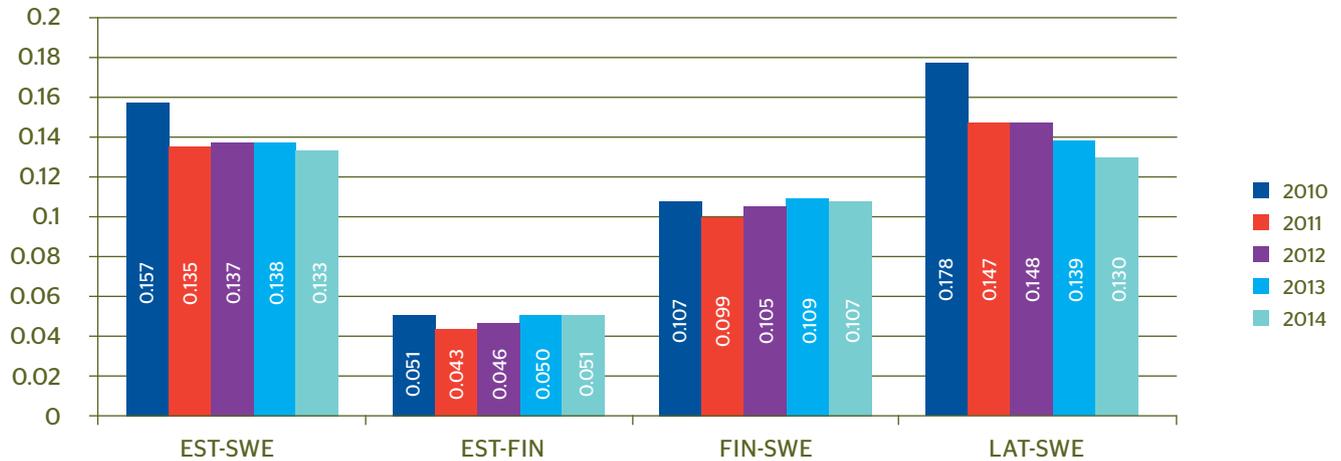
### INTERNATIONAL ENVIRONMENTAL CERTIFICATES OF AS TALLINK GRUPP

- ISO 14001:2004 certificate on environmental protection
- MARPOL Annex IV Sewage pollution prevention certificate
- MARPOL Annex VI Prevention Air Pollution prevention Certificate
- IAFS International Anti-Fouling System Certificate
- International Oil Pollution Prevention Certificate
- Document of Compliance for Anti-fouling System
- International Sewage Pollution Prevention Certificate
- Garbage Pollution Prevention Attestation
- International Air Pollution Prevention Certificate

### ACTIVITIES DEDICATED TO THE PROTECTION OF AIR ENVIRONMENT

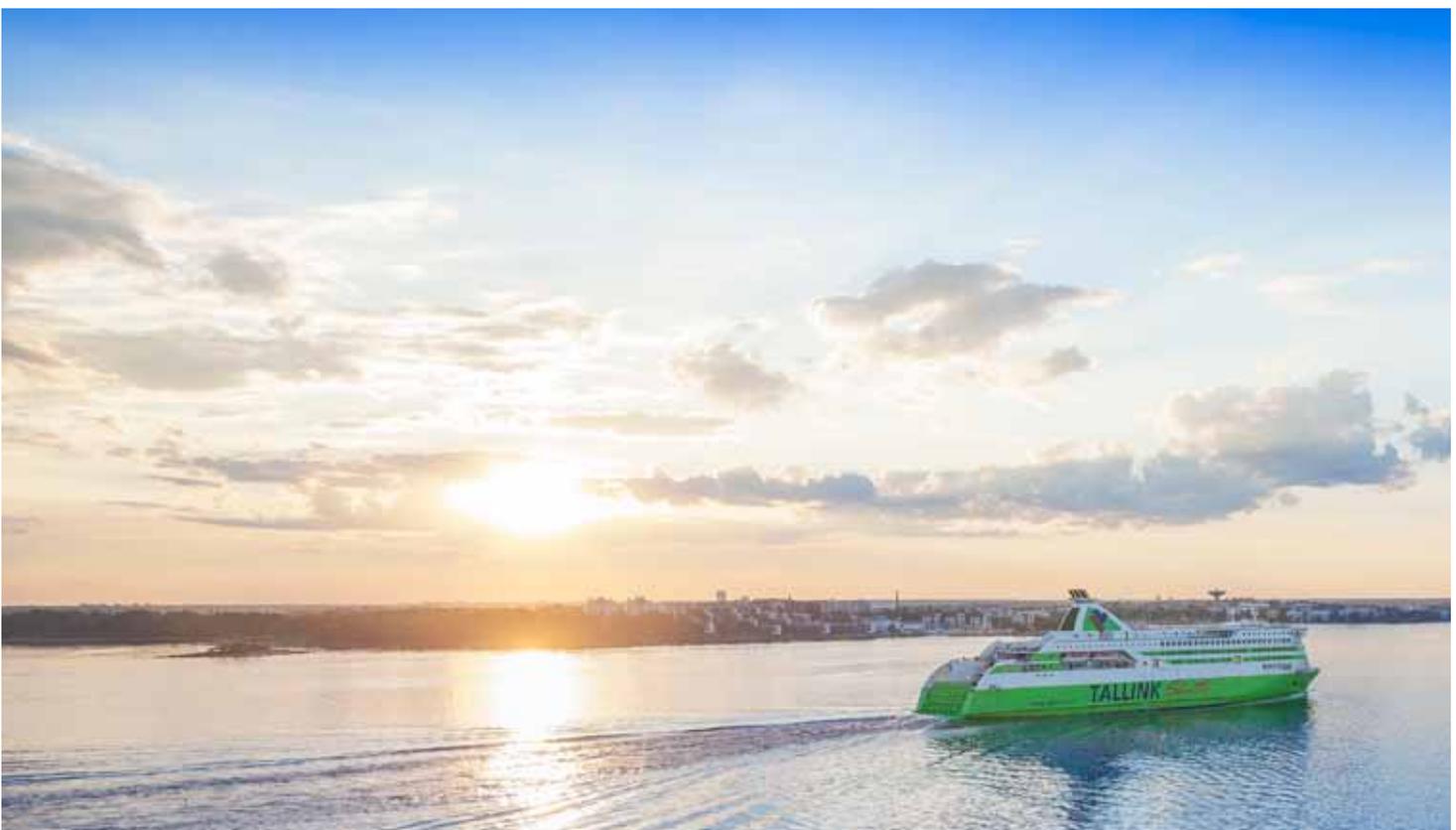
- Tallink is hunting down opportunities which will allow it to do more for the sake of the environment and that is why the company is using only low-Sulphur fuel, from 2015 on the 0.1 per cent Sulphur content fuels; investing more in using fuel supplements and lubricants, which help to further decrease the emissions to air produced by ships.
- CO<sub>2</sub> reduction plan- it is clear that although the potential usage of LNG is now a wider topic, today the passenger ships run on the fossil fuels like heavy fuel oil and diesel like the rest of the transportation sector. The investments made by shipping companies also during last past years into renewal of the fleet have been significant and it would be irresponsible and impossible to forget about this and leave it aside for entirely new solutions. It is crucial to keep the research and new technological solutions in mind to make the fleets of today more efficient and environmentally friendly. Keeping that in mind, the Group has followed monitoring and goals set for ISO 14001:2004 as well as an additional CO<sub>2</sub> reduction plan. The base of all plans is a good and structured monitoring system, which observes the environmental performance of the whole fleet.
- The company is also using fuel supplements to decrease the Sulphur and nitrogen oxides' percentage in exhaust fumes in order to make them less harmful to the environment where air quality levels are concerned.
- Ship Energy Efficiency Management Plan  
The fleet of AS Tallink Grupp started designing and implementing the new Ship Energy Efficiency Management Plan in 2012. The SEEMP is an inseparable part of the MSM and is required by MARPOL Annex VI. As from 1st of January 2013 by renewal of the Air Pollution Prevention Certificate, every ship had to present a SEEMP. It is a totally new and even more detailed way of gathering information on fuel consumption. Energy Efficiency Operational Index (EEOI) is calculated taking into consideration the number of passengers, gross tonnage and different fuels used. The priorities of SEEMP are:
  - Decrease of fuel consumption;
  - Decrease of air emissions.

## ENVIRONMENTAL INDICATORS

CO<sub>2</sub> EMISSION (T) PER PASSENGER

Based on the information gathered through SEEMP, thorough analyses follows, which supports setting new goals to diminish the environmental and especially air related pollution prevention and decrease among ship operators. The SEEMPs of the ships in Tallink Grupp's fleet are certified by Bureau Veritas. The SEEMPs will be controlled either by the classification societies or the flag state maritime authorities (dependent on the jurisdiction of the country).

- The catalytic converters (and other exhaust gas treatment equipment) in ships are also important tools in contributing to environmental care. Catalytic converters are at times still the most effective means of reducing NOx levels in exhaust fumes, with an achievable reduction level of up to 90%.



## ENVIRONMENTAL INDICATORS

- Different cooperation projects with various scientific organizations are carried out to find new technical and chemical solutions for reducing the environmental impact of the fuel consumption.
- Fuel consumption monitoring systems have already been implemented on many vessels and this project is continued in 2015 to help the crew to better observe the fuel consumption and optimize this in correlation with the conditions. It diminishes vessels' average fuel consumption 4-9 per cent and therefore also the negative impact of the air environment decreases.
- To minimize our carbon dioxide emissions our captains pay very close attention to route planning according to the current, wind and wave conditions at any given time. Ships crews take into consideration the prevailing conditions wherever possible a significant difference to the amount of fuel used is made.



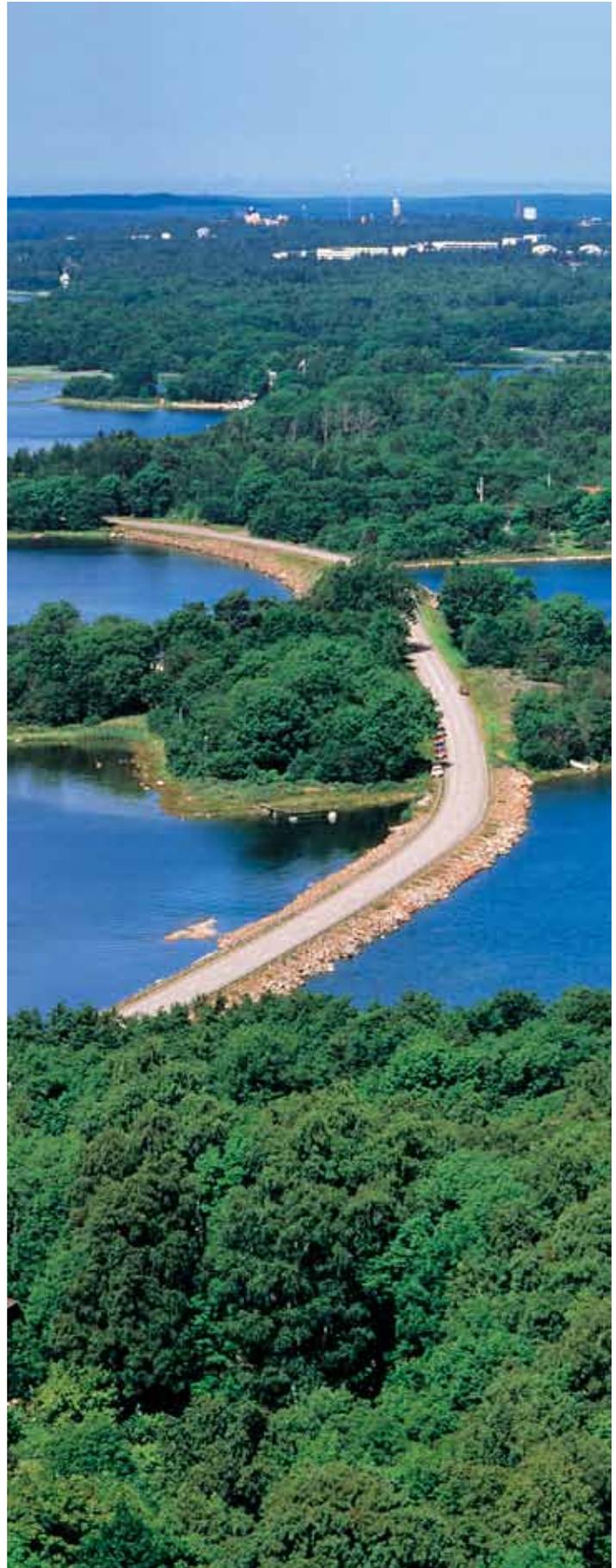
- It is important that routes are planned efficiently, ensuring that the ships sail fully-loaded, and by planning the speed to ensure that the vessels maintain a constant speed from departure to arrival.
- By optimizing ballast and trim conditions it is also possible to reduce resistance and therefore decrease the energy consumption of a vessel.
- Optimizing the overall propulsion efficiency is an important task when it comes to fuel reduction - the propeller; rudder and the interaction between the two have a big role. The medium speed engines in our fleet of conventional ferries are extremely efficient. Even excess heat they produce is put to good use, for hot water, pre-heating fuel for better combustion, and heating crew and passenger accommodation.
- Shore side power supply - if all vessels staying in port for more than two hours are connected to shore side power supply, there would be decrease of CO<sub>2</sub> emissions by 15%. Continuous efforts are made in cooperation with other ship-owners and organizations to influence more ports to provide the on shore power supply.
- Tallink uses only certified spare parts in order to guarantee the best working results in combination with environmental safety.
- Constant monitoring of the fuel quality is carried out by taking test probes from every bunkering made - testing is carried out according to the plan. Only certified sellers are used for providing the Group with fuel.
- The Group is up to selling or chartering some of the oldest vessels in the fleet to continue with even younger fleet as today.

AS Tallink Grupp and Bridgemans Services Ltd. entered into a charter agreement to charter the cruise ferry Silja Europa to Australia from August 2014 as an accommodation vessel. The period of the charter is at least 14 months with an option to extend up to 48 months.

## ENVIRONMENTAL INDICATORS

### ACTIVITIES DEDICATED TO THE PROTECTION OF LAND ENVIRONMENT

- Optimizing energy consumption in office buildings and hotels
- Offices in harbor areas decrease the necessity for driving
- Electronic documentation system helps to diminish paper usage as well as well administrated and aware marketing methods. By integrating Club One and Duty Free catalogues, thousands of units of paper is spared alone. Also the focus on disclosing more information online both in extranet and intranet has significantly decreased the paper usage within all units
- Usage of recycled paper
- Sorting domestic waste on board and cooperation with waste disposal companies, which apply recycling of the materials, also for energy production purposes
- Cooperation with certified and approved manufacturers
- Usage of spare parts produced by certified manufacturers
- In 2014, all mixed waste from Silja Serenade and Silja Symphony was delivered to an incineration plant for energy production.
- The offices as well as hotels are situated near the harbors, so that there is hardly any transportation needed for the employees or the customers. That decreases the air emissions as the car/bus transportation is not necessary or then for only a short distance. The same principle goes for our warehouses as well.
- The environmental policy of Tallink Hotels is based on the criteria of the Green Key program. 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 also on shore, in hotels and offices: the 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 utility systems installed in the hotels 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.



## ENVIRONMENTAL INDICATORS

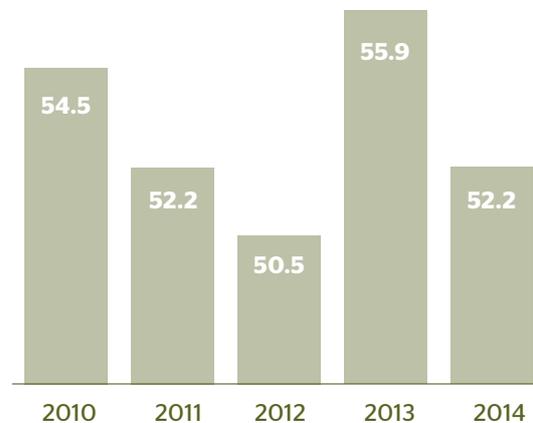
- Our numerous cooperation partners also invest into environmentally sound working methods. In cooperation our efforts for sustainable operations have a much larger effect and that way we hope to influence also other potential cooperation partners to follow those criteria in the future.

### ACTIVITIES DEDICATED TO THE PROTECTION OF SEA ENVIRONMENT

- High 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 Organization), flag states, various certification bodies, and other maritime organizations, 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 water is definitely also a problem for the Baltic Sea, as discharging waste water into the sea is still officially permitted. Tallink is cooperating with ports to leave waste water and oily water from its ships at the harbor. Tallink is cooperating with ports to leave grey, black and

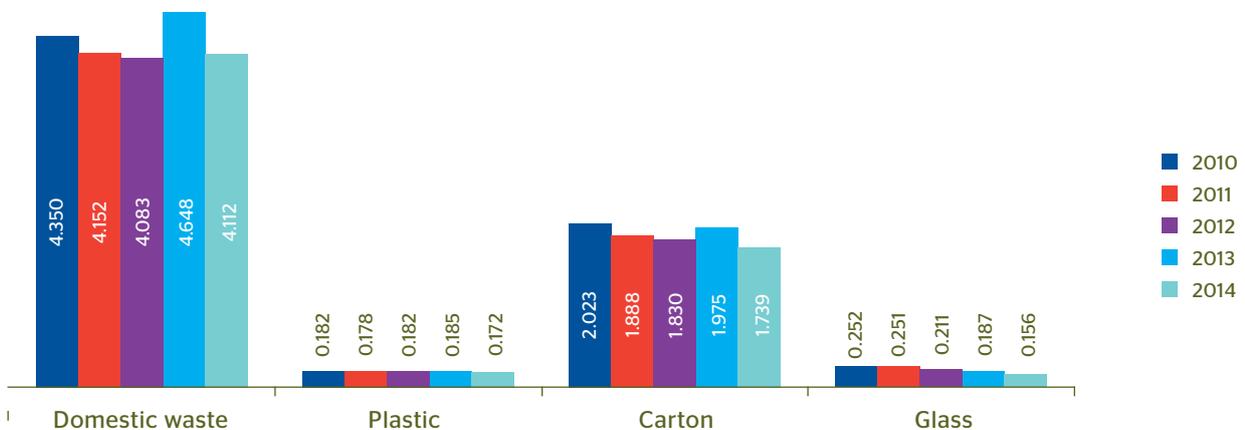
oily water from its ships at the harbor. The waste water is also cleaned on board of the many of our ships with modern equipment. To prove our point in protecting the sea's environment in this way, Tallink has also joined the WWF (the World Wildlife Fund) agreement to continue this policy in the future.

### SEWAGE PER PASSENGER (LITRES)



- Increasing the awareness of our customers is also an important part of decreasing the amount of waste and waste waters on board of the ships.

### WASTE PER PASSENGER (LITRES)





## ENVIRONMENTAL INDICATORS

- The chemicals used on board ships to keep them tidy and clean are mostly biochemical and therefore also environmentally friendly.
- 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 regularly cleaned by divers who, when conducting this process, do not use chemicals that are harmful to the environment.
- The fleet is being optimized to select the most suitable ferries for different routes and stop operating the older ferries to minimize the negative impact on the environment.

### **FUTURE DEVELOPMENTS DECIDED WITHIN 2014 New Generation LNG fast ferry for Tallinn-Helsinki route in 2017.**

AS Tallink Grupp and Meyer Turku Oy signed a Letter of Intent for the construction of an environmentally friendly car-passenger ferry for the Tallinn-Helsinki route shuttle operations in December 2014. The ship will cost around 230 million euros and will be built at Turku shipyard for delivery in the beginning of 2017. The project will provide approximately 2000 man-years employment for the shipyard.

The new ferry will be about 212 meters in length with a gross tonnage of 49 000. The ship will operate on the route between Helsinki and Tallinn and she is planned to carry 2800 passengers.



## ENVIRONMENTAL INDICATORS

The vessel will bring significant improvement in energy efficiency which is achieved by applying numerous innovations and new technical solutions. Green values, reduction of all emissions, minimizing the amount of waste and increasing recycling utilization, have been very carefully taken into account in the design of the ferry. The ship uses LNG as fuel and she complies with the new and stricter emission regulations for the ECA areas including the Baltic Sea.

“A series of six ferries between years 2002-2009 has been delivered to Tallink and this ship will be the 7th new building for the same ship-owner. I’m very happy that Meyer Turku will continue the excellent and trusting cooperation with Tallink. This new ferry prototype gives us an excellent opportunity to apply improved design & building methods. For all these reasons this Letter of Intent signed today is very important to Meyer Turku and to the entire Finnish ship-building cluster.”, says Jan Meyer, CEO of Meyer Turku Oy.

Management Board Member of AS Tallink Grupp, Janek Stalmeister said that with the new ferry Tallink aims for an upgrade of the Tallinn-Helsinki route ferry service. „As the market leader and a long time operator on the route we have a good understanding of customer expectations and know what needs improvement. I am confident that the world-class experience of Meyer Turku will be once again a valuable asset for us to deliver a high quality new ferry, which will strengthen our competitive advantages.“, added he.

## SAFETY AND SECURITY

The greatest priority for Tallink both on land and at sea is the safety of its passengers, and we shall not hesitate to invest money and time in increasing safety. The safety of the ships is also securing the low risk of hazards to the environment such as oil pollution.

Security is an important part of overall safety. The competence and experience in the Company in regards to security is very high and it is continuously being further updated partly also with the help of national and international security organizations.

Tallink complies with 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. Tallink aims to comply with the regulations of the International Maritime Organization (IMO) and to guarantee that our operations are safe for passengers as well as crew members. There are a number of very important international regulations to ensure safe and secure passenger shipping. Tallink follows these regulations with the utmost punctuality. The risk assessment is done very carefully and the cooperation with security organizations is at highest level.

### The regulations on the international level:

- The safety of passenger vessels is regulated by the international convention SOLAS (International Convention for the Safety of Life at Sea, 1974, as modified by the protocol of 1988 relating thereto):
- (b) The Contracting Governments undertake to promulgate all laws, decrees, orders and regulations and to take all other steps which may be necessary to give the present Convention full and complete effect, so as to ensure that, from the point of view of safety of life, a ship is fit for the service for which it is intended.
- The convention points out several codes that specify the regulatory areas in regards to the safety of passenger shipping, such as for instance the LSA Code, FTP Code, FSS Code and ISPS Code.

## ENVIRONMENTAL INDICATORS

- The safety of passenger ships is also the topic of the international ISPS Code (International Ship and Port Facility Security Code), with an overview of its contents provided in section A p. 1.2. (Objectives): To ensure confidence that adequate and proportionate maritime security measures are in place.

On the European level there are a number of additional instruments securing the safety of passenger ships, such as:

- COUNCIL DIRECTIVE 96/98/EC on marine equipment, amended EC 2002/75/EC, with an overview of its contents provided in Article I of the directive: The purpose of this Directive shall be to enhance safety at sea and the prevention of marine pollution through the uniform application of the relevant international instruments relating to equipment listed in Annex A to be placed on board ships for which safety certificates are issued by or on behalf of Member States pursuant to international conventions and to ensure the free movement of such equipment within the Community.
- COUNCIL DIRECTIVE 99/35/EC on a system of mandatory surveys for the safe operation of regular ro-ro ferry and high speed passenger craft services, with an overview of its contents provided in Article I of the directive: The purpose of this Directive is to lay down a system of mandatory surveys which will provide a greater assurance of safe operation of regular ro-ro ferries and high-speed passenger craft services to or from ports in the Member States of the Community and to provide for the right of Member States to conduct, participate in or cooperate with any investigation of maritime casualties or incidents on these services.

On the country level safe passenger shipping is regulated by law. In Estonia it is regulated with the Maritime Safety Act, with an overview of its contents provided in Article I of the law:

- This Act regulates the seaworthiness of ships, recreational craft and other water craft and their navigability in navigable inland waters, the safety of ships and ensuring the safety of vessel traffic on waterways.

Our safety management system is audited every year by the experts of the independent risk assessment organization Lloyds Register, and Estonian, Swedish and Finnish maritime administrations.

Since our employees are the key to guaranteeing safety, we are constantly developing their skills by training them. 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.

Training exercises are important tools for securing the safety and security of our ships.

Tallink carries out joint training exercises with the authorities of all flag states and the Russian Federation, including maritime rescue organizations. Every year numerous training exercises of sea- and air rescue, helicopter and other training exercises are carried out on our vessels.

Exercises on board of our vessels: Tallink Grupp follows strictly the SOLAS convention, which acquires the crew members on board passenger ferries to undertake and participate in various drills and exercises. Once a week on all our vessels fire drills, testing of operations of the watertight doors and lifeboat drills are carried out. Once every three months emergency steering drills, emergency flooding drills SOPEP drills and MOB drills are carried out. Additionally every 6 months company's joint exercises take place. The accordance with the convention is additionally controlled by the designated company, maritime authorities relevant to the ship's flag and host state.

## ENVIRONMENTAL INDICATORS

- Shipboard trainings with lifeboats and life rafts, simulating abandonment of the ship, played to be as lifelike as possible, including lowering of lifeboats to the water and operating lifeboats in water;
- Shipboard trainings in actions to be carried out in case of fire. Training scenarios include smoke diving, using artificial smoke from smoke generators, search and rescue from confined spaces, medical first aid and passenger evacuation;
- Trainings of search and rescue of persons overboard, using ship rescue boats;
- Trainings with helicopter, simulating both helicopter landing and with real helicopters in the trading area. Training scenarios include helipad preparation, preparation of fire-fighting means to be ready for helicopter landing and personal safety measures during helicopter landing;
- Trainings in oil spill prevention and cleanup, using shipboard equipment, placed on board to comply with international legislation;
- Trainings with different parts of shipboard equipment, including operation of watertight doors, operation of ship's fire alarm etc;
- Security trainings, including search and handling of potentially dangerous objects;
- Trainings with numerous shore-based services, including law enforcement, paramedics, EOD, military, rescue, customs and Company. Trainings with shore-based agencies can be divided to major exercises, which take months of preparation and planning, to make all sides, participating, work together smoothly and routine trainings, to practice either co-operation of ship's crew and agency staff in some particular activity or training of shore-based specific activity execution on board a vessel. Major exercises often involve on board Tallink fleet vessels co-operation of agencies of different nations, giving ship crews unique experience in hosting international events.



*Tallink Silja Oy continued cooperation with the narcotics sniffer dog Silja at Finnish Customs by acquiring, among other things, training equipment for the dog.*

## SOCIAL INDICATORS

# SOCIAL INDICATORS

## GROUP AS AN EMPLOYER

Tallink Grupp had 8.9 million passengers in 2014 and the number of our employees was close to 7000. The Group works with and for people and the responsibility to offer safety, security and excellent conditions both in service as well as employment point of view are among our top priorities. Our core values are there for the entire corporation and regardless of our position or role in the company; we align our actions and behaviors according to our values.

### Commitment:

- We are inspired by our common goals and work towards them with dedication and passion
- We deliver on our promises to customers and colleagues
- We do that little extra to positively surprise our customers and exceed their expectations
- We strive for efficiency and economical gain in all our activities to secure

### Professionalism:

- We serve our customers with care, confidence and integrity in all circumstances
- We have the courage to give and take responsibility and are accountable for our actions
- We implement decisions with discipline, follow up on results and learn from the experience
- We value learning and development and take initiative towards better performance

### Cooperation:

- We are always available for our customers; we listen to them actively and serve them with respect to their needs and wishes
- We are honest and loyal towards ourselves, our colleagues, clients, partners and shareholders
- We build teamwork with colleagues; we help and encourage each other
- We share our own knowledge and are open to ideas from others

### Joy:

- We believe that results are most important but process must be enjoyable as well
- We keep good mood and positive atmosphere at workplace
- We cherish good humor as our tool of communication

Setting aside the strict requirements to the status of health of the potential employees, everybody has equal possibilities for working in Tallink.

Safety and Security Policy - in the operations of Company, securing the safety of people, environment and property comes first.

Company SMS adheres to the ISM and ISPS Codes in order to guarantee the operations of their ships and onshore organization, prevent accidents, loss of human lives and environmental damages caused to marine environment.

The safety management operations of the Company objective at maintaining and developing safe procedures for ships and creating a safe ship environment for both the crew and passengers. Crew's safety management skills are continuously developed, tested, practiced and improved by identifying the known risk factors and areas, and practicing related procedures. In addition, crew environmental safety awareness is continuously improved.

The Company does not allow for persons less than 16 years of age to be employed or engaged in work onboard ships. Persons between the age of 16 and 18 are not allowed to do night work or any other work where their health and safety may be jeopardized.

The objective of the Company SMS is to ensure that the valid rules and requirements set out by IMO maritime authorities, certification bodies and other maritime organizations as well as their applicable regulations and standards are adhered to.

SM's are responsible for the onboard safety and security operations of Company managed ships. The task of the onshore organization is to supervise, support and develop safety and security work.

## SOCIAL INDICATORS

The Company P&I insurance have been provided by the Member of International Group of P&I club according to the standard conditions of the Club.

Every year the risk assessment analyses are carried out for the working environment.

Tallink cooperates closely with the trade unions for the employees of the maritime sector in Estonia, Finland, Sweden and Latvia - all the countries where the company employs crew members for the ships. The company also cooperates with the trade unions for onshore personnel in the countries where there are such organizations. This however does not mean that the Company always agrees with the opinion or actions of the unions, but tries to find solutions best for both parties and what is most important, for our employees. In addition to annual training related to ensuring professional skills and safety and professional qualifications, great emphasis was placed throughout the year on developing the skills of all the personnel, particularly in improving employee-customer encounters. A new training concept about travel experience management was successfully carried out. Our long term employees were trained to be the support persons for new employees. Additionally, numerous language courses took place for our employees.

The pilot project for renewing the service concept carried out in 2012 expanded in 2013 and 2014 to a wide training path covering the entire personnel. It started with managerial training in the spring and autumn and, at the end of the year, continued with joint training for all employees with the target of developing together new procedures that can positively surprise our customers. During the year, we also trained internal coaches who will train the personnel, together with the supervisors, in introducing best practices for improving the travel experience.

We pay special attention to the physical fitness of our employees by providing medical services and check-ups for the crew members as well as ensuring the availability of gyms on board our vessels and in our hotels.

Tallink has been organizing various spare time events for its employees for years. It should be pointed out that the largest and most important events are carried out twice to enable people working on both ferry shifts to participate. In the summer, all employees meet at the company summer camp that has been gaining an ever more international feeling with each passing year. In addition to strengthening professional contacts, such events also prove to be a good opportunity to get to know the cultures of the employees of differing nations. That is the reason why in recent years the entertainment programs have featured performances of folk songs, etc. During Christmas the children of employees are also remembered in order to make the Christmas season more special for our employees. In addition to company Christmas parties there are also special Christmas parties for children where they get presents from the Tallink Santa Claus.



## SOCIAL INDICATORS

Tallink Cup is the football competition taking place every year for the teams formed by the ships, hotels and office employees to represent their unit.

The best employees nominated by their own colleagues, are praised in the annual Tallink Silja Gala event.

According to the employer image study carried out by the research company TNS Emor, Tallink ranked as one of the

most preferable employers in Estonia jumping from the fifth position in 2014 to the 3rd position in 2015.

The same company also conducted the Employee Satisfaction Survey for the Group in 2014. Overall employee commitment level has not changed significantly between 2012 and 2014. For next survey commitment level is expected to be increased at least by 5 points and concrete action plans have been developed to achieve this goal.



## SOCIAL INDICATORS

## ON 31 DECEMBER 2014, THE GROUP EMPLOYED 6,654 EMPLOYEES (6,907 ON 31 DECEMBER 2013).

As at 31 December	2014	2013	Change
<b>Onshore total</b>	<b>1,521</b>	<b>1,548</b>	<b>-3.7%</b>
Estonia	770	798	-3.5%
Finland	471	475	-0.8%
Sweden	199	189	5.3%
Latvia	67	72	-6.9%
Germany	4	4	0.0%
Russia	10	10	0.0%
<b>At sea</b>	<b>4,525</b>	<b>4,771</b>	<b>-3.5%</b>
<b>Hotel*</b>	<b>608</b>	<b>588</b>	<b>3.4%</b>
<b>Total</b>	<b>6,654</b>	<b>6,907</b>	<b>2.4%</b>

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

	2013	2014
Average age of personnel on board	41	39,5
Average age of personnel ashore	37,5	37,05

	% ashore	% onboard		
20 or younger	3,40	3,30	3,6%	4,7%
21-30	28,50	29,70	29,6%	30,8%
31-40	28,90	17,40	17,1%	29,7%
41-50	17,80	21,60	20,7%	19,7%
51-60	11,90	20,50	21,2%	13,3%
61 or older	3,60	7,40	8,2%	5,2%

male % ashore	29.2 %	28,8%
male % onboard	43.8 %	43,1%
female % ashore	70.8%	74,7%
female % onboard	56.2 %	57,3%

**The employment in maritime sector has been mapped thoroughly. The ILO conventions are:**

- C147 - Merchant Shipping (Minimum Standards) Convention, 1976 (No. 147) Convention concerning Minimum Standards in Merchant Ships (Entry into force: 28 Nov 1981)
- C108 - Seafarers' Identity Documents Convention, 1958 (No. 108)
- Convention concerning Seafarers' National Identity Documents (Entry into force: 19 Feb 1961)
- C053 - Officers' Competency Certificates Convention, 1936 (No. 53)

- Convention concerning the Minimum Requirement of Professional Capacity for Masters and Officers on Board Merchant Ships (Entry into force: 29 Mar 1939)
  - C023 - Repatriation of Seamen Convention, 1926 (No. 23)
  - Convention concerning the Repatriation of Seamen (Entry into force: 16 Apr 1928)
- IMO conventions
- 1978 STCW Convention (amended 1995) (Standards of Training, Certification and Watch keeping) concerning the basic requirements on training, certification and watch keeping for seafarers. The convention also sets standards in regards to securing equal conditions for employees of both genders etc.

## SOCIAL INDICATORS

# GROUP AS A SERVICE PROVIDER

We value highly the trust put in us by our passengers. The trust they have put into the hard work of our employees, who are proud to have representing the company on board of our vessels, in our offices and hotels all over the world. Customer care and the care for our employees are of same, high importance for the company. There is not one without the other.

The tourism and transportation sector is very thoroughly regulated in order to ensure fair and good quality services to the customers. We take those regulations seriously and do even more to make our passengers feel safe and at home in our hotels and on board our ships.

### Here is a selection of EU directives with guidelines to the member states about taking care of customers:

- Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive')
- Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees
- Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts
- Council Directive 90/314/EEC of 13 June 1990 on package travel, package holidays and package tours
- Regulation No 117/2010 of the European Parliament and of the Council concerning the rights of passengers in waterborne transport.
- Other IMO regulations on the carriage of passengers include the FAL Convention (Convention on Facilitation of International Maritime Traffic) and the PAL Convention (Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974) with amendments.

### At national level the legislation on consumer rights includes the following:

- Consumer protection act regulates the offering and sale, or marketing in any other manner, of goods or services to consumers by traders, determines the rights of consumers as the purchasers or users of goods or services, and provides for the organization and supervision of consumer protection and liability for violations of this Act.
- Law of Obligations Act providing the framework applied to all contracts, focusing on certain specific types of contracts, including contracts of sale and carriage of passengers.
- Commercial Code (requirements concerning goods and services and the sale and provision of those.)
- Alcohol Act provides special requirements for the handling of alcohol, restrictions on the consumption of alcohol, the organization of supervision over compliance with the special requirements and restrictions, and liability for violations of this Act.
- The Tobacco Act provides among others the requirements for handling tobacco products, limitations on sponsorship and restriction of sales promotion for tobacco products, and the restrictions and limitations of the consumption of tobacco products.
- Personal Data Protection Act provides the conditions and procedure for the processing of personal data ensuring the protection of personal data.
- Tourism Act (about package travel.)
- The Advertising Act establishes general requirements for advertising, restrictions on advertising and their extent, and special conditions for advertising, regulates supervision over advertising and establishes liability for violation of this Act.
- Food Act provides the basis for the handling of food, presentation of information to consumers, consumer health protection.

## SOCIAL INDICATORS

### CUSTOMER CARE IN 2014

Visits to websites : 37.6 million (34.2 million in 2013)

Booking engines : 11,7 million (10.9 million in 2013)

Purchases : 1 057 000 bookings (980 000 in total in 2013)

By consistent monitoring of customer satisfaction we can find out which part of our offerings is more important for our customers and what the issues we should pay more attention to. Data analysis provides the input for investment and marketing decisions, but also for managing the daily operation of our ships.

Ships monitor customer satisfaction surveys for their daily operations to make prompt decisions on eliminating shortcomings and improving service quality. The marketing department uses the data for monitoring consumer preferences, analyzing marketing performance and as a basis for developing action plans. This also applies to other departments of our company. The management uses the data for setting long-term strategic guidelines.

In cooperation with various units we are able to offer our customers the features they value most when taking a trip by the sea: safety, the appearance and cleanliness of the ship, a pleasant atmosphere on board and the professional expertise of customer service staff.

The TNS Emor Customer Satisfaction Survey 2014 results showed that on most ships, the results improved. The positive changes are the biggest for the Baltic Queen (compared to Silja Europa results from 2013), the Baltic Princess and Superstar. The results have remained the stable for Silja Symphony and Victoria I. The improvement in ratings was visible for most of mapped aspects compared to previous year; the positive changes have been the biggest in general services and shopping aspects. Remarkable improvements were marked in service quality provided by staff- in addition to the skills of onboard staff; ratings have also improved compared to 2013 in case of service and pro-activeness in restaurants, entertainment places and in the shops.

Most appreciated aspects of our ships were pleasant welcome on board, cleanliness and tidiness of public facilities, taking care of passenger safety, well organized info desk service; also the professionalism of our onboard staff, the cheerfulness and outgoingness of our onboard staff, pleasant service in restaurant and entertainment places; additionally the selection of dishes in buffet restaurants and taste and quality of dishes in buffet restaurants, a la carte and fine dining restaurants.

In the Reader's Digest Trusted Brands competition, Tallink Silja Oy was once again selected as the most trusted shipping company in Finland.

## SOCIAL INDICATORS

# GROUP AS A SOCIALLY RESPONSIBLE, ENGAGING AND AWARE ORGANIZATION

All of them, all of us are the members of the community. Additionally to our everyday work, which has the purpose to give joy and relaxation to people, the Company gladly seeks for and acts on extra opportunities for the sake of the community. This means that the Company daily supports the children, education and health awareness in frames of sports.

The aim of engagement in initiatives as well as just supportive sponsorship is to back good ideas or plans and help them develop and blossom. For Tallink those projects also represent the values of the company.

**“Children are the future, but now they are also those members of the society, who need the most care, support and attention.”**

- Tallink Silja Oy continued close cooperation with the Association of Friends of the University Children's hospitals (Lastenklainikoiden Kummit) also in 2014. In 2014, as much as EUR 55,600 was raised to support paediatric surgical



*In the image (from left), Orthopaedist Mikko Haara, Department Head Sirpa Vanhasasi-Huida and Surgeon Heikki Sairanen receive the donation cheque from Tallink Silja's Minna Varis and Marika Nöjd. Anne Knaster, executive manager of the Association of Friends of the University Children's hospitals, was also present in the donation delivery event.*

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- care. The amount collected until this point and next year's donation will be used for a pediatric surgical imaging system, O-arm, which can take 3D images of bones. The equipment will be acquired for HUS Children's Hospital operating in Helsinki in 2015. Currently, only Oulu University Hospital has similar equipment available in Finland.
- Tallink Silja Oy is also one of the honorary donors to the new Children's Hospital being built in Helsinki. Tallink Silja donates a total of €100,000 to the new Children's Hospital 2017 project. About €35 million of the hospital's funding was raised from Finnish companies and people. The construction work has begun and the hospital will be completed in 2017. It will serve patients from all over Finland, and Estonia.
  - The Finnish Amateur Athletic Association (Suomen Urheiluliitto, SUL) and Tallink Silja Oy agreed on cooperation for the years 2013-2014. Thanks to the cooperation agreement, almost 25 000 children and adolescents are given a possibility to compete every summer in the athletic events of Silja Line Seurakisat.
  - Already for a few years in fall it has been a tradition to mobilize Latvian youth, who cares about Latvian history and who is ready for new experiences and intense competition in the outdoor staging of the patriotic game „The new guards of Riga: Remembering Lāčplēšus!”. The game simulates the fight for freedom in years 1918 and 1919, replaying the actual events of these years that paved the road for Latvia as a country. There are two essential parts of the game: trainings during six workshops (navigation with map and compass; giving commands and execution; the history of fight for Latvian freedom; hidden mobility; first aid) and the mission run „Remembering Lāčplēšus!” during which the youth is able to apply the acquired knowledge into practice. Game participants will not only have to answer the tricky questions, they would have to pass a physical test to become a 1919 years' warrior. Young people in 9 Latvian towns had the opportunity to participate in adventurous and challenging game. Each town's strongest and most cohesive team had the opportunity to win a travel tour across the Baltic sea together with Tallink. Overall, during the project there were 170 teams created and more than 1020 young individuals were involved in the game activities. Initially, the game has been organized as a local event, but at one point the team from Pärnu region (Audru, Estonia) has joined. The organizers have ensured the translation for Estonian warriors, and the team with a fighting spirit has won the first place in its group, which opened the way for them to the finals.
  - Tallink Silja Oy is the official shipping company of Santa Claus. Via the Santa Claus Foundation, we support particularly families with children.
  - As a large customer service company operating on the sea, Tallink can offer a unique internship experience both for future seamen as well as service sector employees. In order to make our contribution to the society and the future of the young people, Tallink tries to find possibilities to offer internship openings for applicants. As a result of this our company's vessels and the structures on land are at least one of the largest internship organizations in the region. In 2014 there were many interns welcomed on board of our ships and in our on land operations, 218 in service field and 105 in technical field respectively.

**“Sports are certainly a field that has many features in common with the principles and values of Tallink. Competitiveness, setting high aims and the principle of fair game are only some of them worth mentioning.”**

This is also the reason why one of our largest sponsorship projects is to support several individual tennis players aiming to reach the top world rankings.



*Kaia Kanepi.*

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- In Estonia, Tallink supports the largest community sports event of the year - Tallinn Marathon.
- For many years Tallink Latvia has been the partner of the largest and most heartwarming sports charity event in Latvia, Nike Riga Run. This event does so much more than simply promote a healthy and active lifestyle - it helps to collect financial resources for the project "For the little hearts", which supports children who have suffered cerebral palsy, often in combination with epilepsy, or other rare genetic disorders or traumas sustained during their lifetime and the effects of which they will have to live with for the rest of their lives. In order to further motivate the people to focus on a healthier and more active lifestyle, "Nike Riga Run" together with "Tallink" did offer the opportunity by open training sessions during summer earn their trip to Stockholm. Any participant of "Nike Riga Run" was able to get it if he has registered for the event, attended by at least twenty open training sessions and participated in the final run. This year close to 10 000 people in total participated in the event, including the Tallink team: employees of the Latvian office and ferry as well as Tallink Hotel Riga. Our colleagues evaluated their options and physical abilities, and participated in 5 km and 10 km running, Nordic walking, and roller-skating disciplines. Tallink's puppy friend Lotte also participated in the special children's run, bringing joy to the hearts of many children. By actively participating in Nike Riga Run we helped to fulfill the hopes of children and made the little ones feel that we care about their fate. You and me - we can help.
- Tallink Silja entered into new cooperation agreements during 2014. The Lahti Pelicans ice-hockey team and Tallink Silja Oy agreed on cooperation for the years 2014-2016. The agreement means that the team will travel on Tallink Silja ships and hold their season's closing cruise on a Tallink Silja ship. A similar agreement was also signed with the TPS ice-hockey team. The agreement was made for three years.
- An agreement was also made with the Loimaa Bisons team. The Bisons, Matkapojat and Tallink Silja Oy organized a large fund-raising campaign for sport clubs in connection with a Bisons game in Turku.
- The partners of Tallink Silja Oy also include Jarkko Nieminen, HIFK, Tappara, TPS-juniorit, HJK and the Finnish Championship tournament in street hockey.

**“The diversity of the events supported by the Company is large - in the cultural sector Tallink supports different music events and festivals like Jazzkaar, Tallinn Music Week, Viru Folk and Rock Summer.”**

Tallink also has been a long term partner for the large film festival PÖFF. Among numerous cultural projects, also theatres get attention and support by the Company. The Estonian Ministry of Culture gave AS Tallink Grupp the honorary title of the „Friend of the Culture in 2014“.



- In the Turku region, Tallink Silja supports the Cultural Partnership Initiative and the musical Mamma Mia performed at Svenska Teatern in Helsinki together with the Swedish subsidiary Tallink Silja Ab.
- Tallink Latvija and Tallink Hotel Riga in collaboration with State Blood Donor Centre organized a blood donor day at Riga passenger port in 2014. People could donate blood to help humans in need and as well to donate the state guaranteed and personal financial compensation for support animals at the animal shelter "Animal Friend". This charity event was attended not only by Tallink Latvia, Tallink Hotel Riga and ship M/S Isabelle employees, but also by our passengers and other people who wanted to help. The responsiveness was great and we received not only local currency, but also pounds, rubles, zloty, forints, Swedish and Norwegian crowns. The supporters' financial donations were used for purchasing the special gifts - animal food and other necessary things for the residents of the animal shelter, which we also did visit ourselves to deliver the donated goods as well as to pamper them with snacks and a friendly walk. All Tallink Latvia and Tallink Hotel Riga employees were invited to participate and visit „Animal Friend” animal shelter.

## FLEET

**BALTIC QUEEN**

Built	2009
Length	212 m
Passengers	2800
Lanemetres	1130
Ice class	1 A Super

**SUPERSTAR**

Built	2008
Length	177 m
Passengers	2080
Lanemetres	1930
Ice class	1 A

**BALTIC PRINCESS**

Built	2008
Length	212 m
Passengers	2800
Lanemetres	1130
Ice class	1 A Super

**STAR**

Built	2007
Length	186 m
Passengers	1860
Lanemetres	2000
Ice class	1 A

**GALAXY**

Built	2006
Length	212 m
Passengers	2800
Lanemetres	1130
Ice class	1 A Super

**VICTORIA I**

Built	2004
Length	193 m
Passengers	2500
Lanemetres	1030
Ice class	1 A Super

**FLEET**



**ROMANTIKA**

Built	2002
Length	193 m
Passengers	2500
Lanemetres	1030
Ice class	1 A Super



**SILJA EUROPA**

Built	1993
Length	202 m
Passengers	3123
Lanemetres	932
Ice class	1 A Super



**SILJA SYMPHONY**

Built	1991
Length	203 m
Passengers	2852
Lanemetres	950
Ice class	1 A Super



**SILJA FESTIVAL**

Built	1986 / 1992
Length	171 m
Passengers	2023
Lanemetres	885
Ice class	1 A Super



**SILJA SERENADE**

Built	1990
Length	203 m
Passengers	2852
Lanemetres	950
Ice class	1 A Super



**ISABELLE**

Built	1989
Length	171 m
Passengers	2480
Lanemetres	850
Ice class	1A Super

## FLEET

**REGINA BALTICA**

Built	1980
Length	145 m
Passengers	1500
Lanemetres	840
Ice class	1 A

**REGAL STAR**

Built	1999
Length	157 m
Passengers	80
Lanemetres	2087
Ice class	1 A

**SUPERFAST VII / VIII / IX**

Built	2001 / 2001 / 2002
Length	203 m / 203 m / 203 m
Passengers	717 / 717 / 728
Lanemetres	1900
Ice class	1 A Super

**SEA WIND**

Built	1972 / 1984 / 1989
Length	155 m
Passengers	260
Lanemetres	1100
Ice class	1 B

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Photos from private collections

**Printhouse:** AS Vaba Maa

### **Printed on recycled paper:**

Cyclus Offset – 100% recycled paper

AS Tallink Grupp recognizes 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 the low sulphur content fuel and we operate a zero spill policy. We promote actively environmental awareness by training and education of our employees and follow efficient use of energy and materials in offices and ships.



