

Environmental protection in our supply chain Standard

The Carnival's **Environmental protection in our supply chain Standard** ("Standard") sets out our requirements for our Suppliers to **eliminate harmful environmental impacts from their operations and protect the environment and natural resources** across all aspects of their supply chain, including reducing greenhouse gas (GHG) emissions, preventing pollution, minimizing the use of energy and production of waste, and managing water responsibly. We expect Suppliers to demonstrate their commitment to sustainability and biodiversity, reducing the environmental impact of sourcing.

This Standard outlines the requirements and practices expected from Carnival's Suppliers and specifies how to implement our [Responsible Sourcing Policy](#) ("Policy"). The Standard specifies both environmental management and environmental protection requirements and outlines how we verify that Suppliers meet our expectations.

As we navigate this journey with our suppliers to ensure that we have effective responses to prevent and address negative impacts on the environment, we are committed to evaluate options, work with various stakeholders and adjust our path as needed. As a result, the Standard may be updated from time to time.

The Carnival Responsible Sourcing Policy

As part of our commitment to responsible business practices, we require our suppliers to abide by the Carnival [Responsible Sourcing Policy](#), which requires compliance with all applicable laws and regulations, the **Carnival Business Partner Code of Conduct** (BPC), the Carnival [Human Rights Policy](#), the Carnival [Health, Environmental, Safety, Security and Sustainability Corporate Policy](#).

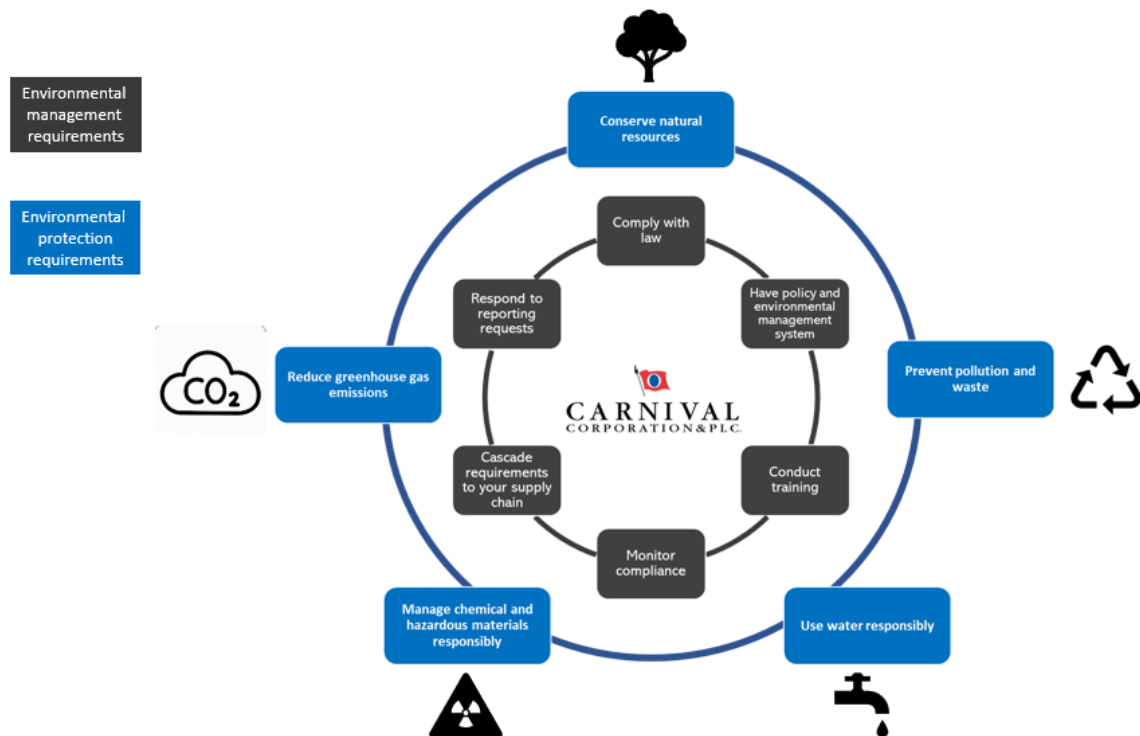
Requirements

The following listed requirements are a comprehensive but not exhaustive list of Carnival's supply chain requirements on environmental protection. They are complementary to and are not intended to replace or supersede legal requirements. As a minimum requirement, all Suppliers their affiliates, and their workers, must

- **comply with all applicable laws and regulations.**
- **implement their own environmental protection practices and training, in alignment with relevant laws, guidelines and industry codes related to environmental protection.**

In situations where laws applicable to our Suppliers are more stringent than our policies and standards, our suppliers must follow the applicable laws. Where local laws or their enforcement fall below the Carnival's Standard requirements, the expectation is for these requirements to be met. Our requirements are rooted in international standards, regulations and conventions. Carnival expects our Suppliers to uphold these requirements in their own operations and business relationships across their supply chain. This means Suppliers are expected to implement policies and due diligence procedures to detect, prevent, mitigate, and remediate any adverse impacts of their operations and supply chain on the environment.

Environmental management and protection chart overview



Environmental management detailed requirements

Respecting our Policy and commitments requires Suppliers to meet the following environmental management requirements:

Comply with all applicable laws.	Suppliers must be able to demonstrate that they have the relevant current and valid legal permits, have available for review any environmental certifications, and meet legal requirements.
Develop and implement a clear and publicly available policy and environmental management system.	<p>The environmental management system must cover their environmental impact related to energy, emissions, waste, air quality, hazardous materials, and water management and wastewater discharge. This should be proportionate and commensurate to the Supplier's specific circumstances, including its size, capacity, resources, and leverage</p> <ul style="list-style-type: none"> Suppliers must ensure that their environmental management policies and procedures are in place for all issues that present significant environmental risks relating to their operations. Suppliers should assign a responsible person (or department) with documented roles, responsibilities, and authority to make sure their policy commitments are achieved, that regulatory compliance is maintained and that environmental standards are met. The environment policy and associated management system must be endorsed by senior management. Suppliers' environmental management system must be updated periodically and identify and mitigate issues related to waste management and reduction. Due diligence policies and processes relevant to national and international sourcing requirements must be in place and implemented as required by applicable laws and regulations, and as advised or requested by Carnival prior to purchase, or as otherwise agreed in contract.
Conduct regular training to ensure effective	Suppliers must ensure that workers receive regular and recorded training on their labor policies and procedures, and that such training shall be repeated for new or reassigned

implementation, improvement and compliance with their environmental policies, procedures, and all necessary legal permits.	workers. Relevant policies and procedures must be widely communicated throughout the Suppliers' organization.
Monitor compliance to the required minimum requirements and their environmental performance.	Suppliers are expected to set environmental performance targets, and track and monitor how they progress against these targets. The environmental management process should be based on, or incorporating, ISO 14001 principles to support identifying risks, measuring and monitoring performance, and driving continual improvements to mitigate or minimize environmental impacts. A risk-based approach should be taken by Suppliers to determine the environmental issues that present the greatest potential for an adverse impact in connection with their business. Suppliers are encouraged to consider where they might introduce measures restorative to the environment and create resilience, particularly measures towards climate resilience.
Cascade environmental protection requirements through their supply chain.	Suppliers must communicate these requirements to their own Suppliers and monitor their compliance.
Respond to sustainability and environmental related reporting and information requests.	Such request may include sustainability commitments and progress, such as environmental footprint reporting, supply chain traceability and third-party verification, and transparency of the impacts identified, and the actions taken or proposed. Data may be used by Carnival to comply with the reporting and disclosure requirements of all relevant supply chain due diligence laws.

Environmental protection detailed requirements

Respecting our Policy and commitment requires Suppliers to meet the following environmental protection requirements:

Conserve natural resources, biodiversity and reduce environmental footprints	<p>Supplier must minimize the harm of their operations on ecosystems and are responsible for assessing risks and putting in place measures to ensure that their sourcing, farming, harvesting, mining, manufacturing, or distribution activities do not compromise and damage biodiversity and animals, forests and oceans, and other habitats, ecosystems and living systems.</p> <ul style="list-style-type: none"> Suppliers should protect our oceans, seas and waterways from environmental harm - ensuring ecosystems, plant life and aquatic animals thrive, both now and in the future. Suppliers are encouraged to protect natural habitats where possible to build resilience and protect threatened and endangered species. Suppliers must consider the use of pesticides on surrounding biodiversity and ecosystems and minimize use where possible.
Prevent pollution and waste	<p>Suppliers should aim to reduce pollution and waste related to their business by adopting the 'reduce, reuse and recycle' approach in the consumption of production materials.</p> <ul style="list-style-type: none"> Suppliers should strive to reduce or eliminate waste of all types, including source reduction, recycling, composting, and reusing materials. When handling waste suppliers are expected to put in places measures to ensure that waste, such as plastic waste, do not leak into the environment. Organic waste must be managed in a responsible manner.
Use water	Suppliers' operations should not negatively affect access to safe water for the

responsibly	communities, in which their operations are located, both now and in the future. This is particularly important in water stressed areas.
Manage chemical and other hazardous materials responsibly	Suppliers must ensure legal and responsible storage and disposal of all production waste including as a priority hazardous substances, discharges, effluents, and airborne emissions or other substances that would violate applicable laws or cause adverse environmental impacts on the local community. No contaminated or toxic wastewater should be discharged into the environment and neighboring communities.
Reduce Greenhouse gas (GHG) emissions	<p>Suppliers must identify sources of greenhouse gases emissions and implement reduction plans from both their own operations and that of their supply chain, via engineering solutions when relevant.</p> <ul style="list-style-type: none"> • Carnival encourages Suppliers to implement energy reduction programs including tracking their energy consumption, working towards optimization of energy use, and transitioning to clean energy sources wherever possible. • When requested, Suppliers must share footprint data for product level GHG emissions for the materials sold to Carnival. This should be done via an agreed methodology and include third-party verification. Data may be used by Carnival in public reporting and disclosure on Carnival's own GHG reduction targets.

Scope

This standard applies to all suppliers managed by our global sourcing function during the launch phase of our global responsible sourcing program. The scope will be progressively extended to all suppliers as we advance the implementation of our program. It is our suppliers' collective responsibility to ensure compliance with the RSP and this standard in their operations and throughout their supply chains through communication, education, and verification.

Verification of Compliance

Suppliers are expected to designate one or more members of management staff to be responsible for assessing and monitoring compliance with the Responsible Sourcing Policy and this Standard. Suppliers' commitment to comply with the requirements of our BPC which includes our Policy and standards, as well as all applicable laws is a material condition of being qualified as a Supplier and to continue business with Carnival. Suppliers will be required to provide evidence of their compliance with our minimum requirements before onboarding. Carnival may verify compliance with our expectations during the course of our business relationship. Our due diligence practice may include remote assessments or on-site visits.

New suppliers' authorization process

New suppliers must complete a declaration of compliance with **Carnival's Responsible Sourcing Policy, its associated Standards** and **BPC**, as part of our Supplier authorization process. In addition, we may require verification of compliance for certain suppliers. Failure to comply with these requirements may mean that Carnival is unable to complete the new supplier authorization process. As a result, the supplier would not be able to do business with Carnival until the issue has been resolved.

Existing suppliers' authorization process

Risk assessment

A risk assessment will be conducted to determine if a Supplier will be required to have an external audit or other forms of assessments conducted. Criteria include product category, inherent risks associated with suppliers' business activities or the nature of the contractual relationship.

Carnival is a member of [Sedex](#). We encourage our suppliers to also register with their online platform as it enables suppliers to share data and demonstrate their ethical business practices. When available, Carnival will use information provided by suppliers in [Sedex](#) to support our risk assessment.

Verification of compliance by external audit

Selected suppliers will be required to undertake an independent external audit to verify compliance to our Responsible Sourcing Policy and this Standard. Audits are facility inspections that include employee interviews

and a review of supplier records and business practices. Such audits will be conducted by Carnival's approved third party monitoring firms. Auditors will follow the Sedex Members Ethical Trade Audit (SMETA) protocol which includes all Carnival requirements, or a similar alternative protocol.

Suppliers are expected to cover the cost of the audit and to have a direct transactional and financial relationship with the audit company. Carnival must have access to the full audit report and supporting documentation from the audit, but Suppliers may use the output of the audit for the requirements of any of their other customers.

Audits have a validity of 1, 2 or 3 years based on the outcome of the audit. A new audit will be required prior to the expiration of the previous validity period.

Corrective action

Where an audit identifies non-compliance with our requirements, we will require the supplier to identify corrective actions and timeframes for completing those actions. The auditor will need confirmation that corrective actions have been completed for the supplier to achieve compliance. Depending upon the nature of the issue, the auditor may need to make a follow-up site visit.

Reducing auditing burden

Carnival may recognize audits carried out by internationally recognized auditing firms on Carnival approved protocols and which have been completed within the past 1-2 years (depending on risk and nature of past non-compliances).

Other assessment methodologies

Carnival is continuously reviewing the most effective approach to assess supplier compliance to our requirements. In addition to audits, we may introduce alternative verification approaches.

Consequences for violations of the Standard or applicable laws

We encourage Suppliers to proactively disclose to us where they are having challenges meeting this Standard, so we can work together to address issues, strengthen management systems and implement remediation solutions.

In the case of prolonged or excessive non-compliance, Carnival reserves the right to review our business with our supplier, up to and including termination of the business relationship and any related contracts.

Grievance mechanism and whistleblowing

We are committed to ensuring that workers who report violations or participate in investigations are treated fairly. Suppliers may not retaliate against their workers who report in good faith possible violations of the law, Policy and Standard to Carnival, law enforcement or government agencies or directly through the suppliers' grievance mechanism.

- Suppliers must have systems in place to enable anonymous grievance. Suppliers must respond accordingly to concerns raised, including agreed remedies where appropriate.
- Grievance mechanisms must be continuously monitored, records maintained, and appropriate actions taken in a confidential manner. Workers must be informed of how to access grievance mechanisms.
- In addition, anyone who becomes aware of any actual or potential violation by any Carnival supplier of our Policy, Standard, BPC or any applicable law, or other misconduct, should immediately report such conduct to Carnival. Suppliers, including their employees, may contact Carnival directly via either the Carnival employee with whom they have a working relationship or the Carnival Compliance Hotline "Speak up", which allows for confidential and secure reporting where permitted by law. The Carnival Compliance Hotline can be reached using the contact information detailed in our BPC.

Jon McKeown
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POLICY NAME: Responsible Sourcing Policy	LAST REVISED DATE: 05/19/2025
OWNER: Jon McKeown	VERSION: 2.0
EFFECTIVE DATE: 01/01/2025	POLICY NO: 001