CRUISING
About Carnival Corporation & plc • Corporate Governance & Ethics
OUR COMPANY

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Carnival Corporation and Carnival plc operate a dual listed company (DLC) arrangement, whereby the businesses of Carnival Corporation and Carnival plc are combined and they function as a single economic entity through contractual agreements between separate legal entities. Shareholders of Carnival Corporation and Carnival plc have the same economic and voting interest but their shares are listed on different stock exchanges and are not fungible. Carnival Corporation is traded on the New York Stock Exchange (NYSE) under the symbol CCL. Carnival plc is traded on the London Stock Exchange under the symbol CCL and as an American Depository Share on the NYSE.1

OUR HISTORY

Although the name Carnival Corporation didn’t come into existence until 1994, the foundation for our company was laid when our flagship brand, Carnival Cruise Line, was formed. Carnival Cruise Line got its start in 1972 with a single ship, the Mardi Gras, a converted ocean liner. The success of the Mardi Gras was instrumental in our growth. The entrepreneurial spirit and pioneering vision of our founder, the late Ted Arison, provided a solid foundation for our company’s future.

After achieving its position as “The World’s Most Popular Cruise Line”, in 1987 Carnival Cruise Line made an initial public offering of 20 percent of its common stock which provided the initial influx of capital that allowed our company to begin expanding through acquisition.

In 2003, agreements were finalized to combine Carnival Corporation with P&O Princess Cruises plc, creating the world’s first global cruise operator - Carnival Corporation & plc. Over the years, we have acquired a leadership position in virtually every market segment of the cruise industry.

CRUISING TO CUBA

In May 2016, Carnival Corporation & plc became the first U.S. cruise operator in over 40 years to bring U.S. cruise guests directly from the U.S. to Cuba. Our guests visit three beautiful and unique destinations on the island all in one week. Our Fathom brand takes them to Havana, Cienfuegos and Santiago de Cuba. They are experiencing a wide variety of activities covering an array of interests, ranging from an orientation of Cuba’s history, costumes and culture, to geography-inspired entertainment, casual and fun personal enrichment activities, and even conversational Spanish lessons. Expanding the Cuba experience to our other brands, in February 2017, Carnival Cruise Line was granted approval to begin sailing to Cuba in June 2017. These visits will consist of overnight stays in Havana as part of four and five day cruises.

1) Carnival Corporation & plc includes divisional brand Carnival Cruise Line, referred to in this report as “Carnival Cruise Line.”
SERVICES AND OPERATING STRUCTURE

Each of our brands is a leader in its respective market segment, has a well-known brand name and has a responsibility to operate sustainably as part of our strategy. We manage the company in a “Group” or “Operating Line” structure. During 2016, the following Carnival Corporation & plc Operating Lines operated and managed one or more of our cruise brands:

- Carnival Cruise Line.
- Carnival UK, which operates Cunard, P&O Cruises (UK) and shares responsibilities for Fathom’s operation.
- Costa Group, which operates AIDA Cruises and Costa Cruises.
- Holland America Group, which operates Holland America Line, P&O Cruises (Australia), Princess Cruises, Seabourn and shares responsibilities for Fathom’s operation.

In addition to our cruise operations, we own Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon, which complements our Alaska cruise operations. Our tour company owns and operates hotels, lodges, glass-domed railcars and motorcoaches. We also operate a portfolio of leading port destinations and private islands in select geographies around the world.

Additional details relating to our company, Corporate Operating Structure and organization are disclosed in the Carnival Corporation & plc 2016 Annual Report to Shareholders and in our Annual Report on Form 10-K on the Carnival Corporation & plc website: www.CarnivalCorp.com

TOGETHER, OUR BRANDS VISITED OVER 760 DISTINCT PORTS AND ICONIC LOCATIONS IN FY2016.

SCALE OF ORGANIZATION

We employ over 84,600 crew members on board our ships at any given time. Our shoreside operations employ approximately 10,500 full-time and 2,100 part-time/seasonal employees. As of January 19, 2017, we operated 102 cruise ships, with a total passenger capacity (based on double occupancy) of 221,000 guests.

We are among the largest, most profitable and financially strong leisure travel companies in the world with a market capitalization of over $38 billion at January 19, 2017. Our FY2016 revenues were approximately $16.4 billion and total assets as of November 30, 2016 were approximately $38.9 billion. In 2016, we took 11.5 million guests on vacation. Our products provide our guests with exceptional vacation experiences at an outstanding value.

We continue to grow our presence in established markets and increase our penetration in developing markets, such as Asia. We believe that we have significant opportunities to continue to profitably grow our presence in China due to its large and growing middle-class population, expansion of its international tourism and the government’s plan to support the cruise industry. Including the introduction of a Princess Cruises ship, the Majestic Princess built specifically for Chinese guests in 2017, 6% of our total capacity will be deployed in China.
FLEET AND ORGANIZATIONAL DYNAMICS

We are building new, innovative, purpose-built ships that are larger, more fuel efficient, have a greater number of balconies and present a wider range of onboard amenities and features. These ships further enhance the attractiveness of a cruise vacation while achieving greater economies of scale and resulting in improved returns on invested capital.

During FY2016, we added four new ships and removed one ship:

• AIDAprima was added to AIDA Cruises
• Carnival Vista was added to Carnival Cruise Line
• ms Koningsdam was added to Holland America Line
• Seabourn Encore was added to the Seabourn fleet and began cruising in FY2017
• Ocean Princess left the fleet

As of January, 2017, we have a total of 19 cruise ships scheduled to be delivered between 2017 and 2022. Some of these ships will replace existing capacity as less efficient ships exit our fleet. We continue to make substantial investments in our existing ship enhancement programs to improve our onboard product offerings and enrich our guests’ vacation experiences.

In an effort to extend our commitment to sustainability and to play a leading role in matters of environmental protection in the cruise industry, we are expanding our investment in the use of low carbon fuels, in particular, liquefied natural gas (LNG). We have seven next-generation cruise ships on order that will be the first in the industry to be powered at sea by LNG. Pioneering a new era in the use of low carbon fuels, these new ships will use LNG to generate 100 percent of their power both in port and on the open sea - an innovation that will reduce carbon emissions to help protect the environment.

In December 2016, Alan B. Buckelew, who has served as Carnival Corporation & plc’s Chief Operations Officer, based in Shanghai since 2014, returned to the U.S. in a new role as Chief Information Officer. With this change Michael Thamm, Group CEO, Costa Group and Carnival Asia, now oversees operations in China as part of his expanded role. Thamm has been Group Chief Executive Officer of Costa Group since 2012 and of Carnival Asia since December 2016. In this capacity, he is responsible for Costa and AIDA and management oversight of all Asia operations.

In December 2016, Jan Swartz was promoted to Group President, Princess Cruises and Carnival Australia to further drive coordination across the seven Carnival Corporation brands in the Australia/New Zealand region. Swartz’s portfolio, in addition to leading Princess Cruises, includes responsibility for the Carnival Australia shared services for the Carnival Corporation brands operating in and sourcing from Australia. She also directly oversees the P&O Cruises Australia brand.

There were no other significant changes during the reporting period regarding the size, structure, or ownership of Carnival Corporation & plc.
OUR NEWEST SHIPS

New advancements and innovations in cruise ship design is helping our fleet become more comfortable and environmentally friendly.

**AIDA**

AIDAprimais the world’s first cruise ship that can be operated while in port with liquefied natural gas (LNG) which has a lower carbon profile and cleaner emissions compared to conventional marine fuels. [Click here to learn more.]

**Carnival**

*Carnival Vista* is the first Carnival Cruise Line ship to achieve the “ECO Notation” designation by classification society Lloyds Register. This notation recognizes its environmental design and operation. [Click here for a virtual tour.]

**Holland America Line**

*ms Koningsdam* debuts several innovative concepts and new public spaces and venues. The ship features Holland America Line’s first purpose-built staterooms for families and solo travelers. [Click here to learn more.]

**Seabourn**

Designed by hospitality design icon Adam D. Tihany, *Seabourn Encore* features modern design elements and innovations in keeping with Seabourn’s reputation for understated elegance. [Click here for a first look.]
ENHANCED GUEST EXPERIENCE –

**OCEAN MEDALLION™**

We have successfully delivered innovative products & experiences to our guests for more than four decades. Our continuous innovation with ship design allows our guests to enjoy carefully crafted experiences while effortlessly en-route to their next port-of-call. And our leading port development efforts have opened new locations and experiences to our guests.

At the forefront of innovation and our continuous efforts to enhance our cruise products and services, we unveiled in January 2017, an interactive guest “Experience Platform” to enable elevated service levels through enhanced guest interactions before, during and after cruise vacations. The Ocean Medallion™ and its ecosystem will enable personalized and customized guest experience on a level not previously considered possible by interacting with thousands of sensors, kiosks, interactive surfaces and smart devices. With this innovation, from the moment our guests first engage with us, their experiences will seamlessly be powered by their preferences.

The Experience Platform leverages multiple technologies that work together to transform the guest experience and includes the following key elements:

- **Ocean Medallion™** - a revolutionary wearable device that enables a highly personalized vacation experience
- **Ocean Compass** - a digital concierge that works in conjunction with Ocean Medallion to create the ultimate vacation experience
- **xiOS** - an invisible network of interactive intelligent sensors and embedded devices mounted throughout the ship, home ports and destinations that uses a guest-centric, Internet of Things approach to enable a seamless guest experience

The new guest experience platform will debut on Regal Princess in November 2017, followed by Royal Princess and Caribbean Princess in early 2018.
## GRAND TOTALS

FY2016 Business Dimensions & Direct Economic Value Generated and Distributed

### BUSINESS DIMENSIONS

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Number of Guests</td>
<td>11.5 million</td>
</tr>
<tr>
<td>Guest Capacity</td>
<td>221,000</td>
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<tr>
<td>Number of Ships</td>
<td>102</td>
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<tr>
<td>Average Number of Employees</td>
<td>97,200</td>
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</table>

### FINANCIAL DATA

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$16.4 billion</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$38.9 billion</td>
</tr>
<tr>
<td>Payroll and Related</td>
<td>$2.0 billion</td>
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<tr>
<td>Interest Expense, Net</td>
<td>$0.2 billion</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$13.3 billion</td>
</tr>
<tr>
<td>Dividends</td>
<td>$1.0 billion</td>
</tr>
<tr>
<td>Dividends</td>
<td>$1.0 billion</td>
</tr>
</tbody>
</table>

1. As of November 30, 2016 Annual Report on Form 10-K
2. Capacity is based on two guests per cabin
3. Additional financial data can be found in the 2016 Annual Report on Form 10-K

### CONTACT US

For questions or to provide feedback regarding this Sustainability Report or its contents, please contact:

Elaine Heldewier, Director Sustainability Programs  
Karina Hilton Spiegel, Manager Sustainability Programs  
Maritime Policy & Analysis at Carnival Corporation & plc  
3655 N.W. 87th Avenue, Miami, Florida 33178-2428 U.S.

Email: Sustainability@Carnival.com
Although our Cruise Brands are different in terms of product, style and amenities, they share several traits – each is one of the most successful in its respective area, has a well-known brand name, and has a responsibility to operate sustainably as part of our strategy. Leadership, visibility and shared responsibility unite our cruise brands.
2020 GOAL & UPDATE:
Business Partner Code of Conduct and Ethics
Further develop and implement vendor assurance procedures ensuring compliance with Carnival Corporation & plc’s Business Partner Code of Conduct and Ethics.

As part of our supply chain initiatives to improve sustainability performance:

• We revised our Business Partner Code of Conduct and Ethics to include our commitment to comply with the United Kingdom’s Modern Slavery Act of 2015. This Act requires companies to disclose information regarding their efforts to combat slavery and human trafficking in their supply chain and within their business. Our employees are subject to and are expected to follow our Code of Business Conduct and Ethics. We also expect our business partners to adopt and incorporate these commitments into their own organizations.

• Our purchasing and sourcing departments began utilizing a Supplier Evaluation Questionnaire (SEQ) to assist our evaluation of business partner ethics, compliance, sustainability and other risks.

FY2016 CORPORATE GOVERNANCE & ETHICS PERFORMANCE

BOARDS OF DIRECTORS
Quarterly performance data, including relevant summaries and trends, are reported to our corporate and brand management, Board-level Committees and Boards of Directors. Specifically, the health, environment, safety and security (HESS) committees are briefed by management on the status, progress of and plans for HESS and sustainability related matters as well as on HESS audit results.

TRANSPARENCY
As part of our transparency efforts, we disclose key environmental and social data in our annual reports as well as in the performance summary on pages 80-83 of this report.

HESS POLICY
We revised our corporate Health, Environmental, Safety, Security (HESS) and Sustainability policy (see page 107) to further detail our commitment to risk mitigation, business partner compliance, prohibition of retaliation and to require employees to report any inability to comply with requirements (company, legal or statutory).
FINES AND SANCTIONS

- We did not receive any sanctions or significant fines for non-compliance with non-environmental laws and regulations.

- On December 1, 2016, Princess Cruises, one of our brands entered into a plea agreement with the U.S. Department of Justice with respect to environmental violations of federal laws by the Caribbean Princess. As part of the plea agreement, Princess will pay a $40 million fine. For more details please visit: www.princess.com/news/notices_and_advisories/cbresponse

The amount of environmental fines paid and sanctions is disclosed in the Performance Summary of the report on page 81.

BOARD MEMBER DIVERSITY

Our Boards are comprised of ten Directors, two with Executive functions and eight Non-Executive Directors. In 2016, a female Non-Executive Director joined the Boards, increasing the number of female Board members to three, representing 30% of board members. For profiles of all the current members, please visit our website at www.CarnivalCorp.com.

ARISON MARITIME CENTER

We opened the Arison Maritime Center, the new home of the Center for Simulator Maritime Training Academy, also known as the CSMART Academy. CSMART’s mission is to be a leader in developing and delivering the best professional training in the maritime industry. With its new scale, technology and equipment, and innovative training approach, the new facility is the most progressive maritime center of its kind in the world for training. It will enable us to continuously improve upon our industry-leading safety and excellence practices. See pages 34-35 for more details.

BOARDS OF DIRECTORS SPOTLIGHT

Sir John Parker – Chairman, HESS Committee

Sir John Parker has served on Carnival Corporation & plc’s Boards of Directors since 2003. Sir John’s qualifications to serve on the Boards include an extensive international background and wealth of corporate experience. He has served as CEO, Chairman or Non-Executive Director in over 20 major UK and global companies and chaired five FTSE 100 companies. He studied naval architecture and mechanical engineering at the Belfast College of Technology and Queens University in Belfast, Northern Ireland. He has also received honorary doctorates from a number of universities in the UK and Ireland and in 1983 was elected a Fellow of the Royal Academy of Engineering and was president of the Academy from 2011 to 2014. He was Knighted in 2001 for services to shipbuilding and the defense industries and in 2012 was made a Knight Grand Cross of the order of the British Empire (GBE) for services to industry and the voluntary sector.

Sir John first served on the Carnival Corporation & plc Boards of Directors Audit Committees. He was later instrumental in consultation with the Chairman Micky Arison in identifying the need for and the establishment of a Health, Environment, Safety and Security (HESS) Committees of the Carnival Corporation & plc Boards of Directors. He has been the Chair of the HESS Committees for over 10 years and is also a member of the Nominating & Governance Committee of the Boards.

Throughout his years of service to the Boards of Directors, his vision and foresight have been a significant influence on the Carnival Corporation & plc management team, in many cases resulting in positive changes in the HESS area. Sir John was an early advocate for the development of the Arison Maritime Center and a driving force behind management’s decision to integrate best practices and procedures into a single corporate-wide safety management and audit tracking system. These examples are a reality today in large part due to Sir John’s leadership and highlight his significant contributions to the success of the Carnival Corporation & plc organization.
OUR COMMITMENT

We recognize our responsibility to provide industry leadership and to conduct our business as a responsible corporate citizen. We are committed to achieving and maintaining the highest standards of professional and ethical conduct. Adherence to the rule of law, ethical working practices, good corporate governance and transparency are extremely important to our stakeholders, and they are central to our sustainable business success.

Our ships are regulated by the various international, national, state and local laws, regulations and treaties in force in the jurisdictions in which our ships operate. Our ships are registered in the Bahamas, Bermuda, Italy, Malta, the Netherlands, Panama and the UK. They are regulated by these countries and by the international conventions that govern health, environmental, safety and security matters in relation to guests, crew members and the ships themselves.

Representatives of each “Flag,” or country of registry, conduct periodic inspections, surveys and audits to verify compliance with these regulations. In addition, we are subject to the decrees, directives, regulations and other requirements of the more than 700 ports that our ships visit every year as they apply to the various aspects of our ships’ operations. The Summary of Key Regulations Governing Our Operations on pages 92-106 summarizes the principal laws, acts, codes, directives, legislation, protocols, statutes, rules, regulations and voluntary guidelines related to international environmental, maritime safety and labor requirements with which we comply.

OUR STRATEGY

The daily operations of our company are executed by our employees under the direction and supervision of our President and Chief Executive Officer, Arnold W. Donald, and the CEOs and Presidents of each of our brands. Micky Arison is Chairman of the Boards. Our Boards of Directors are responsible for governance of our performance and strategies. We provide further details in the Corporate Governance section on our website and in the annual Proxy Statement at www.CarnivalCorp.com, including:

- Mechanisms for shareholders and employees to provide recommendations or direction to the Boards of Directors.
- The processes for the Boards of Directors to ensure conflicts of interest are avoided.
- The process for determining the required qualifications and expertise of the members of the Boards of Directors.
- The processes for evaluating the performance of the Boards of Directors.
- Linkages between compensation for members of the Boards of Directors, Executives and Senior Managers, and the company’s performance.

We have policies and safeguards in place and promote high ethical standards. Our policies meet or exceed regulatory requirements. Our leadership is committed to our Code of Business Conduct and Ethics and our Business Partner Code of Business Conduct and Ethics, which require that every employee, members of the Boards of Directors, and business partners use sound judgment, maintain high ethical standards and demonstrate honesty in all business dealings. As part of our ethics program, we conduct periodic risk assessments and audits that cover our corporate entity, as well as our brands and business units. Risk assessment and audit results help us direct and focus our compliance resources and work plans to address identified compliance risk.

Integrity is a fundamental value for all business units. Our employees are informed about our Code of Business Conduct and Ethics when they are hired and are required to complete training to aid in their understanding of the company’s expected standards of behavior.

To read more about our Corporate Governance practices please see the latest annual Proxy Statement and the Corporate Governance section of our website at www.CarnivalCorp.com
MISSION & VALUES

MISSION
Our mission is to take the world on vacation and deliver exceptional experiences through many of the world’s best known cruise brands that cater to a variety of different geographic regions and lifestyles, all at an outstanding value unrivaled on land or at sea.

OUR VALUES
Given our global reach and impact, we are committed to the following health, environment, safety, security and sustainability core values:

• Protecting the health, safety and security of our passengers, guests, employees and all others working on our behalf, thereby promoting an organization that always strives to be free of injuries, illness and loss.

• Protecting the environment, including the marine environment in which our vessels sail and the communities in which we operate, striving to prevent adverse environmental consequences and using resources efficiently and sustainably.

• Complying with or exceeding all legal and statutory requirements related to health, environment, safety, security and sustainability throughout our business activities.

• Assigning health, environment, safety, security (HESS) and sustainability matters the same priority as other critical business matters.

Our management ensures that the values and objectives stated in our HESS Policy are clearly understood by everyone in the organization and articulated on a regular basis. Senior management reviews this HESS Policy at least annually. If changes are warranted, it will be updated; otherwise the policy remains unchanged. The full text of our HESS Policy can be found on page 107, as well as on our website at www.CarnivalCorp.com.