

BUILDING A BETTER FUTURE – COLLABORATION AND DESTINATION STEWARDSHIP



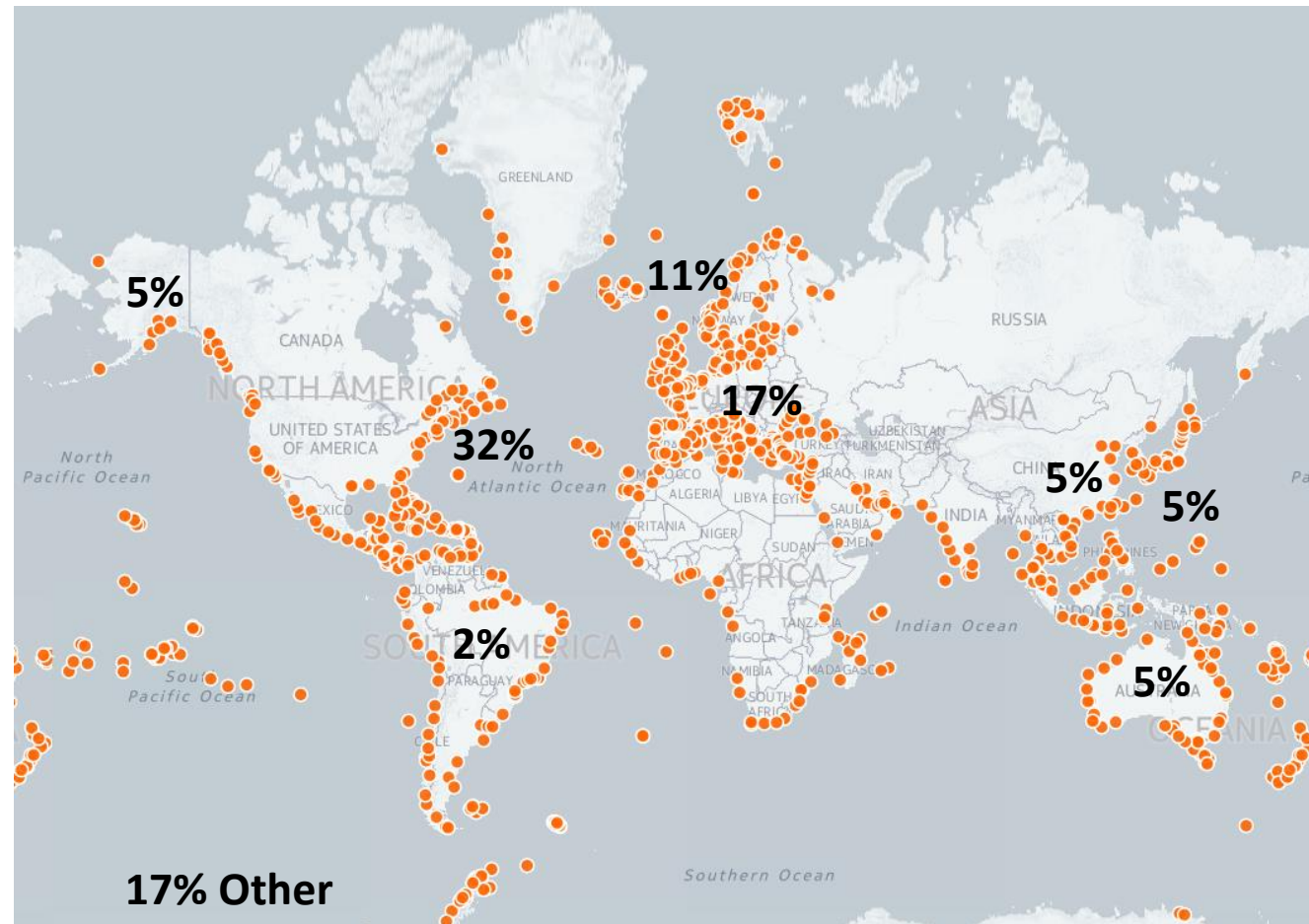
Juneau Chamber of Commerce
January 12, 2023

ONE INDUSTRY. ONE VOICE.

GLOBAL INDUSTRY



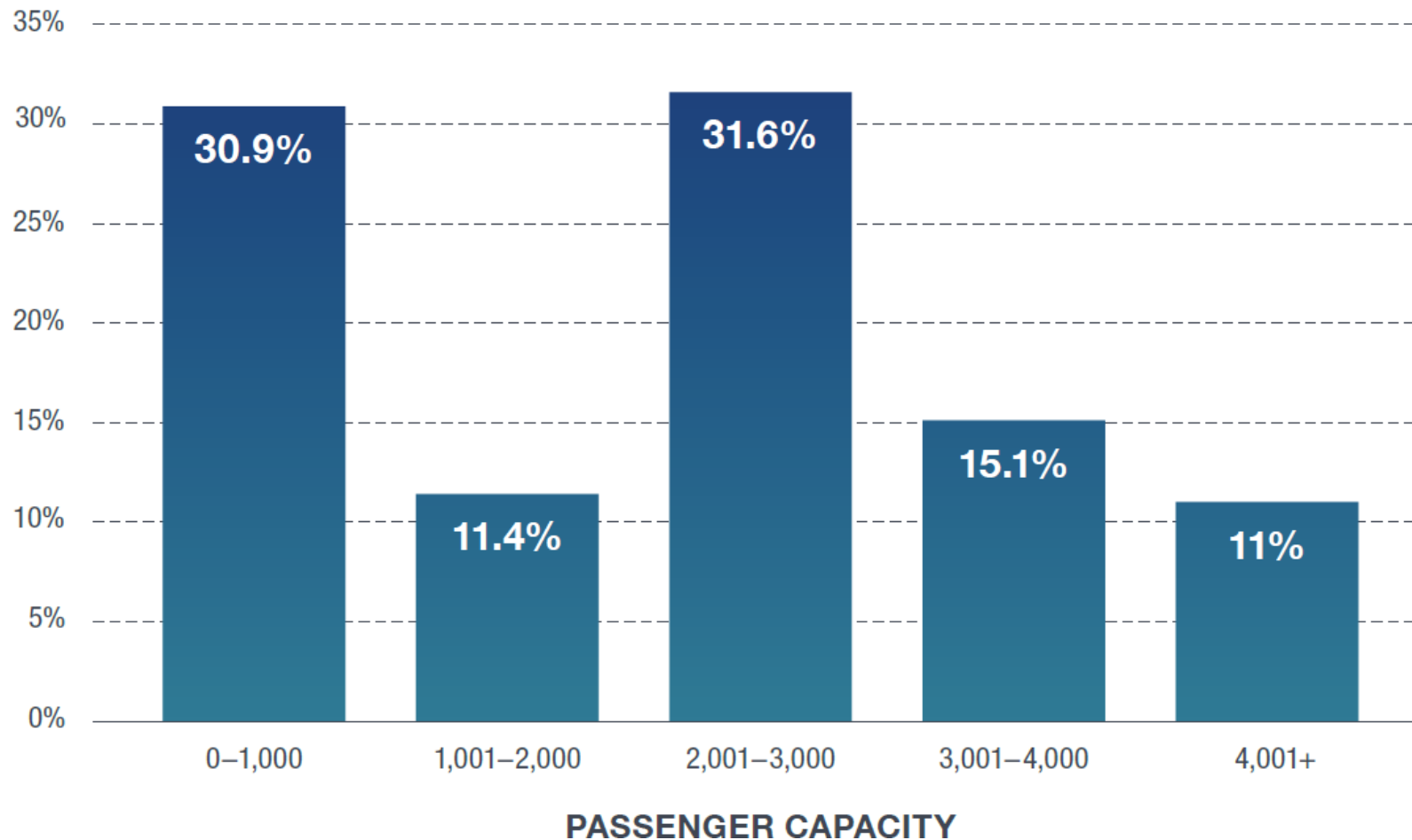
MORE
THAN
1,000
PORTS
GLOBALLY



2022 CLIA OCEAN-GOING MEMBER FLEET



2022 Project Member Fleet (% of ships)



DRIVING INNOVATION FOR A MORE EFFICIENT FUTURE



BY 2027,
THE CLIA OCEAN-GOING MEMBER FLEET WILL INCLUDE



26

LNG-powered
CLIA ocean-going
cruise ships

16%

of global capacity



231

CLIA ocean-going
cruise ships equipped
with advanced
wastewater systems

81%

of global capacity



176

CLIA ocean-going
cruise ships equipped
with exhaust gas
cleaning systems

81%

of non-LNG global capacity



174

CLIA ocean-going
cruise ships equipped
shoreside power
connectivity

66%

of global capacity

Source: CLIA Environmental Technologies and Practices and Oxford Economics Report 2021

Projections do not account for retirement of vessels between now and 2027; vessels without these technologies, and/or unable to be retrofitted with these technologies are more likely to be retired first

Cruise Is Sailing To A Better Future

Cruise lines are leading the way toward a more sustainable future, investing in innovative technologies aboard our global fleet of cruise ships.



Exhaust gas cleaning systems that improve air quality at sea and in port

Installation of tinted windows, higher efficiency appliances and HVAC systems and windows that capture and recycle heat

Advanced recycling systems and practices that allow some ships to recycle 100% of waste

LED lighting - lasts 25 times longer and uses 80% less energy

DRAFT GRAPHIC

Energy-efficient engines that consume less fuel and reduce emissions

Advanced wastewater treatment facilities are equivalent to the best shoreside treatment plants and go well beyond international requirements

Air lubrication systems for ship hulls to reduce drag and fuel consumption for greater efficiency

Cruise lines are realizing the benefits Liquid Natural Gas (LNG) now as a transitional fuel— which has virtually zero sulfur emissions, a 95% to 100% reduction in particulate emissions, an 85% reduction in NOx emissions, and up to a 20% reduction in greenhouse gas emissions—and increasing the number of ships that are able to utilize LNG for primary propulsion.

40% of global capacity fitted to operate on shore-side electricity

Special paint coatings for ship hulls that reduce fuel consumption by up to 5%

More than 15% of the new vessels to be launched in the next five years will be equipped to incorporate fuel cells or batteries, as part of a hybrid approach towards lowering the carbon footprint of the voyage

61% of new build capacity will rely on LNG fuel for primary propulsion

75% of the global fleet is capable of using sustainable marine fuel once available at scale

The cruise industry is at the forefront of exploring sustainable marine fuels, including biofuels and other advanced approaches such as biodiesel, methanol, ammonia, hydrogen, and electric batteries

SAY PROGRAM IN DENALI

OUR INITIATIVES AND PROJECTS

HAP Alaska-Yukon strives to protect our environment proactively. We are engaged in reducing energy and waste generated, from installing LED lights to running solar-powered carts.

Here are some of the other initiatives and projects we participate in to achieve our sustainability goals as part of the Sustain Alaska and the Yukon program:

Recycling & Composting

- » We have increased cardboard recycling in Denali over 100% to 133K lbs in 2019.
- » We partnered with Denali Borough to start a community recycling program in 2020.
- » Our properties recycle cardboard, plastics, office paper, aluminum cans, scrap metals, linens, furniture, cooking oil, lightbulbs, batteries, and e-waste. We have investments in recycling, composting, kitchen waste oil burners, and food bio-digester equipment to reduce all types of waste.
- » The toilet paper, napkins and paper towels that we use are made from 100 percent recycled content.
- » Several lodges compost on site or participate in local composting programs.

Decreasing Single-Use Plastic

- » We have cut down on single-use plastic items such as plastic straws, garbage bin liners, and water bottles by offering water refill stations and asking guests if bags or disposables are needed before distributing.
- » Refillable amenity dispensers are in all guest room showers.
- » For when we need to use single use disposables, we purchase earth-friendly compostables.
- » We have removed water in single use plastic bottles from our motorcoaches, gift shops and food & beverage venues and replaced them with locally sourced water bottles in aluminum, that is eternally recyclable.

Investing

- » HAP has invested in new technology to reduce waste and our greenhouse gas emissions. Investments include a hybrid laundry truck, food digesters, wildlife proof composting units, glass crushers, cardboard balers, and heaters that burn used kitchen oil.

Educating & Incentivising

- » We are committed to educating our employees on ways they can participate and reduce our impact.
- » We provide awards for innovative ideas from our employees.
- » We offer coupon incentives to guests who decline stay-over service to save water, cleaning products, and linens.



CRUISE IN ALASKA



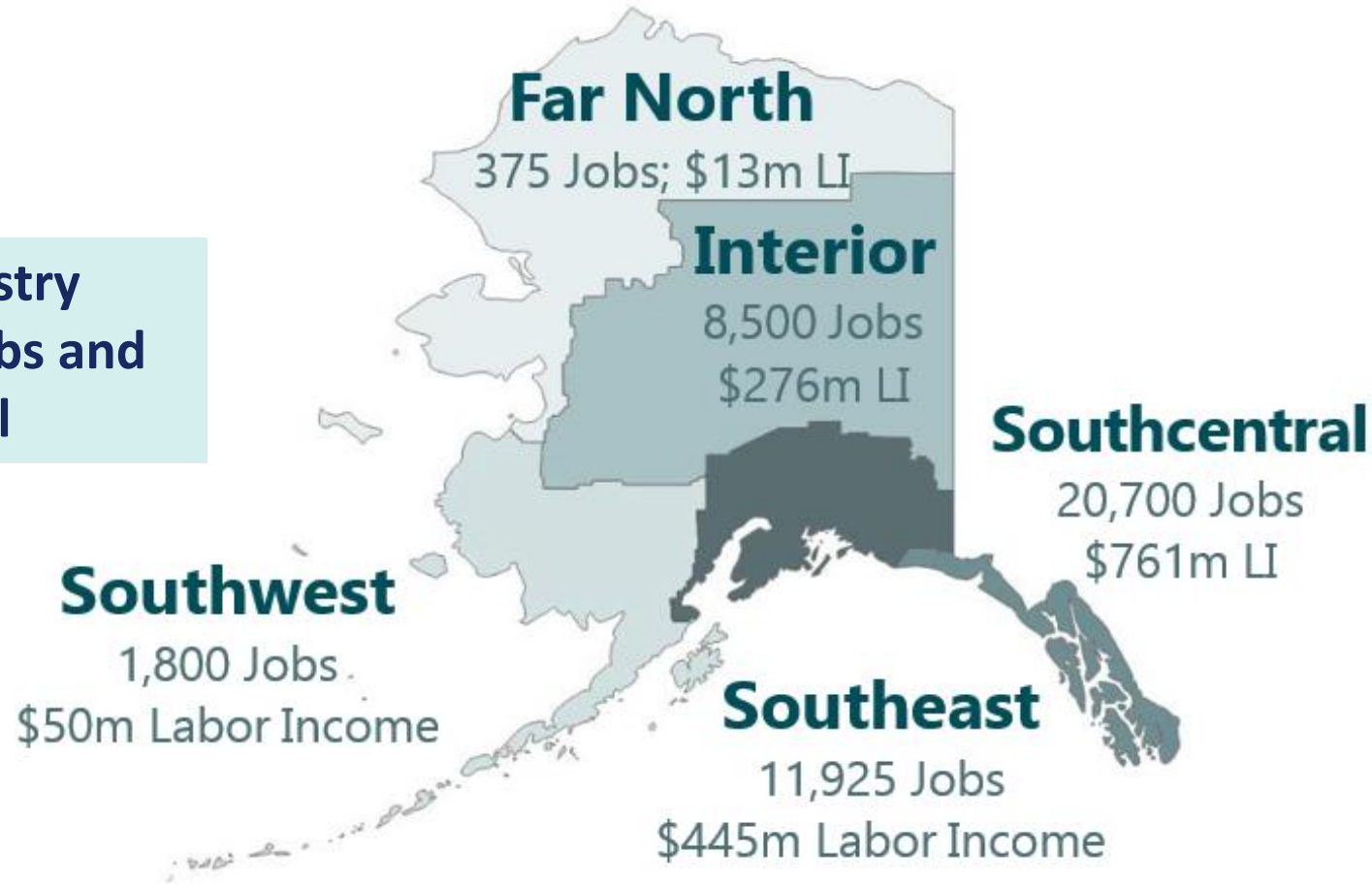
HOW CRUISE VISITORS TRAVEL TO AND AROUND ALASKA



Economic Impacts of Alaska's Visitor Industry, 2017, by Region



Alaska's Visitor Industry
Generates 52,000 Jobs and
\$1.5 Billion in Payroll




Employment Impacts of Alaska's Visitor Industry, 2017, Number of Jobs by Sector

\$4.5 BILLION IMPACT



Figure 1. Visitor Industry Economic Impact Model

A diagram consisting of three concentric circles on the left side of the table. The outermost circle is dark teal, the middle circle is a medium teal, and the innermost circle is a light teal. These circles correspond to the three levels of economic impact: Direct, Indirect, and Induced.

Direct impacts Visitors spend money in Alaska	Goods Food/beverages Souvenirs Fuel for rental cars	Services Tours Recreation Lodging
Indirect impacts Companies that directly serve visitors spend money	Goods Restaurant supply Inventory Fuel for transportation	Services Utilities Maintenance Accountants
Induced impacts Employees of tourism and related companies spend money	Goods Groceries Clothing Restaurants	Services Medical care Housing Recreation

Source: Economic Impact of Alaska's Visitor Industry, 2017, McDowell Group

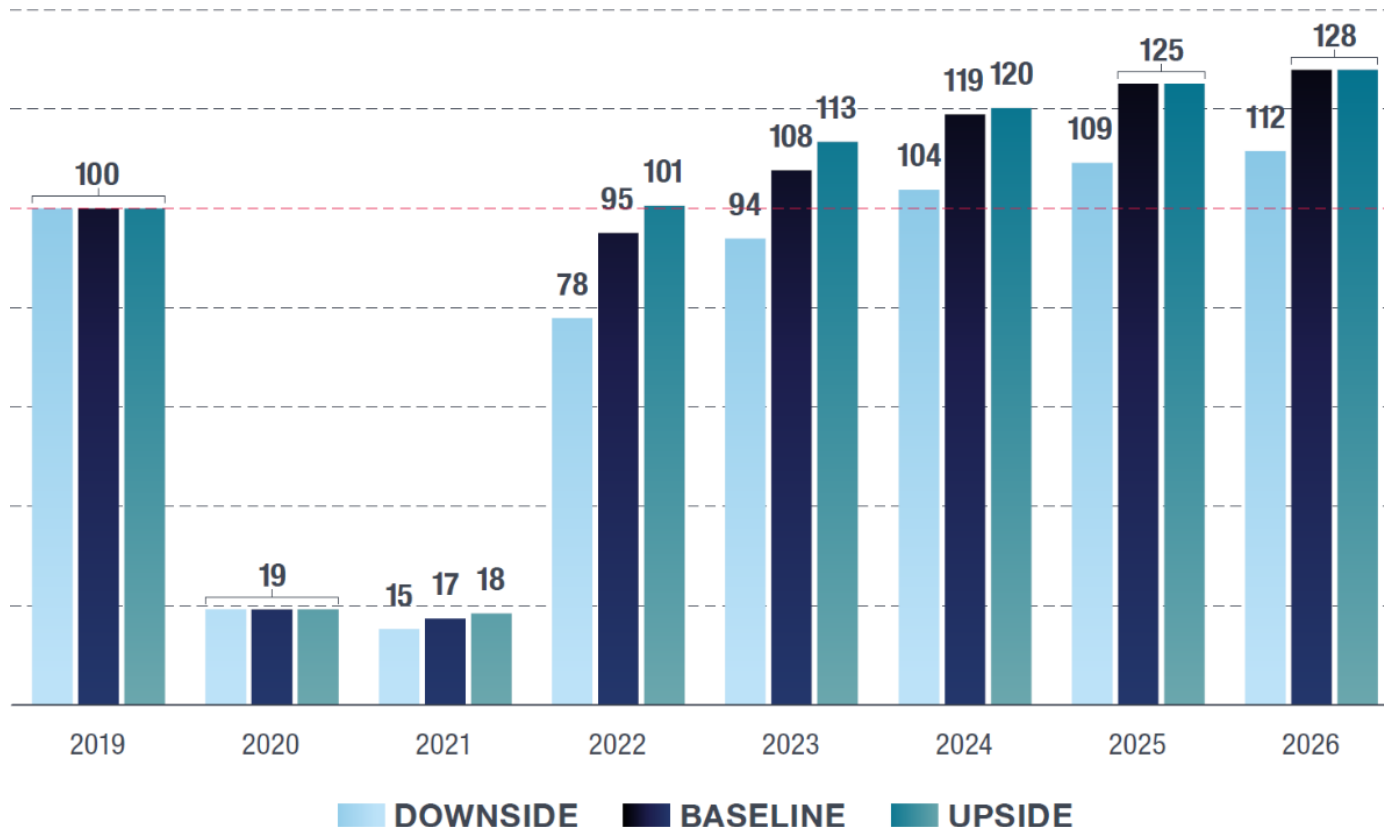
2022 REVIEW

2022 WAS A PIVOTAL YEAR TO CRUISE RECOVERY



Projected global cruise passenger volume

Index (2019=100)



2022 was a pivotal year for cruise—with CLIA ocean-going capacity on track and operating—and full recovery projected in 2023.

Nearly **80%** of travelers who have cruised before say they will cruise again—the same percentage as before the pandemic.

Numbers represent an index of volume relative to 2019 (2019=100).

Source: CLIA; Tourism Economics

JUNEAU 2022 SEASON

- ~1,179,300*
- ~40 ships
- ~630 voyages

*does not include non-CLIA ships



2022 VERSUS PREVIOUS YEARS



2022

- 1,179,300*
- 40 ships
- 630 voyages

*1.5 million capacity

2021

- 124,633**
- 10 ships
- 79 voyages

**1.42 million capacity

2019

- 1,305,671
- 37 ships
- 567 voyages

2018

- 1,169,000
- 34 ships
- 519 voyages

2020

- 1,330,000 (projected)

DESTINATION STEWARDSHIP

VISITOR INDUSTRY TASK FORCE



CBJ seeks a healthy and vibrant tourism sector generating business opportunities and employment for Juneau citizens, protecting Juneau's heritage and cultural values and its natural resources, and making a positive contribution to the community's quality of life.

FIVE SHIP LIMIT



VITF Recommendation:

By 2023, CBJ should negotiate a formal agreement with the industry to limit the number of ships to five larger ships per day, one ship at each dock or four ships at docks and one at anchor (if the fifth dock is not built or if a fifth ship chooses to anchor instead of dock). This would give the industry time to adjust to recommendations.

FIFTH DOCK



- We support it
 - Benefits the community and the industry
 - Disperses passengers and mitigates congestion
 - Potential for year-round community uses
 - Allows Juneau residents to be involved in planning process and discussion
 - This is in beginning stages
 - there is a process
 - ultimately, it's Juneau's decision

KTOO

News Shows & Podcasts Radio TV About Support

[Alaska Native Corporations](#) | [Juneau](#) | [Outdoors](#) | [Tourism](#)

Plans move forward for Goldbelt investing \$10M in Eaglecrest's gondola project

November 29, 2022 by Yvonne Krumrey, KTOO



Eaglecrest Ski Area General Manager Dave Scanlan was at a ski area called Galsterberg in Austria in April 2022 to inspect this gondola system. Eaglecrest is buying the system and having it shipped to Juneau. (Photo courtesy of Dave Scanlan/Eaglecrest Ski Area)

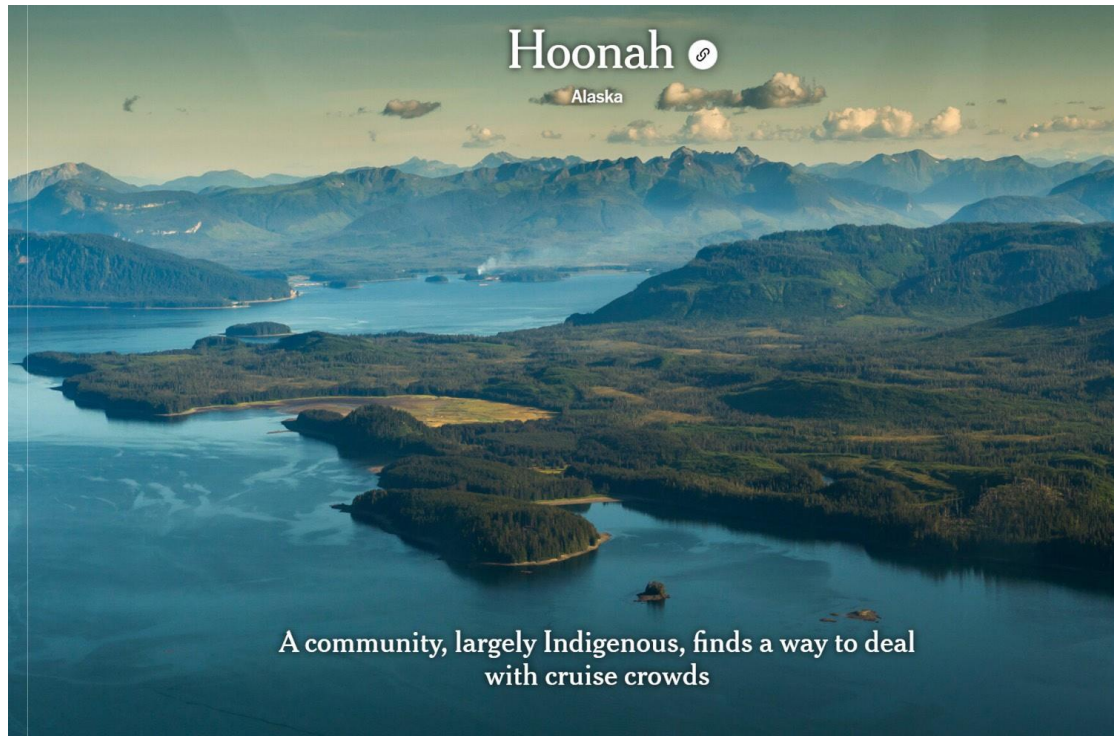
In March, [Goldbelt, Inc. offered to invest](#) in the gondola system the City and Borough of Juneau [bought from Austria for Eaglecrest Ski Area](#). At an assembly meeting this week, Goldbelt and the assembly hashed out what that deal would look like.

What they're working on is a revenue sharing agreement. The city has spent over \$2 million so far. Goldbelt will contribute \$10 million to the project and would get between 10-25% of gross revenue the gondola makes.

TRENDS

Travelers are Seeking Authentic, Inclusive, Immersive Experiences
that Are Aligned with Responsible Cruise Tourism Practices

FEATURED IN THE NEW YORK TIMES: HOONAH LEVERAGING CRUISE FOR CULTURAL CONTINUITY



Source:
The New York Times
<https://www.nytimes.com/interactive/2022/travel/52-places-travel-2022.html>

“Hoonah, on the Inside Passage, now relies on cruise tourism, not just for its livelihood but also for its cultural continuity.

The community, which is half Huna Tlingit, is counting on a robust return to sustainable tourism in 2022, having recently introduced a second ship dock at its cruise port, Icy Strait Point, a half-mile from the original to prevent overcrowding.

Additionally, the Native-owned Huna Totem Corporation, which runs tourism operations for the town on behalf of its 760 residents, built a gondola system to shuttle passengers in eight-person aerial cabins, which can handle 5,600 riders an hour, **eliminating up to 100 exhaust-emitting buses.**

Bear- and whale-watching excursions underscore the community’s reverence for nature.

Locals credit visitors’ interest in Native culture with the revival of the Indigenous language and local art.”

LUXURY LEVEL EXPEDITIONS AND BUCKET LIST PURSUITS: SEABOURN ALASKA EXPERIENCES

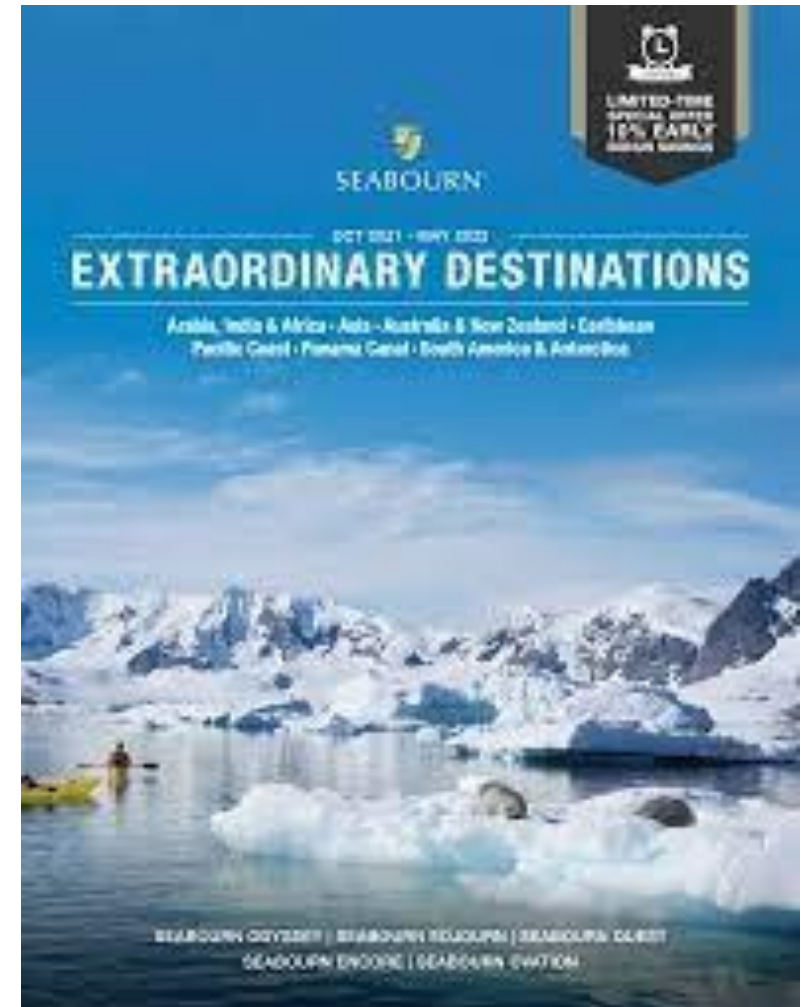


From the Seabourn Website:

Extraordinary Destinations: Experience rustic [Sitka](#), Wrangell and Ketchikan, the **old growth forests and glaciers of the Kenai and Misty fjords**, [Glacier Bay](#) scenic cruising on select sailings, plus **hidden gems** such as the Inian Islands and more.

A World-Class Expedition Team: Including a marine biologist, ornithologist, geologist, historian, photographer and naturalist experts on bears, whales and other wildlife—share their [expertise in lectures as part of our Seabourn Conversations program and in casual conversations](#) at leisure, and provide insights on deck during scenic cruising.

Ventures by Seabourn™: In select destinations our optional **kayak, Zodiac® and hiking excursions explore Alaska's wildlife and scenic highlights up close**, operated and escorted by our [Expedition Team](#).



CULTURAL & RESPONSIBLE EXPEDITION CRUISING EXPERIENCES



- Founded in the 1950s, culturally-focused Swan Hellenic was **relaunched in July 2020 with a focus on cultural expedition cruising.**
- Ships engineered to meet the latest emission standards, exhaust gas cleaning systems, cleaning and storage for wastewater, waste, and waste oil to protect sensitive polar zones.
- For quieter operations, the ships will have a dedicated space for **batteries that will utilize electric propeller motors.**
- The ships will include an infotainment system, **expedition laboratory, library for studying marine life**, club room, swimming pool with pool bars; as well as gym, spa, and sauna facilities; and access to expansive views.
- **Boat trips to surrounding areas will also be offered using inflatables.**



ALASKA – A BUCKET LIST DESTINATION

WHY ALASKA SUCCEEDS



Alaska is a **bucket list vacation** for many travelers – w high consumer awareness

Delivers Glaciers, mountains and wildlife, *within reach* -- **domestic**

AK attracts “**new to cruise**” at a higher rate than other trades

Viewed as a **safe alternative** when global strife affects other destinations

AK delivers **high guest satisfaction and repurchase intent**

AK generates comparatively **strong yields and high shorex revenue**

Alaska is a **cool weather escape** for much of the country

Great for **multi generational** travel; learners

CRUISE WILL BE BOOSTED BY VALUES-DRIVEN TRAVEL, INNOVATIVE SHIP DESIGNS, AND EXPERIENTIAL TRAVEL



2022 Was a Bridge Year to Cruise Recovery

- 4.7 Million Passengers Needed by 2025 in Worst-Case Scenario
- **Intent to Cruise is Higher than before the Pandemic**
- Cruise is Leading the Way in Health and Safety Measures that Work
- **Millennials and Gen-X are the Future of Cruise**
- Cruise Leadership in Health and Safety Will Further Increase Cruiser Confidence and Intent to Cruise

The Future of Cruise Travel

- Travel Choices are Being Defined by Traveler Values
- **Cruisers Want to Be Empowered and Engaged**
- Wellness is a Travel Motivator and Benefit
- Travelers Will Seek Ways to Make Up for Lost Time
- **Seeking the New and Different, More Travelers Will Seek the Advice of Travel Experts**
- Responsible to Sustainable to Regenerative Cruise Tourism is More Important than Ever
- **Authentic, Inclusive, Immersive Experiences—and Longer Cruises—are Key**
- Flexible, Innovative, and Immersive Ship Design Connect Travelers to Nature and Each Other
- Luxury Expedition and Bucket List Pursuits are Big Draws
- Economic Impact and Post-Cruise Return Trip Destinations

CLIA TRAVEL ADVISORS SEE ALASKA AS A TOP DESTINATION



Lots of interest and bookings for Alaska—and we expect many more. This is a huge segment for us.

Alaska cruisers are more likely to select extended cruise tour choices.

Excursion spending is on the rise. Cruise travelers are seeking out higher-priced “bucket list” experiences—and not just “walk around town” for free.

Travelers are looking to upgrade their on-board experiences with better staterooms, more luxurious lines.

Alaska is huge for us this season and next. Lots of interest.

There is a lot of interest in smaller ships.

As long as Canada keeps the border open people will go. The only possible downside to this is the cost of fuel which rising flight prices may curtail.

Travelers to Alaska are ok paying higher fares for land/sea cruise tours.

Cruise travelers are looking for more “off-the-beaten-track” experiences.

Travelers are booking longer cruises in Alaska (many from SFO round trip).



THANK YOU

P.S. JOIN US ON A SHIP TOUR IN 2023!